



KONICA MINOLTA

**RETHINK  
WHAT'S  
POSSIBLE**

KONICA MINOLTA, INC.

Integrated Report 2022

Giving Shape to Ideas

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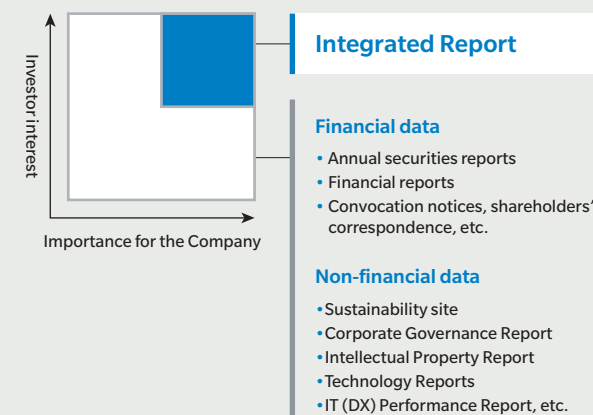
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### Role of Integrated Report 2022



### Notes on outlook for future results

The plans, strategies and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by our management based on currently available information, and include elements of risk and uncertainty. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions. In this report, unless otherwise indicated, "the Company" refers to Konica Minolta, Inc.

#### About "RETHINK" (on the Front Cover)

RETHINK is a consistent message Konica Minolta is sharing. By "rethinking" many different things, we will identify the real issues and resolve them using new perspectives and technologies.



# Philosophy and Vision

Our purpose is to contribute to the goals of “Support people to achieve their own purpose” and “Realize a sustainable society” by meeting our customers’ ever-changing desire to “see,” with our unique imaging technology at the core. Our statement summarizing this concept is “Imaging to the People,” which expresses our long-term management vision for 2030. To realize this vision, we will pursue our management philosophy of “The Creation of New Value” centered on five material issues, as we seek to improve our long-term corporate value.

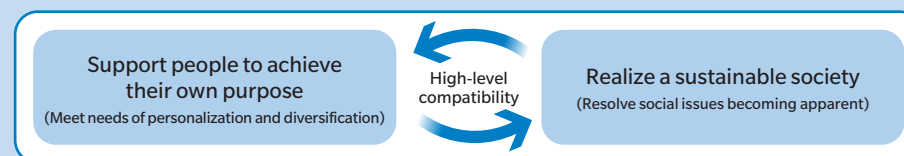
## 2030

### Long-term Management Vision

## Imaging to the People

- A global company that is vital to society, bringing vision to reality
- A robust and innovative company, continually evolving and contributing to the sustainable growth of society and individuals

### Konica Minolta’s social purpose

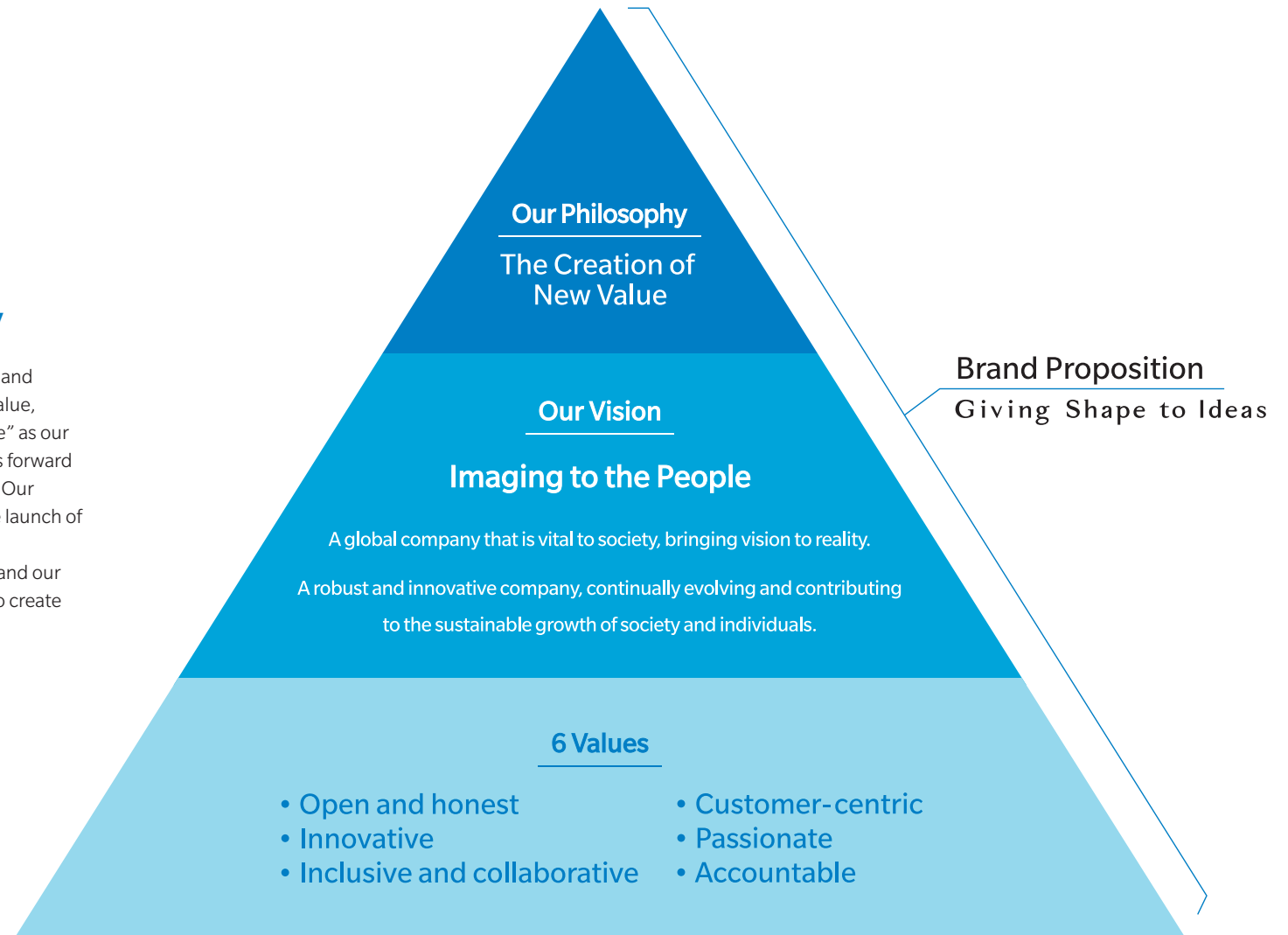


### Material issues



## Konica Minolta Philosophy

Responding to people's hopes and desires to "see" and drawing on our DNA that has always created new value, Konica Minolta has put forth "Imaging to the People" as our long-term management vision statement that looks forward to 2030. We have brought together this statement, Our Philosophy that has remained unchanged since the launch of Konica Minolta in 2003, our 6 Values that guide our corporate culture as a wellspring of value creation, and our Brand Proposition that is a promise to customers, to create the Konica Minolta Philosophy.



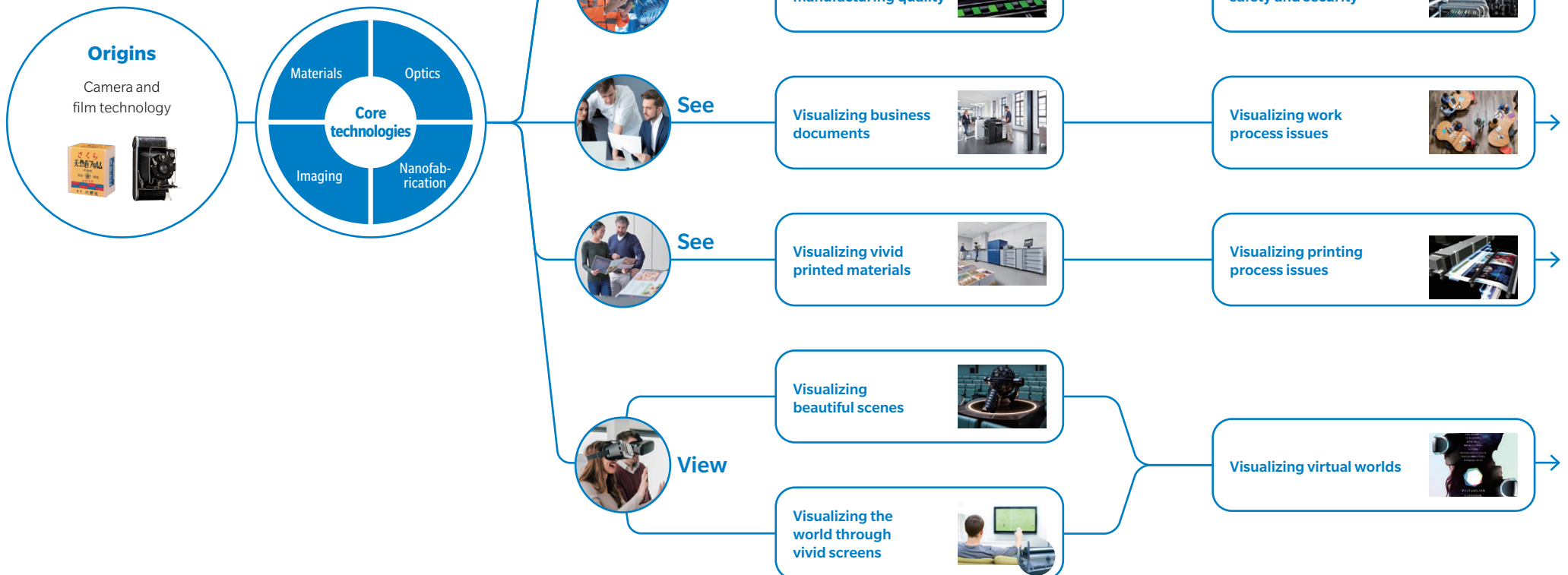


## Konica Minolta's DNA

### Satisfying hopes and desires to “see,” while creating new value





Leveraging the “imaging” technologies that we have developed in the camera and photo businesses over the nearly 150 years since our founding and that comprise mainly image input, output, and processing technologies, we have fulfilled the desires of customers around the world to “see” and helped make society more fulfilling. This is where Konica Minolta's roots lie, and is the DNA that we seek to pass on to the future.

#### An evolving legacy of bringing vision to reality



## Konica Minolta Businesses

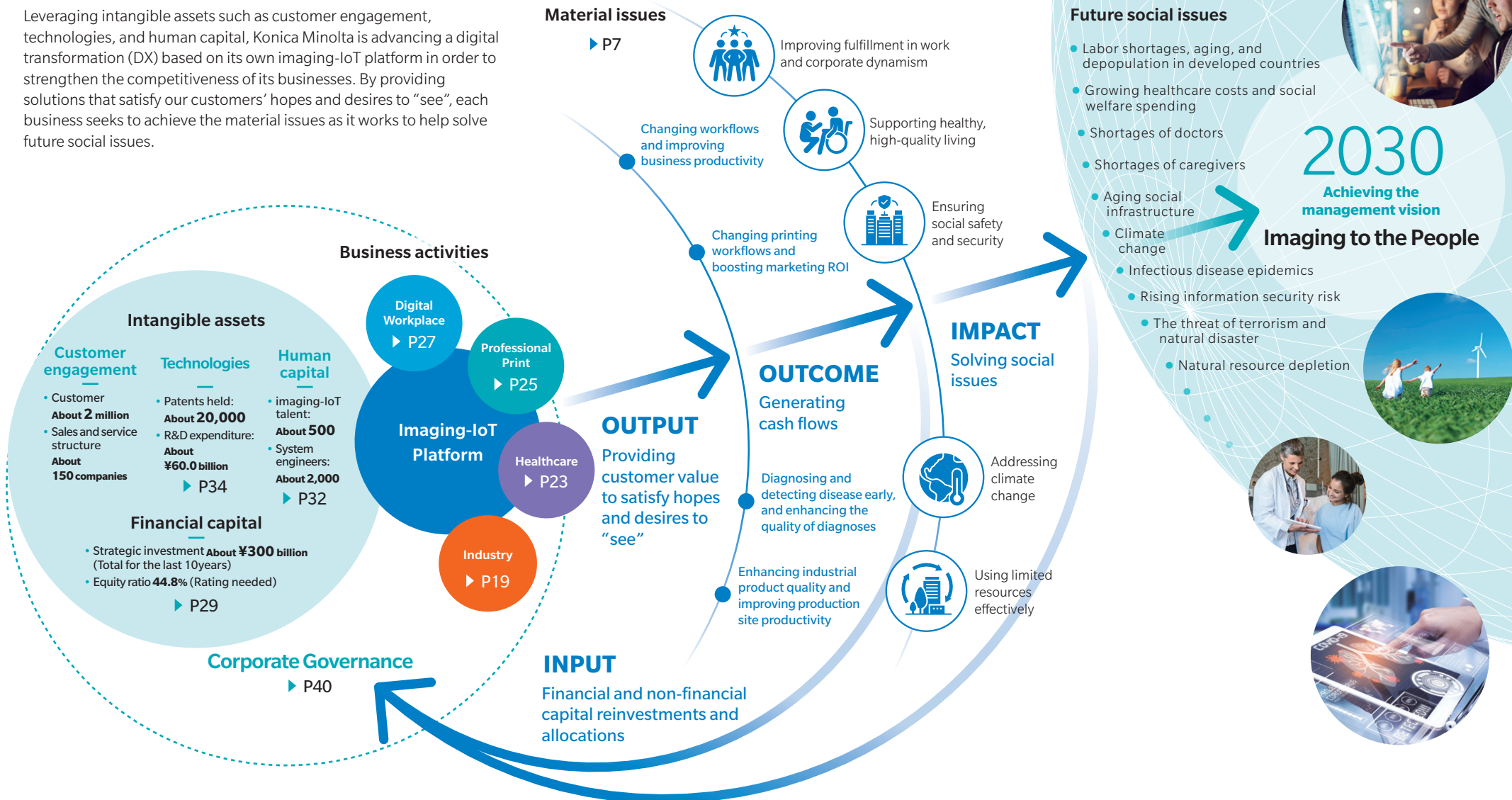
### Providing customer value that meets the desire to “see” through four business

Business portfolio weight (revenue)	<b>Digital Workplace Business</b> 	<b>Professional Print Business</b> 	<b>Healthcare Business</b> 	<b>Industry Business</b> 
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Customer base of about 2 million acquired through the Office Business</li> <li>Ability to propose high-value-added solutions through IT services</li> </ul>	<ul style="list-style-type: none"> <li>Intelligent quality optimizer function and automatic inspection function based on sensing technology (IQ-501)</li> <li>Various digital printers, including inkjet printers, and ability to propose total solutions that make use of various printing workplace knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic equipment: proprietary technology and market development in the digital field, including AI and dynamic analysis</li> <li>Medical IT: customer base of about 20,000 facilities in Japan</li> <li>Genetic diagnosis and pharmaceutical development support: technology and human resources that support high-precision diagnosis and imaging</li> </ul>	<ul style="list-style-type: none"> <li>Advanced manufacturing that combines four core technologies</li> <li>Ability to build strong relations with customers</li> <li>Imaging IoT technology and human resources that combines proprietary AI in the imaging field acquired over many years</li> </ul>
<b>Markets with genre-top</b>	<ul style="list-style-type: none"> <li>A3 color MFP markets in the U.S./Europe and emerging countries</li> </ul>	<ul style="list-style-type: none"> <li>Market for digital color printers that leverages IQ-501</li> <li>Market for proprietary label printing that employs electrophotography technology</li> </ul>	<ul style="list-style-type: none"> <li>Japanese market for cassette DRs, Japanese orthopedics and obstetrics markets for diagnostic ultrasound systems</li> <li>Market for medical IT for clinics</li> <li>Market for generic testing using RNA tests for highest level precision diagnosis in the industry</li> </ul>	<ul style="list-style-type: none"> <li>Market for light source color measuring instruments for display inspection</li> <li>Market for phase difference film for LCDs, market for thin films for notebook computers and smartphones, and market for industrial uses for inkjet heads</li> </ul>
<b>Products/solutions</b>	<ul style="list-style-type: none"> <li>Input/output solution for color MFPs and document workflow</li> <li>IT infrastructure for office environments, including managed IT services and workflow solutions</li> </ul>	<ul style="list-style-type: none"> <li>Digital color press based on electrophotography technology and workflow solutions</li> <li>B2 inkjet press, label press, embellishment press, textile press</li> <li>Marketing support for brand owners</li> </ul>	<ul style="list-style-type: none"> <li>X-ray diagnostic equipment, and diagnostic ultrasound systems</li> <li>Medical IT services, such as informity and PACS</li> <li>Generic testing services and pharmaceutical development support services (imaging CRO)</li> </ul>	<ul style="list-style-type: none"> <li>Light source color and object color measuring instruments</li> <li>Functional films for display devices, inkjet heads and ink, and lenses for industrial uses</li> <li>Solutions using network cameras</li> <li>Development, production, and operation of planetariums</li> </ul>
<b>Value provided</b>	<ul style="list-style-type: none"> <li>An office environment in which anyone can always work securely</li> <li>Energy-efficient and paperless work methods and reduction in environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in environmental impact through digital printing at the right time, of the right volume, at the right place</li> <li>Elimination of the shortage of skilled analog printing workers through automated, laborsaving, skill-free system</li> <li>Optimization of total marketing ROI, including for printing</li> </ul>	<ul style="list-style-type: none"> <li>Early detection and diagnosis through high-value-added imaging and genetic testing.</li> <li>Realization of high-quality life requiring minimal medical resources along with reduction in pharmaceutical development costs through companion diagnosis and pharmaceutical development support</li> </ul>	<ul style="list-style-type: none"> <li>Greater quality of final products and inspection processes that are automated or require fewer workers through the use of high performance materials and devices and high-precision measuring instruments</li> <li>Reduction in transportation costs and waste losses due to ultra-thin, wide and long film and more precise inspections</li> </ul>

## Value Creation Process

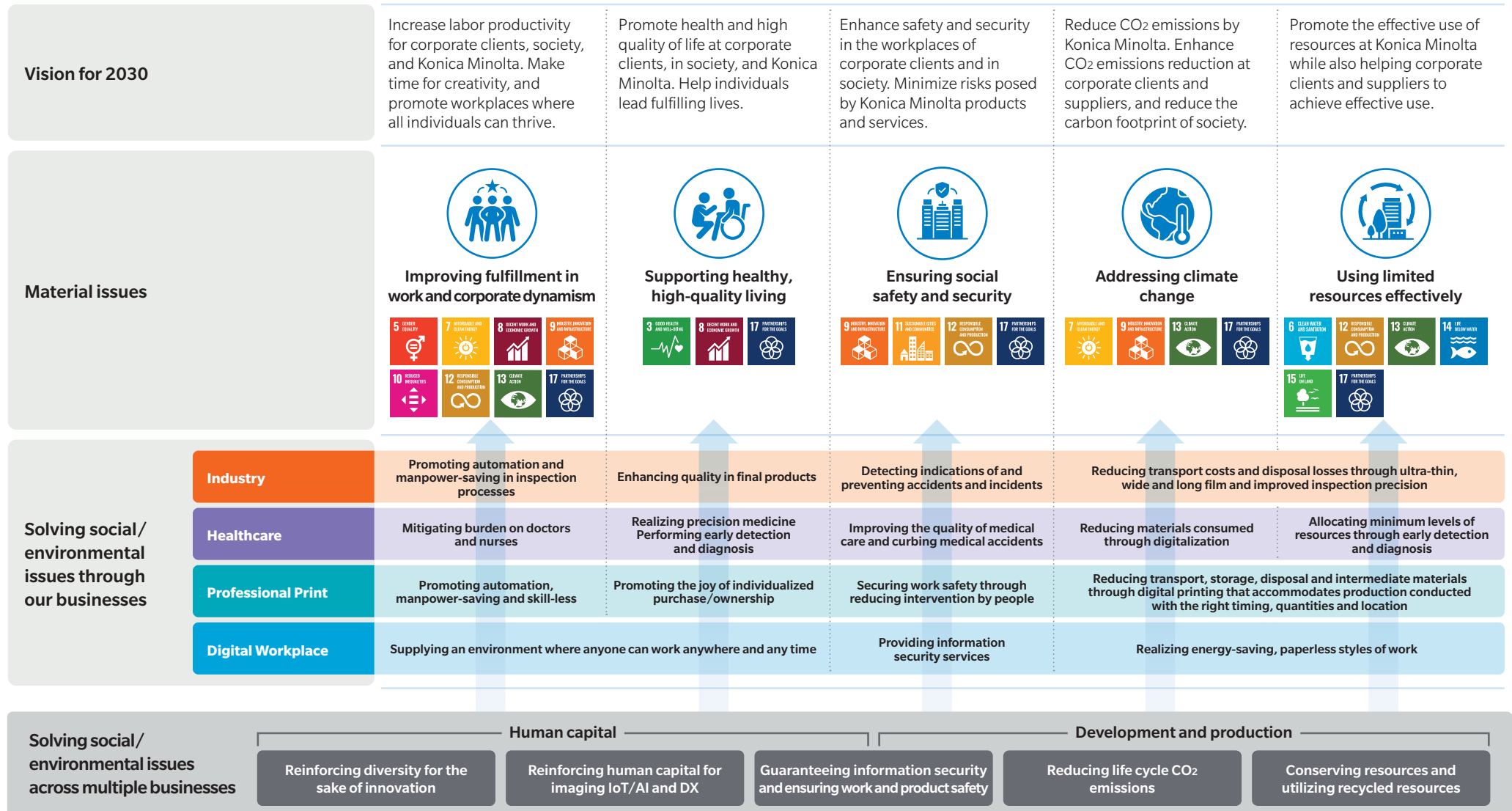
# Focusing on sustainable value creation with an eye to resolving future social issues

Leveraging intangible assets such as customer engagement, technologies, and human capital, Konica Minolta is advancing a digital transformation (DX) based on its own imaging-IoT platform in order to strengthen the competitiveness of its businesses. By providing solutions that satisfy our customers' hopes and desires to "see", each business seeks to achieve the material issues as it works to help solve future social issues.



## Material Issues to Tackle in Order to Realize Our Vision






Contributing to the solving of social issues through our business activities and working towards elevating our corporate value over the medium to long term





## Material Issues to Tackle in Order to Realize Our Vision

### Opportunities and risks for each material issue and associated initiatives

Material issues	 <b>Improving fulfillment in work and corporate dynamism</b>	 <b>Supporting healthy, high-quality living</b>	 <b>Ensuring social safety and security</b>	 <b>Addressing climate change</b>	 <b>Using limited resources effectively</b>
<b>Opportunities</b>	<p><b>Through Konica Minolta businesses</b></p> <ul style="list-style-type: none"> <li>Improving productivity of customer organizations and increasing time for creativity by providing work-style solutions using digital technologies</li> <li>Improving productivity and employee engagement in the supply chains of customer organizations by providing products and services that transform the workflows of frontline workers</li> <li>Eliminating labor shortages and strengthening cyber security by eliminating the gap in IT access faced by small and medium enterprises</li> </ul> <p><b>Internal action to create value</b></p> <ul style="list-style-type: none"> <li>Realizing the full potential of human capital, who are the source of new value, and creating organizations where individuals thrive</li> </ul>	<p><b>Through Konica Minolta businesses</b></p> <ul style="list-style-type: none"> <li>Promoting disease prevention and early detection by providing high value-added medical services, and reducing medical expenses</li> <li>Streamlining drug development by fostering innovation in pharmaceutical development processes utilizing genetic testing and other technologies</li> <li>Improving healthcare accessibility in developing countries</li> <li>Transforming care staff workflow with imaging IoT-based systems and onsite consulting services and freeing up manpower in the nursing care industry</li> </ul> <p><b>Internal action to create value</b></p> <ul style="list-style-type: none"> <li>Building safe and comfortable workplaces where employees feel motivated</li> </ul>	<p><b>Through Konica Minolta businesses</b></p> <ul style="list-style-type: none"> <li>Supporting the quality produced by corporate clients by offering products and services that facilitate high-precision measurement and inspection</li> <li>Improving safety and security at client sites and for society by providing products and services such as those that make gas leaks visible</li> </ul>	<p><b>Through Konica Minolta businesses</b></p> <ul style="list-style-type: none"> <li>Reducing energy consumption and CO<sub>2</sub> emissions of customers and society by providing manufacturing process solutions</li> <li>Promoting a paperless and ubiquitous computing society by providing solutions for work style reform</li> </ul> <p><b>Internal action to create value</b></p> <ul style="list-style-type: none"> <li>Contributing to dramatic reductions of CO<sub>2</sub> emissions and costs by helping business partners to reduce their environmental impact using DX technologies</li> </ul>	<p><b>Through Konica Minolta businesses</b></p> <ul style="list-style-type: none"> <li>Constructing efficient supply chains for client companies using on-demand production</li> <li>Reducing workflow and supply chain losses for corporate clients</li> </ul>
<b>Risks</b>	<p><b>Affecting Konica Minolta</b></p> <ul style="list-style-type: none"> <li>Mismatches between employee skills and their work due to rapid changes in systems and environments</li> <li>Declines in employee diversity, independence, and ability to innovate due to stagnated efforts to create workplaces that promote diversity</li> </ul>	—	<p><b>Affecting Konica Minolta</b></p> <ul style="list-style-type: none"> <li>Loss of public confidence in the event of a product or service-related accident that results in death or serious injury to a user</li> <li>Public disapproval in the event of a serious information security accident related to a product or service, which results in a personal data leak or privacy infringement</li> <li>Impacts on operations and product shipments due to the use of substances that pollute ecosystems and pose human health hazards</li> </ul>	<p><b>Affecting Konica Minolta</b></p> <ul style="list-style-type: none"> <li>Soaring energy prices, increased material costs due to raw material shortages, and supply instability</li> <li>Greater use of paperless systems due to rising energy prices and raw material shortages</li> <li>Supply chain disruptions due to abnormal weather</li> </ul>	<p><b>Affecting Konica Minolta</b></p> <ul style="list-style-type: none"> <li>Decline in competitiveness due to delayed participation in the circular economy</li> <li>Production delays and holdups due to water-related risks and water resource depletion</li> </ul>
<b>Initiatives</b>	<ul style="list-style-type: none"> <li>Boost productivity of customers and generate their creative time</li> <li>Create organization where “each member can thrive” by drawing out the latent capability of human capital</li> </ul>	<ul style="list-style-type: none"> <li>Provide health and high quality of life to our customers</li> <li>Realize a safe, comfortable workplace (company) where people can work with vitality</li> </ul>	<ul style="list-style-type: none"> <li>Provide safety and security in the work and daily lives of customers</li> <li>Minimize safety and security risk in the Company’s products and services</li> </ul>	<ul style="list-style-type: none"> <li>Reduce customer-side energy and CO<sub>2</sub> through supporting a transformation of their work processes</li> <li>Reduce energy and CO<sub>2</sub> at the Company’s sites and in the Company’s products and services and supplier-side energy and CO<sub>2</sub></li> </ul>	<ul style="list-style-type: none"> <li>Effectively utilize customer-side resources through supporting a transformation of their work processes</li> <li>Effectively utilize resources at the Company’s sites and in the Company’s products and services</li> </ul>

# Growth Strategy

Backcasting from our long-term management vision for 2030, we are forging ahead with our DX2022 three-year Medium-term Business Plan that began in fiscal 2020. By accelerating our business portfolio transformation through digital transformation (DX), we aim to leap to highly profitable business and evolve into a company clearly committed to solving social issues.

2030

Long-term Management Vision

**Imaging to the People**

Backcasting

2020-2022

Medium-term Business Plan



**DX2022**

Transforming our customers business  
by digitally transforming ours

Leap to highly  
profitable businesses  
through DX

Evolve into a company  
clearly committed to  
solving social issues

## Message from the CEO

**In addition to restoring revenue and getting the Company back on a growth trajectory, we will work to complete the two business portfolio transformations.**

**Toshimitsu Taiko**

Director, President and CEO, Representative Executive Officer



## Message from the CEO

### Regaining the trust of stakeholders is my greatest mission

Over the past couple of years, the business environment that the Company operates in has been extremely harsh, and we confront numerous management issues. For the fiscal year ended March 31, 2022, revenue rose ¥48.0 billion year on year to ¥911.4 billion, but we recorded both an operating loss of ¥22.2 billion and loss attributable to owners of the Company of ¥26.1 billion primarily because of about ¥20.0 billion of one-off factors, which included an impairment loss of about ¥11.0 billion on goodwill. This was the second consecutive year of an operating loss.

Under these harsh conditions, I took up the position of President and CEO, Representative Executive Officer in April 2022. My greatest mission is to forcefully pull the whole group forward so that Konica Minolta can once again soar as a growth company. I recognize that the greatest tasks I have been given are to restore the confidence of employees and to work to regain the trust of all stakeholders, including shareholders/investors and customers. To achieve these tasks, I will retain the good aspects of policies that the Company already has, of course, but also plan to courageously change aspects that are judged to require change.

At the financial results briefing session held in May of this year, after the performance summary I summarized what we achieved and what we did not achieve in fiscal 2021. After objectively recognizing the results of the strategy we have promoted and the remaining issues, I will link those to an explanation of our future policy of “therefore, we will do this from now.” In this way, I would like to win the understanding and trust of all stakeholders.

### Promoting management that stresses cash flows

Fiscal 2022 is the final year of the medium-term business plan DX2022, which we have promoted since fiscal 2020, but considering changes in the environment, both within and outside the Company, we have revised downward the consolidated earnings forecast for fiscal 2022 from the target



announced in DX2022. We are still planning to reach the numerical targets in DX2022 for the sensing, material & component, healthcare (medical imaging), and industrial print businesses. For other businesses, however, it appears only realistic to give up on the targets, so we do not expect to achieve the numerical targets for the Group (operating profit, operating profit ratio, operating cash flow, and ROIC).

For past medium-term business plans, there have been numerous times when we were unable to achieve targets for in-house reasons, even putting aside the impact of dramatic changes in the external environment. I think that we should once again seriously reflect on this fact. Going forward, the policy will be to calmly ascertain both opportunities and risks, separately considering what we should do, can do, and cannot do. For items that we should do, we will set realistic targets that we can truly commit to with all stakeholders, including employees, after ascertaining and acquiring the capabilities required to do them.



## Message from the CEO

In order to get the Company back on a growth trajectory, we will promote management that prioritizes cash flows even more than we have in the past. In addition to reinforcing our ability to generate cash in each business, we will optimize the allocation of resources so that we can make greater use of generated cash to boost not only business growth, but also corporate value.

Although we had to give up on achieving the numerical targets in DX2022, there has been, of course, no change in the plans to undertake the two transformations of our business portfolio—that is, “transformation into the Digital Workplace Business using the customer base of the Office Printing Business” and “business growth in the measurement, inspection, and diagnosis fields.” Initially the top priority will be a recovery in earnings, but I think that we should also steadily take the necessary steps to transform the business portfolio from a medium-term perspective with a goal of fiscal 2025.

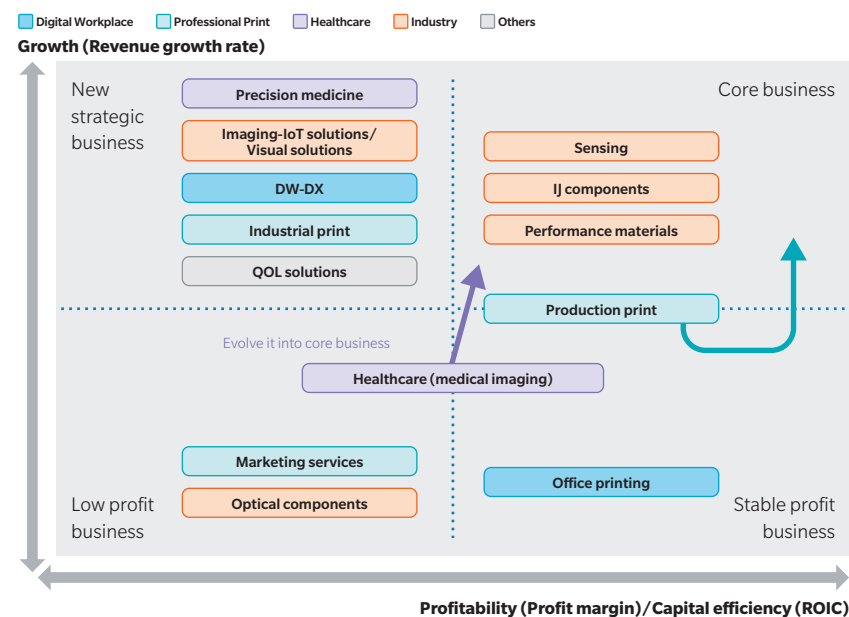
### Working to generate cash from stable profit businesses

Quickly rebuilding the office printing business and the production print business, which saw a dramatic decline in profitability in fiscal 2021, and restoring them as businesses that generate stable cash, is the most important current issue to achieve the desired business portfolio transformation.

To rebuild the office printing business, we will promote efforts related to both production and sales. While demand for hardware is recovering, following the decline in the previous fiscal year due to the COVID-19 pandemic, production has not kept up with demand. As of the end of fiscal 2021, there was an order backlog of about ¥51.5 billion. The main reasons for the delay in production are shortages of parts and materials, such as semiconductors, as an external factor, and the impact of a decline in the ability to supply toner as a result of an accident at the Tatsuno Factory of Konica Minolta Supplies Manufacturing Co., Ltd., in July 2021, as an internal factor.

Since then, the parts and material shortage has been slowly improving, and in November of last year, operations at the Tatsuno Factory were relaunched, which resulted in the production system being restored in April. In

### Business Portfolio Management



addition to quickly moving forward with production and shipments, and turning the order backlog into cash, we will restore our production system to meet market demand and tie this to greater revenue and profit. In terms of sales, we will not only conduct face-to-face sales activities, but also expand remote sales activities using phones, e-mail, Internet, and other media, and move forward with digitalization, which includes effective AI-based customer targeting and automated creation of proposals. These will increase the efficiency and further raise the quality of sales. We have also started to review structure-related issues, including the optimal assignment of human resources, by leveraging these DX activities.

On the other hand, we have confirmed that the production print business has experienced a recovery in printing demand faster than the office printing business. This was the result of the market reconsidering the advantages of

## Message from the CEO

digital printing as a consequence of the COVID-19 pandemic. A large percentage of commercial printed material consists of flyers, posters, and material for events, such as concerts and seminars, but since the start of the COVID-19 pandemic, there were a larger number of cases where it was impossible to decide whether to hold these physical events until the last moment. Under these conditions, the market once again recognized the various benefits provided by digital printing compared to analog printing, such as being able to print in a short time, no constraints on having to print a certain number of copies, no need for skilled workers to maintain stable printing quality, no need to hold unnecessary inventories even as the price of materials and paper rose, and no wastepaper. Therefore, the production print business is expected to see a rapid recovery in fiscal 2022 or after.

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### Reinforcing investment in growth fields of core businesses

For the sensing, performance materials, and inkjet component businesses, which are positioned as core businesses, we will certainly continue to invest in growth fields in each of these businesses.

For example, for the sensing business, we will promote automated, or more labor-efficient visual inspections of cars and other items, and will promote businesses in the fields of recycling, food, and pharmaceuticals that leverage hyperspectral imaging technology, which makes it possible to measure nonvisible parts of the light spectrum. We also plan to examine M&As that make use of investment and lending as a way to further accelerate growth.

Turning to performance materials, we are aiming to increase our share in the field of optical films for displays by expanding the use of not only phase difference film for polarizers used in displays, such as genre top LCD TVs, but also various other functional films that leverage our strength in production technologies. As for films for large TVs, demand for which is expected to increase, we are planning to strengthen related efforts, including capital expenditures.



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### Promoting selection and concentration for growth investments

We will proceed with what we call “selection and concentration,” by narrowing down investment fields while also making these growth investments. When optimizing the allocation of limited capital, it is important not only to add but also to subtract. I think that this should be our basic stance not only for business units, but also for every project.

Over the past five or six years, the Group has been sowing the seeds for the future in numerous fields. It is not necessarily true, however, that all the efforts have grown and borne fruit. In fact, in fiscal 2021, we posted a massive impairment loss on goodwill, and I once again deeply feel the importance of dispassionately analyzing and organizing current conditions to make effective growth investments.

When managing our business portfolio, we plot all businesses on a graph with two axes, “growth” and “profitability/capital efficiency,” and then group

## Message from the CEO

each of the businesses into one of four categories—that is, core businesses, stable profit businesses, low profit businesses, and new strategic businesses (see page 12). We properly ascertain the positioning according to each business's category and its issues, and strengthen each business's ability to implement measures.

For example, the precision medicine business is expected to require additional investments to leverage the market potential and improve competitiveness, therefore, we will continue to examine making use of external capital. On the other hand, the imaging-IoT solution business, in which MOBOTIX announced an impairment loss in fiscal 2021, has generated results from its development efforts. And there is expected to be new demands in several fields, for example response to natural disasters, such as earthquakes, floods, and landslides. Because of this, we have strengthened collaborations with other companies and aim to make it profitable.

In addition to the M&As discussed above, we have promoted numerous



in-house incubation projects to create new businesses. We decide whether or not to continue growth investments in the stage-gate process. To be more strict about this decision, not only the responsible party but third parties, including corporate divisions, participate in the process. Furthermore, a rule was added that the CEO, which I am, has to look over progress every two months, even for projects that were passed at the stage-gate. Through this check system, which is stricter than before, we will make balanced growth investments by determining whether we maintain investments in projects that should continue to be fostered, or terminate investments in projects that should be ended.

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### Focusing on our strengths: imaging technology, genre-top strategy, and frontline capabilities.

I think that the Company's greatest strength is its imaging technology, which came from cameras and photographic film. We have provided value to society through products, services, and solutions in numerous fields, such as quality inspections, diagnosis, and nursing by applying and developing imaging technology, the so-called "power to make the invisible visible." This is why our management vision is "imaging to the people."

There has been no change in our desire to deliver value based on imaging technology that leads to solutions to various social problems. Even when transforming the business portfolio in the future, the question of "what can we do for people's desire to 'see'" should play a central role. We are aiming to create new value by continuing to refine our imaging technology, which includes integrating it with DX.

"Genre-top strategy," which we have been promoting since the management integration, is another strength of the Company. Considering the size and strength of the Group, we should admit there is a limit to the goal of "being number one overall," in which a company dominates all fields. Therefore, we have captured the top position in some fields by narrowing our target to domains primed for growth and prospects for success, focusing resources on those domains, and making use of strategic tie-ups and M&As. All

## Message from the CEO

the fields where the Company boasts top market share are the fruit of this strategy, such as A3 color multi-functional peripherals (MFPs), color digital presses, diagnostic ultrasound systems, light source color measuring instruments, and VA-TAC films. Our genre-top strategy does not mean momentarily capturing the top share by simply reinforcing sales and promotions. It is impossible to maintain the top share for a long time in this way. We need to create products that are truly competitive by integrating the functions of all divisions, from development through production, sales, and marketing, and properly communicating that value to customers. Along with these activities, we need to strive to maintain the top position while keeping an eye on the next stage. Becoming the genre top means that we lead the market, which includes strong price control capabilities, and brings greater profitability for companies. It is exactly now, when we are struggling with earnings, that we should be aware of the importance of the genre-top strategy and move forward selecting targets and concentrating management resources from the perspective of company-wide optimization.

Another strength of the Company is our frontline capabilities, the ability of the workforce to respond when faced with a crisis or difficulty. The world is facing greater uncertainty regarding the future, as we are experiencing the COVID-19 pandemic, which has been going on for more than two years, and the situation in Ukraine. But I believe our capability to respond to the various issues that arise during emergencies and bring situations under control quickly is certainly no worse than other companies. The Company has overcome various issues in the past through its frontline capabilities. The 6 Values, the Company's corporate culture, are probably the backbone for our frontline capabilities. The 6 Values are a common language for Konica Minolta's 40,000 employees throughout the world to share value, and I believe that sharing these common values and having employees throughout the world possess the same awareness of issues makes it possible to continue to overcome changes and crises.

I would like to further strengthen the unity of the corporate group and have all companies align their efforts to get the Company on a new growth trajectory by reconfirming and clarifying the strengths discussed above throughout the Group.

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### Formulating a management strategy that incorporates material issues

Sustainability is now a common issue throughout the world, and since the integration of Konica and Minolta in 2003, the Company has positioned sustainability as the core of management. In 2020, we evaluated the impact of social and environmental issues on the Company from an opportunity and risk perspective with an eye toward creating a sustainable society that we should achieve in ten years, in 2030. By back-casting from there, we identified what we should do as five material issues.

For each of the current businesses, we are striving to implement value creation that reflects the five material issues. For example, in the Industry Business, we are working to resolve the issue of passing on the skills of top workers by automating the inspection process, which relies on the skills of experienced workers at production sites, and reducing the number of required workers, and contribute to greater quality of end products, and improve fulfillment in work and corporate dynamism (material issue). In addition, services that detect signs of and prevent accidents at warehouses and factories contribute to ensuring social safety and security (material issue). Furthermore, for the Professional Print Business, reducing transportation, storage, waste, and intermediary materials by offering technologies that make production of the proper amount at the proper time and at the proper location possible contributes to addressing climate change (material issue) and using limited resources effectively (material issue). Through the Healthcare Business, we also contribute to supporting healthy high quality living (material issue) through precision medical care and early detection and diagnosis.

It is also important to clarify what type of business strategy will solve the various problems identified as material issues in the medium and long term. Therefore, I think that business divisions, too, must more seriously consider sustainability and implement related efforts. To reinforce these aspects, the planning and strategy divisions, which are responsible for formulating the medium- and long-term management strategy and other activities, will work together with the business divisions to formulate the next medium-term business plan to realize both corporate growth and a sustainable society.



## Message from the CEO

### Thoroughly embracing reality-based practice in my own management philosophy

My experience as the CEO of Konica Minolta Business Solutions U.S.A., a U.S.-based sales company for the Business Technologies Business, from 2013 through 2016, had a major impact on my basic approach as a manager. Because my predecessor was approaching retirement, I was selected at the age of 49 and took up the position. The company had just grown to have 8,000 employees through M&As with multiple IT service companies, and stronger management was required. At that time, I adopted three rules for myself. The first was “decide.” This refers to the fact that as the local CEO, I made the final decision. The second was “thoroughly listen to all that people have to say.” In particular, when I was not sure what to do, I tried to carefully listen to the view of frontline staff, particularly sales staff who often dealt directly with customers, because they had the best understanding of the situation. The third was “make meticulous preparations and keep things simple.” To steer an organization, one has to consider various things, but ultimately it is important to explain things to people in easy-to-understand terms. When I was serving as the CEO of that company, I wrote these on a piece of paper and attached it to my desk so that I would not forget and would often refer to it.

As the CEO of Konica Minolta, I plan to always try to follow these three rules. As the top of management, I am determined to take responsibility for results. Before making decisions, I will ascertain conditions by thoroughly listening to what people around me and frontline staff have to say. Then, when communicating decisions to both people in the Company and larger society, I will speak in a concise and easy-to-understand manner after making careful preparations. I will not forget this.

Another my belief is that you have to deal with people as you really are. You must not unrealistically puff yourself up. I properly communicate both good and bad things to stakeholders. I applied the same perspective when setting the fiscal 2022 budget. I talked about this to some of the people who joined the Company this year, and shared that I think an important determinant of whether work is successful or not is whether one can build

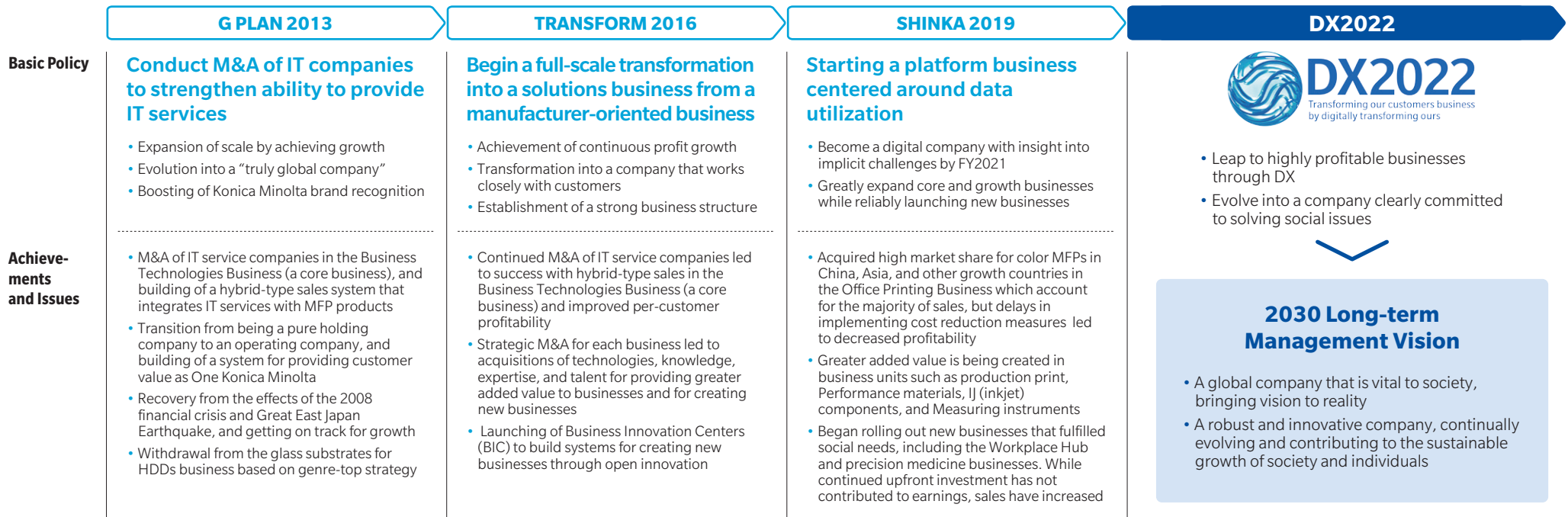


long-lasting relationships. To build such relations, it is important for people to show who they really are and win the other person's understanding.

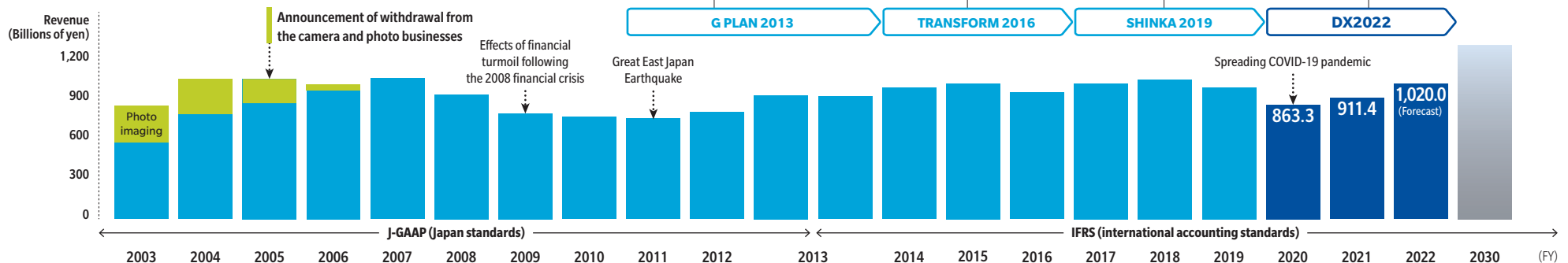
I will deal with customers, and all stakeholders, including employees, shareholders/investors, business partners, and members of local communities, with my reality-based attitude and work to increase corporate value through dialogue with all of them. I hope for the continued understanding and support of all Group stakeholders.

President and CEO, Representative Executive Officer  
KONICA MINOLTA, INC.

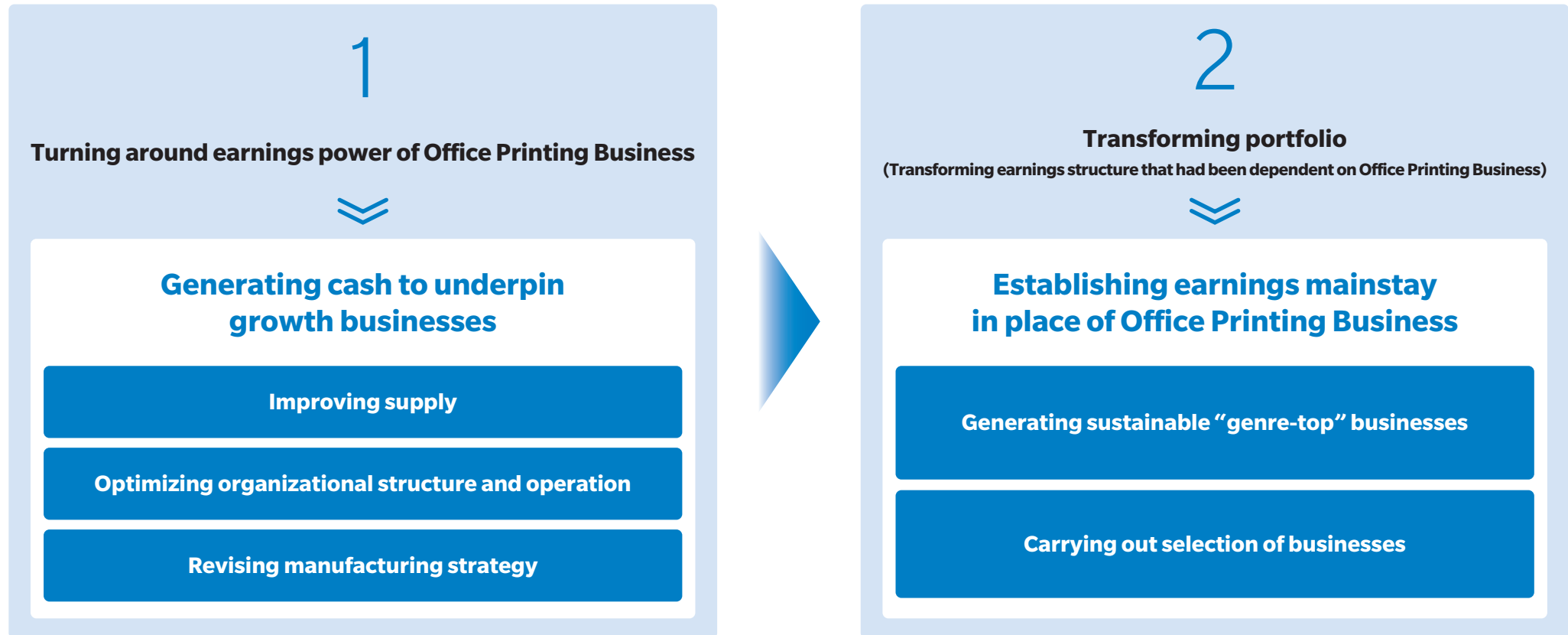
## Our Changing Medium-term Business Plan



### Sales over time



## Management Policies in Preparation for FY2025



The persistent sense of uncertainty in our operating environment is precisely why we will accelerate the execution of the two business portfolio transformations that we seek to achieve by fiscal 2025 and aim to establish a business structure that is resilient against changes in that environment and a management base that makes sustainable growth possible.

Our first policy will be to generate stable cash to underpin our growth businesses by turning around the earnings power of our

preexisting Office Printing Business. To that end, we will proceed to improve supply, optimize resources by optimizing our organizational structure and operation, and revise our manufacturing strategy by also factoring in geopolitical risk.

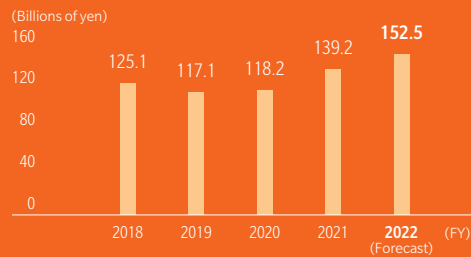
Our second policy will be to establish an earnings mainstay in place of our Office Printing Business and realize a portfolio transformation in order to transform our earnings structure that had been dependent on that business. We will proceed to expand our

Industry Business, Healthcare Business and Professional Printing Business as our future mainstays. Under these businesses, we will set forth “domains primed for growth and domains with prospects for success” in which we will promote sustainable “genre-top” strategies that are not transient. In order to do so, we will proceed to carry out the selection of our businesses based on project units as well as business units and concentrate management resources into domains in which we can potentially realize “genre-top” businesses

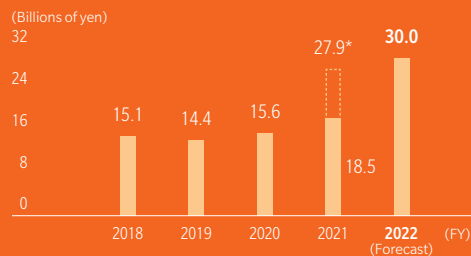
## Growth Strategies in Each Business

### Industry Business

#### Revenue



#### Operating profit



\* Excluding goodwill impairment loss of 9.4 billion yen

### Market Environment Awareness

#### Opportunities

- Increasingly higher resolution and larger sized in mobile and TV displays, and expanding applications in a variety of devices.
- Increasing automation and laborsaving in manufacturing sites in the automotive, recycling, food, and pharmaceutical industries. Demands for increased stability and productivity in quality and components testing, as well as improved working conditions.
- Increasing demand for network cameras and image analysis services due to growing societal need for disaster and accident prevention, stable operation of manufacturing equipment, crime prevention and monitoring in various types of facilities, and improved efficiency in sales activities.

#### Risks

- Uncertainty risk regarding tighter regulations and geopolitics in various regions.
- Substitution risk due to new technological development.

#### CAGR by market (FY2020-2022)

Sensing	Light source color / object color	+4%
	Automotive exterior	+15%
Performance materials	Large TVs (LCD+OLED)	+15%
	Medium-sized devices(mobile devices)	+11%
Inkjet	Industrial applications	+34%
	POD	+28%

\* Our estimations

### Growth Strategies

- In the sensing field, we made measurement of light source color and object color for various displays, where we hold more than 50% market share, into a core business, and will expand the target domains of measurement through strategic acquisitions and alliances. In visual inspections, we will diversify application in domains where we can differentiate ourselves, including automobiles. Moreover, we will expand our inspection and sorting businesses in fields like recycling, food, and pharmaceuticals, where market growth is anticipated, by using hyperspectral imaging (HSI), which measures non-visible light. (→P20)
- In the materials and components field, we will provide key devices essential for advancing input and output in the digitalization of industry. We will also raise value throughout the entire supply chain and optimize workflow by providing high value-added products from upstream of the supply chain. Performance materials are to be used in displays for a wide range of products, including large TVs, small and medium-sized mobile devices, and in-vehicle displays, which are all growing. We will increase production capacity of SANUQI film and increase productivity by launching an off-line processing facility (→P21). Inkjet heads will be used for on-demand manufacturing in addition to sign graphics. We will also expand sales for industrial applications with high growth potential, such as printed circuit board manufacturing. (→P22)
- In the imaging-IoT field, we will globally deploy imaging-IoT platform "FORXAI", which brings together proprietary imaging AI technologies with a range of sensor devices that read images and video data. We plan to increase the value we provide by working with partners to develop world-class human behavior and object recognition technologies.

#### Strategic KPI

	FY2021 Targets & Results	FY2022 Targets
Sensing	Strategic investment business (visual inspection and HSI industry applications) revenue ratio: 14% → 9.5%* (Result)	Strategic investment business revenue ratio: 17%
Performance materials	Expanding growth domains (materials for large-sized TVs and various film functions for small and medium-sized devices)	<ul style="list-style-type: none"> <li>Large-sized TVs: 30% or more of our phase difference films</li> <li>Various film functions for mobile devices: 50% or more (as percentage of sales)</li> </ul>
Inkjet	Business expansion via new head and ink products	Industrial print and POD growth rate: total 20-30%
Imaging IoT	Imaging IoT platform partners: 75 → 105 companies (Result)	Partners: 125 companies

\* Sales increased YoY, but did not achieve target of 14% due to significant expansion of core business.



## Growth Strategies in Each Business: Industry Business Sensing

### Close Up

### Hyperspectral imaging that makes the invisible “visible”



#### HSI technology expected to solve various social problems

Hyperspectral imaging (HSI), a high-performance technology that melds high precision spectroscopy and imaging technology, makes it possible to capture not only wavelengths visible to the human eye but also wavelengths invisible to the human eye, such as near infrared and far infrared light. Therefore, it

is possible to capture both information in nonvisible parts of the light spectrum, such as that related to material components and characteristics, and all decomposed light information down to the pixel.

Traditionally, HSI has been used primarily in the fields of environment science, agriculture, and geology to monitor vegetation growth, forest fire risk, water quality, and other items, and the technology has been positioned as an

important one to tackle global social issues, including natural resource drain, climate change, and natural biodiversity.

On the other hand, in recent years, the use of HSI has expanded to include various other fields, including optimization, control, and digitalization of product quality verification through inline/real-time measurements in production environments. HSI can provide not only efficient and accurate inspection in the visible range, such as object color and display color measurement in 2D, but also can be widely used in applications that exceed what the human eye can do, such as sorting by material type in recycling industry, detecting foreign objects and inspecting food package sealing in food product manufacturing, and identifying mineral kinds and measuring film thickness in 2D in industry. It is hoped that HSI will be a revolutionary solution useful for improving resource recovery rates, which is indispensable for transitioning to a circular supply chain, and undertaking food and material production with little CO<sub>2</sub> emissions throughout the lifecycle.

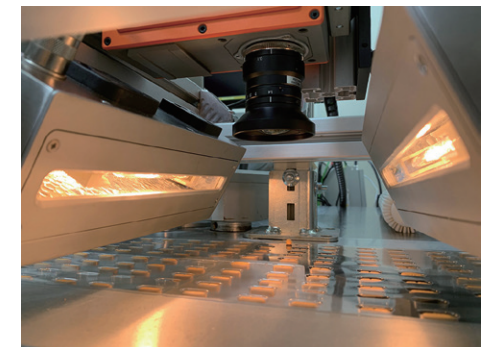
#### Introducing HSI technology globally as a member of the Konica Minolta Group

Although a small company with headquarters in Finland and only 80 employees, Specim is a group of highly capable professionals of various nationalities, sexes, and skills. As the Head of Offering and Customer Solutions, I am in charge of service and customer solutions and help customers solve their problems by constructing a product portfolio that meets market needs. As

for routine work, I am involved in numerous activities, such as explaining our technology and applications to customers and managing and developing products and services, which includes advice and technical support so the customers can make good use of products they purchase.

For many years, Specim has been working to develop technology that even customers with little or no scientific background can easily introduce. On the other hand, the number of potential applications for HSI is enormous, and we have scratched only the surface so far. To broadly spread this appealing technology, we have to, therefore, focus even more on education activities.

The company's visibility and global support network rapidly improved once we joined the Konica Minolta Group. As a member of the Konica Minolta Group, we will continue to focus on developing and spreading the use of HSI by leveraging this network.



Quality test of pharmaceutical products using HSI camera

## Growth Strategies in Each Business: Industry Business Performance Materials

### Close Up

## SANUQI, a high-performance film that will revolutionize the display industry

### SANUQI, a next generation COP film that pushes the evolution of displays

Konica Minolta is one of the few manufacturers capable of supplying polarizer protection film for LCDs, boasting the highest share in the industry for high value-added phase difference films for LCD TVs and thin films for notebook PCs and smartphones.

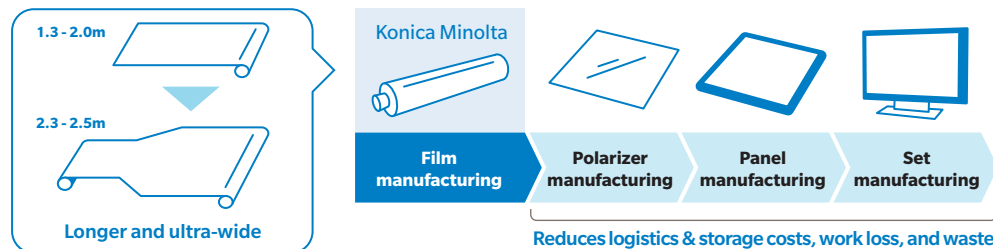
In recent years, as customer needs have diversified, the needed functions of polarizer protection films have become increasingly sophisticated in terms of anti-reflection, UV-cut, and high durability functions, and their use has expanded to include foldable and ultra-thin film smartphones. In response to this, we have developed a next-generation COP "SANUQI" film, as a replacement for the

conventional TAC film.

SANUQI film is a high-quality optical film refined from our core solution solvent casting technology and integrated with the latest DX technology. SANUQI has reduced optical loss compared to conventional TAC films due to the combination of materials and film-casting process, resulting in a high-definition finish for TV panels.

We brainstormed with our customers about commercializing SANUQI film and found that the traditional processing conditions for our previous products would not be sufficient to maximize the potential of this new material. So, we worked closely with our customers, sometimes checking their production processes directly, to create processing conditions that optimize the capabilities of SANUQI film.

### Contributing to increased productivity in the display supply chain



**Shinichi Kurakata**  
R&D Operations  
Performance Materials Business Unit  
Konica Minolta, Inc.

He has been involved in the development of manufacturing technology for new materials and products, beginning with polymers for photosensitive material. Since 2018, he has been involved in the launching of the new manufacturing line at the Kofu site as a Development Group Leader for SANUQI-VA (a phase difference film for TVs). He has been in his current position since 2021.

And we are currently engaged in development including new applications for SANUQI film that take advantage of its high heat-resistance and high toughness, for OLED displays, in-vehicle displays, and new foldable and bendable displays.

### Longer lengths and ultra-wide widths help customers reduce costs and waste

In polarizer protective films, the recent rise in demand for large displays has increased the need for longer and wider films.

In order to meet such needs, we have utilized our proprietary technologies and

production lines to develop an ultra-wide film that is twice as long as usual and can meet the demand for 2.3 to 2.5 m widths, ahead of our competitors. By providing longer, ultra-wide SANUQI films with long-term storage capability upstream in the display supply chain, we are helping our customers reduce logistics and storage costs, work loss due to converting, and waste.

We will continue to pursue product performance and leverage our strengths in providing products upstream in the supply chain to achieve workflow transformation and build and strengthen long-term relationships of trust with our customers.



## Growth Strategies in Each Business: Industry Business Inkjet (IJ)

### Close Up

## The increasing use of inkjet technology in a wide range of industries

### Seiji Nakashima

Inkjet (IJ) Components Business Unit  
Konica Minolta, Inc.

Joined Konica Minolta in 2014 after working in overseas sales in the electronic component and printing industries. Established a European sales and technical support base for the “Nassenger” IJ textile printer in Italy, where he worked on expanding sales. Currently serves as Assistant Senior General Manager and General Manager of Sales in the IJ Components Business Unit.



### Doing our part to significantly shorten processes and reduce drainage

Originally, printing processes using IJ were applied with considerable frequency to paper-centered printing and large outdoor advertisements using billboards. In recent years, with progress in the evolution of IJ heads, the use of IJ has also expanded to non-paper fields such as printed electronics (PE)\*.

A conventional process for creating and

manufacturing printed circuit boards is conducted by using photographic development-type pattern generation. This process emits Volatile Organic Compounds (VOC) and generates large volumes of liquid waste through washing, among other challenges. Additionally, the presence of an exposure process using masks serves to increase costs in low-volume production. By replacing part of the creation and manufacturing process with IJ that are capable

of printing the necessary amount of materials in the necessary location when it is necessary to do so, in addition to realizing a maskless process, we successfully made major improvements to the work environment due to making it free of VOC and liquid waste.

\* Printed electronics: Technology through which printing techniques are used to form electronic circuits, sensors, elements and so forth.

### Supporting customer manufacturing through high performance and dependability

The record of our IJ heads as exemplified by their use in PE for more than ten years now has compelled our customers to highly recognize them for both their product performance and dependability. We support the manufacturing

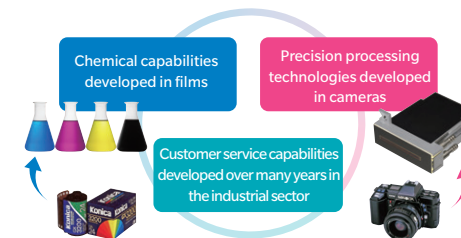
efforts of customers who should not stop their production lines.

At the same time, because the functional inks used in industrial IJ are based on strong solvents, IJ heads are prone to breaking, which presents a considerable challenge. With that in mind, we have pursued improvements in head materials in cooperation with chemical-related engineers to improve the durability of those heads. Additionally, we are also focusing on providing meticulous customer handling in order to transform the manufacturing processes of customers who are unaccustomed to IJ technology. Those efforts include assisting them with the circuit design that drives IJ heads and proposing systems that are capable of supplying ink stably.

By leveraging our “precision processing technologies” cultivated through cameras, our “chemical capabilities” that allows us to accommodate solvents and other materials with various properties and our “customer handling capabilities” that we have used to accommodate each customer on a custom basis, we are meeting a diverse array of IJ adoption needs.

Going forward, we will endeavor to expand the use of new functional inks and IJ heads to printed-circuit boards, displays, construction materials and other industrial uses to complement preexisting printing uses, and strive to expand sales of IJ heads.

### Strengths of Konica Minolta



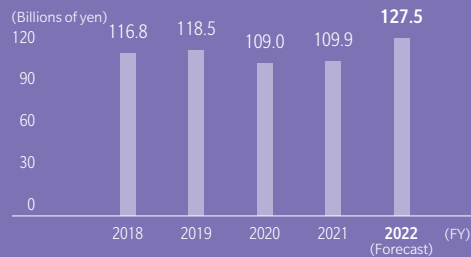
### Expanding inkjet uses to a multitude of manufacturing fields

Printing uses		Industrial applications		
Sign graphics	Soft and other packaging	Printed-circuit boards	Displays	Construction materials

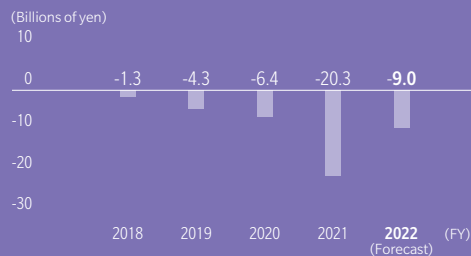
## Growth Strategies in Each Business

### Healthcare Business

#### Revenue



#### Operating profit



### Market Environment Awareness

#### Opportunities

- Developments in the utilization of high value-added imaging and AI and other IT technology. Growth in needs of telemedicine and minimally invasive medicine.
- Increase in medical needs in emerging countries in Asia region due to economic development and longer lives.
- Growth in companion diagnostics and genetic testing needs with pharmaceuticals in addition to risk diagnostics and definitive diagnostics.
- Requests to reduce total medical expenses, which run counter to longer lives in developed countries and the advancement and increasingly high prices of medical technology.

#### Risks

- Intensified competition due to factors such as new market entry by major global enterprises with tremendous capital and growth of enterprises based in emerging countries.
- Commodification of and lower pricing for in-house technology due to competition in technological development.

#### CAGR by market (FY2020-2022)

Healthcare (Medical imaging)	X-ray diagnostic equipment	+1% <sup>*1</sup>
Precision medicine	Biomarker market	+16.3% <sup>*2</sup>
	Next-generation sequencing market	+31.4% <sup>*2</sup>

<sup>\*1</sup> 2020-2022 Konica Minolta estimates.

<sup>\*2</sup> 2020-2025 BCC Research (2021)

### Growth strategies

- In the diagnostic equipment domain, we will expand high value-added x-ray systems with Dynamic Digital Radiography from Japan, the US and China to Europe and Asia. We will be the first in the world to expand mobile x-ray systems equipped with wireless Dynamic Digital Radiography functions, and will succeed in mitigating burdens at emergency medical sites and improving medical quality. (→P24) For ultrasound diagnostic devices, we will take advantage of high image quality through signal processing technology and probes with applied film technology as well as auxiliary functions such as “Simple Needle Visualization” to expand those devices to the domains of dialysis and anesthesiology in addition to those of orthopedics and obstetrics. We will evolve ultrasound “diagnostics” into ultrasound “treatment” to create new value. In the medical IT domain, with a focus on “informity,” for which we built a customer base in Japan spanning approx. 20,000 facilities, we will expand the likes of telemedicine services and inter-facility cooperation. Additionally, we will widen the domains to which we expand the Picture Archive and Communication System (PACS) from Japan and the US to ASEAN. We will endeavor to maximize the provision of value to our customers through cooperation with other parties in both domains.
- In the genetic diagnostics domain, we will do our part for the advancement of diagnostics through expanding RNA testing, a high-precision proprietary technology. We will expand the number of tests under “CARE Program” for genetic diagnostics for medical examination purposes in Japan and the US to contribute to preventive medicine. We will strive to contribute to personalized medicine through the market release of new panel testing based on joint development efforts between The University of Tokyo and National Cancer Center Japan. In the pharmaceutical development support domain, we will expand the contract of clinical trials for central nerves and cancer. Additionally, we will establish “Lattice,” a proprietary integrated diagnosis platform based on the integration of genetics, pathology and image data to contribute to the early detection of disease. Simultaneously, we will expand our data business for pharmaceuticals and help enhance the efficiency of pharmaceutical processes.

#### Strategic KPI

	FY2021 Targets/Results	FY2022 Targets
DR integrated X-ray system, dynamic analysis, and Asia business revenue growth rate	+8% or more → +20% (Result)	+15% or more
Medical IT service revenue growth	+5% or more → +9% (Result)	+8% or more



## Growth Strategies in Each Business: Healthcare Business

### Close Up

### Released a mobile x-ray system that makes Dynamic Digital Radiography at the bedside possible

#### Accommodating needs for mobile diagnostics that have grown in the COVID-19 pandemic

The spread of COVID-19 has caused medical provision systems around the world to become strained and the importance of intensive care units (ICUs) to be reaffirmed. Amid such circumstances, in order to manage the condition of patients who are hospitalized in ICUs or isolation wards, the importance of mobile x-ray systems is rising. In ICUs in particular, because the condition of patients changes by the moment, diagnostics that are swift and accurate are constantly required. However, the challenge posed by the need for both effort and time in conducting advanced examinations, such as the difficulty in transporting patients in severe condition to examination rooms, has become apparent.

The “AeroDR TX m01” that we released in March 2022 is a mobile x-ray system that is the first in the world to realize wireless Dynamic Digital Radiography. The features of this product are that it can perform Dynamic Digital Radiography that was not possible with conventional mobile x-ray systems and that it succeeded in doing so wirelessly. By using the system in combination with our dynamic radiography analysis workstation, it is possible to provide doctors with information that could not be obtained through preexisting static radiography. This is enabled through means such as quantifying the movement

of the diaphragm and visualizing changes in the movement of blood vessels and tissue known as alveoli in the lung field by using advanced image processing to display them in color.

For seriously ill patients who cannot be easily transferred, such as those hospitalized in ICUs or isolation wards, it is difficult to undergo detailed testing such as CTs or MRIs. For that reason, patients’ conditions are managed using the limited information obtained from instruments that measure vital signs such as blood pressure, body temperature, pulse and breathing rate. With the AeroDR TX m01, dynamic images of breathing condition can be taken with ease even for patients who are placed on ventilators. Combining dynamic image data with biomonitoring data holds the promise of realizing the high-precision management of patients’ conditions without



The “AeroDR TX m01,” which made it possible to perform Dynamic Digital Radiography at the bedside

missing the presence of complications or signs that their condition is worsening.

#### Spreading the value of this product, a world-first, to greater society

The development of the AeroDR TX m01 took place right during the COVID-19 pandemic. While this was a strategic project in that it was the first mobile x-ray system under the Konica Minolta brand, it was a substantially difficult project to carry out in the pandemic due to factors such as ICUs where people with severe COVID-19 symptoms are treated being the target and cooperation with overseas partner companies serving as OEM suppliers and US sales companies being indispensable. Nonetheless, we held meetings with involved

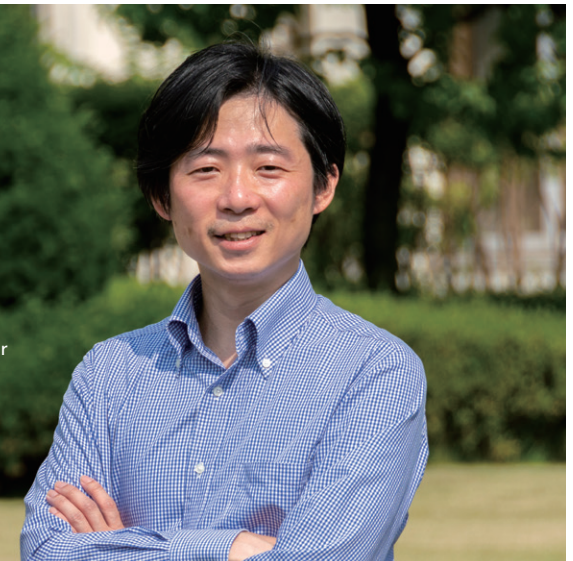
parties nearly every day, got on the same page with respect to our goals, made changes to our plans as the situation called for them, and otherwise achieved solidarity among the numerous members involved in developing this product. In doing so, we succeeded in developing a high-quality product with swiftness and efficiency.

A mobile x-ray system that enables Dynamic Digital Radiography did not exist until now. In order for us to expand this product to the rest of the world, I believe that we need the help of Key Opinion Leaders (KOLs) who strongly empathize with the possibilities of the system. In the future, we intend to acquire more positive evaluations from KOLs both in Japan and overseas and pursue the kind of systems that enable us to communicate the usefulness and value of the AeroDR TX m01 from a customer’s point of view.

#### Ikki Nakamura

Modality Business Unit  
Healthcare Business Headquarters  
KONICA MINOLTA, INC.

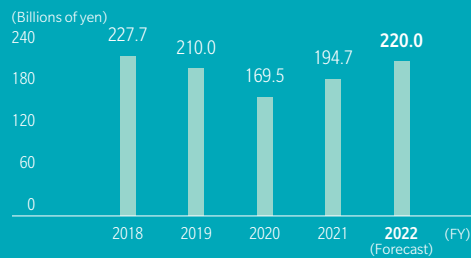
Since joining Konica Minolta, Mr. Nakamura has been engaged in the Company’s Healthcare Business. He also oversaw the sales launch of “AeroDR,” the digital radiography system that constitutes our leading product. Currently, he serves as the Group Leader of the department in charge of business planning and marketing for our x-ray business in general.



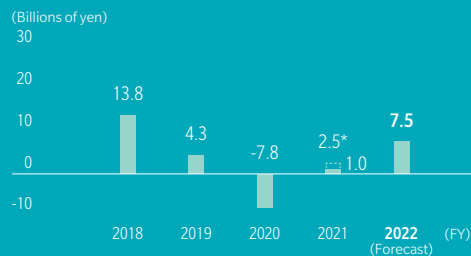
## Growth Strategies in Each Business

### Professional Print Business

#### Revenue



#### Operating profit



\* Excluding an impairment loss on goodwill of 1.5 billion yen

### Market Environment Awareness

#### Opportunities

- In commercial printing, the transition from analog to digital printing is accelerating due to individualization and shortening of product cycles in marketing methods. In industrial printing, this acceleration is happening due to a shortage of skilled workers and growing environmental concerns at printer companies, in addition to shorter product cycles.
- Demand for package and label printing is increasing due to global population growth and increase of private and local branding.

#### Risks

- The spread of COVID-19, geopolitical risks, and economic volatility have reduced demand for printing and willingness for capital investment.
- Higher cost of sales and supply shortages for customers due to tight supply and price hikes of semiconductors and other components, and the COVID-19 pandemic affecting the entire supply chain and causing higher logistics costs.

#### CAGR by market (FY2020-2022)

Commercial printing	+7%
Label printing	+6%
Package printing	+15%

\* Konica Minolta estimates

### Growth Strategy

- We will develop the digital printing market and reduce environmental impact, such as waste and CO<sub>2</sub> emissions during distribution, by transforming the current analog printing-centered supply chain to one that takes advantage of the benefits of digital printing which improve printing effectiveness.
- We will support DX of printing workflow by combining heavy production printers (HPP) with industrial printing equipment such as UV inkjet press and embellishment press, to expand business both for the Company and for our customers, mainly major printing companies in developed countries. (→P26)
- Intelligent Quality Optimizer function and automated inspection functions (IQ-501) previously available on HPP are now available on light production printers (LPP) and mid-production printers (MPP). We will maintain the top market share of small and medium-sized printing companies in developed countries by advertising their production efficiency and labor-saving qualities. Moreover, we will expand sales in growth markets (China, India) where we have the overwhelming top market share.
- We will mount the IQ-520, which is an IQ-501 designed for label printers, onto a high-speed label printer model and expand sales from mid-scale into large-scale suppliers in the industrial print domain, which is primed for considerable digital print volume growth. We will also grow sales by providing total solutions that bring together UV inkjet press with digital embellishment press to satisfy package printing demand. In addition, we will expand sales of single-pass type textile printers. These efforts will see us greatly increase our non-hardware sales.
- Marketing Services will improve profitability by strengthening automation of assistance to obtain existing marketing tools and expanding digital marketing services through data analysis.

#### Strategic KPI

	FY2021 Targets/Results	FY2022 Targets
<b>HPP market share</b>		
Market share	35% → 33%	40%
<b>YoY sales Non-hardware</b>		
Production Print	+22% → +12%	+5%
Industrial Print	+24% → +47%	+28%

## Growth Strategies in Each Business: Professional Print Business

### Close Up

### Continuing to demonstrate our presence in the North American market as a top digital printing enterprise

#### Barbara Stainbrook

Konica Minolta Business Solutions, U.S.A., Inc.

Since joining Konica Minolta 32 years ago, Ms. Stainbrook has been engaged in the Company's U.S. Production Print Business. Currently, she implements the growth strategy of the professional print business in the capacity of the national vice president who leads the industrial and production print sales channel of the North American region.



#### Meeting diverse printing needs: the KM-1 LED UV Inkjet Press Series

We started focusing on on-demand printing that “enables output when and where it is necessary and in the necessary volume” at an early stage, and have driven forward the expansion of the digital printing market over time. The digital press that we are proposing as a replacement for conventional offset (analog) presses is the AccurioJet KM-1e LED UV Inkjet

Press, which can accommodate sheet sizes that exceed B2. In addition to achieving high print quality that stands toe-to-toe with offset printing, the KM-1e can handle printing substrates of varying types and thickness and automated double-sided printing as well as be connected to post-processors inline. Built on the success of the KM-1, the AccurioJet KM-1e, is distinguished for its ability to print on a diverse array of printing materials that include plastic substrates, transparent film, foil paper,

metallic mediums, canvas, and synthetic substrates in addition to standard offset paper stocks.

Customers are choosing the KM-1 series for several reasons. The first reason is that it addresses the shortage of personnel in the printing industry and increases productivity. Because of its superior operability, the press can be operated by staff without specialized expertise to produce high-quality printed materials. The second reason is the reduced environmental impact. Traditional offset printing requires intermediate materials such as films, plates, water and several sheets of paper to prepare for printing and reach optimum quality. Since the KM-1 series does not need these, it reduces required resources. Additionally, because it enables printing where it is necessary and in the necessary volume, the press also helps lower transport quantities of printed materials, which in turn results in transportation-related CO<sub>2</sub> emissions reductions.

In these times that call for business to be sustainable, we anticipate that need to replace offset presses with the KM-1 series will further increase going forward.

#### Cultivating the commercial and industrial printing markets in the North American region

Our Industrial and Production Print team pursued sales expansion strategies for the KM-1 series with large printing companies and other entities as our target in the large-scale commercial printer sector, where Konica Minolta had no market share up to that stage.

More specifically, in addition to conducting consulting activities for marketing for customer companies and for the production of new printed materials, we provide information through portal sites for customers and training services aimed at operators. In doing so, we endeavored to elevate customer satisfaction levels.

As a result, the installed base of the KM-1 and KM-1e increased tenfold over roughly two years. Moreover, about 90% of these sites of installation were new customers. Average monthly print volumes of these customers are more than 50% greater than those of our preexisting KM-1 customers.

In addition, given that print volumes per month have increased threefold in 24 months, we believe that the KM-1 Series is successfully contributing to an increase in printing orders received by our customer companies and to their transition to digitalization. It is also our understanding that our customers are satisfied with the print quality and ease of use.

Furthermore, by combining the KM-1 with other Konica Minolta digital products such as production, label and decorative printers, we are also focusing on providing total solutions to printing companies.

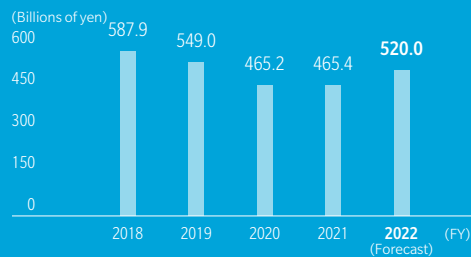
In the commercial and industrial printing markets, there are still considerable opportunities for us to grow. As someone in the position of leading the sales strategy in our Professional Print Business in the North America region, I will provide our customers with the world-class technology in the inkjet, decorative and label printing sectors that Konica Minolta possesses and do my part for maintaining and improving our position as a major industry player for many years to come.



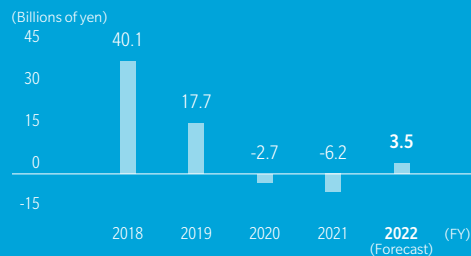
## Growth Strategies in Each Business

### Digital Workplace Business

#### Revenue



#### Operating profit



### Market Environment Awareness

#### Opportunities

- Increased need for IT services (including cloud) from small and medium size companies, which tend to lack IT departments and specialists.
- Increased demand for DX promotion aimed at improving operational efficiency in enterprises and local governments. Increased need for enhanced information security, workflow optimization related to office documents, and camera- and image-based solutions.

#### Risks

- Maturity of Multi Function Peripheral (MFP) markets in developed countries and establishment of office workstyles that do not involve printing.
- Higher cost of sales and supply delays to customers due to tight supply and price hikes of semiconductors and other components, and the COVID-19 pandemic affecting the entire supply chain and causing higher logistics costs.

#### CAGR by market (FY2020-2022)

MFP	Hardware	+2%
	Non-hardware	+3%
IT services		+8%

\* Konica Minolta estimates

### Growth Strategy

- Our DW-DX is to maintain the customer base we have developed in the office printing business, while also providing additional high value-added services in the form of digital workflow services tailored to different business types, as well as managed IT services and cyber security services, which also utilize cloud services, targeting all business types. We will also transform into the digital workplace business by offering further lifetime value to customers. Furthermore, we are expanding our camera and imaging technologies-based video solutions business. (→P28)
- In Europe and North America, we will expand business by establishing a stable revenue base through expansion of monthly recurring revenue model products, and by enhancing our service delivery system. We will improve profitability by adding high value through in-house developed products, standardizing operations, and narrowing down new themes. In Japan, we support DX promotion of local governments\*.
- Our Office Business will maximize supply volume through integrated efforts by development, production, and procurement departments, to procure semiconductors and other parts on schedule, thereby duplicating suppliers and updating designs, building mutually complementary relationships with production bases, etc. We will secure gross profit by raising retail prices in response to increased cost of raw materials and reducing cost of sales by switching to remote work for product services and outsourcing back office operations.
- We will improve sales productivity through the use of AI in customer targeting and proposal making, by continuing to expand inside sales and remote sales, which have seen success during the COVID-19 pandemic, and reduce R&D costs by narrowing development projects to improve operating profit. We will also increase customer satisfaction by improving customer experience.

#### Strategic KPI

	FY2021 Targets/Results	FY2022 Targets
MRR* growth rate	+15% or more/yr → +16 or more/yr (Result)	+15% or more/yr
Customer retention	+1pt/yr → +4.9%/yr (Result)	+2pt/yr
Service factory countries	10 → 2 (Result)	25
Sales growth rate of products/ services developed by Konica Minolta	+15% or more/yr → +10% or more/yr (Result)	+15% or more/yr

\* MRR: Monthly Recurring Revenue



## Growth Strategies in Each Business: Digital Workplace Business

### Close Up

## Expanding Managed IT services driven by DX acceleration

### Improving MRR by providing integrated support for our clients' IT management operations

We provide an extensive suite of Managed IT (MIT) Services to help customers achieve greater productivity, efficiency, and security from technology investments. Our MIT services are uniquely flexible to accommodate our customer's industry and scale of business and include a wide range of services such as cloud, security, unified communications, infrastructure management, application development, and remote support. With an expansive presence across North America, our customers can easily access technology expertise whenever and wherever they need it, which no other MIT service provider can promise.

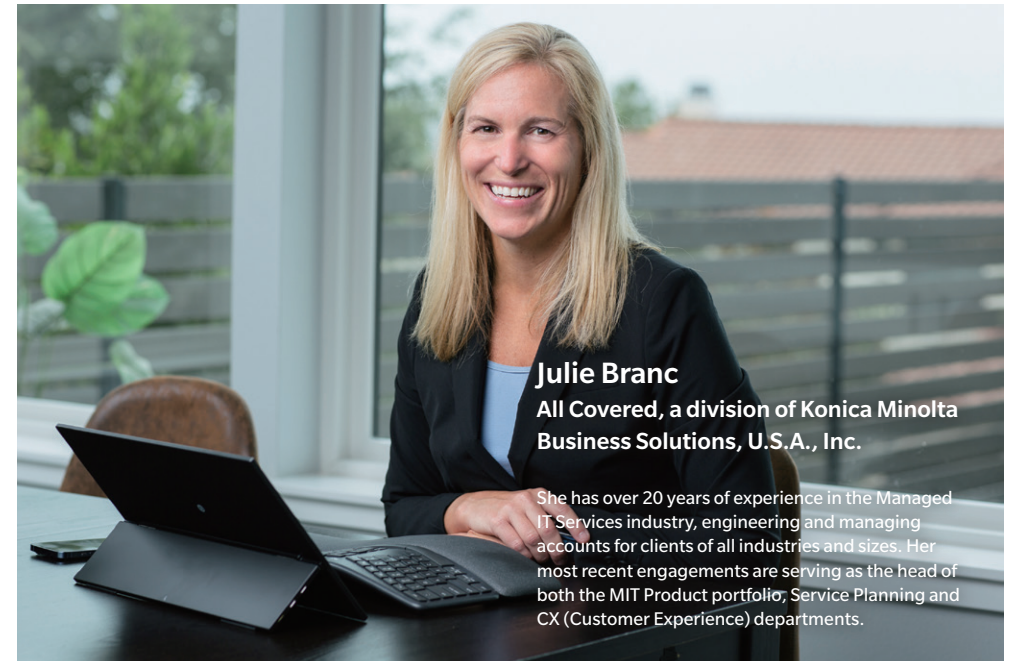
For example, some small to mid-size companies have difficulty carrying out IT administrative tasks due to a lack of specialists on their team. We recommend they take advantage of our unique all-in-one MIT Service package, which provides all necessary IT operational management without the high cost to hire internally. Additionally, as demand for remote work increases due to COVID-19,

more customers are needing to securely access data, collaboration tools, and applications from a cloud environment. Our MIT services help businesses migrate their IT infrastructure to the cloud and then optimize workflows. This includes supporting a hybrid workforce and providing services such as workstation management, device security, and user help desk services. Our Managed IT services enable customers to make a smooth and quick transition for this new hybrid workforce that may be working part time in an office or at home.

Providing MIT services to multi-function printer customers increases MRR (monthly recurring revenue) and more predictable revenues.

### Becoming the leading MIT Service Provider in North America

In a rapidly changing digital market, we aim to be a leader in the MIT Services industry in North America by focusing on a high-quality Client Experience (CX). In May 2022 this focus helped us achieve an award from Cloudfango, a



**Julie Branc**  
All Covered, a division of Konica Minolta Business Solutions, U.S.A., Inc.

She has over 20 years of experience in the Managed IT Services industry, engineering and managing accounts for clients of all industries and sizes. Her most recent engagements are serving as the head of both the MIT Product portfolio, Service Planning and CX (Customer Experience) departments.

managed service provider search service, which named us the "Top Managed Service Provider" in the U.S.

Our department promotes a customer-first strategy to improve CX. This means building persona-based customer success teams, streamlining delivery, and simplifying the customer's buying process journey through service packages, and focusing on strategic

services that meet the individual needs of our customers. These strategic efforts have resulted in improved customer retention, Client Satisfaction, increased project profitability and up-selling cross-selling growth.

With a "customer-first" mindset, our focus remains on world-class service throughout the customer journey.

## Message from the CFO

**Amid our grim business environment, we will thoroughly engage in the recovery of our performance and the reinforcement of our ability to generate cash.**

### FY2021 in Review

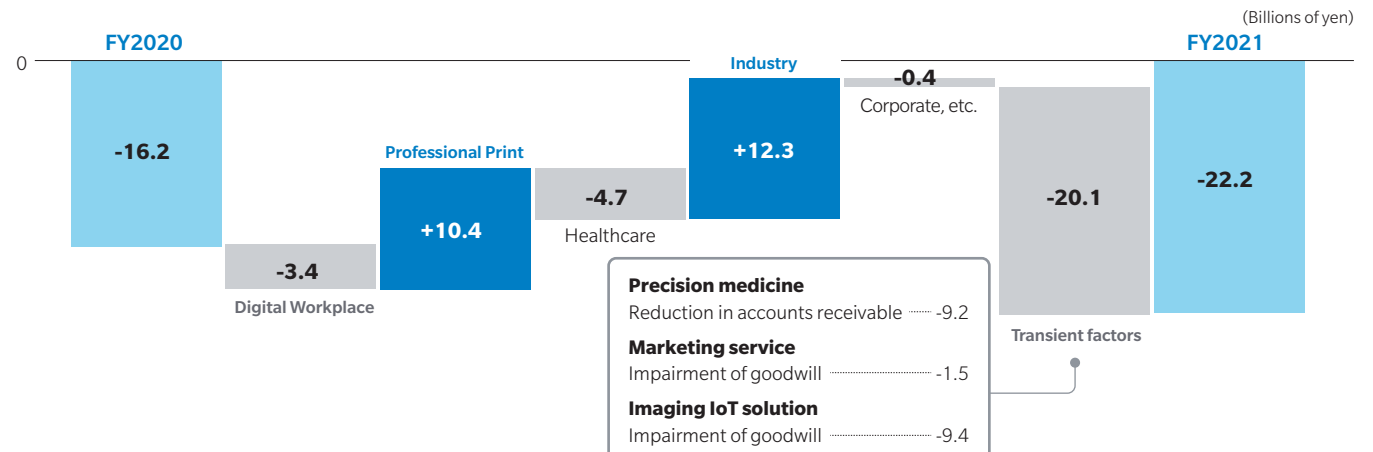
**While the effects of transient factors caused us to become unprofitable, our Professional Print and Industry Businesses performed strongly.**

In our financial results for fiscal 2021, consolidated revenue came to ¥911.4 billion, operating losses to ¥22.2 billion and net losses to ¥26.1 billion. Relative to fiscal 2020, revenue was an increase of

¥48.0 billion (+6%), but profit declined with decreases in operating profit and profit of ¥6.0 billion and ¥10.9 billion, respectively. Presented in the below graph are the causes of the variance in operating profit compared to fiscal 2020 on a per-business basis.

The Industry Business experienced a significant increase in profit, driving forward our businesses as a whole. Simultaneously, the Professional Print Business recovered its profit in fiscal 2021 despite being impacted by the spread of COVID-19 in fiscal 2020.

### FY2021 Performance: Causes of Variance in Operating Profit Compared to Previous Year



**Seiji Hatano**  
Senior Executive Vice President and Executive Officer

## Message from the CFO

Conversely, profit under our Digital Workplace Business declined due to the impact of soaring logistics, parts and materials costs and the prolonging of transport periods. In our Healthcare Business, while the healthcare field related to digital X-ray imaging systems and diagnostic ultrasound systems performed favorably, we posted ¥2.5 billion in preparation expenses for the U.S. listing of REALM, a subsidiary in the precision medicine field. Due to this and other factors, profit under that business declined.

Additionally, due to Ambry, a subsidiary of REALM, performing a careful revision of accounts receivable estimated for recovery in the process of preparing for its listing in the U.S. based on its latest actual recovery rate, accounts receivable and net revenues decreased by ¥9.2 billion as of the end of fiscal 2021. In addition, due to the Company's policy of not postponing latent risk until the future, we posted "impairment of goodwill" related to past acquisitions in the amount of approx. ¥1.5 billion for the marketing service Unit under our Professional Print Business and approx. ¥9.4 billion for the imaging IoT solutions unit under our Industry Business.

Note that as a result of posting operating losses for two straight fiscal years in our financial results for fiscal 2021, the Group infringed on financial covenants included in certain syndicate loan agreements, etc. that it entered with multiple financial institutions. However, the Group has received acknowledgement from all of the relevant institutions that they will not request the acceleration of payment due to that infringement.

### Promoting companywide initiatives with the aim of generating cash flow

The state of consolidated cash flow in fiscal 2021 was ¥37.4 billion of revenue from cash flow provided by operating activities and ¥50.9 billion of expenditure from cash flow provided by investing activities, with free cash flow of negative ¥13.5 billion. The ¥37.4 billion of revenue from cash flow provided by operating activities was attributable to losses before taxes of ¥23.6 billion and an increase of ¥17.3 billion in inventory assets due to an increase of shipboard and other inventory resulting from prolonged transport

periods and strategic purchase buildups of parts and materials, which partially offset an increase in cash flow largely resulting from ¥10.9 billion in impairment losses and gains on the reversal of those losses and ¥75.7 billion in depreciation. While we found ourselves in a grim operating environment, we continued to monitor our cash conversion cycles through narrowing down sales receivables and focused on the generation of cash while keeping a close eye on inventory trends.

Going forward, we will continue to tackle the below measures while simultaneously carving out non-core businesses and assets and taking advantage of capital tie-ups and other means aimed at accelerating upscaling as we endeavor to maximize cash inflows.

- (1) Generate cash flow provided by operating activities centered on the reduction of working capital. Realize a transformation of our business portfolio through hurdle rates for each business. Improve the content of investment and business assessments and the quality of management processes.
- (2) Design target values for business-specific cash conversion cycles that target the enhanced efficiency of working capital and maximize cash flow provided by operating activities across the entire company.
- (3) Address cash flow provided by investing activities by conducting operation that links to the careful selection of investments and the maximization of returns through newly introducing KM-ROIC hurdle rates upon performing investment assessments and adopting judgment criteria for investment feasibility.
- (4) Set new cash flow provided by operating activities as performance evaluation indicators for employees in management positions and revise evaluation systems into those that can be tied into the entrenchment and acceleration of business operation that takes into consideration the ability to generate cash as well as earnings.
- (5) Conduct training and enlightenment activities aimed at employees, including those at domestic sales companies, and focus on the dissemination of an approach that emphasizes cash flow on the frontlines with a view to enhancing "earning ability" through implanting awareness that emphasizes cash flow.

## Management Policies for FY2022

### Aiming to transition to profitability by recovering our performance and shedding transient factors

In fiscal 2022, while a grim operating environment consisting of the ongoing impact of the semiconductor shortage and prolonging of transport periods couple with rising energy prices stemming from the Ukraine situation, high inflationary pressure in the West, zero-COVID-19 policies in China and other factors is foreseen, we will push forward with actions such as those below as we aim to recover our business performance.

Firstly, in our Digital Workplace Business, in addition to solid orders for MFP hardware, a recovery in non-hardware demand due to the progressive return of people to offices is also anticipated. Given this, we will pursue the enhanced efficiency of this business while also factoring in structural reforms centered on the West.

Meanwhile, we will lower the degree of our dependence on the Digital Workplace Business and proceed to carry out a portfolio transformation that accelerates the reinforcement of our business development in growth domains. For the sensing field under the Industry Business, we will pursue M&As for expanding measurement targets. For the imaging IoT platform solutions field, we will pursue the improvement of earnings. For the materials and components field we will push forward with capital expenditure for expanding sales in large display and mobile display domains. In our Healthcare Business, we will move forward with the expansion of imaging products and services with high added value and the expansion of positive outcomes yielded by strategic collaborations in the healthcare field, and will continue to push forward with capital policies for the purpose of personally outfitting ourselves with the ability to procure investment funds aimed at future growth in the precision medicine field. In our Professional Printing Business, alongside continuing to grow our industry print unit, we will expand the provision of customer value through new, highly competitive product lines under our production print unit.

Based on these measures and the shedding of transitional factors in fiscal 2021 (that caused losses of ¥20.1 billion), for our earnings forecast for fiscal 2022, we anticipate consolidated

revenues of ¥1,020.0 billion, operating profit of ¥15.0 billion, and profit of ¥5.5 billion.

Additionally, we project ¥20.0 billion in positive free cash flow due to improved profit in value and the normalization of inventory through the resolution of our balance of orders received.

Regarding ROIC, which had worsened due to widening operating losses after taxes and an increase in interest-bearing debt, we will transition into positive territory and focus on improving capital efficiency in fiscal 2022.

### Portfolio transformation with a target date of FY2025

#### Keeping up our carefully-selected investments in growth domains while considering balance with financial soundness

There has been no change in our basic goal of completing the transformation of our business portfolio by fiscal 2025. By applying “business-unit specific KM-ROIC” and “companywide capital costs,” which serve as key judgment criteria upon examining acquisition investments and strategic capital expenditures aimed at the future acceleration of our growth, we will aim to enhance our capital efficiency and maximize our corporate value.

We will also proceed to conduct acquisition investments and strategic capital expenditures as necessary with the aim of furthering our growth in our Sensing, Material and Component, Healthcare and Industrial Print Businesses. Meanwhile, we will pursue the enhancement of efficiency and prop up companywide growth through the generation of cash for our Office Print Business and continue to promote measures with the utilization of external capital also in mind for certain strategic new businesses and low-earnings businesses.

Additionally, we will also work towards curtailing liabilities after taking the balance between growth investment and financial soundness into consideration. Note that there is also no change in our approach of, further solidifying our financial foundation by reinforcing fiscal governance, minimizing financial risk, boosting

capital efficiency and enhancing shareholders’ equity and supporting aggressive growth investment from behind within the timeframe leading to fiscal 2025.

### Returns of profits to shareholders

#### Revising our dividend policy into one that emphasizes cash more

In fiscal 2021, we distributed dividends of ¥30 per share (consisting of an interim dividend of ¥15 and a year-end dividend of ¥15) in line with our original forecast. As for returns of profits to our shareholders in fiscal 2022, we recently conducted a partial revision of our dividend policy and clarified a stance that emphasizes cash more. Based on this policy, we have set forth an annual dividend forecast of ¥20 per share (consisting of an interim dividend of ¥10 and a year-end dividend of ¥10) after also factoring in projected free cash flow of ¥20.0 billion.

Under our new management framework, in addition to thoroughly addressing a recovery in our business performance as a top-priority issue, we will transform our business portfolio by our target date of fiscal 2025. In doing so, we will push vigorously forward in our aim to further enhance our corporate value and return profits to our shareholders.

#### Dividend Policy of the Company

Our basic policy on determining distributions of surplus, etc. is to endeavor towards enhancing dividend-based shareholder returns after comprehensively considering factors that include consolidated business performance, investment in growth areas and cash flow.

We will continue to make appropriate judgments on the acquisition of treasury shares as a shareholder returns policy while taking elements such as the financial status of the Company and movements in its share price into consideration as well.



## Message from the Human Resource Officer

### Cultivating independent, professional human resources to achieve sustainable growth as a company

**Shinichiro Oka**

Executive Vice President and Executive Officer



#### Basic Approach to Our Human Capital Strategy

In the midst of the digital transformation (DX) that is accelerating at the global level, in order to continue to grow sustainably as a company that can contribute to society, we need to shift our portfolio from product-oriented businesses to service-oriented businesses that analyze images and data to help customers and society solve problems, while maintaining the system that is generating cash reliably in our mainstay office printing business.

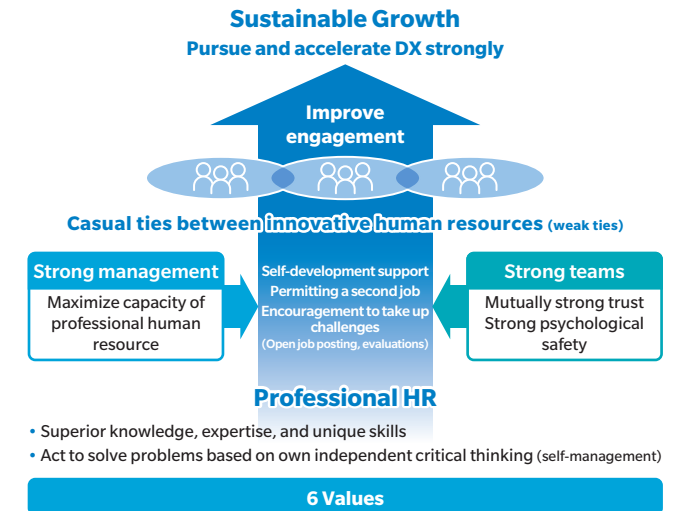
Our most important asset is our “human capital,” and without effective utilization of our human capital, we will not be able to enhance our business and complete the transformation of our portfolio. In other words, in order to develop service-oriented businesses that leverage the power of digital, it is necessary to have a system that maximizes the potential of each “professional human resource” by cultivating them and assigning them to their best roles. A system in which each employee possesses superior knowledge, expertise, and unique skills to understand the customer’s individual issues and derive solutions based on their own independent critical thinking, even in unprecedented situations.

To this end, we will acquire excellent human resources with high potential and accelerate the speed of their development by effectively imposing tough missions and educational programs. We also aim to foster an organizational climate in which psychological safety is guaranteed for individual human resources to speak and act with confidence under highly empowered management.

By implementing these measures, I am convinced that the “differences of individual professionals” will be organically connected, and “our differences will become our strength,” enabling us to overcome fierce competition on a global scale.

#### From Optimization by Country and Region to Borderless Maximization of Human Capital

Our Group’s advantage in human resources lies in the fact that approximately three-quarters of our 40,000 employees are located outside of Japan. In addition, through aggressive mergers and acquisitions over the past decade, we have acquired a diverse



group of people with identities, knowledge, and experience not previously seen in our company. In order to take advantage of this diversity, we will develop a group-wide personnel and compensation system and promote human resource mobility measures to provide opportunities for high-potential human resources to take on challenges anywhere in the world.

Specifically, we are working on a project to produce “leader human resources who orchestrate digital experts right up to the customer’s door,” which is essential for us to become a DX company. First, 500 candidates were selected from around the globe and given assessments and training programs in cooperation with IMD, a top-class European educational institution, to narrow them down to 23 people. Based on that 23-person development plan, we have begun implementing cross-country rotations and appointments to key global roles.

## Message from the Human Resource Officer

It is also important to raise the “quality” of management by involving diverse human resources in management decision-making. Therefore, we are opening up opportunities to promote exceptional human resources to executive positions, regardless of length of service, age, or nationality. Furthermore, we are working on a long-term solution to the issue of promoting female advancement on a global level by, for example, setting the ratio of women at the managerial level as a KPI. Since fiscal 2016, we have positioned the women’s advancement as a key management issue, creating Diversity, Equality and Inclusion Office, a specialized office under the direct supervision of the president. We have also focused on fostering an organizational climate in which women play an active role, providing education and training, and strengthening the individual development of our female employees who show potential. As a result, the ratio of female managers, which was around 3% at the beginning of our activities, now exceeds 9%.

### Numerical Targets for Promoting Women’s Career Advancement (Konica Minolta, Inc.)

	Results		Targets
	FY2020	FY2021	FY2022
Female managers	7.2%	9.1%	≥10%
Female graduates hired	23%	35%	Maintain ≥30%

### Strengthening Leadership and Management Skills

Even with a large number of professional human resources, it is impossible to produce significant results if each individual acts in a disjointed manner. This is why it is so important to determine how we can bolster our management leaders who steer our human capital. To solve this problem, first it is important to systematically and expeditiously build up the human resources who will be in charge of top management going forward. To this end, we have established annual one-on-one meetings between

the CEO and each Director to discuss succession plans for division heads and key leadership positions, to share potential successor human resources throughout the Company and to set the direction for their training. This is the starting point for systematic efforts to select the next generation of young leader human resources, implement strategic rotations, and dispatch them to external educational programs to grow into the next generation of management.

In addition, in April 2022, management positions were redefined at Konica Minolta’s headquarters, the command post of the entire company, and the existing single-track management system was revised to a double-track system. This revision provides two routes: “Empowerment Leaders - organizational leaders who energize human resources and organizations and elevate their ability to implement measures” and “Experts - human resources who create innovation beyond existing boundaries and lead with their expertise” to strengthen leadership and management skills as well as to respond to the recent diversification of career aspirations among young human resources. In addition to asking individual employees to work on their self-improvement toward their chosen path, we will continue to actively support them through business producer training and education, ICT human resource development education and certification programs, and Konica Minolta College, where employees can acquire various business and professional skills.

### Enhancing Engagement

In 2014, we established “6 Values” as a guideline for all employees to make decisions and act autonomously as professional human resources. This guideline has steadily permeated our Group and is used as a standard for evaluating employee performance.

We also conduct an annual, groupwide employee satisfaction survey, “Your Voice,” at the global level to check the degree of penetration of our management policies and to identify and resolve issues faced by the organizations and individuals on the frontlines of implementing our strategies, thereby fostering a sense of unity as a company.

Above all, an important base for human resources to demonstrate their abilities is the health of each and every employee. We are planning and implementing various health promotion measures with the concept of promoting health management by fostering a “health-first” corporate culture based on the understanding that “employees’ health is the key to everything.” In recognition of these efforts, we were selected for five years in a row, seven times in total, for the “Health & Productivity Stock Selection 2022,” a joint program organized by the Ministry of Economy, Trade and Industry of Japan and Tokyo Stock Exchange.

We believe that we cannot achieve our goal of portfolio transformation and sustainable growth without maximizing the capabilities and potential of our approximately 40,000 diverse and multifaceted human resources. We will continue our efforts to create an environment where each and every employee feels pride in being a member of our team, wishes to fulfill his or her career plan in the Company, and which draws in many talented human resources from outside.

### Engagement Score for 2021

	2017	2021 <sup>*2</sup>
Engagement: The brilliance of individual employees and environment that makes them thrive <sup>*1</sup>	6.1	6.4
Response rate	88.8%	90.8%

<sup>\*1</sup> “Engagement” questions are rated on a scale of 1 to 10.

<sup>\*2</sup> The 2021 survey differs slightly from the 2017 survey.

## Message from Officer in Charge of Technological Development

**We will realize the new creation of value through the evolution and fusion of core technologies and achieve the resolution of social issues.**

**Toshiya Eguchi**

Executive Vice President and Executive Officer



**We will aim to further improve our corporate value with the core technologies that we have continued to refine over 150 years as our foundation**

Society at present is experiencing a major transformation said to be the fourth industrial revolution due to developments in digitalization. Technologies such as AI, IoT and robots are playing a big role in transforming social systems and onsite workflows of working individuals.

Amid such rapid change, we recognize that in order for us to continue being a company that is needed by greater society, it will become increasingly important for us to leverage the core technologies in our possession to the fullest, further evolve upon those technologies, create value that contributes to our society to come and enhance our corporate value.

The strengths that we hold at our foundation are the four core technologies pertaining to “images” (materials, optics, imaging and nanofabrication) that we have continued to highly emphasize over nearly 150 years and the “organizational capability” to pursue, research and develop those technologies until we make

them “unique technologies in the world.”

We will make full use of these strengths and continue our initiatives that strongly emphasize those technologies going forward so that we can continue to be a company that is chosen by our customers and partners for our “value creation that only Konica Minolta is capable of” and for our “trusted technological prowess.”

**We will evolve upon our imaging-IoT technology under the “FORXAI” brand and accelerate new business creation through co-creation with our partners**

Over time, we have focused on the development of “imaging-IoT technology” that combine the core technologies that we have continued to refine for years together with the latest IoT and AI technology. From fiscal 2014, we have been tackling new business creation and the development and acquisition of imaging-IoT human capital on a full-fledged basis. Imaging IoT technology is a comprehensive technology for swiftly providing services to accommodate customers’ desire to “see” by using unique AI

algorithms to apply image recognition to image-centric data gathered using network cameras and other sensing devices with high precision and speed.

Our first endeavor to use this technology was with nursing support services. With these services, we used sensors and AI to detect actions by tenants of nursing facilities, including whether they have fallen down, and provided a system to nursing staff to notify them of those actions. In doing so, we contributed to the improvement of workflows at those facilities. By continuing to refine the world-class “human behavior recognition” technology that we acquired through these development efforts, we achieved the simultaneous recognition of multiple individuals, the simultaneous recognition of individuals and objects, 3D pose recognition for individuals, understanding of the meaning of human actions and their verbalization, among other achievements. Moreover, in addition to its use at nursing facilities, we have also evolved this technology into that which can be applied to the resolution of various social issues, such as onsite safety and security measures through monitoring the operation status of manufacturing equipment, the promotion of sales through analyzing the flow of people at commercial facilities and the development of smart systems for hospital operations.

In these development efforts, we have developed a genuine sense of how more than anything else, technology that we have built up while directly engaging our customers and partner companies based on a deep understanding of the challenges that should be addressed on those customers’ respective frontlines leads to true value creation. At the same time, when we developed technologies while confronting those individual challenges, the challenge posed by how long it takes until businesses grow came into focus.

Given that, as a system for shortening that time, we developed “FORXAI,” a technology platform for accelerating service development conducted with partner companies through co-creation and swiftly providing the developed services to customers. Since we began supplying the FORXAI in November 2020, it has resonated with a large number of companies, and we are currently pursuing the provision of services to resolve various social issues with our worldwide partners, which already number over 100.

## Message from Officer in Charge of Technological Development

### Evolving manufacturing and the creation of new value through the fusion of core technologies and data-driven development

In manufacturing, which makes up our business foundation, we have linked the advancement of four core technologies to the evolution of products and services in each of our businesses. Moreover, in recent years, initiatives to create new value have also commenced through “fusions” of those technologies.

An example of such is the equipping of digital printers in our Professional Print Business with an intelligent quality optimizer (IQ-501). This combination of spectrophotometry based on “optics” and “nanofabrication” under our sensing business and color correction algorithms and other elements based on our “imaging” technology cultivated over years through our MFP products has realized a transformation in workflows that only Konica Minolta can offer through the automation of printing work.

Additionally, in our performance materials business as well, in order to accommodate antireflection, UV blocking, high durability and other needs with increasingly higher requirements in the display industry in particular, through a combination of “optics,” “materials” and “nanofabrication” technologies, we utilized a proprietary solvent-casting method to conduct the timely development of a new resin film sought by the market.

For materials development, we have been pursuing the transformation of our development efforts from a trial-and-error model based on repeated experiments to data-driven development through which we utilize data to develop target properties in a short timeframe (the utilization of material informatics and process informatics). Going forward, as we continue to promote the revision of our development methods and the enhancement of efficiency, we simultaneously intend to accelerate the evolution of our manufacturing efforts into “manufacturing that brings forth new value.”

### We will shift research and development investment to growth domains in order to realize portfolio transformations

Our policy for research and development investment during the period of our “DX2022” Medium-term Business Plan is to continue investing approx. 6% to 7% of revenue based on our emphasis on investment efficiency and consideration of continued growth, simultaneously pursue the shift of our investments to domains anticipated to grow and, in doing so, realize two business portfolio transformations towards 2025.

As the first of those transformations, we will aim to make the

“shift from office printing to digital workplace,” and are boosting our development investment ratio for new service development for digital workplaces over that for MFP development in the office printing domain. In preparation for the second of those transformations, the “shift to growth in the measurement, inspection and diagnosis domains (Industry, Healthcare and Professional Print Businesses), we are planning on elevating our research and development investment in these growth businesses to 65% of the total for fiscal 2022.

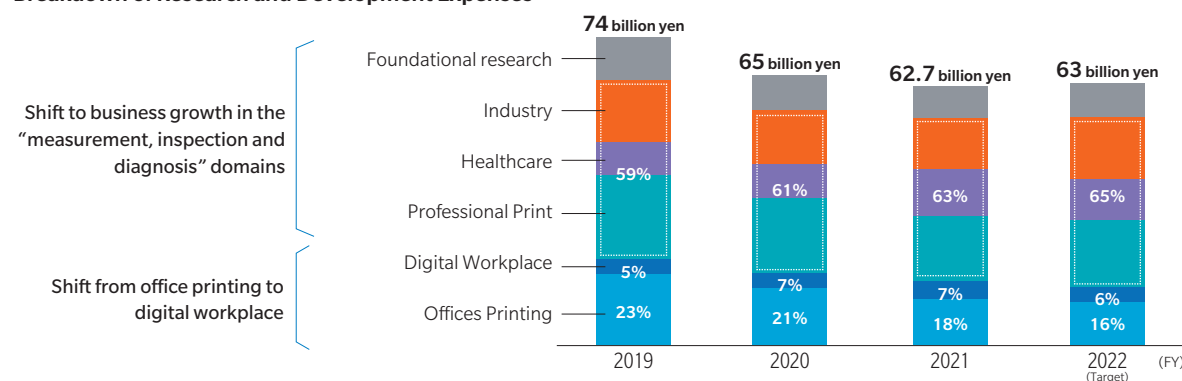
Going forward, while also ascertaining growth phases in each business and changes in industry conditions, we will continue to flexibly and speedily shift our research and development investment to growth sectors and steadily push forward with our portfolio transformations.

### We will rebuild the DNA of 150 years of technology as we aim to contribute to society through new value creation

With our “imaging” technology centered in image input, output and processing that we have cultivated largely through cameras and MFP products since our founding, we at Konica Minolta have answered the desire of customers around the world to “see,” and have helped realize people’s purpose in life. Today, I see my mission as pursuing fusions of our core technologies with AI and IoT technologies, which continue to rapidly evolve; rebuilding the DNA of the technologies that we have passed down over 150 years; and tying them into the further improvement of our corporate value.

In recent years, demographic shifts, greater social security costs, climate change, the depletion of resources and the like have been pressing social issues around the world. Based on such social and environmental circumstances, we at Konica Minolta will continue to tackle the challenge of resolving those issues by accommodating our customers’ need to “see” using technology that only we are capable while focusing on the five material issues that we set forth as “the things that we seek to address” with a view to the year 2030. We will continue to create new value “that has never been seen” and provide it to people around the world and greater society. That is what we aspire to with our technological development efforts here at Konica Minolta.

### Breakdown of Research and Development Expenses





## Intellectual Property Strategy

### Creating a business strategy-linked intellectual property strategy

By formulating and implementing an intellectual property strategy that is closely linked to each business's business strategy as called for in the medium-term business plan "DX2022", Konica Minolta provides strong intellectual property-related support for efforts to grow businesses and increase the revenue they generate. Specifically, for technologies, products, and services that are critical for implementing each business's growth strategy, the Company makes concentrated investments in intellectual property to accumulate and leverage intellectual property linked to the business scenario.

For example, the Healthcare Business has a role to play in expanding business in the fields of measurement, inspection, and diagnosis, which are fields of focus in the Company's business portfolio transformation, and the core of the growth strategy for this business is Dynamic Digital Radiography (DDR), a solution that offers new "dynamic diagnosis." With Konica Minolta's DDR system, users can easily take images in general x-ray rooms. Because it is possible to take dynamic images using a device similar to that used for traditional general x-rays, there is no need for a special x-ray room. It is also possible to make blood flow and tissue movement visible by using the Company's proprietary image processing technology to analyze the x-ray dynamic images taken, which is an evolution of x-ray diagnosis from "morphological diagnosis," in which it is possible to see the shape of interior tissue, to "functional diagnosis," which shows function, and provides completely new value to clinical diagnosis.

With DDR, we applied for numerous patents, mainly related to dynamic analysis technology, the Company's proprietary field, from the start of development. Therefore, as shown in the figure to the right, we have captured a commanding position in terms of both quality and volume and created a patent barrier that will maintain the Company's competitive advantage related to DDR.

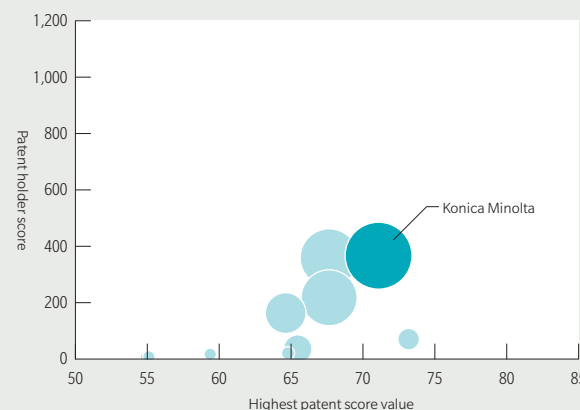
### Ascertaining inflection points and protecting new value

Furthermore, at the inflection point for value provided, we are undertaking flexible intellectual property activities and using intellectual property to protect this new value. For DDR, managing the conditions of patients in intensive care units (ICUs) has grown more important because of the COVID-19 pandemic, creating an inflection point for value provided. In other words, for seriously ill patients, for whom it is difficult to administer precise tests, such as CT and MRI, there are growing calls for DDR, which can be used at the bedside. In

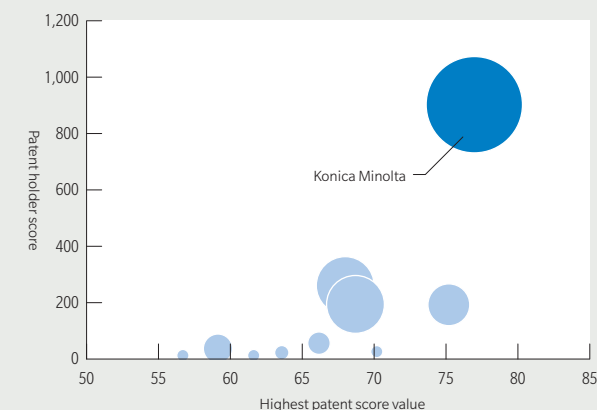
March 2022, the Company introduced the mobile x-ray system "AeroDR TX m01" that makes bedside DDR possible. For the mobile x-ray system, we made use of the Japan Patent Office's collective examinations for IP portfolio supporting business strategy, and when the product went on sale, we obtained the rights to the technology that is key for realizing its value. In this way, we will continue to maintain Konica Minolta's competitive advantage and ensure business growth by formulating and implementing an intellectual property strategy linked to business.

### Score Map for Japanese Patents related to the DDR field (patent applications + granted patents)

As of December 2017



As of April 2022



\* Provided by Konica Minolta using "Biz Cruncher" patent analysis tool from Patent Result Co., Ltd.

The size of the circles indicates the number of each company's patents. The horizontal axis indicates the score of the patent with the highest score. The vertical axis shows the overall score for the group of patents.

## Message from the Sustainability Officer

### Achieving Both Business and Environmental Value Leads to Corporate Value

#### Takenori Takahashi

Corporate Vice President  
General Manager, Corporate Environmental Operations  
Konica Minolta, Inc.



#### Environmental Management Is Corporate Management

Climate change and other global environmental issues have become urgent concerns that the international society must address, and companies have a great responsibility to curb their environmental impact and help achieve a sustainable world.

Konica Minolta aims to become a company vital to the world by helping to protect the environment, with its concept of environmental management focused on growing by solving environmental issues and creating new businesses. In other words, for Konica Minolta, environmental management equals corporate management. By strengthening our environmental activities, we will achieve both business value and environmental value, thereby enhancing our corporate value and sharing the results with our customers, suppliers and other stakeholders.

Konica Minolta's environmental management is characterized by the concept of Carbon Minus. There is a limit to what individual companies can do on their own to solve the increasingly serious global climate change problems. It is important to be actively involved in reducing CO<sub>2</sub> emissions

through cooperation with stakeholders, especially customers and suppliers. Carbon Minus refers to not only reducing CO<sub>2</sub> emissions within the scope of our own corporate responsibility over the product lifecycle from manufacturing processes to final products, but also sharing expertise on how to achieve both decarbonization and cost reduction with customers and suppliers. Achieving Carbon Minus status means that the reduction of emissions outside our own responsibility exceeds the amount generated by Konica Minolta itself. The aim is to not only fulfill our own social responsibilities, but support stakeholders in their social responsibility activities, as well, thereby accelerating decarbonization, strengthening ties with our stakeholders, and together growing our business.

Konica Minolta will be actively involved in the reduction of CO<sub>2</sub> emissions through activities that transcend the scope of our own responsibility. Furthermore, by visualizing the effects of these activities and making achievements known to as many stakeholders as possible, we hope to provide opportunities for customers and stakeholders to participate in CO<sub>2</sub> reduction activities.

#### Decarbonization initiatives based on long-term environmental vision

Konica Minolta has set a target in its long-term environmental vision, Eco Vision 2050, which it launched in 2009, to reduce CO<sub>2</sub> emissions throughout the product lifecycle (procurement, production, distribution, sales and service, and product use) by 80% from fiscal 2005 levels (2.067 million tons) by 2050, to 400,000 tons. This reduction target was necessary to bring global CO<sub>2</sub> emissions in line with natural absorption and was a very aggressive goal back in 2009, when there was not as much pressure for decarbonization as there is today. As a milestone for this 2050 target, Konica Minolta has set a 2030 medium-term target of 60% reduction in CO<sub>2</sub> emission. The target was approved by the Science Based Targets Initiative as a science-based goal.

#### Dramatic CO<sub>2</sub> Reduction through DX

To meet the challenging target of achieving Carbon Minus status, Konica Minolta will accelerate the development and delivery of technologies and solutions that contribute to CO<sub>2</sub> reduction for its customers, and will build an environmental ecosystem that leverages digital technologies in collaboration with many companies.

One of our key measures is the Carbon Neutral Partner Certification System, which was launched in October 2021. This system is based on the DX Green Supplier Certification System, which utilizes digital tools for certification. In the past, environmental and energy specialists had to visit procurement sites to provide support, which limited the number of companies that could be served to three or four per year. However, Konica Minolta has developed a system that automatically performs energy conservation diagnosis, which previously could only be done by experts. This system allows suppliers to diagnose energy conservation, identify and implement measures to improve issues, and then confirm the results on their own, using digital tools that consolidate environmental management expertise in a single database. It also allows Konica Minolta to work with 10 to 30 companies per year. We help suppliers decarbonize using digital

## Message from the Sustainability Officer

tools to achieve manufacturing that consumes as little energy as possible, and then shifting the remaining energy to renewable sources. The aim of this system is for both Konica Minolta and its suppliers to be companies selected above all others by customers and investors. We are not the sole customer of our suppliers, and by working toward decarbonization, these suppliers are more likely to be chosen by other customers, as well.

Efforts to reduce CO<sub>2</sub> at suppliers has already been successful: from fiscal 2014 to fiscal 2021, these activities have reduced CO<sub>2</sub> emissions by 17,000 tons and effectively utilized 3,000 tons of resources, realizing a cost reduction equivalent to 600 million yen. Of the 17,000 tons in CO<sub>2</sub> reductions, 3,000 tons are related to the manufacturing of parts procured by Konica

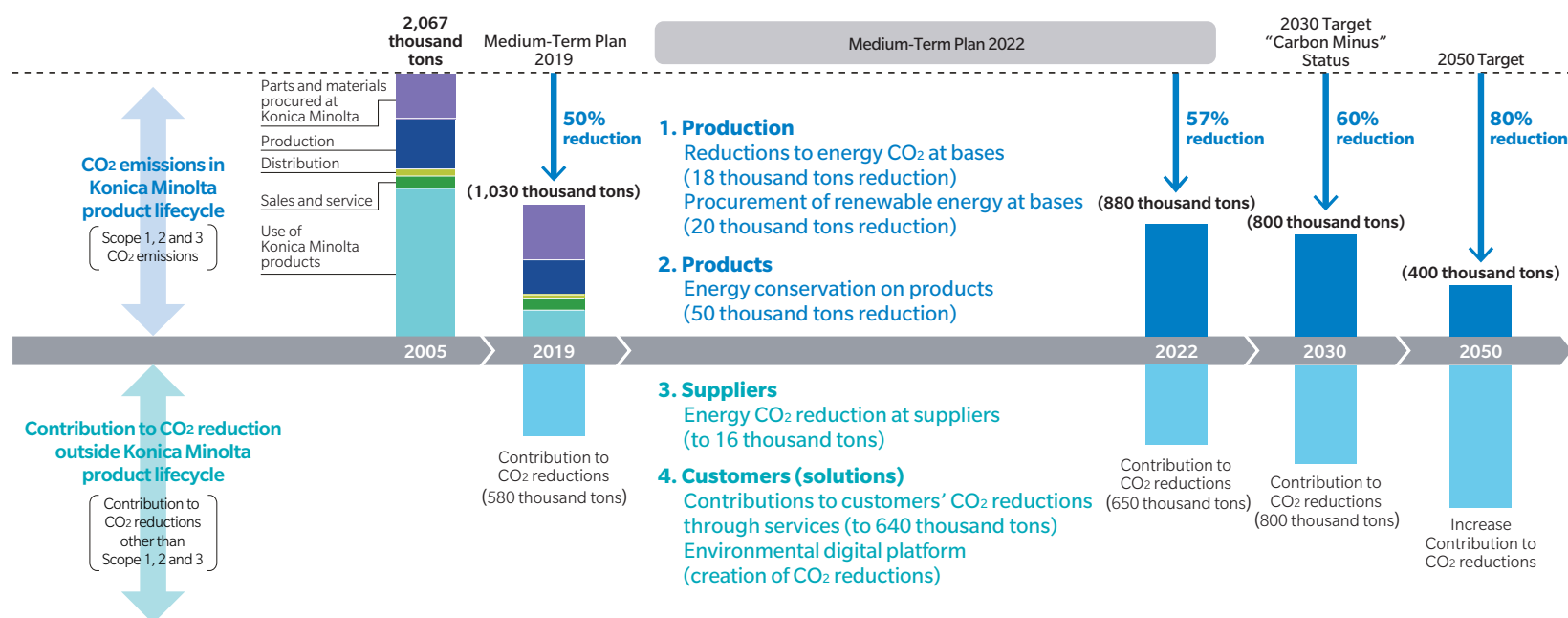
Minolta, while 14,000 tons are related to the manufacturing of parts procured by other manufacturers. The idea behind these activities is that by supporting decarbonization at suppliers, which is beyond the scope of our own responsibility, we can more proactively contribute to the reduction of CO<sub>2</sub> emissions.

Another key measure is the Environmental Digital Platform, which was launched as a system for reducing environmental impact. This measure began in June 2020 with 16 companies, a figure that had increased to 72 by July 2022. There are two information distribution platforms involved. One platform is where companies wanting to improve their environmental management can bring information, discuss it and take information for use in environmental management. Workshops are held to share

environmental issues and co-create solutions under the four main themes of environmental strategy, renewable energy-derived electricity, energy conservation, and effective use of resources. It also provides a navigation map that accumulates environmental management expertise in the form of accessible knowledge. The second platform is a place for sharing and promoting the effective use of information among companies by providing immediate environmental solutions.

My hope is that Konica Minolta will contribute to solving environmental issues on a global scale by promoting innovation through collaboration and co-creation among companies, as well as by increasing operational efficiency through the sharing of knowledge and ideas across different industries.

### CO<sub>2</sub> emission reduction goal milestone



## List of Executive Officers As of June 17, 2022



### Toshimitsu Taiko

Director, President & CEO,  
Representative Executive Officer

Mr. Toshimitsu Taiko joined Minolta Co., Ltd. in 1986. He worked in legal affairs and printer sales and later marketing and business planning operations at a printer sales company. Following the business integration between Konica and Minolta, he was involved in all aspects of the Business Technologies Business, where he worked in strategic business planning and served as president for a sales company in the U.S. Since 2020, he has been Director, Senior Executive Vice President and Executive Officer responsible for the Business Technologies Business, as well as Corporate Planning, Investor Relations, and Corporate Communications. He assumed the post of Director, President & CEO, Representative Executive Officer in April 2022.



### Shoei Yamana

Director, Executive Chairman and Executive Officer

Mr. Shoei Yamana joined Minolta Co., Ltd. in 1977. After working on the development of markets in emerging countries, international sales while being stationed in the U.K and companywide management planning, he served as CEO of a printer company in the U.S. acquired by Minolta. He played a role in integrating the businesses of Konica and Minolta, and since the integration in 2003 has served as Senior Executive Officer in charge of corporate strategy. He has served as Director, President & CEO, Representative Executive Officer since April 2014 and Director, Executive Chairman and Executive Officer since April 2022.



### Kiyotaka Fujii

Senior Executive Vice President and Executive Officer

#### Areas of Responsibility

Responsible for Precision Medicine Business  
Chairman of REALM IDx, Inc.

Mr. Kiyotaka Fujii joined McKinsey & Company, Inc. in 1981 and worked in the M&A Advisory department at the New York headquarters of a U.S.-based investment bank. After acquiring extensive business management experience serving in CEO positions for top global companies in Japan, including SAP and the Louis Vuitton Group, he joined the Company in 2016 as the Executive Officer in charge of the global healthcare business. He has served as Senior Executive Vice President and Executive Officer since 2018.



### Seiji Hatano

Director,  
Senior Executive Vice President and Executive Officer

#### Areas of Responsibility

Assistant to the CEO, and Lead officer for Accounting,  
Finance and Risk Management

Mr. Seiji Hatano joined Mitsubishi Bank in 1982 and gained experience in general global corporate financing services for major companies, while engaging in M&A, project financing, and treasury management in a broad range of industries. He joined the Company in 2011 and became Director, Senior Executive Officer in 2014. Subsequently, he successively assumed the posts of lead officer for corporate planning, CSR, corporate communications, brand promotion, risk management, accounting and finance. He has assumed the post of Director, Senior Executive Vice President and Executive Officer since April 2022.



### Noriyasu Kuzuhara

Executive Vice President and Executive Officer

#### Areas of Responsibility

Responsible for Corporate Planning and  
Lead Officer for Material & Component Business

Mr. Noriyasu Kuzuhara joined Konica Corporation in 1990, after which he was involved in new business development projects such as the development of LCD films. He became Senior Executive Officer in 2016. He has also been the Division President of Material & Component Business Headquarters since 2017 and doubled as General Manager of Corporate R&D Headquarters since 2018. He has led the formulation of corporate planning for the entirety of the Konica Minolta Group as the officer responsible for corporate planning and has also continued to manage the Material & Component Business since 2022.



### Toshiya Eguchi

Executive Vice President and Executive Officer

#### Areas of Responsibility

Responsible for Technologies, Imaging-IoT Solution Business  
and Visual Solutions Business

Mr. Toshiya Eguchi joined Konica Corporation in 1989. He developed system LSIs for photo printing equipment and office equipment such as facsimiles and printers, and engaged in system design for digital cameras and medical devices. He served as General Manager of IoT Service Platform Development Operations before becoming Executive Vice President and Executive Officer in 2021.



### Shinichiro Oka

Executive Vice President and Executive Officer

#### Areas of Responsibility

Responsible for Human Resources and Diversity Enhancement

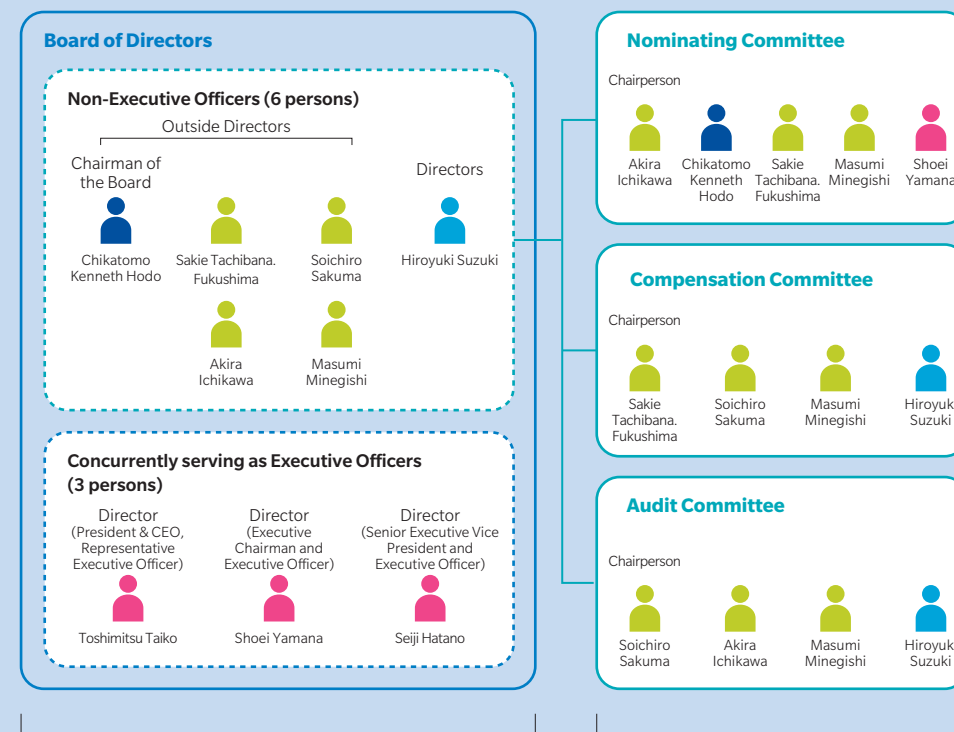
Mr. Shinichiro Oka joined Toshiba Corporation in 1991, working in human resources. He then served as an HR director for companies such as United Technologies and the IBM Corporation, as well as an Executive Officer and Global CHRO for Macromill, Inc. He joined the Company in June 2020 and became an Executive Vice President and Executive Officer in 2021.



# Governance

Since the beginning of Konica Minolta in 2003, we have adopted the format of a "company with committees" (currently a "company with three committees") as our institutional design and have pursued governance that eliminates dependency on personal characteristics. We ensure highly effective business supervisory functions by separating these from execution functions, and appoint Independent Outside Directors who are able to provide supervision of management from a shareholder perspective. Through these measures, we aim to improve the transparency, integrity, and efficiency of our management and improve our corporate value.

## Composition of the Board of Directors and the three committees








### Key characteristics of the Board of Directors

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairman is an Outside Director
- At least one Inside Director does not concurrently serve as an Executive Officer

### Key characteristics of the three committees





- Chairpersons are Outside Directors
- Director who is concurrently Representative Executive Officer does not serve as a committee member

## List of Directors

						
Name and title		<b>Toshimitsu Taiko</b> Director, President & CEO, Representative Executive Officer	<b>Chikatomo Kenneth Hodo</b> Outside Director, Chairman of the Board Nominating Committee Member	<b>Sakie Tachibana Fukushima</b> Outside Director Chairperson of the Compensation Committee, Nominating Committee Member	<b>Soichiro Sakuma</b> Outside Director Chairperson of the Audit Committee, Compensation Committee Member	<b>Akira Ichikawa</b> Outside Director Chairperson of the Nominating Committee, Audit Committee Member
Career highlights		<p>April 1986 Joined Minolta Camera Co., Ltd.</p> <p>June 2012 Director, General Manager, Corporate Planning Division, General Manager, Business Innovation Division of Konica Minolta Business Technologies, Inc.</p> <p>April 2013 Group Executive of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.</p> <p>April 2015 Executive Officer of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.</p> <p>April 2017 Executive Officer, General Manager, Professional Printing Business Headquarters of the Company</p> <p>June 2018 Director, Senior Executive Officer, lead officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company</p> <p>April 2020 Director, Senior Vice President and Executive Officer, lead officer responsible for Business Technologies, and responsible for Corporate Planning, Investor Relations, Corporate Communications and DX Branding of the Company</p> <p>April 2022 Director, President &amp; CEO, Representative Executive Officer of the Company (present position)</p>	<p>September 1982 Joined Accenture Japan Ltd</p> <p>September 2005 Representative Director of Accenture Japan Ltd</p> <p>April 2006 Representative Director and President of Accenture Japan Ltd</p> <p>September 2015 Director and Chairman of Accenture Japan Ltd</p> <p>September 2017 Director and Senior Corporate Advisor of Accenture Japan Ltd</p> <p>June 2018 Director of the Company (present position)</p> <p>July 2018 Senior Corporate Advisor of Accenture Japan Ltd</p> <p>June 2021 Retired from Senior Corporate Advisor of Accenture Japan Ltd</p> <p>July 2021 Representative Director of Bayhills Co., Ltd. (present position)</p>	<p>June 1980 Joined Braxton International</p> <p>September 1987 Joined Bain &amp; Company, Inc.</p> <p>August 1991 Joined Korn/Ferry International</p> <p>May 1995 Member of the Board of Korn/Ferry International (Global Headquarters)</p> <p>September 2000 Regional Managing Director of Korn/Ferry International-Japan and Member of the Board of Korn/Ferry International (Global Headquarters)</p> <p>July 2001 President and Representative Director of Korn/Ferry International-Japan and Member of the Board of Korn/Ferry International (Global Headquarters)</p> <p>September 2007 President and Representative Director of Korn/Ferry International-Japan</p> <p>May 2009 Chairman and Representative Director of Korn/Ferry International-Japan</p> <p>July 2010 President and Representative Director of G&amp;S Global Advisors Inc. (present position)</p> <p>June 2019 Director of the Company (present position)</p>	<p>April 1978 Joined Nippon Steel Corporation</p> <p>April 2009 Director (under the Executive Management System) of Nippon Steel Corporation</p> <p>April 2012 Managing Director (under the Executive Management System) of Nippon Steel Corporation</p> <p>June 2012 Managing Director (Member of the Board) of Nippon Steel Corporation</p> <p>October 2012 Managing Director, Member of the Board of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>April 2014 Representative Director and Executive Vice President (in charge of General Administration, Legal, Internal Control &amp; Audit, Business Process Innovation, Human Resources and Environment) of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>April 2018 Director of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>June 2018 Senior Advisor of Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>April 2019 Senior Advisor of Nippon Steel Corporation</p> <p>June 2020 Director of the Company (present position)</p> <p>July 2020 Adviser of Nippon Steel Corporation (present position)</p>	<p>April 1978 Joined Sumitomo Forestry Co., Ltd.</p> <p>June 2007 Executive Officer, General Manager of Corporate Planning Division of Sumitomo Forestry Co., Ltd</p> <p>June 2008 Director Managing Executive Officer of Sumitomo Forestry Co., Ltd</p> <p>April 2010 President and Representative Director of Sumitomo Forestry Co., Ltd</p> <p>April 2020 Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd (present position)</p> <p>June 2021 Director of the Company (present position)</p>
Number of shares of the Company held		42,131	0	0	6,100	1,200
Term of office		4	4	3	2	1
Board of Directors meeting attendance (FY2021)		14/14	14/14	14/14	14/14	10/10
Committees belonged to (◎ denotes committees chairs)	Nominating Committee		○	○		○
	Audit Committee				◎	○
	Compensation Committee			◎	○	
	Corporate executive experience in listed company	●				●
Skills matrix	Global executive management experience*	●	●	●	●	●
	R&D and manufacturing					
	Sales and marketing	●				●
	Finance and accounting, and understanding of investor perspective		●			
	HR management			●	●	
	Governance, internal control, legal affairs			●	●	
	Business transformations and new business development (DX)	●	●		●	

\* "Global executive management experience" includes both actual experience at a global business and experience relating to overseas business operation.

## List of Directors

					
Name and title		<b>Masumi Minegishi</b> Outside Director, Nominating Committee Member Audit Committee Member, Compensation Committee Member	<b>Hiroyuki Suzuki</b> Director, Audit Committee Member Compensation Committee Member	<b>Shoei Yamana</b> Director, Executive Chairman and Executive Officer Nominating Committee Member	<b>Seiji Hatano</b> Director, Senior Executive Vice President and Executive Officer
Career highlights		<p>April 1987 Joined Recruit Co., Ltd.</p> <p>April 2003 Corporate Executive Officer of Recruit Co., Ltd.</p> <p>April 2004 Managing Corporate Executive Officer of Recruit Co., Ltd.</p> <p>June 2009 Managing Corporate Executive Officer, and Director of the Board of Recruit Co., Ltd.</p> <p>April 2011 Senior Managing Corporate Executive Officer, and Director of the Board of Recruit Co., Ltd.</p> <p>April 2012 President, CEO, and Representative Director of the Board of Recruit Co., Ltd.</p> <p>October 2012 President, CEO, and Representative Director of the Board of Recruit Holdings Co., Ltd.</p> <p>April 2021 Chairperson and Representative Director of the Board of Recruit Holdings Co., Ltd. (present position)</p> <p>June 2022 Director of the Company (present position)</p>	<p>April 1979 Joined Minolta Camera Co., Ltd.</p> <p>July 1997 Senior Managing Director, Minolta MBK Digital Studio, Inc.</p> <p>April 2004 General Manager, China Sales Promotion Office, MFP Overseas Sales Department, Konica Minolta Business Technologies, Inc.</p> <p>June 2006 General Manager in charge of Audit Committee Office of the Company</p> <p>June 2009 General Manager, Corporate Audit Division of the Company</p> <p>April 2012 Executive Officer, General Manager, Corporate Audit Division of the Company</p> <p>June 2019 Director of the Company (present position)</p>	<p>April 1977 Joined Minolta Camera Co., Ltd.</p> <p>January 2001 CEO of Minolta QMS Inc.</p> <p>July 2002 Executive Officer, General Manager of Management Planning Div., Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.</p> <p>August 2003 Senior Executive Officer of the Company, and Executive Officer and General Manager of MFP Operations and Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.</p> <p>October 2003 Senior Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc.</p> <p>June 2006 Director, Senior Executive Officer of the Company</p> <p>April 2011 Director, Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc.</p> <p>April 2013 Director, Senior Managing Executive Officer of the Company</p> <p>April 2014 Director, President &amp; CEO, and Representative Executive Officer of the Company</p> <p>April 2022 Director, Executive Chairman and Executive Officer (present position)</p>	<p>April 1982 Joined the Mitsubishi Bank, Ltd.</p> <p>June 2011 Resigned the Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>July 2011 Joined the Company</p> <p>April 2013 Executive Officer and General Manager, Corporate Strategy Division of the Company</p> <p>April 2014 Senior Executive Officer and General Manager, Corporate Strategy Division of the Company</p> <p>June 2014 Director, Senior Executive Officer and General Manager, Corporate Strategy Division of the Company</p> <p>April 2016 Director, Senior Executive Officer and General Manager, Management Planning Division of the Company</p> <p>April 2017 Director, Senior Executive Officer in charge of Management Planning, Administration, and Risk Management of the Company</p> <p>April 2018 Director, Senior Executive Officer in charge of Administration, Accounting, Financial Affairs, and Risk Management of the Company</p> <p>April 2022 Director, Senior Executive Vice President and Executive Officer, and Assistant to the CEO, Lead officer responsible for Accounting, Finance and Risk Management of the Company (present position)</p>
Number of shares of the Company held		0	54,789	116,971	33,030
Term of office		0	3	16	8
Board of Directors meeting attendance (FY2021)		—	14/14	14/14	14/14
Committees belonged to (○ denotes committees chairs)	Nominating Committee	○		○	
	Audit Committee	○	○		
	Compensation Committee	○	○		
Skills matrix	Corporate executive experience in listed company	●		●	
	Global executive management experience*	●		●	●
	R&D and manufacturing				
	Sales and marketing	●	●	●	
	Finance and accounting, and understanding of investor perspective				●
	HR management				
	Governance, internal control, legal affairs		●		●
	Business transformations and new business development (DX)	●		●	

\* "Global executive management experience" includes both actual experience at a global business and experience relating to overseas business operation.

## Message from the Chairman of the Board



**Chikatomo Kenneth Hodo**  
Outside Director

### Profile

Mr. Chikatomo Kenneth Hodo has many years of involvement in the management of Accenture Japan Ltd., which provides management consulting and IT services. He possesses a wealth of experience as a member of corporate management and wide-ranging insight regarding digital business. Mr. Hodo assumed the post of Outside Director of the Company in June 2018 and the post of Chairman of the Board in June 2022.

## Putting corporate governance at Konica Minolta on the road of evolution to a new stage

### Upon assuming the post of Chairman of the Board

I assumed the post of Chairman of the Board in June 2022. Given the tremendous contributions that previous Chairman Matsuzaki made to improving the effectiveness of and evolving upon corporate governance at the Company for many years, I feel the weight of responsibility as his successor.

This is the first time at the Company for an Outside Director to assume the post of Chairman. After I was approached with the offer to take up that post, I asked people who had served as Chairman at the company with three committees to hear what they had to say. Upon doing so, it was pointed out to me that an Outside Director serving as Chairman resulted in more active remarks by officers on the executive side of things, reason being that when outside individuals engage in the operation of agenda in the capacity of Chairman, they become able to speak up without concerning themselves over the internal hierarchy. Additionally, in the “Practical Guidelines for Independent Directors” formulated by the Ministry of Economy, Trade and Industry (METI) in 2020, it is stated that “Ideally, independent directors should proactively engage in (1) appropriate agenda-setting for the board of directors and (2) the devising of ideas for operation, etc. to facilitate the vitalization of the board of directors.”

Based on the above, I concluded that an Outside Director serving as Chairman at the Company as well could provide a springboard for us to take corporate governance here a further step forward, and therefore accepted the offer presented to me. I will go beyond monitoring business execution and providing relevant advice to leverage the external knowledge, perspectives from capital markets and other elements that only Outside Directors can bring to the table in providing active backup to the

devising of strategy by the executive team. My hope is that we will be able to advance to such a new stage of governance. I myself serve as an Outside Director at an asset management company and as an advisor to a private equity fund. Going forward, based on my experience and knowledge gained in those roles, I have faith that I can engage our shareholders as well as a wide range of other stakeholders, both internal and external, from multiple sides.

Furthermore, as of the Ordinary General Meeting of Shareholders that convened in June 2022, the Company’s Board of Directors consists of five Outside Directors and four Inside Directors, with the former comprising the majority. While this number last fiscal year was five and six, which was enough to satisfy the “at least one-third of directors as independent directors” requirement under the Corporate Governance Code, I am proud that we have realized a majority and in doing so, taken a considerable step forward. Moreover, from the angle of knowledge, experience and ability, our Outside Directors constitute an ideal balance of members. With our Outside Directors, Inside Directors and executive bodies working in concert more than before, we will accelerate the transformation of our business portfolio.

### Operations Policy of the Board of Directors for FY2022

We will operate the Board of Directors in fiscal 2022 based on the following three overarching directions.

The first of those directions is to narrow down the strategic domains that we should focus on, execute a PDCA cycle and oversee its progress. For fiscal 2022, we have set forth the following three domains: “transformation of our business portfolio,” “improvement of our executive capability,” and



## Message from the Chairman of the Board

“recovery in the trust in us and our self-confidence.” Despite espousing a transformation in our business portfolio as one of our key strategies, we have been unable to obtain the outcomes dictated by our plans, and our business performance has been sluggish. Up to this point, we have discussed areas such as the factors behind that and the issues that we should resolve at meetings of our Board of Directors, but have not reached a breakthrough in the situation. In fiscal 2022, while executing a PDCA cycle with a quarterly frequency, we intend on heavily discussing the above three strategic domains that we should focus on as key agenda of the Board of Directors.

The second direction is to further establish a corporate governance framework from the perspective of our shareholders and investors. As other Directors and I have pointed out, I feel that our Board of Directors and executive team still greatly lacks a perspective that objectively identifies how capital markets view our company, what the situation is at rival corporations, and so forth. Going forward, I believe that both our Board of Directors and meeting bodies on the executive side will need to frequently delve into issues such as what expectations capital markets have of the Company.

The third and final direction is the elevation of corporate governance at the Company to the next stage. Over time, we have tackled the evolution and reform of corporate governance and endeavored to improve its effectiveness as a member of corporate Japan's vanguard. However, Western enterprises are even further ahead of us in that regard. As an example, in the U.S., discussions on the “Board 3.0” model through which directors who are well-versed in capital markets work together with executive teams and assist them with the devising of management strategy is taking place with considerable frequency. While I am not of the opinion that we should implement those endeavors as is, examining the ideal nature of next-generation governance that suits Japanese society while further elevating the effectiveness of the Board of Directors as the existing monitoring board is another important role of the Board. As I said above, Outside Directors providing backup to the devising of strategy in a more active manner should constitute one such endeavor.

### Expectations of the executive team centered on our new President

The Company commenced its initiatives geared towards a succession plan for its President & CEO, Representative Executive Officer in 2015. These were then monitored by the Nominating Committee. More specifically, those initiatives consist of the following process: (1) Define qualification requirements for the President, (2) Select presidential successor candidates, (3) Implement assessments by external organizations, (4) Formulate and carry out eligible successor development plan, (5) Check and evaluate, (if necessary), (6) Narrow presidential successor candidates or reselect, then go through (4) and (5) once more), and (7) Nominate final candidate for presidential succession. The Nominating Committee regularly received reports from then-President Yamana and gave supervision and advice on this process. As a result, current President Taiko was selected as the next President via a resolution by the Board of Directors. I was also involved in the selection process as a member of the Nominating Committee, and believe that President Taiko possesses the tenacity for achieving the transformation of our business portfolio and the ability to consolidate a team into a single whole.

Fiscal 2022 is the final year of our “DX2022” medium-term business plan. I regret to say that we have failed to achieve the targets that we ourselves set over several years, and are in a grim predicament as dictated by negative ROE over three consecutive fiscal years and operating losses over two consecutive fiscal years. I expect that our new executive team led by President Taiko will solemnly accept this reality, then ensure to produce the kind of results that eluded us in previous years.

The Board of Directors will also provide all the support that it can muster while maintaining a sense of crisis. That is one of the reasons why we set forth “improvement of our executive capability” as one of the strategic domains that we should focus on in fiscal 2022. Our Outside Directors include people who have realized portfolio transformations as well as people who have overcome management crises. As those Outside Directors, using such experience and knowledge as our foundation, we intend on presenting greater options for the devising of strategy than before.

Furthermore, for the sake of close communication among Outside Directors, starting in fiscal 2022, we plan on holding meetings solely attended by those directors four times a year. We are also looking into holding meetings that include the presence of the President and Executive Chairman in addition to Outside Directors about twice per year.

Going forward, the Board of Directors will continue endeavoring to grow the Company sustainably and improve corporate value over the medium to long term by proactively helping to devise strategy and improve executive capability in addition to effectively monitoring management execution.

## Message from the Chairperson of the Nominating Committee



**Akira Ichikawa**

Outside Director

**Profile**

Mr. Akira Ichikawa promoted sustainability management at Sumitomo Forestry Co., Ltd., which utilizes forestry resources to operate various businesses such as those related to lumber and building materials, housing and construction, and successfully raised that company's corporate value. After serving as President and Representative Director of Sumitomo Forestry, he now serves as its Chairman of the Board and Representative Director. He assumed the post of Outside Director of the Company in June 2021.

### Selection process for the next President & CEO, Representative Executive Officer

Since 2015, when the Corporate Governance Code was enacted, the Company has commenced initiatives geared towards a succession plan for its President & CEO, Representative Executive Officer. The function and role of the Nominating Committee in these initiatives is to receive a report on the selection of successor candidates, the formulation and implementation of a development plan, the verification and evaluation of progress and other relevant areas once every six months from the President and to provide supervision and advice regarding that succession plan. Since June 2021, when I assumed the post of

Nominating Committee member, I mostly confirmed and verified questions pertaining to successor candidates such as whether they were armed with the qualities and sense of mission befitting top management, which must boldly confront harsh environments, and whether they possess a vision or approach for appropriately devising and executing our next medium-term business plan.

Through such a process, the Nominating Committee verified that new President Taiko is a calm, cool and collected individual who possesses rational thought as well as the poise to earnestly engage anything head-on and the firm will to follow things through to the very end, and that he is an ideal individual to entrust the management of the Company to given the persistent severity that surrounds it.

What we seek from our new management team centered on President Taiko is the adequate outlining of a future vision paired with the successful engineering of an early recovery in our business performance. Our expectation is that they will put a stop to our negative momentum of two consecutive years of operating losses, initiate our new medium-term business plan, and proceed to the next step. Additionally, we hope that Executive Chairman Yamana will proceed to facilitate the further reinforcement of our executive framework by working together with President Taiko as his predecessor.

### Changes in our governance structure for fiscal 2022

Over time, the Nominating Committee has continuously reviewed the ideal composition of the Board of Directors. Following the verification of our approach and direction regarding that composition in our fiscal 2021 review, our governance structure for fiscal 2022 has changed significantly.

One of those changes is the assumption of the post of Chairman of the Board by an Outside Director. While individuals who resigned from the post of President & CEO, Representative Executive Officer had continued to assume the role of Chairman up to that point, as stipulated in the Company's Corporate Organization Basic Regulations, "the Chairman will be selected from Directors who do not concurrently serve as Executive Officers," which does not preclude the assumption of the post of Chairman by an Outside Director. Director Hodo, who was recently selected as Chairman, can be expected to lead the operation of the Board of Directors of the Company, which seeks to improve its corporate value by promoting DX, based largely on his wealth of experience as an Outside Director at corporations that include companies with three committees and his deep understanding of governance at the Company.

There were also changes in the number make-up of the Board of

Directors that should be noted. Last fiscal year, there were five Outside Directors and six Inside Directors. This year, that spread is five and four, representing the first time that Outside Directors constitute the majority.

Against this backdrop, I believe that the Board of Directors will proceed to form a highly transparent corporate governance framework that adopts a greater stakeholder perspective than before.

Additionally, we recently welcomed Chairperson and Representative Director of the Board Masumi Minegishi of Recruit Holdings Co., Ltd. as new Outside Director. Mr. Minegishi has a remarkable record at Recruit Holdings, which pursues a diverse array of businesses, and has a wealth of knowledge pertaining to business development, IT service operations and global management as a member of top management. Our expectation is that he will contribute in extensive ways at the Company, which seeks to dramatically change through a transformation of our business portfolio, starting with monitoring and advising efforts to bring our new businesses to profitability.

### Our future operations policy

At the first meeting of the Nominating Committee in June 2022, the "Annual Policy of the Nominating Committee for Fiscal 2022" was approved. An outline of this policy is as follows.

- Examination and confirmation of ideal composition of Board of Directors and specialization and experience of candidates.
- Determination of Director candidates based on the foregoing.
- Supervision and advice on successor plan for President & CEO, Representative Executive Officer.
- Supervision and advice on Executive Officer/Corporate Vice President candidates and development thereof (including next-generation human capital).
- Addressing of issues for examination.

Initiatives pertaining to the plan for President Taiko's successor are already underway. In the same manner as before, the Nominating Committee will receive reports on areas such as the content and progress of that plan from the President and proceed to provide supervision and advice.

Additionally, with regard to the implementation of 360-degree evaluations targeting the President and management team members, we will look into giving advice in the Committee's supervisory capacity with a focus on discussion on the executive side.

Moreover, I believe that in addition to the fulfillment of its duties of "determining Director candidate proposals to submit at

## Message from the Chairperson of the Nominating Committee

shareholders' meetings" and "monitoring the successor plan for the President & CEO, Representative Executive Officer," we should discuss the question of whether the organizational capability of the Company is accurately functioning. Over the course of the year after I assumed the post of Outside Director, I developed a genuine sense of the wonderful frontlines capability that the Company possesses. At the same time, that capability is not successfully tying into positive outcomes, and is not leading to a transformation in our business portfolio. Turning that frontlines capability into organizational and corporate capability and driving the forward development of the Company and the growth of its businesses is the role of the executive team. Yet, I get the impression that we are failing to sufficiently manifest that power. The Nominating Committee also needs to take heed of this and work towards reinforcing our management team as we move forward. To that end as well, I intend on increasing opportunities for dialogue not only with our current executive team but also with members envisioned to be our next Executive Officers/ Corporate Vice Presidents.

### Outline of initiatives for the succession plan for the President & CEO, Representative Executive Officer (FY2015 to FY2021)

1. Handling of Corporate Governance Code
  - 1) The Nominating Committee commenced initiatives for the succession plan for the President & CEO, Representative Executive Officer in December 2015
  - 2) The Company established its Basic Policy on Corporate Governance (September 2015) and revised its Corporate Organization Basic Regulations (October 2015) in line with the enactment of the Corporate Governance Code (June 2015)
2. Clarification of functions and division of roles
  - 1) Board of Directors  
The Board of Directors have the power to decide the President & CEO, Representative Executive Officer ("President")
  - 2) Nominating Committee  
The Nominating Committee has the responsibility for overseeing the selection process for the next President
  - 3) President  
The President devises and implements the process and schedule for the succession plan for the President & CEO, Representative Executive

Officer and reports the content and progress of said plan to the Nominating Committee

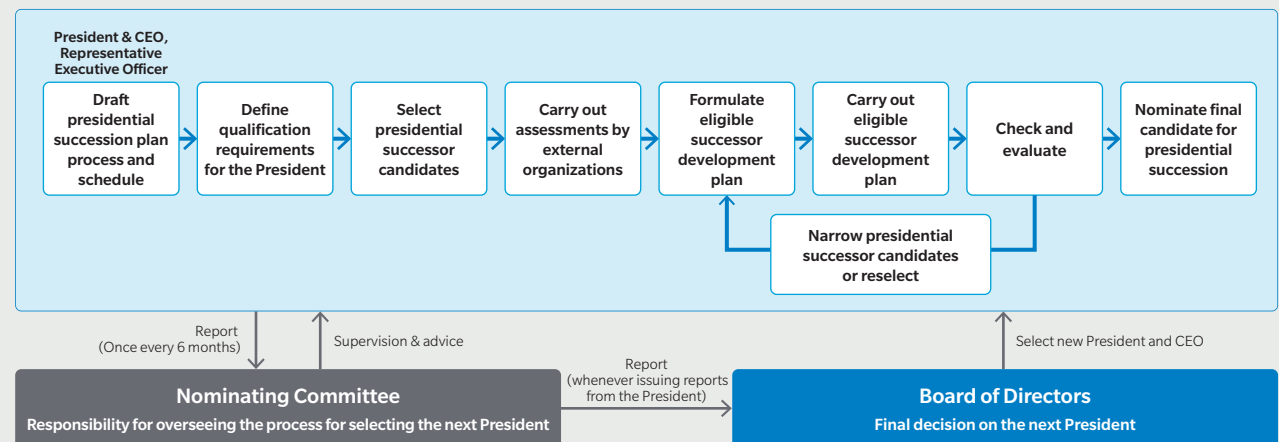
3. Status of initiatives
  - 1) The President makes a report to the Nominating Committee once every six months on initiatives such as the clarification of qualification requirements, the selection of succession candidate(s), the formulation and implementation of development plans that include the assignment of tough missions, and the verification and assessment of the status of development
  - 2) The Nominating Committee, based on said report, provides guidance and advice on the succession plan for the President & CEO, Representative Executive Officer while simultaneously providing necessary information in Committee activity reports given at meetings of the Board of Directors as the occasion demands
4. Results
  - 1) Final verification of the selection of then-Senior Executive Vice President and Executive Officer Toshimitsu Taiko ("Mr. Taiko") as the next candidate for President was carried out at the meeting of the Nominating Committee for February 2022
  - 2) The selection of Mr. Taiko as the next President was approved and passed unanimously at the meeting of the Board of Directors for February 2022

### Top executive candidate (Executive Officers, Corporate Vice Presidents, etc.) development plan

The development of top executive candidates such as Executive Officers and Corporate Vice Presidents is also being done in a systematic fashion. The Talent Committee selects candidates and formulates development plans and assignment plans. The Committee conducts the following activities, the results of which are reported to the Nominating Committee by the President (once a year).

- Conducting an in-house program for developing next-generation executives
- Coaching by the previous Chairman of the Board
- Individual meetings with the President
- Coaching by former Outside Directors
- Dispatching personnel to participate in external (Japan and overseas) executive development programs

### Functions and roles of the President & CEO, Representative Executive Officer in the succession plan



## Message from the Chairperson of the Audit Committee



### Soichiro Sakuma

Outside Director

#### Profile

At Nippon Steel Corporation and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation), Mr. Soichiro Sakuma was involved for many years in management in the manufacturing sector and was in charge of main head office functions, including general administration, human resources, environment, and IT, handling primarily legal, internal control, and auditing operations. He has extensive experience and a broad range of knowledge as a corporate executive. Mr. Sakuma was appointed Outside Director in June 2020.

### Priority themes for FY2021 and audit policy for FY2022

The Audit Committee engaged in audits with the below three points as its priority themes for fiscal 2021. Firstly, we audited progress in the DX espoused under our “DX2022” medium-term business plan and the progress in improvements in earnings under new businesses and verified the state of coping with various risks that included impairment risk such as that caused by past acquisitions and the effects of COVID-19 on our businesses. Secondly, we identified specific departments under our Industry Business, which constitutes one of

the profit-generating drivers of the Group, and audited their business management framework and operational effectiveness. Thirdly, we performed audits on the status of initiatives for ESG geared towards improving corporate value vis-à-vis our five material issues.

Furthermore, in fiscal 2021, we ended up auditing our response to the explosion accidents that took place twice—once in July and again in August—at a toner plant belonging to Konica Minolta Supplies Manufacturing Co., Ltd. We verified that the actions taken by the executive team, including an investigation into the causes of the accidents, effects analysis and measures to prevent reoccurrence, were performed adequately, and that we properly fulfilled our responsibility as a corporation.

Fiscal 2022 is the final year of “DX2022.” The auditing of the status of attainment of the strategic targets under that medium-term business plan will be our most important task of all. Naturally, in addition to examining items within that plan that were/were not attained, we intend to perform those audits from the standpoint of whether we are tackling those targets methodically, organizationally, and with a view to the future.

### Operation of Audit Committee

All of the members of the Audit Committee have long been involved with corporate management, and have amassed a considerable record for themselves over time. What this means is that due to being outfitted with a wealth of experience and advanced insight with regard to management, those members are capable of digging deep into discussion to reach the very essence of any audit theme that they take up. This is a major defining characteristic of the Company’s Audit Committee.

For example, upon taking up a problem related to inventory control under a certain business, the Audit Committee went beyond simply performing an inspection of quantitative items to open up the discussion into one that suggested the heart of the matter might be fundamental issues faced by the subsidiary involved, such as those surrounding its corporate constitution or a lack of competitiveness. Additionally, in the audit of another business, the Committee focused on how the aspect of human capital constituted a significant management issue in addition to performing a careful review of that business’ management framework, and arrived at the recommendation that the generation of synergy through personnel exchange between acquired overseas subsidiaries should also be considered.

Such response is also extremely vital for the sake of realizing

audits with higher levels of effectiveness. Going forward, the Audit Committee will continue to endeavor towards the dynamic operation of agenda so that it can conduct substantial discussion that leads to the resolution of management issues while ensuring that its viewpoints are tailored to each work situation.

### In order to enhance our corporate value over the medium to long term

In addition to the protraction of COVID-19, there has been increasing uncertainty due to the geopolitical situation in Eastern Europe and sharply rising energy prices. These and other factors have caused the severity of the operating environment that surrounds the Company to increase rapidly and dramatically. Given our position as a global enterprise whose primary markets include Europe, the US and Asia, we are at risk of encountering various effects from those factors in our management. In order to successfully improve our corporate value over the medium to long term, it is crucial that we analyze the kind of impact that events that have surfaced and matters with the potential to arise in the future will have on our company, and to take any necessary measures in a timely manner. Going forward, the Audit Committee will continue to assist in improving our corporate value through performing efficient and effective audits of the state of execution based on risk approach.

As of this April, we have a new President & CEO, Representative Executive Officer. Accordingly, our executive team will be tackling the sustained growth of the Company and the medium- to long-term improvement of its corporate value based on a new organization. I also intend on properly noting whether that direction conforms to our management vision of “Imaging to the People.”



## Message from the Chairperson of the Compensation Committee



**Sakie Tachibana Fukushima**

Outside Director

**Profile**

Ms. Sakie Tachibana Fukushima served as Member of the Board of Korn Ferry International (Global Headquarters) and President and Chairperson of its Japanese subsidiary. She has also served as President and Representative Director of G&S Global Advisors Inc. and is the former Vice-Chairman of the Japan Association of Corporate Executives. In addition to her extensive experience as a member of management and a broad range of experience and knowledge about the management of human capital, she has an extensive range of knowledge about corporate governance. Ms. Fukushima was appointed Outside Director at Konica Minolta in June 2019.

### Primary themes handled by the Compensation Committee

For the purpose of further elevating the awareness and motivation of each Executive Officer with respect to the sure implementation of strategy and attainment of targets upon the start of the “DX2022” medium-term business plan in April 2020, the Company revised its compensation determination policy and partially revised its officer compensation system. Additionally, the Compensation Committee commenced examination efforts with a view to an officer compensation

system that would suit its officers following the completion of the transformation of the business portfolio currently being promoted by the Company. As part of that examination, in fiscal 2021, we conducted discussions centered on the following two themes.

The first of those themes is the revision of benchmark corporate groups for officer compensation systems. Every year, we perform benchmarking in order to verify the market competitiveness of our officer compensation system. Until now, the Company had used “electronic and precision equipment” as the category for benchmarking. However, as we promoted the transformation of our business portfolio, competition with different industries than before has increased. Given that, following our discussions, we modified the framework of our benchmarking target from “electronic and precision equipment” to “competing corporate groups.” We newly extracted appropriate competing corporations from various business categories and industries such as chemicals, IT and DX to complement preexisting industries and reconfigured our benchmark into a corporate group that suits the Company’s current situation.

The second theme, which is an issue that has been the subject of ongoing examination for some time, is the review of our officer compensation system into one that encourages the achievement of positive outcomes for the transformation of our business portfolio. As a result of this review, starting in fiscal 2020, we revised the evaluation indicators and payment rates under our “annual performance-based cash bonus” for Executive Officers as well as introduced a “long-term stock bonus” for Executive Officers and non-executive Inside Directors. While the resulting effects have yet to fully manifest themselves, this compensation system has approached a balanced one that rewards good work and penalizes bad work, making it generous to officers who perform well and strict to those who do not perform well enough. We believe that it is indicative of the future direction of compensation governance at the Company. Going forward, we will continue to pursue an ideal officer compensation system from various angles, such as by revising the ratios of our base salary, performance-based bonuses and long-term incentive systems or adding new evaluation items, to give some examples.

Furthermore, starting from fiscal 2020, the year in which I assumed the post of Chairperson of the Compensation Committee, we began conducting evaluation meetings that also include the verification of key management issues for the next fiscal year with the President & CEO, Representative Executive Officer. Under this system, upon the determination of payment amounts for the “annual

performance-based cash bonus,” with respect to evaluations for each individual Executive Officer, which constitute one evaluation element, the degree of attainment of key management issues is evaluated based on the self-evaluation of the President himself at meetings of the Compensation Committee. Those results are reported by the Chairperson to the President, and key management issues for the next fiscal year are verified. This fiscal year, as we have already verified those issues with the new President, we intend on holding interviews with him at the end of the fiscal year based on that verification.

### Operations Policy for the Compensation Committee and Future Issues

The Company’s Compensation Committee is made up of three Outside Directors with management experience in industries different from those in which Konica Minolta is active and non-Executive Inside Directors who are highly familiar with the situation within the Group. Each Committee member also has a wealth of experience overseas and possesses a strong understanding of global compensation systems and the importance of the “market value” of human capital in incentives. I, too, have job experience in global human capital consulting in the U.S. and Japan, and believe that securing and developing human capital with high “market value” is imperative in order to elevate corporate value over the medium to long term. Furthermore, members of the Compensation Committee engage in vibrant, continual discussion based on their opinions founded on elements such as the difficulties in hiring capable local human capital at overseas Group companies and their experience in situations where the effects of compensation incentives upon that hiring differ from those in Japan. While leveraging those discussions, we intend on identifying the most effective officer compensation system for the Company by selectively adopting the best practices out of a number of successful examples from both within and outside Japan.

One of the issues that we will examine going forward is the introduction of compensation systems that more strongly incorporate the perspectives of ESG and SDGs as well as shareholder perspectives such as linkage with corporate value evaluations by external parties and Total Shareholder Return (TSR). Additionally, as overseas operations represent a high proportion of our business, and the multinationalization and global reassignment of our officers are also expected to increase going forward, I believe that we must act in haste to consider the establishment of a compensation framework that is competitive in human capital markets both in Japan and globally.

## Corporate Governance

### Towards governance aimed at achieving sustainable corporate growth and improving medium- to long-term corporate value

The Company believes that corporate governance should contribute to sustainable corporate growth and increased corporate value over the medium to long term by encouraging appropriate risk-taking as part of management execution. At the same time, the Company has established a corporate governance system from the standpoint of the supervisory side in the belief that setting up and managing a highly effective supervisory function is also necessary. As part of its institutional design in accordance with the Companies Act, in 2003 the Company selected the “company with committees” system (now, a “company with three committees” system) and established a system that eliminated dependency on personal characteristics, thereby pursuing governance in a style specific to the Company. The Basic Policy on Corporate Governance\*<sup>1</sup> that was formulated in September 2015 defines the basic views regarding corporate governance.

Moreover, the Company implements all of the various principles in the Tokyo Stock Exchange’s “Corporate Governance Code” (version revised on June 11, 2021) based on these basic views.

Note that the Company discloses all of its 14\*<sup>2</sup> general principles, principles and supplementary principles in detail in the “Corporate Governance Report.”\*<sup>1</sup>

\*<sup>1</sup> Our Basic Policy on Corporate Governance and Corporate Governance Report are available on our website.  
<https://www.konicaminolta.com/us-en/investors/management/governance/index.html>

\*<sup>2</sup> The company with three committees is excluded from disclosure pertaining to Supplementary Principle 4-10 a. Accordingly, information is disclosed on 13 principles in actuality.

#### Basic Policy on Corporate Governance: Basic Views

- Ensuring business supervisory functions by separating the supervisory and execution functions in order to increase the corporate value;
- Election of Independent Outside Directors who can provide supervision from a shareholder perspective; and
- Improvement of the transparency, integrity and efficiency of management through the above-mentioned points

### Chronology of measures to establish a corporate governance framework and improve its effectiveness

	FY2000-	FY2010-	FY2020-
<b>Institutional Design</b>	2003 • Formation of Konica Minolta Holdings, Inc. due to a management integration. Became a company with committees (now a company with three committees)		
<b>Board of Directors Directors</b>	2000 • Reduced the number of Directors (started an Executive Officer system)	2022 • Selected an Independent Outside Director as the Chairman of the Board	
	2002 • Elected two Independent Outside Directors • Shortened the term of Directors to one year	2003 • Number of Independent Outside Directors increased from two to four 2006 • First overseas field trip by Outside Directors (two) for a visit to a manufacturing subsidiary in China	2018 • Increased the number of Independent Outside Directors from four to five 2022 • Decreased the number of Inside Directors from six to four and made the transition to a framework with Independent Outside Directors constituting the majority
<b>Rules and Policies</b>	2003 • Establishment of the Corporate Organization Basic Regulations	2010 • Revised part of the Board of Directors rules 2015 • Established the Basic Policy on Corporate Governance	2018 • Revised some of the Board of Directors Rules 2021 • Revised a portion of the Basic Policy on Corporate Governance
<b>Effectiveness Assessments</b>	2004 • Started self-assessments (using questionnaires) of the effectiveness of the Board of Directors	2014 • Started establishing a Fiscal Year Policy for the Board of Directors based on results of self-assessments 2016 • Started using an external organization for questionnaires and interviews to assess the effectiveness of the Board of Directors	
<b>Nominating Committee</b>	2006 • Chairman of the Board started participating in the Nominating Committee • Established standards for the independence of Outside Directors	2015 • Started overseeing the succession plan (development and selection) of the President & CEO, Representative Executive Officer	2021 • Finished overseeing said succession plan (The Board of Directors selected a new President & CEO, Representative Executive Officer) 2021 • Disclosed the expertise and experience expected of Director candidates in the form of a “skill matrix” (Originally, the Committee would prepare and apply these expected attributes internally) 2022 • Started overseeing the new succession plan (development and selection) of the President & CEO, Representative Executive Officer
<b>Audit Committee</b>	2006 • Changed External Accounting Auditors		
<b>Compensation Committee</b>	2003 • Establishment of policy for determining compensation 2005 • Ended lump-sum retirement payments and started compensation-type stock options	2009 • Revised part of the terms for performance-linked compensation in the compensation determination policy 2017 • The compensation determination policy was revised, replaced compensation-type stock options and introduced stock bonus linking with medium-term performance	2020 • Revised part of the terms for performance-linked compensation in the compensation determination policy 2020 • Implemented a long-term stock bonus in addition to the medium-term stock bonus
<b>Other</b>	2006 • Ended the senior adviser position 2019 • Issued tablet devices to Outside Directors and commenced digital delivery of Board of Directors meeting materials		

## Corporate Governance

### The Company's basic policy of pursuing a highly transparent governance framework

As a company with three committees, to the extent legally allowed, Konica Minolta's Board of Directors entrusts business decisions to Executive Officers to a significant degree. The Board has adopted "basic management policies," "internal control systems," and "the election of Executive Officers" as the important matters that it should resolve.

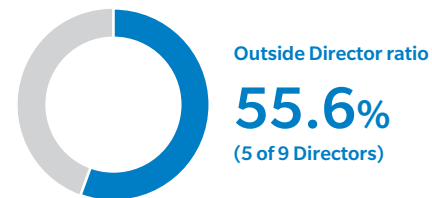
At least one third of the total number of Directors must be Independent Outside Directors, and Directors not also serving as Executive Officers must compose the majority of Directors. The Chairman of the Board, selected from among Directors not also serving as Executive Officers, ensures that supervision by the Board of Directors is effective. Outside Directors compose the majority of the Nominating Committee, Audit Committee, and Compensation Committee, and committee chairpersons are selected from among

these Outside Directors. The Director who is concurrently Representative Executive Officer is not elected to a committee.

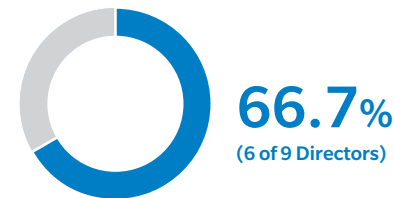
In principle, the Board of Directors meets once a month. Outside Directors receive materials in advance in order to

familiarize them with the agenda and facilitate lively discussions at meetings of the Board of Directors. Executive Officers in charge may also occasionally conduct preliminary briefings on important management decisions.

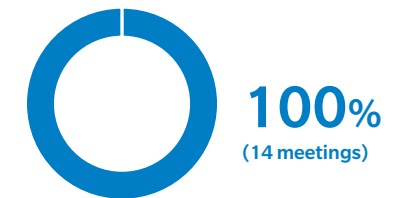
#### Board of Directors members



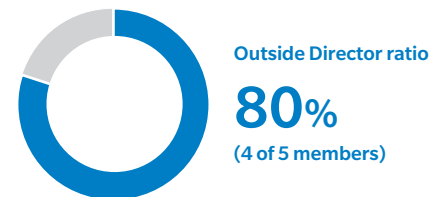
#### Non-Executive Officer ratio



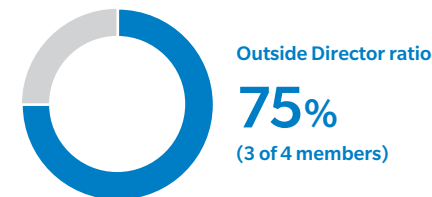
#### Board of Directors meeting attendance (FY2021)



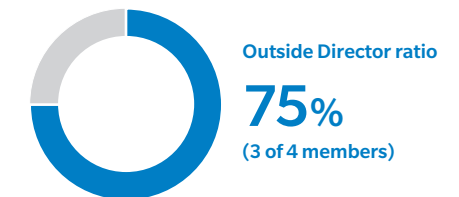
#### Nominating Committee members



#### Audit Committee members



#### Compensation Committee members



Member composition and ratios are current as of August 2022

#### Primary agenda at meetings of the Board of Directors in FY2021

- Approval of the "DX2022" medium-term management plan and reporting of department-specific progress in said plan
- Reporting of an outline of the fiscal 2022 management plan and the review status for the basic budget
- Reporting of the capital policy under the precision medicine business
- Reporting of matters related to sustainability\*
- Approval of guidelines for complying with the each of various principles in the revised Corporate Governance Code (June 2021 ver.)
- Approval of application to list the Company on the Prime Market
- Approval to revise a portion of the Basic Policy on Corporate Governance
- Reporting on the Operations Policy of the Board of Directors for Fiscal 2021 based on the "Board of Directors Effectiveness Assessments"
- Reporting on the Operations Policy of the Ordinary General Meeting of Shareholders for Fiscal 2021

\* Said matters include the identification of the materiality of the Company and the approach thereto, management capability and capacity for action, cooperation with stakeholders, the reinforcement of human capital power, and innovation management

#### Roles of the Board of Directors and three committees and meetings held in FY2021

	Role	Times held	Participation by all Directors	Participation by Outside Directors
<b>Board of Directors</b>	Acting in accordance with laws and the Articles of Incorporation, the Board of Directors make decisions on the Company's business and supervises the execution of duties by the Directors and Executive Officers (including the execution of business by the Representative Executive Officer and Executive Officers).	14 times	100%	100%
<b>Nominating Committee</b>	The Nominating Committee makes decisions on agenda items that concern the election or dismissal of Directors, which are submitted to General Meetings of Shareholders. When appropriate, this committee also receives reports on and supervises succession plans (regarding personnel development and selection) provided by the President & CEO.	10 times	100%	100%
<b>Audit Committee</b>	The Audit Committee audits Directors and Executive Officers' execution of duties, prepares audit reports, and makes decisions on proposals that concern the election, dismissal, or non-re-election of External Accounting Auditors and that are submitted at General Meetings of Shareholders.	13 times	100%	100%
<b>Compensation Committee</b>	The Compensation Committee makes decisions about individual compensation, bonuses, and other financial benefits that Directors and Executive Officers receive from the Company as compensation for performing their duties.	12 times	100%	100%

## Corporate Governance

### Policies and procedures upon nominating Director candidates

#### Board of Directors

The Nominating Committee reviews the composition of the Board of Directors and the three committees every year. In the recent selection of candidates for the Board of Directors, we carefully focused discussions on (1) the total number of directors and the composition of the directors (outside directors and inside directors, non-executive directors and directors concurrently serving as executive officers), (2) the tenure of outside directors, (3) diversity, (4) succession of the Chairman of the Board, (5) the role of inside directors serving as full-time audit committee members, and other factors. Based on the results of these discussions, the Company has confirmed the following policy regarding the composition of the Board of Directors for fiscal 2022.

1. The number of outside directors should be around five to six to ensure that they have the expertise and experience necessary for effective management supervision. In addition, the tenure of outside directors should be based on the existing four-year term, with the possibility of a two-year extension based on a resolution of the Nominating Committee, i.e., a maximum tenure of six years.
2. The selection of an outside director as the Chairman of the Board of Directors.
3. At least one internal director who does not concurrently serve as an executive officer is required to serve as a full-time member of the Audit Committee to ensure a certain level of audit quality.
4. In addition to the President, several executive officers, including the Executive Chairman and Executive Officer, shall be directors who concurrently serve as executive officers.

With the proposal for director nominees developed in accordance with this policy, the Board of Directors has a majority of outside directors (five out of nine), and an outside director was selected as the Chairman of the Board of Directors to further evolve the corporate governance system to be more transparent.

Additionally, in selecting Outside Director candidates, to oversee business execution from diverse perspectives, the Nominating Committee factors in the diversity and balance of the expertise, experience, and business categories that the Outside Directors represent as a whole and place the greatest emphasis on the expertise

and experience for appropriately overseeing the medium-term management challenges of the Company that those candidates possess. Note that for the newly-selected Outside Director, a candidate who possesses a wealth of knowledge regarding business development, IT service businesses and global management as a member of top corporate management and who can be expected to provide beneficial guidance and advice was selected.

#### Outside Directors

1. The Chairperson of the Nominating Committee asks the Nominating Committee members, other Outside Directors, and the President and CEO, Representative Executive Officer to recommend candidates in accordance with the above nomination policy. Upon this, a database of candidates prepared by the Nominating Committee Secretariat that contains information mostly centered on the “chairperson” of excellent enterprises, such as their independence, age and the status of concurrent positions, is also used as a reference.
2. With a view that Outside Directors have a role in overseeing the Company’s efforts to address medium-term management challenges, the Nominating Committee will discuss the nominees recommended and narrow down and rank the appropriate personnel as the candidates for Directors for the following year.
3. In order of the above ranking, the Chairperson of the Nominating Committee and the Chairman of the Board visit candidates to inquire about taking office as Outside Directors.

#### Inside Directors

1. President and CEO, Representative Executive Officer shares his plan on the executive system for the next fiscal year with Chairman of the Board of Directors. The two discuss a plan on candidates for Non-executive Directors and a plan on candidates for Directors who concurrently serve as Executive Officers according to the policies described above and make a joint proposal to the Nominating Committee.
2. The Nominating Committee discusses the proposal and makes its decision.

\* Specific details regarding the policies and procedures for selecting Director candidates are on our website.  
<https://www.konicaminolta.com/us-en/investors/management/governance/01-01.html#anc-02>

### Effectiveness assessments for the Board of Directors

In 2003, the Company became a company with committees (now a company with three committees). To determine if the corporate governance system is functioning as intended, the Company started performing self-assessments in 2004 concerning the Board of Directors’ effectiveness.

Since then, self-assessments are conducted on the effectiveness of the Board of Directors and the three committees each year, looking back over the activities of the past year to confirm whether or not the construction and operation of the Company’s corporate governance system is contributing to the realization of sustainable growth and enhancement of medium- to long-term corporate value of the Company that the system is designed to facilitate. The results of these self-assessments are used to identify items that the Board of Directors should work on in the following fiscal year in order to further improve effectiveness.

In fiscal 2016, the Company outsourced questionnaires and interviews to an external organization to enhance objectivity by adding standpoints of third parties, and to clarify issues not noticed in the existing “self-evaluation.”

In the past, we have developed questions with the objective of finding areas for improvement and issues to improve the effectiveness of governance, and in the last few sessions in particular, we have set questions with a specific point of focus.

On the other hand, since this year marks a milestone with the change of the Chairman of the Board, we have prepared questions to provide a bird’s eye view of the current status of the effectiveness of the Company’s governance.

#### Implementation process for effectiveness assessments for FY2021

March to April 2022	Distribution of self-evaluation questionnaires to Directors and their return
May 2022	Compiling of questionnaire responses and evaluation results Summary Report (informal gatherings of Directors)
June 2022	Explanation of Board of Directors Operations Policy for Fiscal 2022 by the new Chairman of the Board, Q&A session and opinion exchange (Board of Directors meeting immediately after the ordinary general meeting of shareholders)



## Corporate Governance

### Details of Board of Directors effectiveness assessments for FY2021

#### 1. Composition of questions

The questions were divided into the following categories, with several questions for each (Responses consisted of five-grade evaluations.). In addition, a free-response field was provided for each category.

- (1) General questions (e.g.: contribution to corporate value, ensuring effectiveness)
- (2) Questions on operation of and discussions in board meetings (agenda setting, quality of discussions and supervision of the agenda)
- (3) Questions on operation of and discussions in board meetings (proceedings, quality of explanations and remarks during proceedings)
- (4) Committees
- (5) Environment of the Board and Committees
- (6) Composition of the Board

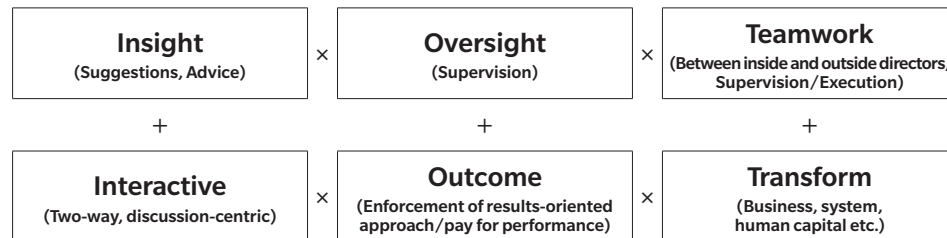
#### 2. Responses, evaluations and opinions

Category	Responses, evaluation, opinions, etc. from each Director
(1)	<ul style="list-style-type: none"> <li>Although the Board has a certain level of effectiveness, it is not necessarily sufficient.</li> <li>The contribution of the Board and the three committees to the enhancement of the Company's corporate value has reached a certain level, but it is not necessarily sufficient if we understand enhancement of corporate value to mean the improvement of business performance or stock price.</li> </ul>
(2)	<ul style="list-style-type: none"> <li>There is a gap among directors in terms of how they perceive the level of oversight or discussion on sustainability-related issues.</li> <li>Regarding the supervision of risk-taking by the executive team, there may be room for improvement in constructive deliberation or post-risk-taking supervision</li> </ul>
(3)	<ul style="list-style-type: none"> <li>There are some times when I get the impression that the executive team's explanations are somewhat inaccurate and vary in degrees of skill from person to person.</li> <li>There are cases when I feel that non-executive directors do not always ask questions or give opinions from the perspective of management oversight.</li> </ul>
(4)	<ul style="list-style-type: none"> <li>There may be some issues to some of the discussions regarding executive officer appointments and oversight of succession planning for key positions.</li> </ul>
(5)	<ul style="list-style-type: none"> <li>Board meeting materials need to be improved in terms of content, volume, and timing of distribution.</li> <li>Training for directors could be further enhanced.</li> </ul>
(6)	<ul style="list-style-type: none"> <li>I think it is better to take the stance of a global company and capture diversity in terms of gender, nationality, age, etc.</li> <li>The absence of directors with experience and expertise in technology, R&amp;D, and manufacturing can be a risk in the discussions and decisions of the Board.</li> <li>It is desirable to be able to adjust the tenure of outside directors according to changes in the external environment and other factors. To this end, it may be an issue for consideration to conduct mutual evaluations among directors.</li> </ul>

### Outline of Board of Directors Management Policies for FY2022

#### 1. Concept of the board management policy:

Aim to create a highly effective corporate governance system unique to the Company through IOT<sup>2</sup>.



#### 2. Other items to evolve further in the current fiscal year

- As a "monitoring board," narrow down the strategic points that need to be focused on in the current fiscal year and continuously implement the PDCA cycle.
- Further strengthen a governance system by increasing the shareholder/investor perspective.
- Foster an evolving sense of distance between the supervisory and executive sides to further improve teamwork.

#### 3. Focus points for the Board of Directors

- Early recovery to profitability is a top priority
- Focusing on high-impact strategic themes, we aim to restore the trust of the market and the confidence of our employees by improving our executive power to transform our business portfolio.

## Corporate Governance

### Implementing a Directors' compensation system with clearly defined standards

The Company's Directors' compensation system is intended to incentivize Directors and Executive Officers to strive for the continuous medium- to long-term improvement of the Group's performance in line with management policies in order to meet shareholder expectations, and to contribute to optimizing Group value. The Company aims for a level of compensation that enables it to attract and retain talented people that will take responsibility for the Company's development.

In keeping with these aims, the Compensation Committee has established a policy for determining the individual compensation entitlement of Directors and Executive Officers as set out below, and determines the amount, etc. of individual compensation entitlement of Directors and Executive Officers in line with this policy.

#### Directors' compensation system

Compensation packages for Directors (Non-executive Inside Directors) exclude a short-term performance-linked cash bonus because Directors have a supervisory role, and consist of a "base salary" component in the form of a base salary and "stock bonus." The "stock bonus" consists of the "medium-term stock bonus" (non-performance-linked) and "long-term stock bonus." Also, Outside Directors only receive "base salary," inclusive of bonus according to their roles.

Compensation packages for Executive Officers consist of "base salary," "annual performance-linked cash bonus," and "stock bonus." Stock bonus consists of "medium-term stock bonus" (performance-linked) and "long-term stock bonus."

The amount of the "annual performance-linked cash bonus" is determined based on the level of performance result for the fiscal year (consolidated operating income) and the degree of attainment of annual performance targets, with the progress in each Executive Officer's key operational measures also reflected.

For "medium-term stock bonus" (non-performance-linked), the number of the Company's shares distributed is determined based on role and the number of years of service. For

"medium-term stock bonus" (performance-linked), that number is determined in accordance with the degree of attainment of targets adopted in the medium-term management plan. For "long-term

stock bonus," the number of the Company's shares distributed is determined based on title or role and the number of years of service.

#### Composition of Directors' compensation

Directors	Inside (not concurrently serving as Executive Officers)	Base Salary		Medium-term stock bonus (non-performance-linked)	Long-term stock bonus
	Outside	Base Salary			
Executive Officers	President	Base Salary 50%	Annual performance-linked cash bonus 25%	Medium-term stock bonus (performance-linked) 15%	Long-term stock bonus 10%
	Other Executive Officers	Base Salary 51-55%	Annual performance-linked cash bonus 29-25%	Medium-term stock bonus (performance-linked) 12%	Long-term stock bonus 8%

#### Evaluation indicators for annual performance-linked cash bonuses

Item	Portion according to performance level	Portion according to attainment of performance targets					Portion according to personal appraisal
Assessment index and others	Operating profit	Corporate divisions *1/core business divisions				New business divisions	Reflects progress of each Executive Officer's key operational measures
		Operating Profit 25%	Operating profit ratio 25%	Operating cash flow 25%	KMCC-ROIC *2 25%	Individual divisions targets	
	Linked with Group consolidated performance result level	Linked with annual performance target achievement rate				Linked with individual target attainment rate	

\*1 The corporate divisions include management affairs divisions of Konica Minolta, Inc. and those with group-wide horizontal functions.

\*2 KMCC-ROIC is ROIC for calculating the current annual performance-linked cash bonus, and invested capital consists of assets capable of individual management and improvement by each business division.

#### Indicators for determining medium-term stock bonus (performance-linked)

Item	Medium-term stock bonus (performance-linked)		
Assessment index	Group consolidated operating profit	Group consolidated operating cash flow	Group consolidated ROIC
	(Cumulative total for 3 years from fiscal 2020 to fiscal 2022)		(3 year average from fiscal 2020 to fiscal 2022)
	40%	30%	30%
	Linked with attainment rate of medium-term management plan targets		

## Corporate Governance

### Total compensation for Directors and Executive Officers

		Directors			Executive Officers
		Outside	Inside	Total	
Total (million yen)		64	169	234	391
Base salary	Persons	6	3	9	10
	Amount (million yen)	64	127	192	280
Performance-linked cash bonus	Persons	-	-	-	10
	Amount (million yen)	-	-	-	29
Stock bonus	Persons	-	3	3	10
	Amount (million yen)	-	42	42	81

**Note 1** The number above includes one Outside Director and one Executive Officer who resigned on the date of the 117th Ordinary General Meeting of Shareholders held on June 17, 2021. As of March 31, 2022, the Company has five Outside Directors, three Inside Directors (not concurrently holding Executive Officer posts) and nine Executive Officers.

**Note 2** In addition to the three Inside Directors shown above, the Company has another four Inside Directors who concurrently hold Executive Officer posts, and the compensation to these Directors is included in compensation to Executive Officers.

**Note 3** Regarding the performance-linked cash bonus, the amounts which were recorded as expense in fiscal 2021 are stated.

**Note 4** Regarding the stock bonus, the amounts which were recorded as expense in fiscal 2021 are stated, based on a calculation of estimated amount of stock bonus of the Company in the future according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation. The amount includes medium-term stock bonus (performance-linked) to be distributed according to the target attainment rate in the period of the medium-term management plan.

### Determining cross-shareholdings based on their significance or justification

In principle, the Company will not hold listed stocks as cross-shareholdings except in cases where it recognizes there is significance or justification for ownership. Significance or justification for ownership will be judged from the results of yearly examinations conducted on each based on whether there are expectations of collaboration with the issuers and business synergies, as well as on whether the benefit and risk of holding said stock are appropriate to its capital cost. Consequently, stock where there is little significance or justification for ownership will be sold while taking into account the proper stock price, market conditions, and other factors. Seven stocks judged to be lacking in significance were sold (excluding deemed holding shares) in fiscal 2021 (proceeds were ¥5,460 million).

The execution of voting rights is an important means of communicating with investees, and the Company exercises its voting rights related to all cross-shareholdings. In exercising these rights, the Company checks each proposal and, rather than making a uniform judgement on whether to approve or reject it

based on formulaic or short-term standards, makes a judgement from the perspective of whether the proposal will lead to continuous growth and a medium- to long-term increase in corporate value for the Company and the investee, based on sufficient consideration of said investee's management policy, strategies, and the like. Judgement on whether to approve or disapprove a proposal includes careful consideration of the following items that may have a significant impact on shareholder return in particular.

- Transfer of important assets
- Shareholdings structure change due to mergers or acquisition of 100% ownership
- Third-party allotments through favorable issuances
- Introduction of measures to defend against hostile takeovers

### Breakdown of cross-shareholdings

	Stocks (name)	Total carrying amount (million yen)
Unlisted shares	22	1,820
Shares other than unlisted shares	8	5,579

\* The ratio of the above total to consolidated net assets (total equity attributable to owners of the Company) is 1.3%.

\* The above does not include deemed holdings shares.

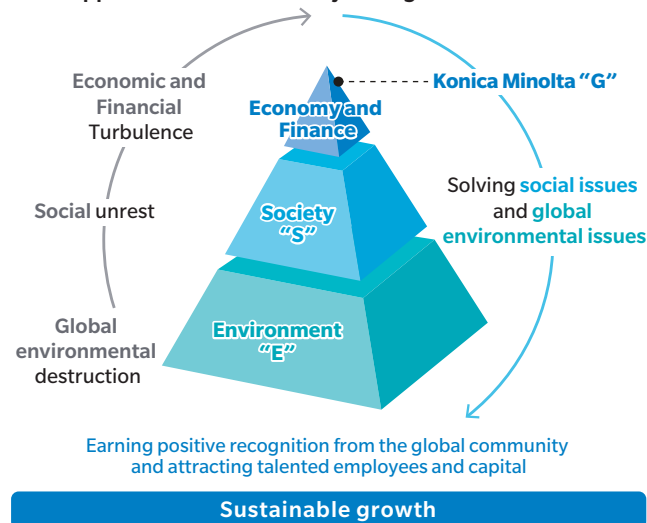
# Sustainability Governance

## Basic Approach

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.” Helping to build a sustainable society also promotes corporate sustainability. If greater social unrest is triggered by the destruction of the global environment, it will also impact economies and financial systems worldwide. However, by working to solve global environmental and social problems, Konica Minolta can minimize future risks while creating opportunities for growth.

Konica Minolta’s management vision is “Imaging to the People.” It states the Company’s determination to be a robust, innovative company, continually evolving and contributing to the sustainable growth of society and individuals. Konica Minolta will continue to take on the challenge of innovation — and co-innovation with customers — that can promote both the growth of its business and the creation of new value for the global environment and all of human society.

## Basic Approach for Sustainability Management



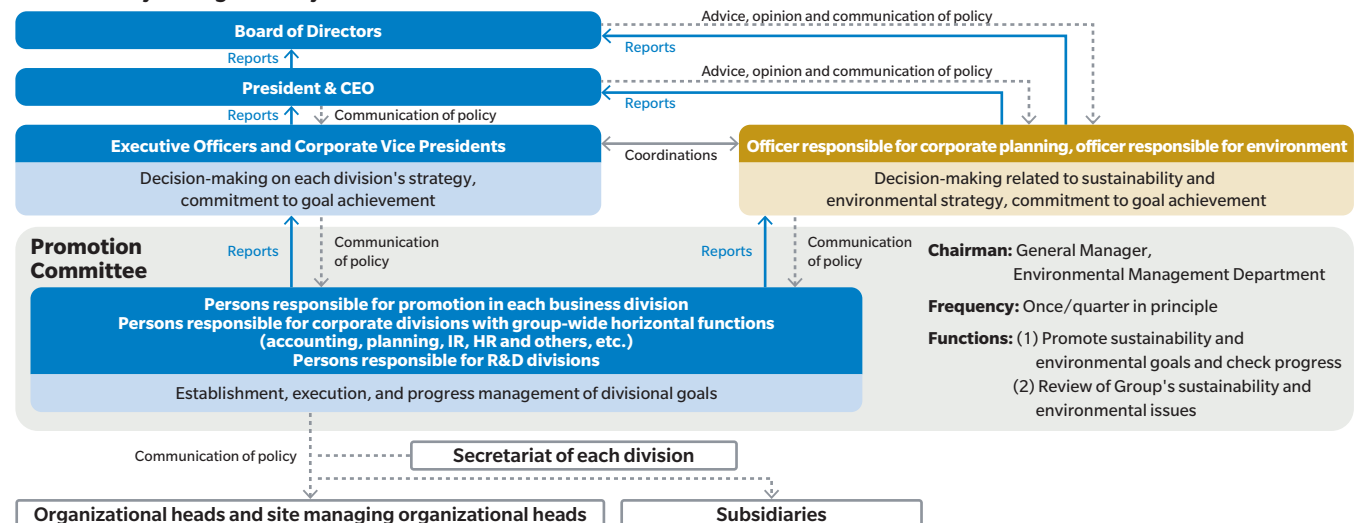
## Sustainability Management System

At Konica Minolta Inc., the President and CEO, who is a member of the Board of Directors, is tasked with the ultimate responsibility and authority for overall sustainability management and is also responsible for the effectiveness of the Company’s sustainability management. The actual sustainability management activities for the entire Group are executed by each Group Executive for Corporate Sustainability, under the President. Each Group Executive for Corporate Sustainability creates a medium-term plan for sustainability, which is approved by the Board of Directors as a management plan for the entire Group. Each Group Executive for Corporate Sustainability then reports to the President and the Audit Committee established in the Board of Directors on progress made on and issues in sustainability management. Each Group Executive also reports annually on sustainability progress under the medium-term management plan DX2022 (FY2020-FY2022) during Board of Directors meetings, and obtains advice and opinions.

The Company’s established a Group Sustainability Promotion Committee as an organization that promotes the Group’s medium-term sustainability plan. The Corporate Sustainability Division serves as the secretariat of the Committee, whose members are persons responsible for sustainability promotion appointed by the heads of the business divisions, corporate planning and management divisions (planning, IR, HR and others), and R&D divisions. The Committee discusses the medium-term sustainability plan and the annual plan, checks the quarterly progress, and reviews the Group’s sustainability issues.

Since fiscal 2017, the Company’s has been promoting sustainability as part of its management activities by including non-financial indicators such as ESG in the performance evaluation items of executive officers.

## Sustainability Management System





## Sustainability Governance

### Material Issue Evaluation and Identification Process

#### Step 1. Issue Awareness

First, Konica Minolta made a list of diverse environmental, social, and economic issues by referencing international frameworks and guidelines such as the GRI Standards and SDGs, as well as macro trends in each specialized field.

The list was prepared by referring to the Wedding Cake Model of the SDGs. This structural model was developed by the Stockholm Resilience Center\* as a way to understand the SDGs, and it helps to clarify the relationships among the SDGs. With this model, the 17 goals are divided into three layered categories, like the tiers of a wedding cake. These tiers from bottom to top are biosphere, society and economy. The model illustrates that achieving the biosphere and society-related SDGs can help to build a sustainable economy and society, upon which companies can help build the foundation for a sustainable economy. With this relationship in mind, Konica Minolta identified the issues of greatest importance to its business.

During this identification process, Konica Minolta also considered social and environmental changes, regulatory and policy trends, and stakeholder requirements, all in light of the Company's current and potential business areas as well as the corresponding supply and value chains.

\* Stockholm Resilience Center  
<https://www.stockholmresilience.org/research/research-news/2016-06-14-how-food-connects-all-the-sdgs.html>

#### Step 2. Issue Identification and Prioritization

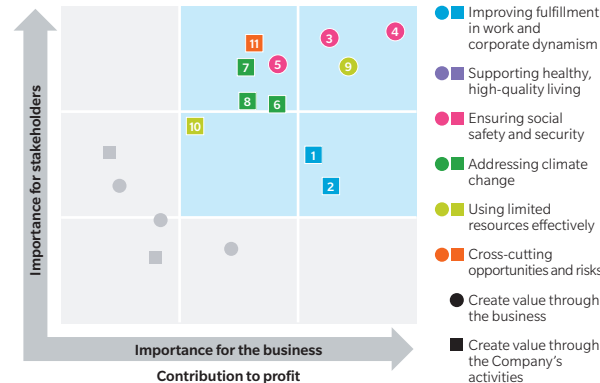
From the initial list of issues, Konica Minolta identified fields that are particularly relevant to its business, and then conducted a prioritization process. Konica Minolta's materiality analysis is unique in that it assesses both risks and opportunities. By evaluating both these aspects, the Company aims to fulfill expectations for enterprises to tackle the SDGs. The expectation is that companies treat social and environmental issues as opportunities to grow their businesses, while helping to solve the issues through their business activities. Materiality analysis put 1 of 5 levels of importance for stakeholders (customers, suppliers, shareholders and investors, employees, etc.) and the business (amount of financial impact), and assigned priority to each issue.

Opportunities for Each Material Issue



- 1 Improving productivity of customer organizations and increasing time for creativity by providing work-style solutions using digital technology
- 2 Improving productivity and enhancing workplace motivation in the supply chains of customer organizations by providing products and services that transform the workflows of frontline workers
- 3 Realizing the full potential of human resources, who are the source of new value, and creating workplaces organizations where individuals thrive
- 4 Eliminating labor shortages and strengthening cyber security by eliminating the gap in IT access faced by small and medium enterprises
- 5 Transforming caregiver workflow with imaging IoT-based systems and onsite consulting services, and creating a labor pool in the caregiving industry
- 6 Promoting disease prevention and early detection by providing high value-added medical services, and reducing medical expenses
- 7 Streamlining drug development by promoting innovation in pharmaceutical development processes utilizing genetic testing technology
- 8 Improving healthcare accessibility in developing countries
- 9 Improving safety and security at client sites and for society by providing products and services such as gas leak monitoring services
- 10 Supporting the quality produced by corporate clients by offering products and services that facilitate high-tech measurement and inspection
- 11 Reducing energy consumption and CO<sub>2</sub> emissions of customers and society by providing manufacturing process solutions
- 12 Promoting a paperless and ubiquitous computing society by providing solutions for work style reform
- 13 Contributing to drastic CO<sub>2</sub> emissions and cost reductions by helping business partners to reduce their environmental impact using DX technology
- 14 Constructing efficient supply chains for client companies using on-demand production
- 15 Reducing workflow and supply chain loss for client companies
- 16 Fostering a corporate culture that encourages role models for the generation of SDG innovation
- 17 Improving ESG relations with investors
- 18 Enhancing customer relations by making the most of ESG initiatives

Risks for Each Material Issue



- 1 Mismatches between employee skills and their work due to rapid changes in systems and environments
- 2 Declines in employee diversity, independence, and ability to innovate due to stagnated efforts to create workplaces that promote diversity
- 3 Loss of public confidence in the event of a product or service-related accident that results in death or injury to a user
- 4 Loss of public confidence in the event of a serious information security accident related to a product or service, which results in a personal data leak or privacy infringement
- 5 Impacts on operations and product shipments due to the use of substances that pollute ecosystems and pose human health hazards
- 6 Skyrocketing energy prices, increased material costs due to raw material shortages, and supply instability
- 7 Greater use of paperless systems due to skyrocketing energy prices and raw material shortages
- 8 Supply chain disruptions due to abnormal weather
- 9 Decline in competitiveness due to delayed participation in the circular economy
- 10 Production or shipment delays due to water-related risks and water resource depletion
- 11 Decline in public confidence due to lack of governance at business partners

#### Step 3. Results Confirmation and Issue Identification

As an organization that promotes the Group's Medium-term Sustainability Plan, the committee, confirmed the appropriateness of the material issue evaluation process and the prioritized issues. The selected material issues were then discussed by senior management and approved by the Board of Directors. The process used to identify material issues is reviewed annually, which guarantees the validity of the issues selected and the corresponding plan.

# Sustainability Targets and Results during the Period of the Medium-term Management Plan DX2022

## Improving Fulfillment in Work and Corporate Dynamism

**Vision for 2030:** Increase labor productivity for corporate clients, society, and Konica Minolta. Make time for creativity, and promote workplaces where all individuals can thrive.

Themes		Indicators	FY2020		FY2021		FY2022
			Results	Targets	Results	Targets	Targets
Increasing customer productivity and making time for creativity			Measures are planned to be disclosed in the future				
Creating an organization that draws out potential talent so that individuals can shine	Social and environmental value	Strategic assignments for manager candidates (%) *1	70	70	98	100	100
		Number of DX leaders*2 trained (people)	-	-	24	27	40
		Employee engagement score	GES*3 designing	GES designing	GES implementation Problem identification and goal setting	GES implementation Problem identification and goal setting	10% score increase in GES compared to FY2021
		Percentage of management positions held by women (%) *4	7.2	-	9.1	8	10% or more
		Percentage of women among new graduate hires (%) *4	23	30% or more	35	30% or more	Maintained at 30% or more

<sup>\*1</sup> Percentage of employees assigned to strategic leadership positions <sup>\*2</sup> DX leader: Leaders who can meet customer needs with digital solutions <sup>\*3</sup> GES (Global Employee Survey) <sup>\*4</sup> Target scope: Regular employees of Konica Minolta, Inc. as of April 1 following each fiscal year

## Supporting Healthy, High-Quality Living

**Vision for 2030:** Promote health and high quality of life at corporate clients, in society, and Konica Minolta. Help individuals lead fulfilling lives.

Themes		Indicators		FY2020		FY2021		FY2022
				Results	Targets	Results	Targets	Targets
Promote health and high quality of life at corporate clients				Measures are planned to be disclosed in the future				
Building safe and comfortable workplaces where employees feel motivated	Improve organizational health	Social and environmental value	Rate of reduction in Level 4 workplaces (%) *1	38	15	69	30	50
	Employee health *3		Percentage moving to higher level of organizational health (%) *2	-	-	5.1	5	10
			Number of employees who are at high risk physically (employees with the highest health risks) <sup>Note1</sup>	24% increase	4% decrease	30% decrease	8% decrease	12% decrease
			Number of leave-of-absence days taken due to mental health problems *4	15.1% increase	3% decrease	10.1% increase	7% decrease	13% decrease

Note. Target scope: Konica Minolta, Inc. However, the scope of targets and results of employees who are at high risk physically (Note1) has expanded to include Group employees in Japan from fiscal 2021.

<sup>\*1</sup> The rate of reduction from fiscal 2019 levels in the number of Level 4 workplaces, which have the highest level of stress (workplaces deemed to have the highest level of stress based on the results of a four-level stress check) <sup>\*2</sup> The rate of year-on-year change in the number of workplaces whose results in the organizational health survey improved from less than 3.5 to 3.5 or higher (upper level) <sup>\*3</sup> Rate of change from fiscal 2019 results <sup>\*4</sup> 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.

## Ensuring Social Safety and Security

**Vision for 2030:** Enhance safety and security in the workplaces of corporate clients and in society. Minimize risks posed by Konica Minolta products and services.

Themes	Indicators			FY2020		FY2021		FY2022
				Results	Targets	Results	Targets	Targets
Provide safety and security in the work and daily lives of corporate clients				Measures are planned to be disclosed in the future				
Minimizing Risks Related to the Safety and Security of Konica Minolta Products and Services	Eliminate substances that affect health	Social and environmental value	Number of serious accidents*1 caused by chemical substances	0	0	0	0	0
		Economic value	Serious business losses due to chemical substance management (JPY)	0	0	0	0	0
	Reinforce efforts to ensure health when products and services are used	Social and environmental value	Number of serious product-related accidents*2	0	0	0	0	0
		Economic value	Major business losses related to product safety (JPY)	0	0	0	0	0
	Completely eliminate serious information security incidents	Social and environmental value	Number of serious information security incidents*3	0	0	0	0	0
		Economic value	Major business losses related to information security (JPY)	0	0	0	0	0

<sup>\*1</sup> 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 <sup>\*2</sup> 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 <sup>\*3</sup> Serious security incidents refer to those product-security incidents that cause serious and significant harm to the product user's business

## Sustainability Targets and Results during the Period of the Medium-term Management Plan DX2022

### Addressing Climate Change

**Vision for 2030:** Reduce CO<sub>2</sub> emissions by Konica Minolta. Enhance CO<sub>2</sub> emissions reduction at corporate clients and suppliers, and reduce the carbon footprint of society.

Themes		Indicators		FY2020		FY2021		FY2022
				Results	Targets	Results	Targets	Targets
Reducing Energy Usage and CO <sub>2</sub> Emissions by Transforming Customer Processes		Social and environmental value	Amount of Carbon Minus contributions* <sup>1</sup> (thousand tons)	578	590	570	700	640
		Economic value	Solution sales (billion yen)	50.8	56.0	56.4	66.0	71.0
Energy Usage and CO <sub>2</sub> Emissions Reduction Related to Konica Minolta Sites, Business Partners, Products and Services	CO <sub>2</sub> emissions over the product lifecycle* <sup>2</sup>		Reduction of CO <sub>2</sub> emissions (thousand tons)	821	-	790	-	970
			Reduction rate (%) over FY2005	60	-	61	-	57
	Reduction of environmental impact of Konica Minolta production sites* <sup>3</sup>	Social and environmental value	Reduction of CO <sub>2</sub> emissions (thousand tons)	4	4	12	10	18
		Economic value	Monetary equivalent of energy reduction (million yen)	79	89	270	210	350
		Social and environmental value	Amount of CO <sub>2</sub> reduced through procurement of renewable energy (thousand tons)	7	6	10	12	20
			Percentage of renewable energy use (%)	6.5	-	8.5	-	10
	Reduction of environmental impact through the use of Konica Minolta products and services	Social and environmental value	Reduction of CO <sub>2</sub> emissions (thousand tons)	14	16	25	28	50
		Economic value	Sales from sustainable solutions (billion yen)	676	770	597	690	690
	Reduction of environmental impact at suppliers using DX* <sup>3</sup>	Social and environmental value	Amount of contribution to CO <sub>2</sub> reduction* <sup>1</sup> (thousand tons)	1.1	1.0	2.8	2.1	5.0
		Economic value	Monetary equivalent of energy reduction (million yen)	16	15	43	32	77
Reinforcing engagement with customers using DX		Economic value	Number of customer relationships strengthened* <sup>4</sup>	285	320	303	-	408
			Number of times participating in business talks* <sup>5</sup>	212	160	153	-	181
			Contributions to sales* <sup>6</sup> (million yen)	692	700	892	-	1000

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.

\*<sup>1</sup> Contribution to CO<sub>2</sub> reduction: Volume of CO<sub>2</sub> emissions reduced at customers, business partners and the broader society \*<sup>2</sup> CO<sub>2</sub> emissions over the product lifecycle, from procurement, production, distribution, sales and service to use by the customer

\*<sup>3</sup> Reduction amount for each fiscal year due to the measures implemented during medium-term plan \*<sup>4</sup> Enhanced customer relations: Number of business opportunities gained by providing customers with environment-related technologies and know-how

\*<sup>5</sup> Business negotiation participation: Number of proposed products for which a quotation was submitted out of the number of enhanced customer relations \*<sup>6</sup> Sales contribution: Total amount of sales of products proposed at the above-mentioned business negotiations

### Using Limited Resources Effectively

**Vision for 2030:** Promote the effective use of resources at Konica Minolta, while also helping corporate clients and suppliers to achieve effective use.

Themes		Indicators		FY2020		FY2021		FY2022
				Results	Targets	Results	Targets	Targets
Effective Use of Resources by Transforming Customer Business Processes		Social and environmental value	Reduction of waste discharge of customers (thousand tons)	320	330	320	350	350
		Economic value	Solution sales (billion yen)	53.0	58.0	59.9	71.0	78.0
Effective Use of Resources Relating to Konica Minolta Sites, Suppliers, Products and Services	Reduction of environmental impact of Konica Minolta production sites*	Social and environmental value	Reduction of waste discharge (thousand tons)	0.6	0.5	1.3	1.0	1.7
		Economic value	Monetary equivalent of waste reductions (million yen)	130	110	260	200	300
	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	14	12	14	15
		Economic value	Sustainable solution sales (billion yen)	676	770	597	690	690

\* Reduction amount for each fiscal year due to the measures implemented during medium-term plan

## Disclosure Based on TCFD Recommendations

### Responding to climate change

Konica Minolta's environmental management is based on the concept of "growing our business by solving environmental challenges and also creating new businesses." The goal is to become a company that is vital to society by helping to solve climate change and other global environmental challenges while pursuing corporate growth. There is a limit to what one company can do on its own to solve the problem of global climate change. This is why Konica Minolta seeks to achieve Carbon Minus status by proactively contributing to the reduction of CO<sub>2</sub> emissions on the planet in collaboration with stakeholders, primarily business partners and customers. The Group defines "Carbon Minus status" as "making a greater contribution to CO<sub>2</sub> reductions in areas outside the scope of our responsibility than the volume of CO<sub>2</sub> emissions in areas we are responsible for." Konica Minolta's aim is to quickly achieve a state wherein the Group contributes to emission reductions by customers and the broader society greater than the emissions directly related to its own products and operations (including Scope 1, 2, and 3 emissions). Konica Minolta hopes to accelerate the effects of decarbonization, strengthen its ties with stakeholders, and grow its business together by not only fulfilling its social responsibilities but also helping all stakeholders fulfill theirs.

### Transition Plan to a Low-Carbon Society

Konica Minolta has set a medium-term Science Based Targets (SBT) for CO<sub>2</sub> emissions reduction in 2030 with the aim of helping to build a low-carbon society. As a transition plan to achieve the target, the Group has established short-, medium-, and long-term measures to reduce CO<sub>2</sub> emissions for which it is directly responsible by setting CO<sub>2</sub> emissions reduction measures such as the development of energy-saving production technologies, introduction of renewable energy-derived electricity, conversion of its business to a paperless operation, and consideration of CO<sub>2</sub>-free fuels. Furthermore, Konica Minolta is transitioning to a DX business in anticipation of a change in demand for "as a Service" product services, and is formulating a business plan to both generate sales and reduce CO<sub>2</sub> emissions. Specifically,

Konica Minolta will promote Sustainable Solution activities that incorporate value for decarbonizing products and services at the planning and development stage, Sustainable Factory activities to achieve decarbonization during production, carbon neutral partner activities to achieve decarbonization together with suppliers, and sustainable marketing activities and the environmental digital platform to support customers' decarbonization in sales and services. On-demand production by customers, work style reforms, and edge computing will transform the mass production and mass disposal business model and help curb energy use in the digital society. In addition, Konica Minolta is considering moving up its plan to introduce renewable energy, especially in Europe, North America, Japan, China, and ASEAN.

Konica Minolta will transform its business portfolio as it heads toward 2025. As a result, there is a risk that Scope 1 and 2 emissions will increase due to the expansion of business caused by the transformation of its business portfolio, especially in the Industry Business. Therefore, in addition to the measures above, the Company is also considering measures to reduce CO<sub>2</sub> emissions by leveraging internal carbon pricing. This portfolio transformation will expand the Company's industrial printing business domain, significantly reduce CO<sub>2</sub> emissions at customers' sites, and help them achieve carbon zero status as quickly as possible. For example, Konica Minolta provides services that transform customers' workflows in the printing industry and other industries with on-demand printing and on-demand production, thereby improving the productivity of client companies and helping to reduce energy consumption by eliminating wasted uptime.

In 2018, Konica Minolta agreed to support the final report, "Recommendations of the Task Force on Climate-related Financial Disclosures," of the Task Force on Climate-related Financial Disclosures (TCFD), established by the G20 Financial Stability Board (FSB). The Group will disclose its climate change initiatives using the TCFD framework.

### Governance

### Organizational Governance of Climate-related Risks and Opportunities

In 2008, Konica Minolta set the goal of reducing CO<sub>2</sub> emissions across the entire lifecycle of its products by 80% compared to fiscal 2005 by 2050. This target was approved by the Board of Directors. In 2017, the Company added a Carbon Minus target as part of its commitment to contributing, working with business partners, customers and other stakeholders, to contribute to emission reductions for customers and the broader society greater than the CO<sub>2</sub> emissions directly related to the Company's products and operations. In addition, in 2020 the Board of Directors approved the inclusion of "addressing climate change" as one of the five material issues that Konica Minolta would address in its long-term management vision and the decision to move the Carbon Minus target date forward to 2030 as its goal for addressing climate change.

Furthermore, at Konica Minolta, the president has the ultimate responsibility for and authority over climate change issues and is responsible for the effectiveness of environmental management, including climate change. The officers assigned by the president (Group environmental officers) pursue environmental management including climate change, and prepare medium-term plans, while the progress of these activities is routinely reported to the Executive Committee and the Board of Directors where they are discussed as management issues. In addition, the Group's environmental officers report every month to the president, chairman of the Board of Directors and the Audit Committee established by the Board of Directors on issues including progress made with environmental management and climate change issues. The Audit Committee routinely monitors and reviews the status of the overall implementation of environmental management led by the president. In fiscal 2021, at the Board of Directors meeting held in May, we reported on the goals and priority activities of "Addressing Climate Change," one of the five material issues, as part of our medium-term sustainability management initiatives. In addition, at the Audit Committee meeting held in December, we reported on the sustainability management structure and control process including "Addressing Climate Change." The Company is pursuing the medium-term sustainability plan under the supervision of the Board of Directors.



## Disclosure Based on TCFD Recommendations

### Strategy

#### Impact on the Organization's Business, Strategy, and Finances of Climate-related Risks and Opportunities

As the physical impacts of climate change materialize and the global environment is ruined, this will likely cause turmoil in the economic and financial sectors. Konica Minolta recognizes these to be significant risks to its business. At the same time, the Company believes that, by helping to solve environmental issues through business activities, opportunities can be created that will promote the sustainable growth of the Group. By actively introducing cutting-edge technology and combining it with Konica Minolta's strengths in imaging IoT technology and digital input and output, the Group is transforming itself into a digital company that creates solutions which contribute to solving social issues including climate change.

In the long-term management vision formulated in fiscal 2020, "addressing climate change" was designated as one of the material issues and achieving Carbon Minus status by 2030 was set as a target. As Konica Minolta's offerings to clients shift from products to services, it aims to reduce CO<sub>2</sub> from services as well as CO<sub>2</sub> emissions from its products and turn this into business growth. By backcasting from this target and linking the medium-targets and annual plans on climate change measures to medium-term business plans for product planning, development, production, procurement and plans, Konica Minolta aims to achieve its Carbon Minus target while continuing to develop its business.

### Risk Management

#### Process for identifying, evaluating, and managing climate-related risks

Having positioned risk management as "an activity to maximize returns while minimizing negative impacts of risk," Konica Minolta evaluates risk from a medium- to long-term perspective. In the short to medium term, environmental risks, which includes climate change, is positioned as a management risk for the whole Group, and the Risk Management Committee manages that risk. Furthermore, from a medium- to long-term perspective, the Group evaluates and manages the impact and uncertainty of climate change risk in the case of two scenarios, one in which a shift to a low-carbon society has taken place and one in which the impacts of climate change have materialized.

As for planning and implementing its climate change-related response, the Promotion Committee deliberates on these issues each quarter, undertakes a rolling review of the degree that risks have changed twice a year, and reevaluates risks. The Group Environmental Officer not only reports on progress in implementing plans monthly to the President and CEO but also reports on important environmental issues to bodies such as the management meetings of Executive Officers and Risk Management Committee. The Board of Directors monitors the implementation of plans by receiving regular reports on progress in management plans related to the climate change response.

### Metrics and Targets

#### Metrics and Targets Used to Assess and Manage Climate-related Risks and Opportunities

Product life cycle CO<sub>2</sub> emissions include all Scope 1 and 2 emissions (CO<sub>2</sub> emissions generated during the production stage and the sales and service stage) and the main components of Scope 3 emissions (CO<sub>2</sub> emissions at the procurement stage, distribution stage, and product use stage). In the long term, the Group aims to reduce CO<sub>2</sub> emissions across the product lifecycle by 80% by 2050 compared to fiscal 2005 levels. In the medium term, Konica Minolta aims to reduce CO<sub>2</sub> emissions by 60% by 2030 (certified by the SBT Initiative as a Science-Based Target), and in the short term, to cut emissions by 57% by 2022. Konica Minolta reduced actual emissions by about 790 thousand in fiscal 2021, achieving a 61% reduction compared with fiscal 2005. Furthermore, beyond the scope of lifecycle of its own products, the Group will achieve "Carbon Minus status", which refers to generating contributions to emissions reductions by society and customers that exceed one's own CO<sub>2</sub> emissions, by 2030. In fiscal 2021, Konica Minolta reduced CO<sub>2</sub> emissions 580 thousand. Considering the forecast of not being able to use fossil fuels in the future, the Group has set targets for the percentage of electricity purchased for its own business activities that comes from renewable energy—100% by 2050, 30% by 2030 as a medium-term target, and at least 10% by 2022 as a short-term target. In fiscal 2021, the Group reached 8.3%.

### Climate change scenario analysis and results

The Paris Agreement is a framework for addressing climate change that envisions two scenarios, one in which the whole world swiftly and boldly shifts to a low-carbon society and one in which climate change has a prominent physical impact in areas throughout the world. Konica Minolta identifies business risks that could adversely affect the performance of the Group in the future as well as business opportunities that can be created by proactively addressing the challenges of climate change. Konica Minolta utilizes the framework described below to conduct scenario analysis: identify target business areas, identify major climate-related risks and opportunities, review existing scientific scenarios for climate change, review and clearly define risks and opportunities for those scenarios as well as their financial impacts, and then review the direction, policies, and strategies for future responses.

Based on the scenario analysis results, the Company has formulated a business plan to anticipate business growth centered on DX by shifting from a conventional product sales model focused on MFPs, which account for a high percentage of sales, to an "as a Service" model. The Board of Directors approved the establishment of "addressing climate change" as one of the five material issues to be addressed by Konica Minolta in its long-term management vision and also approved moving forward the date for achieving Carbon Minus status to 2030 with the goal of addressing climate change. Konica Minolta is considering moving its target dates for the reduction of CO<sub>2</sub> emissions over the product lifecycle, contribution to CO<sub>2</sub> reductions, and the renewable energy-derived electricity utilization rate further forward.

## Disclosure on Four Themes Based on TCFD Recommendations

### If the average global temperature increase is kept below 2°C and a low-carbon global society is achieved

#### Addressing the “Risks” of Climate Change

Impact on Konica Minolta		Target Sector	Classification	Financial Impact	Timeline	Handling
Increase in procurement and manufacturing costs	Stakeholder demand for renewable energy procurement	Industry Digital Workplace Professional Print	Market evaluation	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	Long-term	Examine the introduction of CO <sub>2</sub> -free fuels
	Response to new emissions regulations and laws	Industry	Policies/Laws	Medium	Short to medium term	Develop energy-saving production technology
Increase in product development costs	Response to the market and new regulations on product energy efficiency	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 demand due to acceleration toward a paperless society	Digital Workplace Professional Print	Market	Medium	Short to medium term	Convert business to paperless operation
	Decline in product competitiveness due to unsustainable use of resources and non-reusable design.	Digital Workplace Professional Print	Policies/Law Evaluation	Medium	Medium term	Utilize recycled materials, product 3R design

#### Addressing the “Opportunities” of Climate Change

Impact on Konica Minolta		Target sector	Classification	Financial Impact	Timeline
Higher sales due to change in demand for products and services	Edge computing, minimizing need for data centers	Digital Workplace Professional Print Industry	Products/Services	Strong	Medium-term
	On-demand production process to restrain wasteful production	Digital Workplace Professional Print	Products/Services	Strong	Short- to medium- term
	Connected workplaces that support diverse work styles	Digital Workplace Professional Print	Products/Services	Strong	Short- to medium- term
	Solutions for material processing process transformation to reduce energy use	Industry	Products/Services	Medium	Short- to medium- term
	Leakage inspection system of pipelines including those carrying shale gas	Industry	Products/Services	Minimal	Short- to medium- term
	Ecosystem that supports corporate environmental and sustainability management	Digital Workplace Professional Print	Products/Services	Minimal	Short- to medium- term
	Technology for upgrading recycled plastics	Digital Workplace Professional Print	Products/Services	Minimal	Short- to medium- term

### 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 sector	Classification	Financial impact	timeline	Handling
Lower revenue 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 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, production system independent of people, location, country, and fluctuations
	Depletion of water resources and restrictions on water intake	Digital Workplace Professional Print	Chronic physical	Minimal	Long-term	Water risk assessment and reduction of water consumption at production and procurement sites
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	Turn the shift to paperless into business opportunity

#### Addressing the “Opportunities” of Climate Change

Impact on Konica Minolta		Target sector	Classification	Financial impact	Timeline
Increase in sales due to changes in demand for products and services	Image IoT and sensing solutions that contribute to disaster prevention and the mitigation of acute abnormal climate and natural disasters	Industry	Products/ Services	Medium	Medium-term
	Healthcare solutions utilizing diagnostic imaging at disaster medical sites	Healthcare	Products/ Services	Minimal	Medium-term

- Scientific scenarios used: IPCC RCP2.6, RCP8.5 IEA 2DS, CPS
- 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”: “Large”: additional cost or profit decrease of 1 billion yen or more, “Medium”: additional cost or profit decrease of 100 million yen to 1 billion yen, “Minimal”: additional cost or profit decrease of less than 100 million yen
- Definition and evaluation criteria for “financial impact”: “Large”: Profit of 10 billion yen or more, “Medium”: Profit of 1 to 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 10 years, Short-term: 1 to 3 years

# Risk Management

## Major risks identified by frequency and potential degree of impact

We consider risk to be any situation that presents “uncertainty” about a potential impact on the earnings or losses of our organization. In that sense, risk management encompasses not just the negative side of risk but also the positive side for our sources of earnings. It is therefore essential for mitigating potential negative impact as well as for pursuing the maximum return from opportunities.

In line with this philosophy, we have established the Risk Management Committee, which comprehensively and systematically manages various risks concerning the Group’s business activities. The committee is in charge of facilitating the building and strengthening of Group companies’ risk management systems, and its members are appointed by the committee’s chairperson. Konica Minolta’s Executive Officers and Corporate Vice Presidents are required to perform risk management for their respective areas of responsibility. Risk Management Committee members consist of individuals of Executive Officer or Corporate Vice President class.

### Risk management process

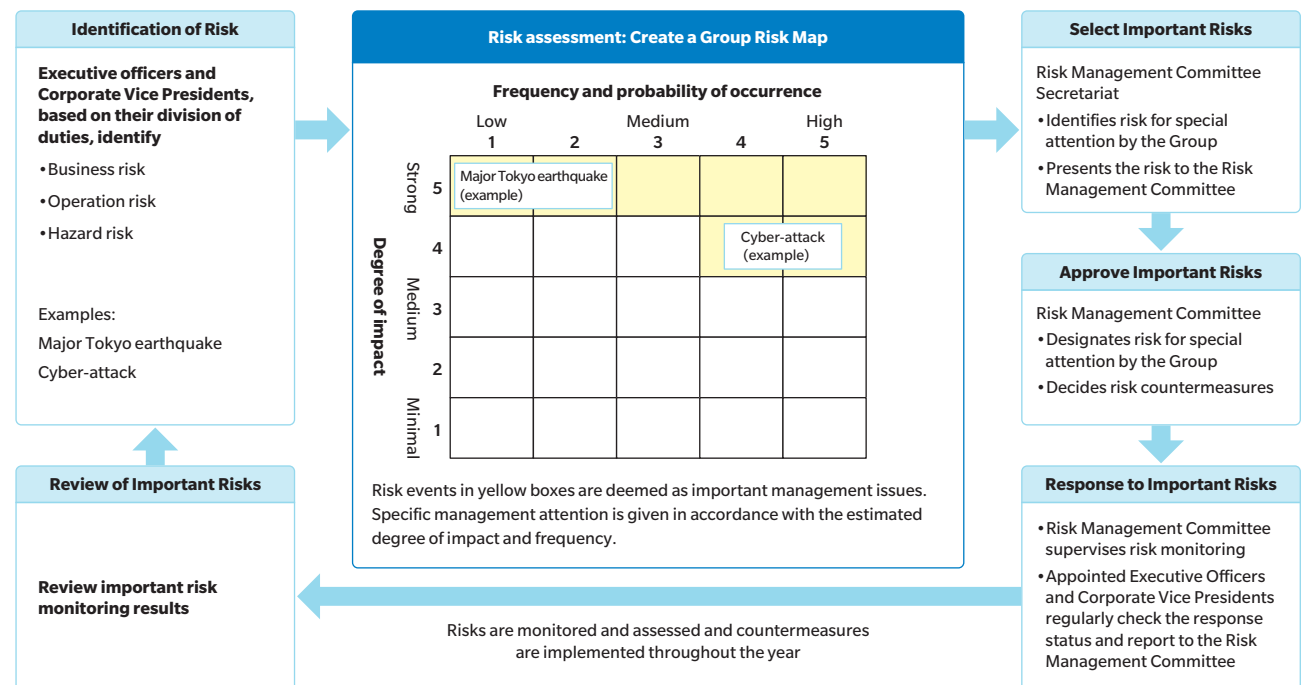
The Risk Management Committee reviews management risk items in 17 categories, including items classified as small and medium risks. It applies the PDCA process to improve risk measures, in which the committee reviews the status of countermeasures by conducting monthly and quarterly monitoring. The Risk Management Committee also annually identifies significant risks to the Group that are considered especially critical to management and need to be monitored from a companywide perspective. Significant risks are primarily managed by the committee members, who also spearhead the monitoring the monthly progress of the Group’s countermeasures.

All risks extracted by Executive Officers and Corporate Vice-Presidents are plotted into a comprehensive Group Risk Map based on quantitative assessments of the degree of impact and the frequency and probability of occurrence. These maps are updated and pertinent countermeasures are discussed twice a year.

When required due to some unforeseeable situation that

occurs, the extraordinary meeting is convened at the discretion of the committee’s chairperson. For risks deemed to be of high importance by the committee, progress made in addressing these risks are reviewed monthly or quarterly. Risks deemed to be of particularly high importance are addressed by the Group as a whole, with efforts led primarily by Executive Officers and Corporate Vice Presidents appointed by the committee chair.

### Process of Identifying Important Risk for the Group



## Risk Management

### Main Risks and Countermeasures

Risk	Probability	Timing with Potential Occurrence	Potential Impact	Countermeasures
Forex fluctuations	High	Any time	Medium	To reduce the effects of forex fluctuation, hedges are made using mainly forward exchange contracts in major currencies such as the U.S. dollar and the euro.
Digital Workplace Business Risk related to changes in the print environment	High	Within 1 year	Strong	To address the risk of declining output opportunities in offices in developed countries, we are working towards expanding our scanning services and document management services that make use of MFPs. We also continue to expand deployment of color MFPs in countries and regions that still have room to grow, including China and India.
National or regional regulations	High	Within 1 year	Medium	We always pay close attention to and gather information about trends concerning laws and regulations in the countries and regions where we operate. We coordinate with legal affairs personnel in each area, ascertain the situation in overseas regions, and take action when necessary with help from specialized organizations that include outside lawyers and consultants.
Changes due to technological development	Medium	Within 3 years	Medium	Through taking “technologies to make the invisible visible” that result from fusing core technologies in four fields, namely materials, optics, nanofabrication, and imaging, with digital technologies as represented by IoT and AI technologies, and materializing those technologies in product form, we are carrying out initiatives to supply them to customers through each of our Digital Workplace, Professional Print, Healthcare and Industry Businesses.
Shift to new products	Medium	Within 3 years	Strong	From the initial stage of development through to mass production, at every step along the way in transitioning to new products and services, we perform thorough testing and gate management focused on product specifications, quality needs, production costs, and compliance with various regulations (including those for safety, the environment and security) for every prototype, pre-production sample, and mass-produced product that we handle.
Collaborations, company acquisitions	Medium	Any time	Medium	In our collaboration with other companies and corporate acquisitions, we assess the viability of an investment after conducting investment assessments that look at compatibility with our corporate strategies, planning probability, appropriateness of the investment size, and risk management.
Procurement, production, etc.	High	Within 1 year	Strong	We have specialized divisions in our core procurement regions of Japan, China, Vietnam, and Malaysia, and we accelerate our action-taking by gathering information on such things as regulations, restrictions, and changes that concern procurement in each region. We have also sought to practice production-related risk management and improve our flexibility in responding to changes in the business environment by building production assembly sites in Japan, China, and Malaysia. With these sites, we are increasing the proportion of products we make outside of China, mainly for major flagship products with large production volume. We do this to hedge against country risk in China, which has increased in various respects in recent years.
Global supply chain	High	Within 1 year	Strong	In our mainstay Digital Workplace and Professional Print Businesses, we carry out inventory projection simulations at sales sites tailored to the actual state of logistics there as appropriate, distribute supply quantities across various regions in accordance with future inventory projections, make flexible modifications to logistics routes, and circumvent any impact on sales.
Product liability and quality assurance	Low	Any time	Medium	As a means to prevent serious quality problems, we have created the “Quality Assurance Managers Committee,” which is chaired by an Executive Officer or Corporate Vice President who has quality-related responsibilities and authority and which oversees quality management throughout the Group.
Major earthquake, disaster, epidemic, etc.	Medium	Any time	Strong	The officer in charge of crisis management centrally manages information in the event of such things as disasters, infectious disease outbreaks, wars, acts of terrorism, and cyber-attacks, and we have built a system for taking appropriate action with top priority given to employee safety. For large earthquakes and other natural disasters, we are working in accordance with the Medium-term Disaster Readiness Plan and making improvements to our response capabilities both in terms of tangible and intangible asset, with measures aimed at prevention, mitigation, emergency response, initial response, recovery, and reconstruction.
Environmental regulations, climate change	Medium	Any time	Medium	We believe that conducting business with a focus on quickly conforming to the needs of a renewable energy-based society that is not reliant on fossil fuels, a major cause of man-made CO <sub>2</sub> emissions, is a necessary condition for any company to grow sustainably. We are therefore a member of the RE100 international leader initiative, which aims to conduct business using 100% renewable energy. We have set a 2050 target to be using 100% renewable energy for the electricity procured for use in our business operations.
Intellectual property rights	Low	Any time	Minimal	In countries and regions where it is difficult to properly acquire and enforce intellectual property rights that protect things such as technologies, we employ a number of methods to stop the circulation of counterfeit products. These include collaborating with governmental agencies to confiscate and ban the import of such goods in order to conform with trademark rights, and stopping the sale of counterfeit products from e-commerce sites by coordinating with business operators.
Human resource availability	Medium	Within 3 years	Strong	We see the development and acquisition of IoT personnel as an important strategy and are focusing on implementing related measures. Based on the certification system for IT personnel that we have put in place and the hurdles each of those personnel members should overcome that we clarified, we have prepared programs for teaching skills that will be required of those personnel and are endeavoring to reinforce their development. In our efforts to recruit personnel, we are stepping up efforts towards long-term internships and collaboration with universities on attracting talented students in the IoT field to the Company.
Information security	High	Any time	Strong	Our information management efforts include developing appropriate technological measures and internal control systems, as well as educating employees. Additionally, in order to supply a work environment with greater consideration for security for the purpose of accommodating the increase in people working remotely, in addition to building a secure network environment through encrypted communications, we limit connections to our internal environment from devices other than those designated by the Company.
Impact from the COVID-19 pandemic	High	Within 1 year	Strong	In the face of the COVID-19 pandemic, Konica Minolta follows the laws and guidance of every government and region where the Company operates to prevent further infection and gives the highest priority to the health and safety of all its stakeholders, including customers, suppliers, everyone working in the Group, and their family members. Simultaneously, to ensure no disruption in our provision of products and services to customers and society, we continue to make every effort toward maintaining our supply chain, which includes production and distribution. In order to further boost productivity while enhancing quality and cost competitiveness, we maintain a particular focus on continued efforts to promote the digitalization of our production activities and pass on those effects to our suppliers as well.



# Data Section

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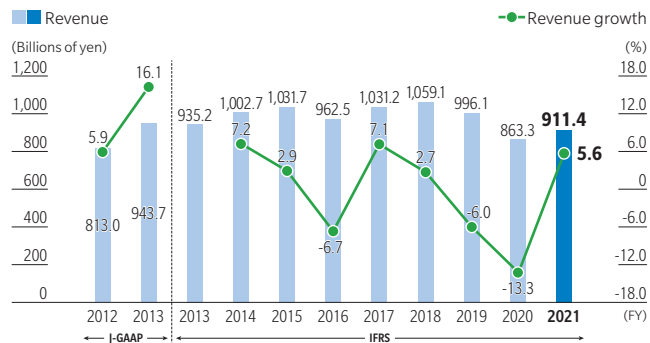
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# Financial Data Highlights

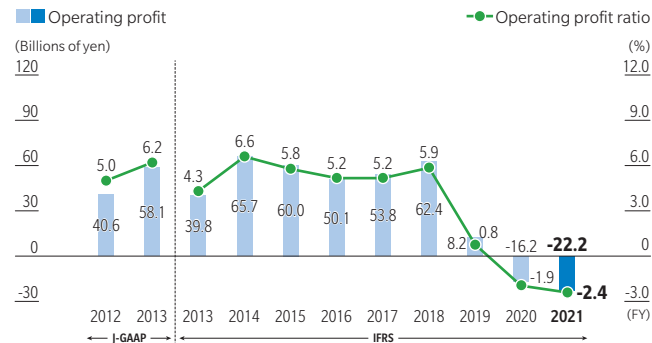
## Profitability

In fiscal 2021, factors such as the resurgence of infections caused by variants of COVID-19 in regions around the world, the shortage of semiconductors and other parts and materials and tight logistics significantly impacted the global economy. While we also experienced a shortage in parts and materials and delays in production due to the suspension of plant operation in Malaysia caused by the spreading of COVID-19 variants, our Industry Business, which represents one of our future growth mainstays, maintained good revenue figures for mainly units that capitalized on the change in demand. Additionally, in line with the Company's policy of not postponing the recognition of potential risks, we recorded impairment losses on goodwill associated with past acquisitions. Amid this environment, revenue amounted to ¥911.4 billion (down 5.6% year on year), operating loss was ¥22.2 billion (fiscal 2020 was a loss of ¥16.2 billion), and the net loss attributable to owners of the Company was ¥26.1 billion (fiscal 2020 was a loss of ¥15.2 billion).

### Revenue, Revenue growth



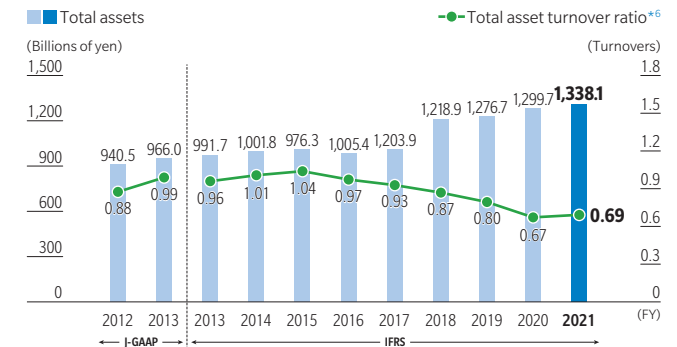
### Operating profit, Operating profit ratio



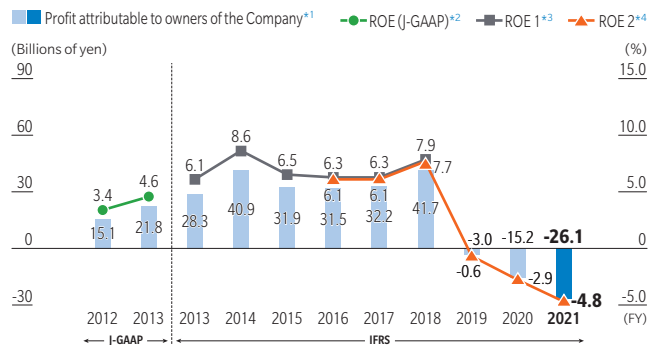
## Efficiency

Total assets at the end of fiscal 2021 increased by ¥38.3 billion over the end of last fiscal year to ¥1,338.1 billion. This owed mainly to increases in Inventory assets increased mainly due to longer logistics lead times resulting from factors such as congestion at ports shipping to the United States and Europe and to the securing of parts and materials in line with issues with the procurement of semiconductor parts. This resulted in an inventory asset turnover period of 3.78 months.

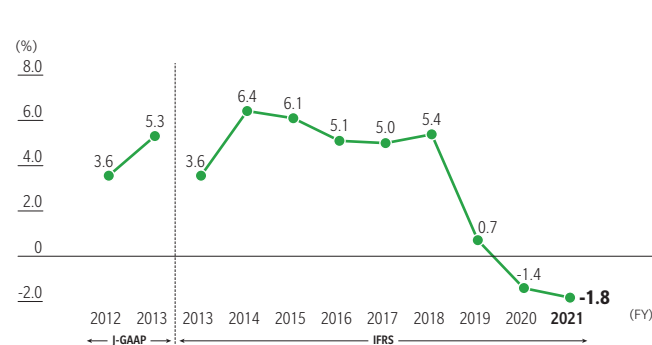
### Total assets / total asset turnover ratio\*6



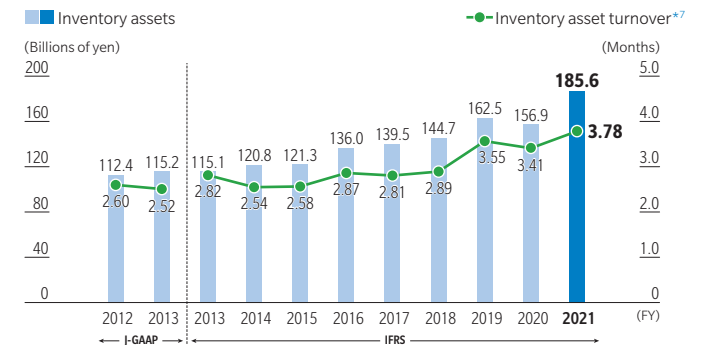
### Profit attributable to owners of the Company\*1, ROE\*2,3,4



### ROIC\*5



### Inventory assets, inventory asset turnover\*7



\*1 Fiscal 2010–2013 (J-GAAP) = Profit for the year

Fiscal 2013–2021 (IFRS) = Profit attributable to owners of the Company

\*2 ROE (J-GAAP) = Profit for the year (cumulative total) / shareholder's equity (average of beginning and ending balances) x 100%

\*3 ROE 1 (IFRS) = Profit attributable to owners of the Company / (Share capital + Share premium + Retained earnings + Treasury shares (average of beginning and ending balances)) x 100%

\*4 ROE 2 (IFRS) = Profit attributable to owners of the Company / Equity attributable to owners of the Company (average of beginning and ending balances) x 100%

\*5 ROIC = Operating profit after tax / (Share capital + Share premium + Retained earnings + Treasury shares + Interest-bearing debt (average of beginning and ending balances)) x 100%

\*6 Total asset turnover ratio = Revenue / Average total assets

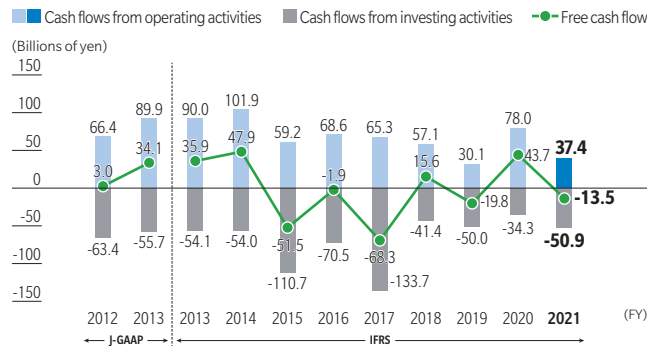
\*7 Inventory asset turnover = Inventory balance at fiscal year end / Average cost of sales for most recent three months

## Financial Data Highlights

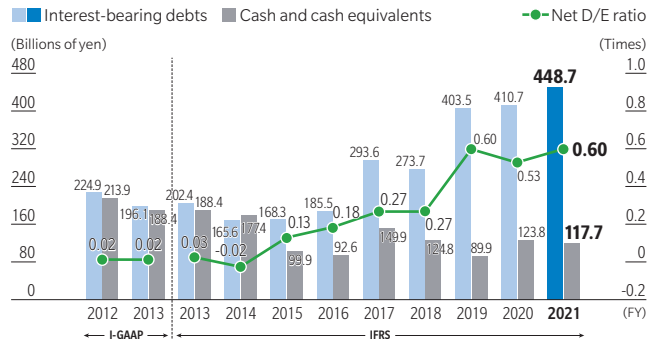
### Stability

Concerning fiscal 2021 cash flows, net cash provided by operating activities was ¥37.4 billion. Net cash used in investing activities was ¥50.9 billion (consisting of capital investment for new product molds, etc. as well as expenditure concerning technology enhancement). This resulted in a free cash flow decrease of ¥13.5 billion. Interest-bearing debt increased to ¥448.7 billion over fiscal 2020. Cash reserves decreased to ¥117.6 billion. The net debt-to-equity ratio stood at 0.60 (0.43 if excepting the effects of IFRS 16).

### Cash flows



### Interest-bearing debts, Cash and cash equivalents, Net D/E ratio

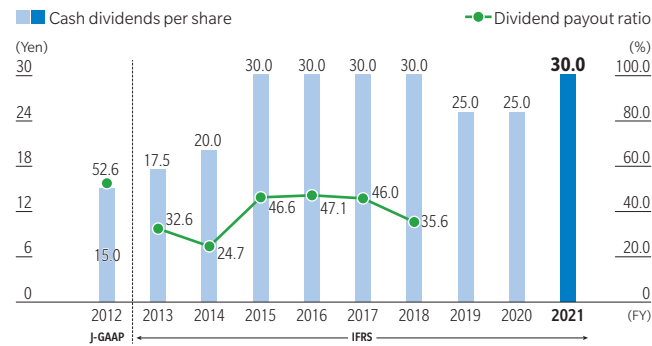


### Shareholder Return/Investment Indicators

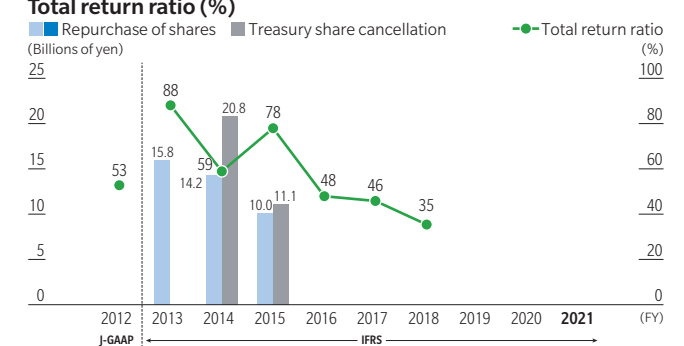
The Company's basic policy regarding shareholder return is to proactively return profits to shareholders after comprehensive consideration of factors that include consolidated business results, the promotion of strategic investment in growth areas, and cash flow.

Although the effects of the spreading of COVID-19 have had an impact on the Company's business, the year-end dividend paid for fiscal 2021 was ¥15 per share due to an increased likelihood of improved profits from fiscal 2022 and beyond. Combined with the dividend of ¥15 per share already paid at the end of the second quarter, the total annual dividend was ¥30 per share.

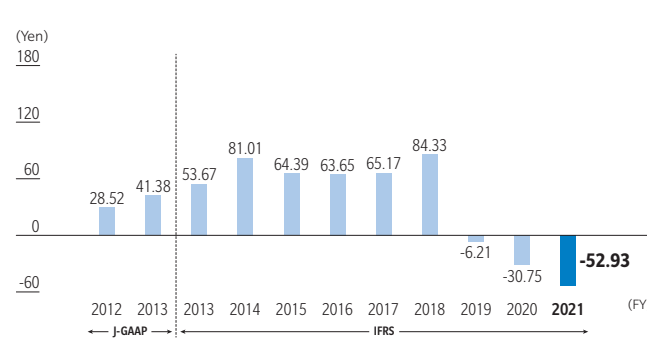
### Cash dividends, Dividend payout ratio (%)



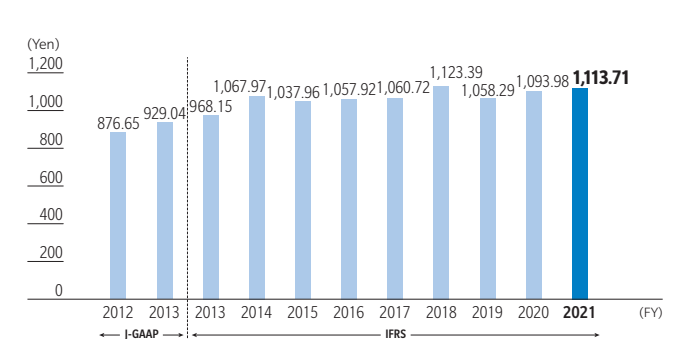
### Repurchase of shares and Treasury share cancellation, Total return ratio (%)



### EPS<sup>\*8</sup>



### BPS<sup>\*9</sup>



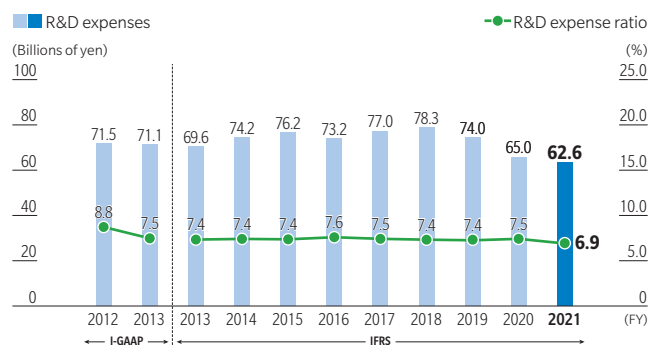
\*8 EPS = Profit attributable to owners of the Company / Average number of outstanding shares during the period

\*9 BPS = Equity attributable to owners of the Company / Shares at fiscal year end

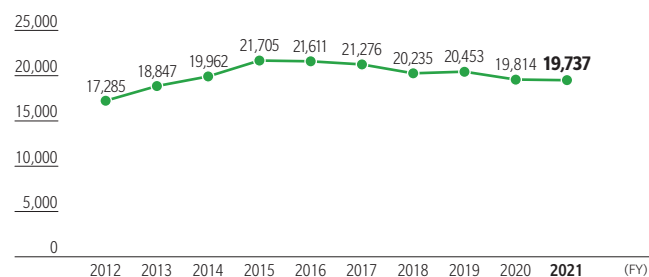
# Non-financial Data Highlights

## Research and Development Data

### R&D expenses, R&D expense ratio



### Number of patent rights held\*1



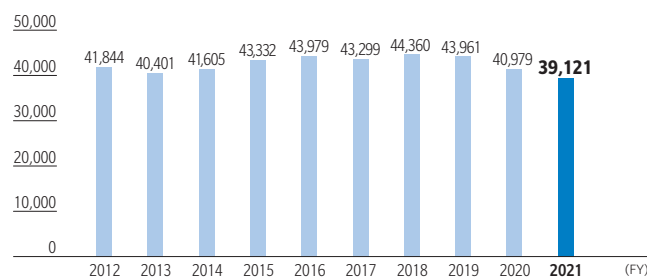
\*1 The number of patents is the total number of patents held in Japan, the U.S., and China.

\*2 Applies to regular employees of Konica Minolta, Inc. as of the April 1 of the following fiscal year.

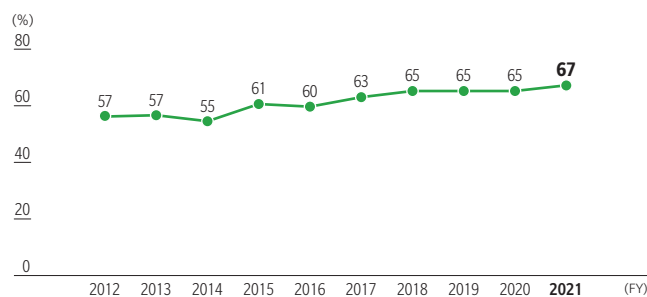
\*3 As of March 31 of each fiscal year

## Employee Data

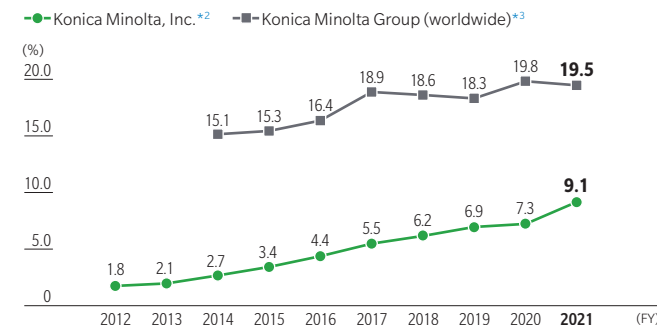
### Group employees (consolidated)



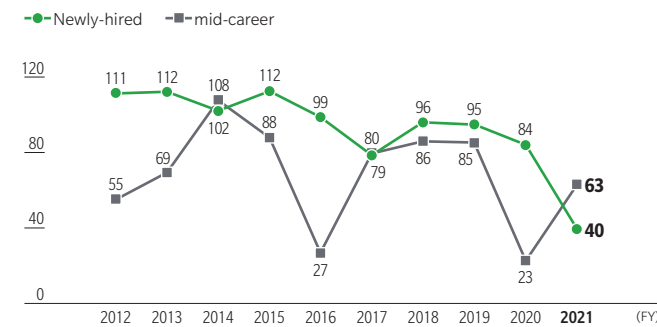
### Local/foreign president ratio at foreign subsidiaries



### Percentage of management positions held by women



### Newly-hired employees

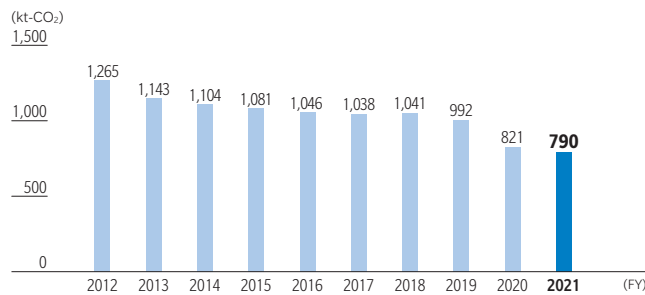




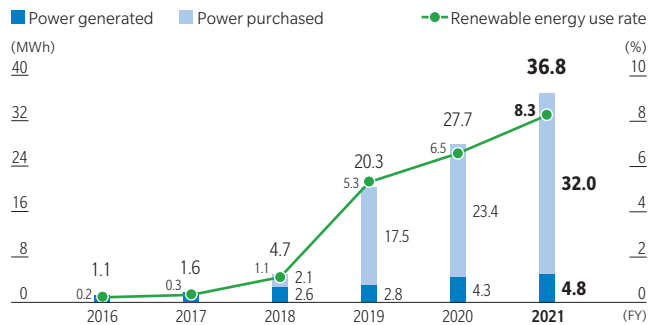
## Non-financial Data Highlights

### Environmental Data

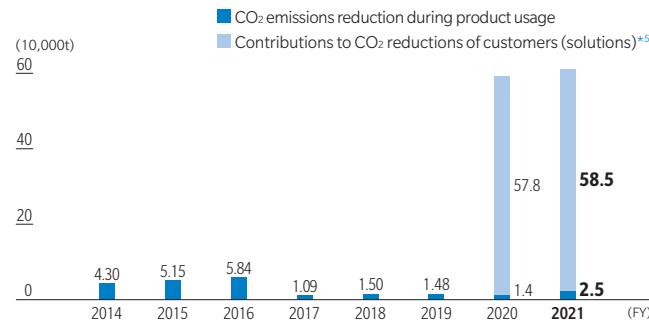
#### CO<sub>2</sub> emissions throughout product life cycle<sup>\*4</sup>



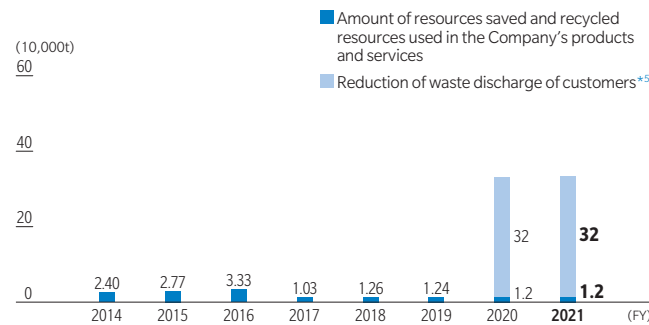
#### Consumption of electricity from renewables



#### CO<sub>2</sub> reductions by product usage, and customers



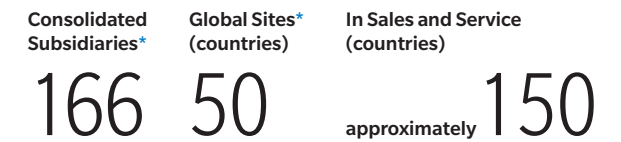
#### Effective utilization of resources



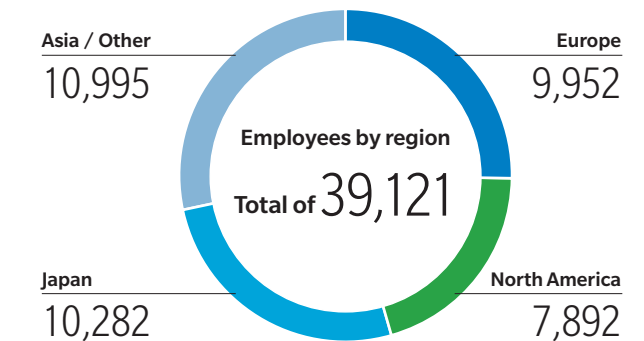
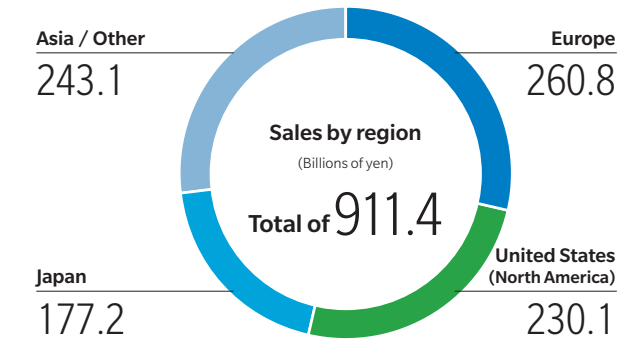
<sup>\*4</sup> CO<sub>2</sub> emissions throughout a product's lifecycle, from procurement to production, distribution, sales, service, and product customization.

<sup>\*5</sup> Figures are shown from fiscal 2020 when we defined and started to manage the data.

### Regional Overview



<sup>\*</sup> Data is compiled on a consolidated basis (as of March 31, 2022)



## Independent Valuation

ESG investment, which involves selecting and investing in companies that make outstanding achievements with respect to areas such as human resources, the environment, and corporate governance, as well as corporate finance, has been garnering attention from world markets in recent years.

The Company has also been included in the FTSE4Good Index Series (since 2003). Moreover, it was consecutively included in each of the five investment indexes employed by Japan's Government Pension Investment Fund (GPIF), the world's largest pension fund, since the GPIF first adopted them.

For the fourth consecutive year, the Company was also selected as one of the Global 100 Most Sustainable Corporations in the World by Canada-based Corporate Knights in conjunction with the World Economic Forum, an annual global economics meeting held in Davos.

### Inclusion in Prominent Japanese/Foreign Investment Indices

November 2021	Maintained inclusion in the Asia Pacific Category of the Dow Jones Sustainability Index (DJSI) 2021 by S&P Global for the 12th consecutive year
July 2022	Maintained inclusion in the FTSE4Good Index Series for consecutive year
July 2022	Inclusion in five investment indexes—the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, the MSCI Japan ESG Select Leaders Index, the MSCI Japan Empowering Women Index, and the S&P/JPX Carbon Efficient Index—by the Government Pension Investment Fund (GPIF), the world's largest pension fund, since the fund was established

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom  
Japan

### Evaluations by International ESG Rating Agencies

February 2022	Acquisition of Gold rating in EcoVadis' sustainability survey
February 2022	Received Bronze Class distinction from S&P Global Sustainability Award 2022 by S&P Global Inc., one of the world's leading survey and rating agencies in the ESG investment sector
January 2022	Selected four years in a row as one of the Global 100 Most Sustainable Corporations by Canada-based Corporate Knights
January 2022	Included on the Climate A list organized by the CDP, an international NGO that conducts activities aimed at achieving sustainable economies, and selection as a "2021 CDP Supplier Engagement Leader," the highest recognition in the "Supplier Engagement Ranking"

**Sustainability Award  
Bronze Class 2022**

**S&P Global**

### Various management surveys in Japan

March 2022	For the 7th and 5th years in a row, named in the Health and Productivity Stock Selection
April 2021	Selected as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry
February 2021	Given the Silver Award in the Environmentally Sustainable Company Category of the second ESG Finance Awards Japan (Minister of the Environment Award)
February 2021	Recognized as a Hall of Famer in the Environmental Communication Awards



# SASB INDEX

Sector / Category: Technology & Communications, Hardware

Topic	Code	Accounting Metric	Website
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	We release information concerning our approaches to enhancing the security of products and services, how we collect and address vulnerability information, our secure development and operation processes, and how we respond in the event of product security incidents. More information can be found below. <a href="https://www.konicaminolta.com/about/csr/social/customers/enhanced_security.html#a01">https://www.konicaminolta.com/about/csr/social/customers/enhanced_security.html#a01</a>
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	We release information such as employee numbers by gender, employee numbers by region, and female ratios and race ratios of manager / technical staff. We also provide information concerning our philosophy on and efforts to promote diversity. More information can be found below. <a href="https://www.konicaminolta.com/about/csr/esg/index.html">https://www.konicaminolta.com/about/csr/esg/index.html</a> (Social Data) <a href="https://www.konicaminolta.com/about/csr/social/diversity/index.html">https://www.konicaminolta.com/about/csr/social/diversity/index.html</a>
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Based on the regulated substances and substance groups that are included in the Declarable Substance List (DSL) of IEC 62474 (Material Declaration for Products of and for the Electrotechnical Industry) created by the International Electrotechnical Commission (IEC), there are standards for prohibited and monitored substances used in equipment products. Konica Minolta's office equipment products do not contain any IEC 62474 Declarable Substances other than RoHS exempted substances and REACH-SVHC substances. More information about control and risk reduction efforts for other chemical substances is available below. <a href="https://www.konicaminolta.com/about/csr/environment/progress/green-products/chemical.html">https://www.konicaminolta.com/about/csr/environment/progress/green-products/chemical.html</a> <a href="https://www.konicaminolta.com/about/csr/environment/progress/green-factory/chemical.html">https://www.konicaminolta.com/about/csr/environment/progress/green-factory/chemical.html</a>
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Among our printers, MFPs and digital printing systems as of fiscal 2021, those for which we acquired EPEAT certification (*including equivalent models sold in the EU and Japan) accounted for 56.4% of sales of Konica Minolta's imaging equipment products. More information can be found below. <a href="https://www.konicaminolta.com/about/csr/environment/communication/epeat.html">https://www.konicaminolta.com/about/csr/environment/communication/epeat.html</a>
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	Among our printers, MFPs and digital printing systems, those for which we acquired the most recent International Energy Star Program certification (*including equivalent models sold in the EU and Japan) accounted for 55.7% of sales of Konica Minolta's imaging equipment products in fiscal 2021. More information, including that on other certifications, can be found below. <a href="https://www.konicaminolta.com/about/csr/environment/progress/green-products/customer.html">https://www.konicaminolta.com/about/csr/environment/progress/green-products/customer.html</a>
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Products recovered in fiscal 2021 totaled 11.2 thousand tons, and 11.1 thousand tons of products were recycled. Other recycling-related data and information about our recycling activities can be found below. <a href="https://www.konicaminolta.com/about/csr/esg/index.html">https://www.konicaminolta.com/about/csr/esg/index.html</a> (Environmental Data>Resources) <a href="https://www.konicaminolta.com/about/csr/environment/progress/green-marketing/recycle.html">https://www.konicaminolta.com/about/csr/environment/progress/green-marketing/recycle.html</a>
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	As an RBA member, Konica Minolta administers CSR audits that have roughly 110 key suppliers so designated based on transaction volume, their irreplaceability, or the importance of the parts they handle, conduct RBA self-assessment questionnaire (RBA SAQ). Where assessment results do not meet targets, suppliers are requested to implement corrective actions. RBA third-party audits (VAP audits) will be conducted for suppliers unable to achieve targets despite corrective action. 67% of RBA third-party audits (VAP audits) and Konica Minolta CSR audits have been conducted at companies that produce the main units for MFP/printing equipment as of fiscal 2021. 7% of suppliers were found non-compliant through RBA third-party audits (VAP audits) and Konica Minolta CSR audits, and there were zero instances of noncompliance with priority items at the time of follow-up audit completion. Currently, corrective action has been completed for 37% of all other noncompliances. More information concerning audit results and CSR procurement can be found below. <a href="https://www.konicaminolta.com/about/csr/social/rights/index.html">https://www.konicaminolta.com/about/csr/social/rights/index.html</a> <a href="https://www.konicaminolta.com/about/csr/social/suppliers/csr_procurement.html#anc01">https://www.konicaminolta.com/about/csr/social/suppliers/csr_procurement.html#anc01</a>
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	We release information concerning our efforts to comply with conflict mineral regulations, the recycling of plastic materials, which the marine plastic and other problems have demonstrated to be high risk, and supply risk mitigation efforts as necessitated by increasingly strict environmental regulations and other developments. More information can be found below. <a href="https://www.konicaminolta.com/about/csr/social/suppliers/procurement_policy.html">https://www.konicaminolta.com/about/csr/social/suppliers/procurement_policy.html</a> <a href="https://www.konicaminolta.com/about/csr/social/suppliers/conflict_minerals.html">https://www.konicaminolta.com/about/csr/social/suppliers/conflict_minerals.html</a> <a href="https://www.konicaminolta.com/about/csr/environment/progress/green-products/recycling.html">https://www.konicaminolta.com/about/csr/environment/progress/green-products/recycling.html</a>

\* URLs may have changed since this was published. Up-to-date URLs can be found here.  
<https://www.konicaminolta.com/about/csr/csr/vision/gri-sasb.html>

# Company Overview/Stock Information

## Company Overview (as of March 31, 2022)

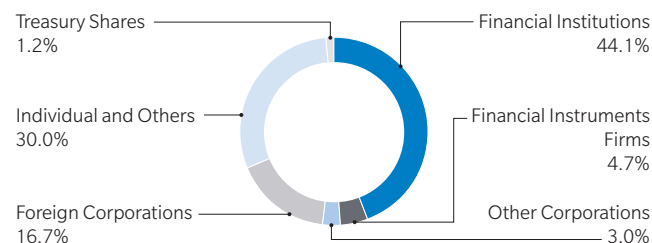
Company name	KONICA MINOLTA, INC.	Establishment as joint-stock company	1936	Number of employees	Consolidated: 39,121
Stock code	4902 Listed with first section of the Tokyo Stock Exchange	Capital	37,519 million yen	Head office	JP TOWER, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7015, Japan
Date established	1873				

## Stock Information (as of March 31, 2022)

### Stock Information

Total number of shares authorized to be issued	1,200,000,000 shares
Total number of shares issued	502,664,337 shares
Number of shareholders	144,216
Minimum trading units	100 shares

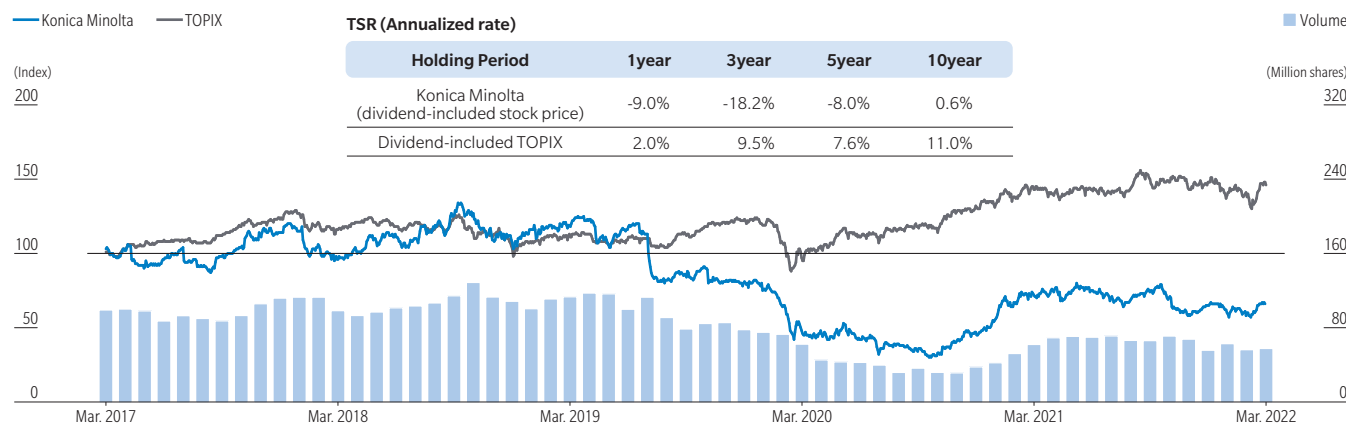
### Shareholder Composition



### Major Shareholders (the top ten shareholders)

Name of shareholder	Number of shares held	Ratio of shares held *
The Master Trust Bank of Japan, Ltd. (Trust account)	87,813,700	17.69%
Custody Bank of Japan, Ltd. (Trust account)	32,463,300	6.54%
MUFG Bank, Ltd.	12,000,000	2.42%
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875,000	2.39%
Nippon Life Insurance Company	10,809,234	2.18%
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	10,801,500	2.18%
Daido Life Insurance Company	9,040,518	1.82%
Konica Minolta Employee Shareholding Association	6,823,299	1.37%
STATE STREET BANK WEST CLIENT - TREATY 505234	5,551,754	1.12%
DFA INTL SMALL CAP VALUE PORTFOLIO	4,981,981	1.00%

### Total Shareholder Return (TSR)



\* Return on investment assuming the closing price on March 31, 2017 be 100 and dividends reinvested. Prepared by Konica Minolta based on Bloomberg data.

\* The Company holds 6,231,826 shares of treasury shares and is excluded from the above list of major shareholders. Ratio of shares held is calculated by deducting treasury shares. Treasury shares do not include the Company's shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors (2,759,516 shares).



## Media for Disclosure of Information Other Than This Report

	Media	URL
Financial information	IR Site	<a href="https://www.konicaminolta.com/global-en/investors/index.html">https://www.konicaminolta.com/global-en/investors/index.html</a>
	Audited Financial Report	<a href="https://www.konicaminolta.com/global-en/investors/ir_library/afr/index.html">https://www.konicaminolta.com/global-en/investors/ir_library/afr/index.html</a>
	Financial Statements	<a href="https://www.konicaminolta.com/global-en/investors/fr/index.html">https://www.konicaminolta.com/global-en/investors/fr/index.html</a>
	Presentation Materials	
	Notice of Convocation	<a href="https://www.konicaminolta.com/global-en/investors/event/stock/meeting.html">https://www.konicaminolta.com/global-en/investors/event/stock/meeting.html</a>
ESG Information	Sustainability Site	<a href="https://www.konicaminolta.com/about/csr/index.html">https://www.konicaminolta.com/about/csr/index.html</a>
	Environment	<a href="https://www.konicaminolta.com/about/csr/environment/index.html">https://www.konicaminolta.com/about/csr/environment/index.html</a>
	Social	<a href="https://www.konicaminolta.com/about/csr/social/index.html">https://www.konicaminolta.com/about/csr/social/index.html</a>
	Governance	<a href="https://www.konicaminolta.com/about/csr/governance/index.html">https://www.konicaminolta.com/about/csr/governance/index.html</a>
	ESG Data	<a href="https://www.konicaminolta.com/about/csr/esg/index.html">https://www.konicaminolta.com/about/csr/esg/index.html</a>
	Corporate Governance Report	<a href="https://www.konicaminolta.com/global-en/investors/ir_library/governance/index.html">https://www.konicaminolta.com/global-en/investors/ir_library/governance/index.html</a>
Technology/IP Information	Technology Site	<a href="https://research.konicaminolta.com/en/technology/">https://research.konicaminolta.com/en/technology/</a>
	Intellectual Property Report	<a href="https://www.konicaminolta.com/global-en/investors/ir_library/intellectual_property/index.html">https://www.konicaminolta.com/global-en/investors/ir_library/intellectual_property/index.html</a>
	IT (DX) Performance Report	<a href="https://www.konicaminolta.com/global-en/corporate/document-download/it-performance-report.html">https://www.konicaminolta.com/global-en/corporate/document-download/it-performance-report.html</a>
Other	Glossary	<a href="https://www.konicaminolta.com/global-en/investors/glossary/index.html">https://www.konicaminolta.com/global-en/investors/glossary/index.html</a>

### Framework used as reference when preparing this report

- Integrated Reporting Framework (IFRS Foundation)
- Ministry of Economy, Trade and Industry, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation



\* Information provided on Konica Minolta's Sustainability site is given based on the GRI and SASB standards.  
 GRI Standards Comparison Table:  
<https://www.konicaminolta.com/about/csr/csr/vision/gri.html>  
 SASB Standards Comparison Table:  
<https://www.konicaminolta.com/about/csr/csr/vision/gri-sasb.html>

### Major international initiatives supported by Konica Minolta

- UN Global Compact
- Sustainable Development Goals (SDGs)
- TCFD (Task Force on Climate-related Financial Disclosures)
- RE100



SUSTAINABLE DEVELOPMENT GOALS



RE 100 | °C | CDP



**KONICA MINOLTA**

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<https://konicaminolta.com>