

Konica Minolta's Current Status and Outlook

Chikatomo Kenneth Hodo

Independent Outside Director, Chairperson of the Board



Reform of the Board of Directors | For Improving the Effectiveness of Corporate Governance

Board of Directors

Made Independent Outside Directors a majority, the first Chairperson as Independent Outside Director (2022)

- Discussing material topics at Board meetings/informal gatherings and reflection in business execution
- Dialogues outside of Board meetings: Regular meetings with Independent Outside Directors, one-on-one meetings between Chairperson and President, meetings between Independent Outside Directors and President, contact opportunity creation with Executive Officers

Implementing measures based on past lessons learned

- Setting and achieving trustable goals

Strengthening monitoring function

- Independent Outside Directors participated in the Medium-term Business Plan (2023-2025) discussions from the draft stage
- Intensive monitoring of the progress of business selection and concentration and structural reforms, cost structure reforms, reinforcement of financial structure, mid- to long-term growth strategy, and organizational capability and culture.

Overall Corporate Governance

Established Corporate Governance Committee in June 2023 (suspended in June 2025)

- Established evaluation subcommittee focusing on the importance of cooperation between the Nominating Committee and the Compensation Committee
- Clarified the process for appointing Chairperson of the Board
- Discussed FY2024 executive system to improve executive capacity
- Stipulated explicitly in the rule that majority of the Board of Directors and Chairperson of the Board need to be Independent Outside Directors.

Board of Directors thinks highly of the President's execution on the material monitoring items

- 1 Completion of structural reforms
- 2 Medium- to long-term growth strategies
- 3 Capability & culture to be a company that generates profit through innovations

Challenges

The priority in FY24 was to sweep away negative legacies of the past.
Developing discussions focusing on technology-based medium- to long-term growth strategy

For Further Evolution of the Board of Directors and the Company Growth

Independent Outside Director candidates for proposal at the Ordinary General Meeting of Shareholders (Board, Chairperson, and committee chairpersons; all candidates)

Two of the current five Independent Outside Directors will resign in accordance with the tenure criteria. Seeking to further invigorate the Board of Directors by adding new opinions and perspectives while effectively continuing discussions from medium- to long-term perspectives

Chairperson of the Board



Takuko Sawada

Chairperson of the Audit Committee



Soichiro Sakuma

Chairperson of the Nominating Committee



Masumi Minegishi

Chairperson of the Compensation Committee



Yoshihiko Kawamura
(New Director)

Independent Outside Director



Saeko Arai
(New Director)

Expectations	Selected as candidate for Board Chairperson, as she is well qualified to lead medium- to long-term growth strategies discussions at Board meetings based on her technical expertise in the Company’s growth areas, in addition to her perspective with ample management experience.	He has extensive experience and broad insight as a corporate executive with many years of experience in the management of manufacturing companies, with a focus on legal affairs, internal control and auditing, and jurisdiction over major headquarters functions including general affairs, human resources, labor relations, the environment, and IT.	As the head of a company with core culture and business development capabilities related to IT services commercialization, he has the management experience and skills to lead corporate transformation into a global tech company.	He has experiences in selection and concentration of diversified global businesses in the manufacturing industry and maximizing shareholder value for sustainable growth while maintaining financial soundness, and the ability to build a broad network cultivated in general trading companies.	She provides in-depth knowledge of corporate governance and internal control, developed through expertise in finance and accounting, CFO experience at a global company, and experience as an auditor and outside director at several companies.
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Compensation Scheme Including TSR (Total Shareholder Return) for Executive Officers



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Compensation System Reforms

Toward system to contribute to business portfolio transformation and corporate value enhancement

- Revised the benchmark company group for compensation scheme for Executive Officers (2022)
- Introduced long-term stock bonus (2020), introduced non-financial indicators into medium-term stock bonus (2023)



Decisions

(Resolved at the Compensation Committee meeting held on April 28, 2025)

- From FY2026, TSR will be introduced as an evaluation index for the stock compensation system for Executive Officers.
- Evaluatees: Executive Officers including the Representative Executive Officer and President
- Period: Starting from FY2025

Items to consider in FY25

- Period for TSR evaluation (rolling or fixed such as alignment with Medium-term Business Plan.)
- Stock price (month end, monthly average, etc.)
- Comparables (index, peer group companies, a combination of them, etc.)
- TSR percentage of compensation system
- TSR assessment factors (payment rate) according to relative comparison results, etc.

Toward growth

Scalable × Sustainable × Repeatable

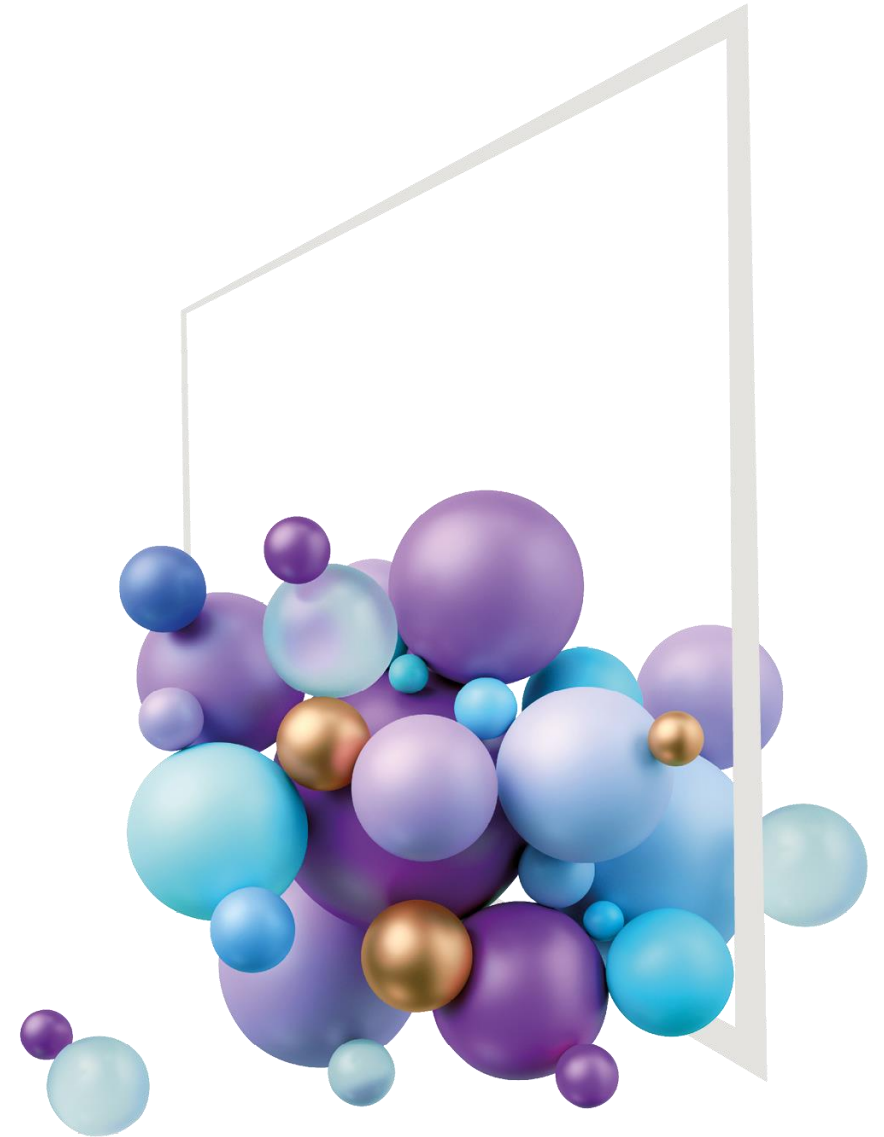
Shift the gear

Board of Directors and Executive Officers work together to reform

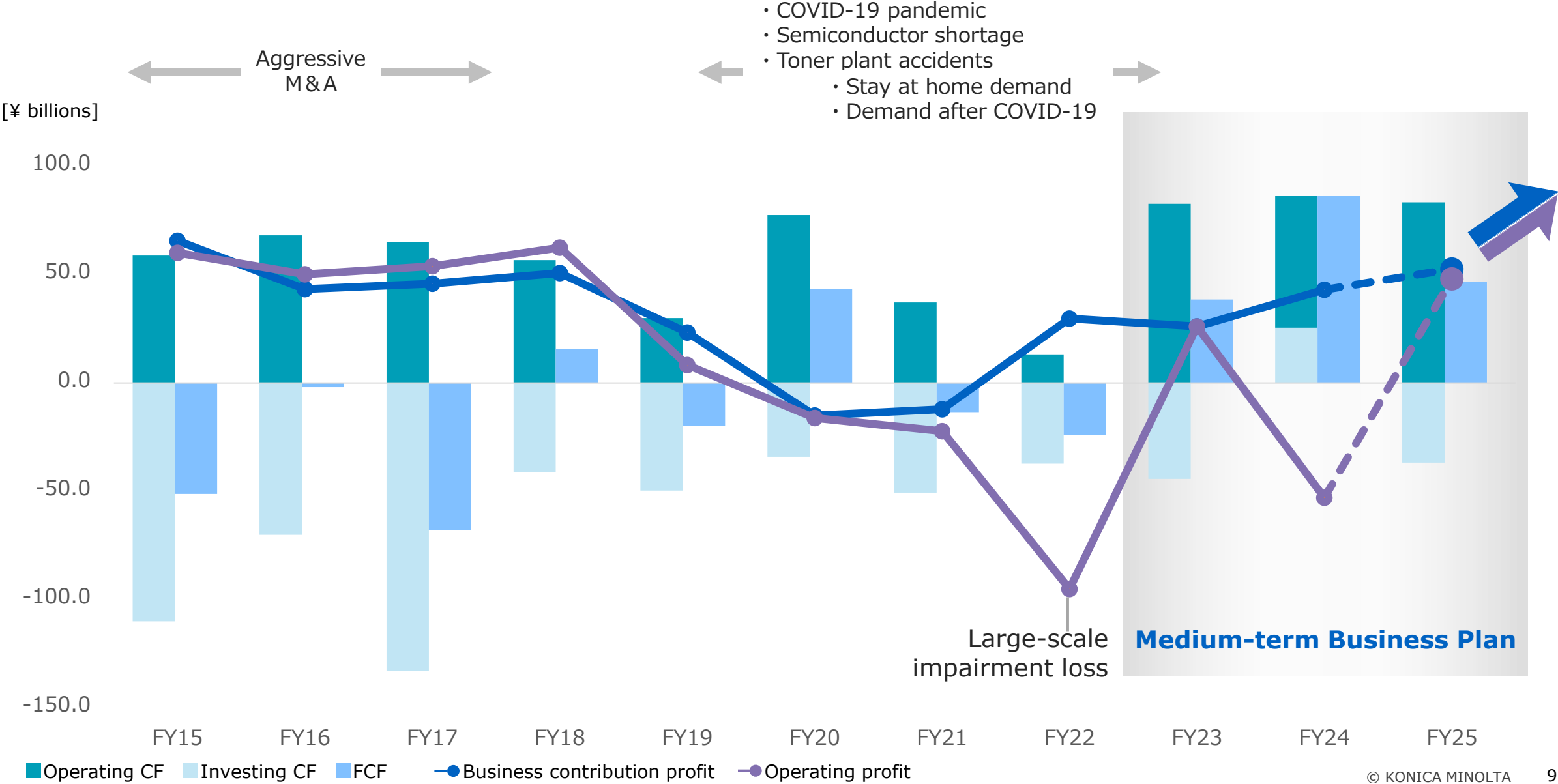


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APPENDIX



Cash flow and Profit History



Improvement in

① **Business contribution profit** ② **Profitability** ③ **Business management system**

Medium-term Business Plan

FY22

FY23

FY24

FY25

FY26-

Phase1
**Breaking away
from the past**

Phase2
**Business selection and
concentration**

Phase3
**Establishing
foundation for growth**
Turn Around 2025

**Sustainable
growth**

Biography of the Candidates for the New Independent Outside Directors



Yoshihiko Kawamura

■ Biography and title and charge in the Company

- Apr. 1979 Joined Mitsubishi Corporation
- Apr. 2010 SVP, Mitsubishi Corporation
- Apr. 2015 Joined Hitachi, Ltd.
- Apr. 2017 VP and Executive Officer, Hitachi, Ltd.
- Apr. 2018 SVP and Executive Officer, Hitachi, Ltd.
- Apr. 2020 Representative Executive Officer, SVP and Executive Officer, Hitachi, Ltd.
- Apr. 2022 Representative Executive Officer, EVP and Executive Officer, Hitachi, Ltd.
- Apr. 2024 Executive Advisor to the President CEO, Hitachi, Ltd.
- Mar. 2025 Resigned as Executive Advisor to the President CEO, Hitachi, Ltd.

■ Other material positions (★: Listed company)

- ★ Outside Director, Circlace Inc.
- ★ Outside Director, Dentsu Group Inc.



Saeko Arai

■ Biography and title and charge in the Company

- Oct. 1987 Joined Eiwa Audit Corporation (currently, KPMG AZSA LLC)
- Aug. 1992 Registered as CPA (Reregistered in January 1997)
- Oct. 1993 Joined Sasaki Certified Public Accountants Office
- Apr. 1997 Joined Internet Research Institute, Inc. (IRI)
- Sep. 1998 Director, CFO, IRI, Inc.
- Feb. 2000 Director, CFO, IRI USA, Inc.
- Nov. 2002 Director, President, CEO and Secretary, IRI USA, Inc.
- Nov. 2002 Established Gratia, Inc. (currently, Acuray, Inc.), and assumed the position of President (current)

■ Other material positions (★: Listed company)

- President, Accuray, Inc.
- Outside Audit & Supervisory Board Member, teamS Inc.
- ★ Outside Director, Sumitomo Pharma Co., Ltd. (Scheduled to resign in Jun. 2025)
- Outside Audit & Supervisory Board Member, YKK CORPORATION
- ★ Outside Audit & Supervisory Board Member, Kao Corporation
- Specially Appointed Professor, Hakuoh University

Current Composition of Directors and Executive Officers compensation

Executive Officers	President & CEO	Base Salary 45%	Annual performance-linked cash bonus 30%	Medium-term stock bonus (performance-linked) 15%	Long-term stock bonus 10%
	Other Executive Officers	Base Salary 50%	Annual performance-linked cash bonus 30%	Medium-term stock bonus (performance-linked) 12%	Long-term stock bonus 8%

The criteria for determining the amount of cash bonuses and the number of shares of the Company's stock to be delivered are as follows.

- **Annual performance-linked cash bonus:** the level of performance for the fiscal year (consolidated operating profit), the degree of attainment of annual performance targets, and the progress in each Executive Officer's key strategic measures
- **Medium-term stock bonus (non-performance-linked):** role and years in office
- **Medium-term stock bonus (performance-linked):** degree of attainment of Medium-term Business Plan targets
- **Long-term stock bonus:** position or role and years in office

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	20%	40%			40%
	Operating profit	Profit for the period 40%	Total asset turnover ratio 30%	KMCC-ROIC 30%	Reflects progress of each Executive Officer's key strategic measures, etc.
	Linked with Group consolidated performance result level	Linked with annual performance target achievement rate			

(Note 1) Component ratios are based on design theory.

(Note 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*	Financial indicator (Consolidated)	Non-financial indicator	
	ROE	CO ₂ emission reduction amount through measures	Employee engagement score
	80%	10%	10%
	Linked to the target achievement rate in the final year of the Medium-term Business Plan		

* All items on a consolidated basis



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Cautionary Statement:

The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.

Remarks:

Yen amounts are rounded to the nearest 100 million.