



KONICA MINOLTA

KONICA MINOLTA, INC.

# INTEGRATED REPORT **2024**

RETHINK  
WHAT'S  
POSSIBLE



Giving Shape to Ideas

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"CEO LIVE!" is an internal financial results briefing organized by top management and young employees, with an emphasis on dialogue with employees at the frontline.



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We exchanged views on our growth strategy, structural reforms, sustainability management, and governance.



### Value Co-creation with Customers [P31](#) [P32](#) [P35](#) [P38](#)

We introduce examples of value co-creation with customers and achievement of material issues through our business.



### Technology and Intellectual Property Strategy: [P57](#) Preparing Technologies for Future Growth

We introduce "biomanufacturing" as a growing technology for the future.

## Editorial Policy

For Konica Minolta, fiscal 2024 is an extremely important turning point. In order to improve profitability and build a foundation for sustainable growth, we are proceeding with structural reforms and business selection and concentration. This report was produced with an emphasis on comprehensively conveying the progress of these efforts, management's strong intention to transform the Company, and the story of sustainable value creation.

We also shared feedback from stakeholders on the Integrated Report 2023 with management and related divisions to deepen discussions, and this year we reviewed and enhanced the contents of the report from multiple perspectives. We have also held a dialogue between our Outside Directors and our investors, who generously participated, which we invite you to read.

Many of our human capital appear in the report to talk about their efforts. We hope that you will understand that the daily activities of our employees in various regions and departments support Konica Minolta's growth.

We hope that this report will help our stakeholders deepen their understanding of our Company and provide an opportunity for dialogue. We would be grateful for your frank opinions.



Investor Relations Office team

### More content for a better understanding of Konica Minolta

- > Corporate website
- > IR website
- > Audited Financial Report
- > Financial Results & Financial Results Briefing
- > Sustainability website
- > Corporate Governance Report
- > Intellectual Property Report
- > Technology Report

### 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.

### Examples of content improved through dialogue with capital markets

All	
Introduction of human capital to lead the field	p.31, etc.
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### Frameworks used as references in the preparation of this report

- IFRS Foundation Integrated Reporting Framework
- Ministry of Economy, Trade and Industry  
Ministry of Economy, Trade and Industry of Japan  
“Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation”



\* The Sustainability website discloses information in reference to the GRI Standards and SASB Standards.  
GRI Standard Comparison Table:  
<https://www.konicaminolta.com/about/csr/csr/vision/gri.html>  
SASB Standard Contrast Table:  
<https://www.konicaminolta.com/about/csr/csr/vision/gri-sasb.html>

### Major international initiatives we endorse

- The United Nations Global Compact
- Sustainable Development Goals (SDGs)
- TCFD (Task Force on Climate-related Financial Disclosures)
- TNFD (Taskforce on Nature-related Financial Disclosures)
- RE100



### About the Cover

For the Integrated Report 2023, we have adopted a simple, all-white design. This is to celebrate our 150th anniversary as well as to express our strong will to break away from the past and make a new start in our new Medium-term Business Plan, which is also reflected in the cover.

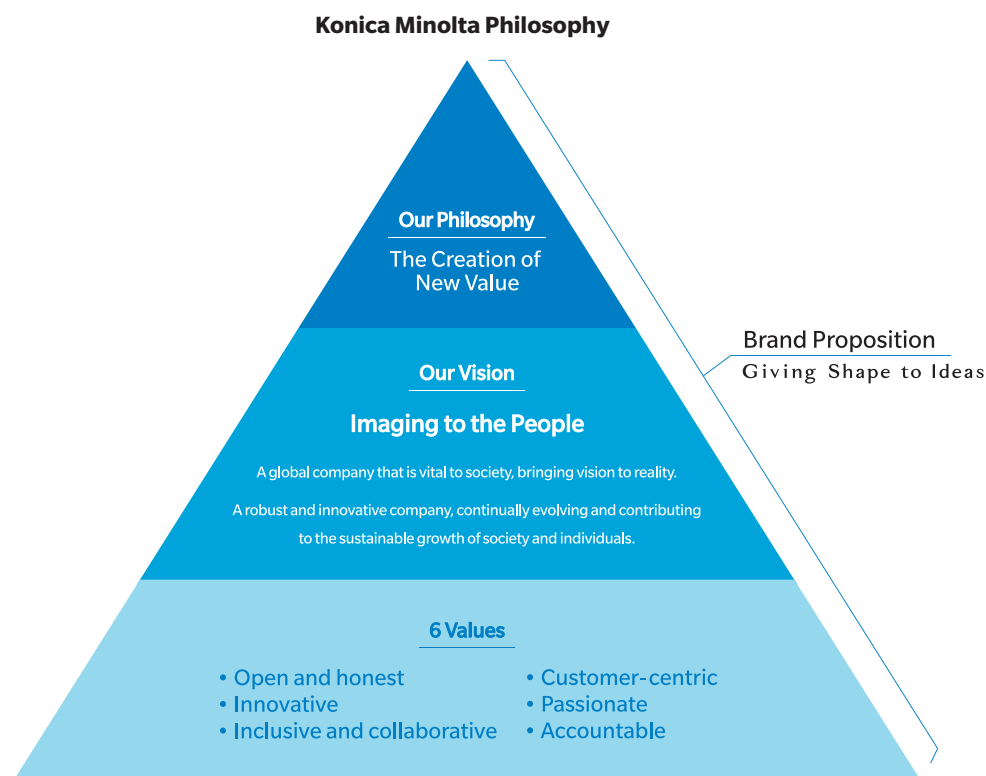
The 2024 Edition's image represents the fact that we have found a path toward future growth as we have made progress in selecting and concentrating our businesses and our business performance is on the road to recovery.

# Konica Minolta Philosophy

## 2030 Long-term Management Vision “Imaging to the People”

Since its founding, Konica Minolta has met the hopes and desires to “see” of customers around the world with its core imaging technologies, which include image input/output and processing, developed through its camera and photo businesses. It is in our DNA to continue to create new value in response to these hopes and desires.

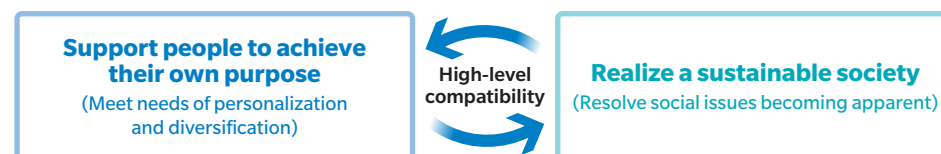
Under our philosophy “The Creation of New Value,” we aim to realize our vision of “Imaging to the People” based on 6 Values that guide our corporate culture as a wellspring of value creation.



## Konica Minolta’s Position

In formulating our long-term management vision, we discussed Konica Minolta’s position in society, and based on the trends of global multipolarity, demographic change, and the spread of DX in 2020, we looked ahead to the year 2030 and envisioned “a society where people can continue to create value and grow by utilizing vast amounts of data, and each individual can work autonomously.” On the other hand, meeting increasingly personalized and diverse needs will create social issues such as resource shortages, the impact of climate change, rising social security costs, and disparities in opportunities for employment and creation. These issues are to be solved and can be business opportunities for companies.

Based on this belief, Konica Minolta has concluded that its position is to meet the diverse needs of people and solve social issues seamlessly, with its unique imaging technology at its core, and has incorporated this into its long-term vision, “Imaging to the People.”



## Material Issues

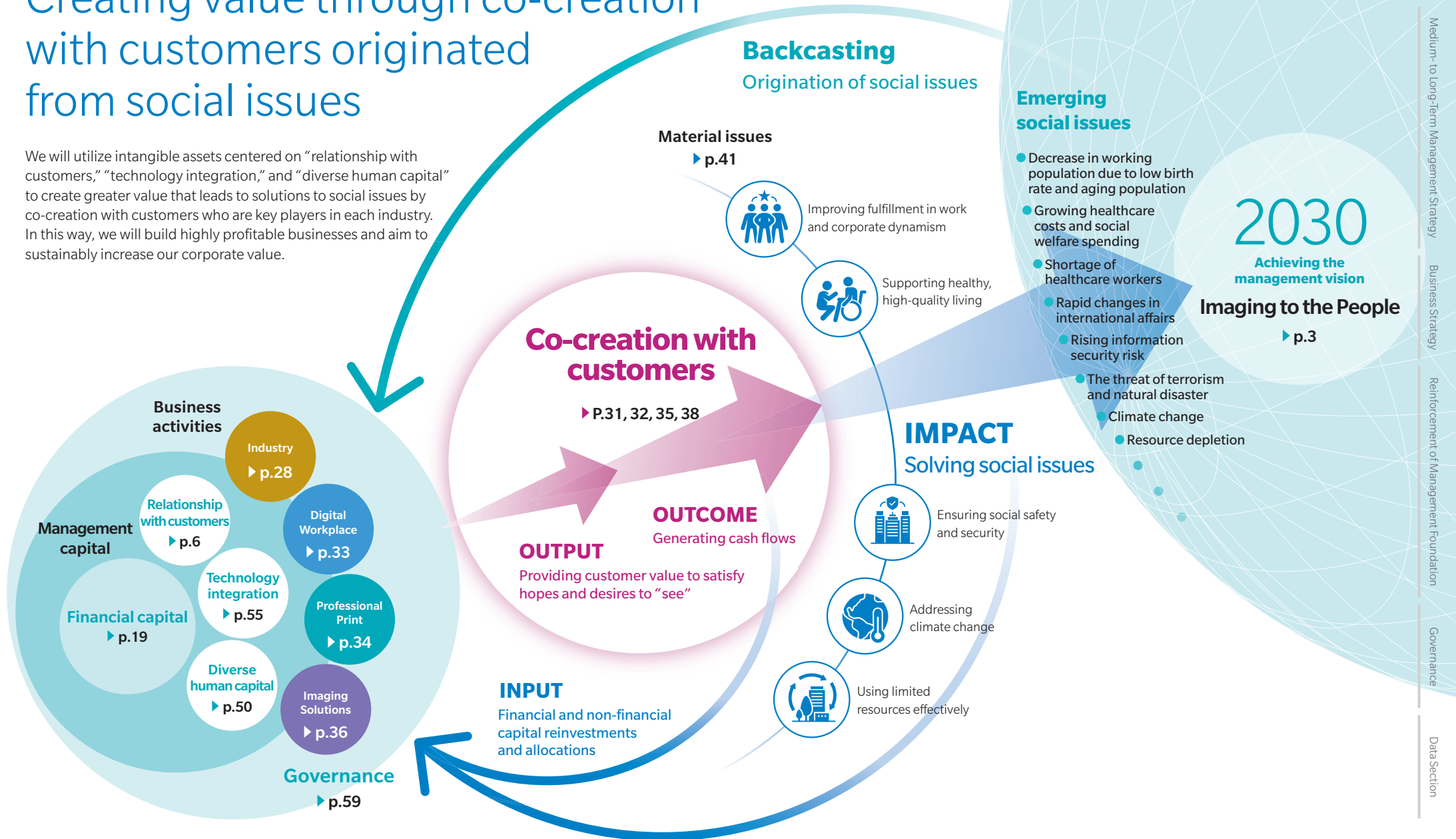
We have identified five material issues by envisioning the social issues that will arise in 2030, ten years after the formulation of the long-term management vision, and clarifying the social value that Konica Minolta should provide in order to solve these issues. These material issues represent themes that can generate particularly high social value by bringing together Konica Minolta’s intangible assets. For each of these five material issues, Konica Minolta has defined its Vision for 2030 and clarified the direction of value creation over the medium to long term. (For details on the identification of material issues, please refer to [page 41](#).)



## Value Creation Process

# Creating value through co-creation with customers originated from social issues

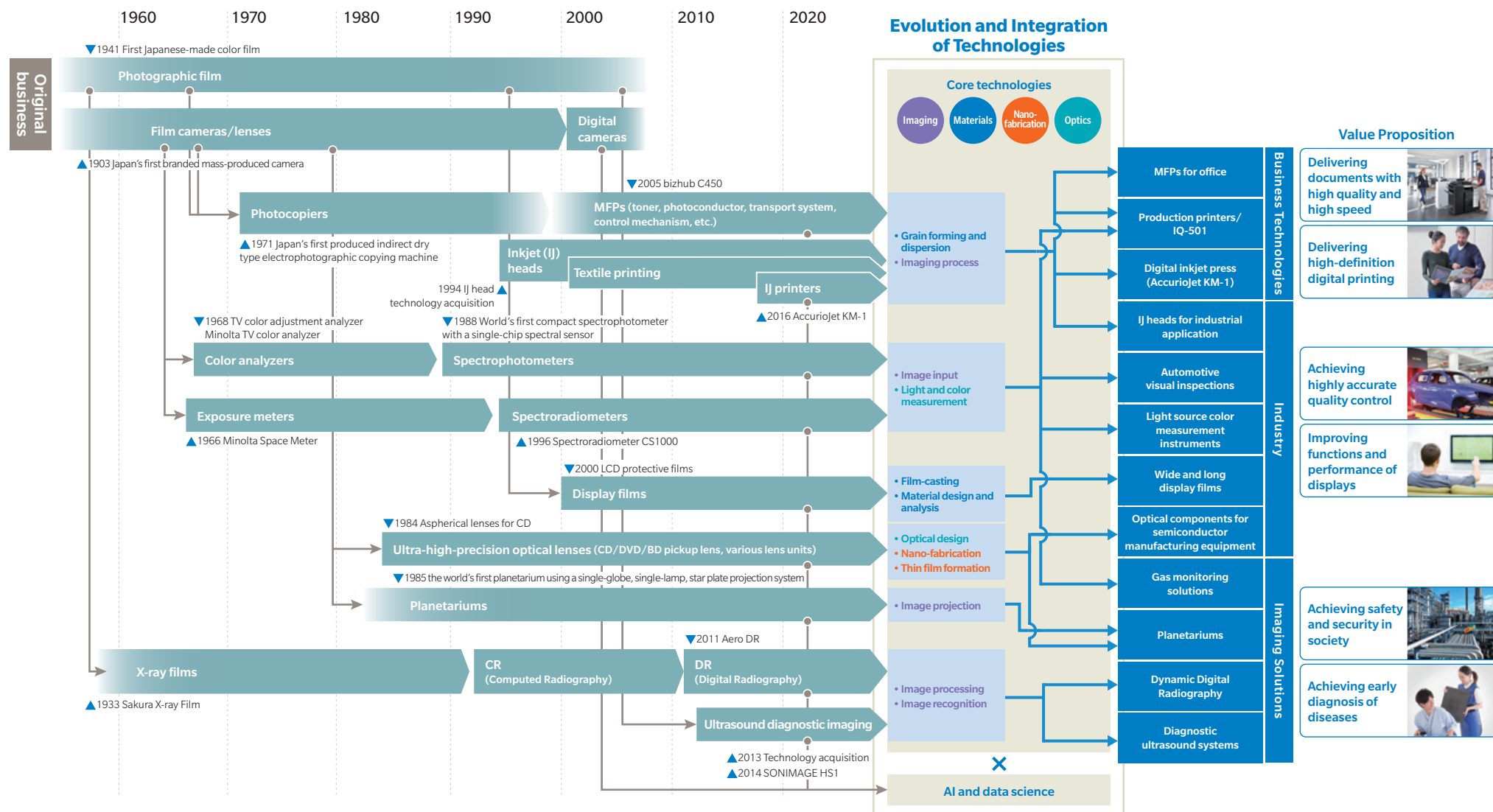
We will utilize intangible assets centered on "relationship with customers," "technology integration," and "diverse human capital" to create greater value that leads to solutions to social issues by co-creation with customers who are key players in each industry. In this way, we will build highly profitable businesses and aim to sustainably increase our corporate value.




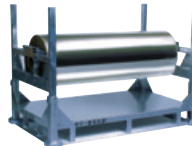






## Lineage of Technologies

Continuing to meet people's hopes and desires to "see" by accumulating integration and evolution of technology



## Promote a “genre top” strategy in areas with growth potential and favorable odds

Business description		Target customers/Industries	Genre-top products	
Business Technologies Business*	<b>Industry Business</b> <ul style="list-style-type: none"> <li><b>Sensing</b> Provision of various measuring devices such as light source color and object color measurement, visual inspections, etc.</li> <li><b>Performance materials</b> Provision of functional films for displays</li> <li><b>Inkjet (IJ) components</b> Provision of inkjet heads and ink</li> <li><b>Optical components</b> Provision of various lenses</li> </ul>	<ul style="list-style-type: none"> <li>Automotive industry</li> <li>Display industry</li> <li>Printing industry</li> <li>Semiconductors, electronic components and parts industry etc.</li> </ul>	<b>Light source color measuring instruments</b> More than 50% share in global measuring instruments for display 	<b>VA-TAC film for LCD TVs</b> Top market share in the world 
	<b>Digital Workplace Business</b> <ul style="list-style-type: none"> <li><b>Office</b> MFPs and workflow improvement solutions via document input, processing and output</li> <li><b>DW-DX</b> IT services and digitalization support for small and medium-sized enterprises, and video and image analysis services for offices</li> </ul>	<ul style="list-style-type: none"> <li>Private companies</li> <li>Government agencies</li> <li>Educational institutes etc.</li> </ul>	<b>A3 color MFPs</b> Top share in about 40 countries around the world 	
	<b>Professional Print Business</b> <ul style="list-style-type: none"> <li><b>Production print</b> Provision of toner-based digital color presses and workflow solutions for printing sites</li> <li><b>Industrial print</b> Provision of B2 inkjet press, label press, embellishment press, textile printing machines, and other digital printing machines</li> </ul>	<ul style="list-style-type: none"> <li>Printing companies</li> <li>Label/Packaging printing companies</li> <li>Apparel manufacturers etc.</li> </ul>	<b>Digital color printers</b> Top share in about 40 countries around the world 	
	<b>Imaging Solutions Business</b> <ul style="list-style-type: none"> <li><b>Healthcare</b> Provision of digital X-ray diagnostic imaging systems, ultrasound diagnostic imaging systems, and medical IT services such as PACS (Picture Archiving and Communication System)</li> <li><b>Imaging-IoT solutions business</b> Provision of IoT network camera solutions and Gas Monitoring Solutions, and caregiving-related solutions</li> </ul>	<ul style="list-style-type: none"> <li>Hospitals/Clinics</li> <li>Social infrastructure (plants, etc.)</li> <li>Care facilities etc.</li> </ul>	<b>Cassette-type digital X-ray systems</b> Top share in the Japanese clinic market 	<b>Diagnostic ultrasound systems</b> Top share in the Japanese orthopedic market 

Other businesses: precision medicine business

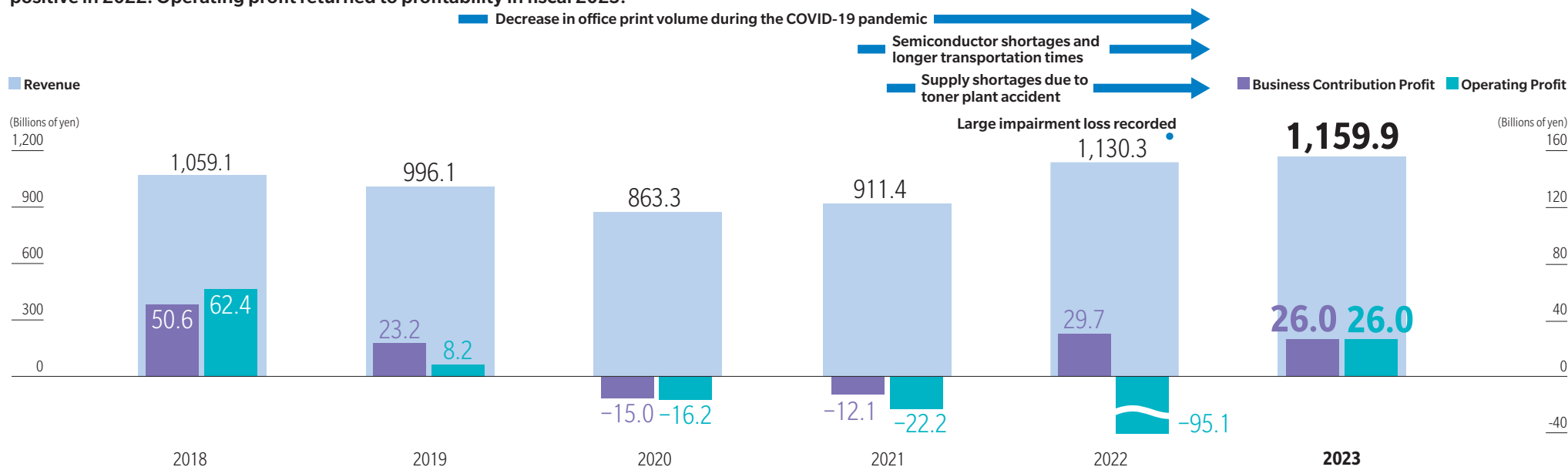
\* Name of the internal organization that manages the Digital Workplace Business and Professional Print Business

## Performance Data

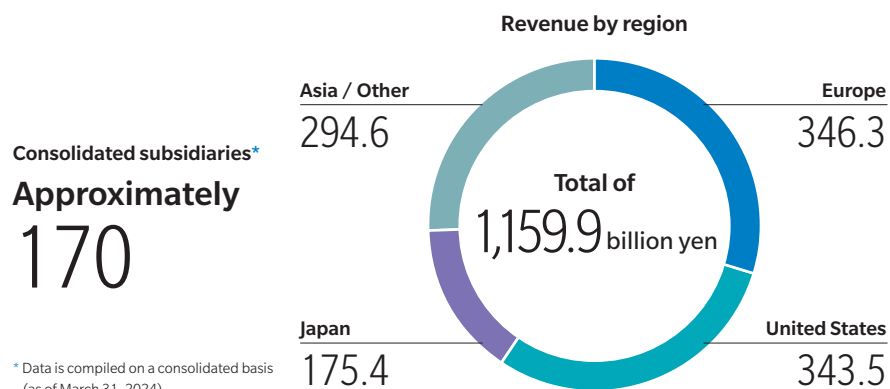
\* Business contribution profit: Konica Minolta's unique profit index derived by subtracting cost of sales and SG&A expenses from revenue.

### Most recent performance data

Despite the impact of the spread of COVID-19 starting in fiscal 2019, business contribution profit, which shows the earning power of the business, is on a recovery trend, and became positive in 2022. Operating profit returned to profitability in fiscal 2023.

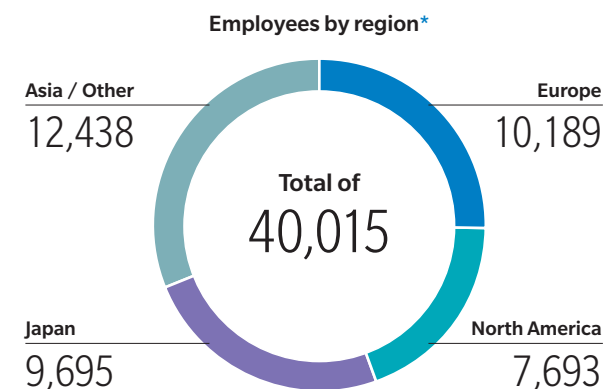


### Data by region



### Revenue composition by region (by business)

	Europe	United States	Japan	Asia / Other	Total
Business Technologies	37%	30%	10%	23%	100%
Industry	10%	6%	29%	54%	100%
Imaging Solutions	9%	20%	46%	25%	100%



\* Data is compiled on a consolidated basis (as of March 31, 2024)



# Part 1

## Medium- to Long-term Management Strategy

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## Message from the CEO



**We will build a foundation for sustainable growth by improving profitability and strengthening our financial base.**

### Toshimitsu Taiko

Director, President and CEO, Representative Executive Officer

#### Review of the first year of the Medium-term Business Plan

##### **First profitable year in five fiscal years and first step toward regaining trust**

The biggest mission assigned to me as president in April 2022 was to break out of the severe deficit situation that had continued since fiscal 2019 as soon as possible. In fiscal 2022, which was the final year of the previous medium-term business plan, DX2022, we recorded a significant impairment loss of goodwill from past major acquisitions so that we would not postpone our difficulties to the future. We have positioned fiscal 2022 as Phase 1 to “break with the past traditions” and chart a new course for sustainable growth.

Under the Medium-term Business Plan (Fiscal 2023-2025), which began in fiscal 2023, we aim to regain the trust of our stakeholders by reliably achieving the goals we

have committed to, based on the concept of “challenging and achievable management”. In fiscal 2023, our first year under the plan, consolidated revenue reached a record ¥1,159.9 billion. Operating profit and profit attributable to owners of the Company were ¥26.0 billion and ¥4.5 billion, respectively, achieving a return to profitability. We exceeded our target figures planned at the beginning of the fiscal year and took the first step toward rebuilding trust in the Company.

Additionally, as operating cash flow increased, free cash flows also improved significantly from the previous fiscal year. However, a breakdown by business segment shows that while some businesses performed well, others did not perform as planned. We will reinforce our business management system in response to changes in market conditions to further solidify our progress toward rebuilding trust in the Company.

## Message from the CEO

### Performance Summary

(Billions of yen)

	FY2022	FY2023	YoY
Revenue	1,130.3	1,159.9	+2.6%
Business contribution profit	29.7	26.0	-12.5%
Operating profit	-95.1	26.0	–
Profit attributable to owners of the Company	-103.1	4.5	–
Free cash flow	-24.1	38.8	–

\* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue.

### Accelerate business selection and concentration and implement global structural reforms

#### Set a course for reform of non-focused and direction-changing businesses

The Medium-term Business Plan promotes three basic strategies: strengthening business profitability, structural reforms implemented to reinforce profit foundation, and

reinforcement of business management system. Based on these strategies, from fiscal 2023 to 2024, we will thoroughly implement “business selection and concentration” to strengthen business profitability as Phase 2, and then aim to “establish a foundation for growth” by the end of fiscal 2025 as Phase 3.

In this Medium-term Business Plan, all businesses are strategically divided into four categories: strengthening business, maintaining profit business, non-focused business, and direction-changing business, and the expectations and roles of each business have been clarified (see page 16). To complete business selection and concentration, it is essential to set a course for the reform of non-focused businesses and direction-changing businesses.

For non-focused businesses, we deliberate and execute the use of third-party capital from a best-owner perspective, considering the growth potential of the market and the social value of the business. In April 2024, the Company completed the transfer of entire equity capital in Invicro, a U.S. subsidiary that provides drug discovery support services in its precision medicine business. In addition, we are proactively considering the

use of third-party capital for Ambry Genetics as well, a provider of genetic testing services.

On the other hand, for direction-changing businesses, we will closely examine the growth potential and business conditions of each business and region, execute selection and concentration within the business, including withdrawal or use of third-party capital, and transform them into growth-driving businesses. For example, in the DW-DX business, there are businesses and services that are already profitable and supported by customers, so we have carefully assessed the potential for business growth and profit contribution in each region and product. In fiscal 2024 we will implement measures based on the above to transform our business into one that can grow sustainably.

As a result of these efforts, our deficit in non-focused businesses and direction-changing businesses in fiscal 2023 was reduced by approximately ¥3.5 billion compared to the previous fiscal year, and we plan to continue to focus on business selection and concentration in fiscal 2024 to further significantly improve performance (see page 18).

#### Implement global structural reforms to improve the Group’s productivity

In fiscal 2024, along with business selection and concentration, we will implement global structural reforms as an additional measure to reinforce our profit foundation. Our stakeholders have pointed out that our Group’s revenue and profit levels per employee are low compared to other companies in our industry. This is partly due to our business structure, in which a large percentage of our business is conducted in Europe and the United States, where labor costs are relatively high due to inflation and other factors and is not an easy problem to solve. However, if this situation is left unchecked, it may become even more difficult to optimize personnel over the next few years. After considering and reassessing, we decided that now is the best time to address this problem without further delay.

### Phases of the Medium-term Business Plan

	Medium-term Business Plan			
FY2022	FY2023	FY2024	FY2025	FY2026 and after
<b>Phase 1</b> Break with the past traditions	<b>Phase 2</b> Business selection and concentration		<b>Phase 3</b> Establishing foundation for growth	Re-entering a sustainable growth trend
	<ul style="list-style-type: none"> <li>Determine and implement a policy of selection and concentration of businesses and areas</li> </ul>		<ul style="list-style-type: none"> <li>Improve productivity through global structural reforms</li> <li>Pursue potential alliances in the Business Technologies Business*</li> <li>Accelerate preparations for future growth</li> </ul>	<ul style="list-style-type: none"> <li>Launch full-scale reinforcement strategies for business growth</li> </ul>

Name of the internal organization that manages the Digital Workplace Business and Professional Print Business

## Message from the CEO

Specifically, we will identify obstacles to productivity and efficiency, review business processes, improve operational efficiency using generative AI and other means, and invest in the education of human capital. At the same time, we will promote the assignment of the right people to the right positions and optimize personnel throughout the Group. Through these measures, we plan to reduce our global workforce by approximately 2,400 employees (including non-regular employees) during fiscal 2024 relative to our initial plan for fiscal 2025. As a result, a one-time expense of approximately 20 billion yen will be recorded in fiscal 2024. We expect this to have the effect of boosting profits by approximately 5 billion yen in fiscal 2024 and approximately 15 billion yen in fiscal 2025 (see page 18). Through these structural reforms, we will improve into an organization with high productivity per capita, and from fiscal 2025 onward, we will devote all our efforts to establishing a foundation for growth.

### Toward establishing a foundation for growth

#### Industry Business as a medium- to long-term growth driver

Among the strengthening businesses, we have positioned our Industry Business as the biggest growth driver. This business targets areas with medium-sized, stable markets and has achieved a high market share and profitability. In the current market environment, its results underperformed our initial plan due to delayed capital investment by customers, deteriorating market conditions for displays and other products, and the resulting delay in product development for performance materials, but the business is still expected to grow over the medium to long term from fiscal 2025 onward (see page 17).

In the Industry Business, we have been developing each business unit individually, such as sensing, performance materials, and IJ components. In the future, it

will be important to create new customer value by combining the strengths of each business unit, and to create business opportunities across businesses that would be difficult for a single unit to do alone. We will maximize our strong relationships with customers and technological assets developed in each of the units across the entire Industry Business to develop businesses more closely linked to the customer's manufacturing value chain in the focus areas of display, mobility, and semiconductor manufacturing, and to achieve stable growth over the medium- to long-term.

In addition to the Industry Business, we will strengthen technological development to expand our strengthening businesses, which include the Professional Print Business, where we expect market growth for digital printing equipment, and the healthcare business, where there is increasing demand for our proprietary Dynamic Digital Radiography systems, which are provided by no other company in the world, and healthcare DX that utilizes images, AI, and IT technologies to make healthcare more advanced and efficient. In addition, we will increase the rate of R&D investment to create highly competitive products that leverage our core technologies (see page 55).

#### Strengthen our ability to generate profit and cash flow in the office business by promoting structural reforms and collaboration

The office business is positioned as a maintaining profit business and is focused on securing stable profits and generating cash. With the spread of remote work and paperless operations, the decline in office printing volume in fiscal 2023 was within our expectations, and so far, we do not see any new factors that could cause printing volume to decline beyond what was assumed in the Medium-term Business Plan.

Under such a market environment, the Company



posted a profit in fiscal year 2023 that exceeded its initial plan, thanks in part to the expansion of One Rate\* contracts and stringent production cost reductions. Although profitability has already improved at a pace exceeding that of the Medium-term Business Plan, we will further enhance profitability by improving the efficiency of sales and services using AI and other measures.

In April 2024, we announced a strategic alliance with FUJIFILM Business Innovation Corp in the multifunction printer, office printer, and production printer segments. Since the market for office printers is expected to shrink over the long term, we need to streamline our investments. Although we have been promoting increased efficiency on our own in the past, we have decided to actively promote collaboration with other companies to generate even greater benefits. First, we have decided to establish a joint venture to coordinate the procurement of raw materials and parts, thereby improving our investment efficiency and establishing a stable supply system for products. In addition, we will proceed with discussions to expand the scope of operations to be covered going forward (see page 17).

\* One Rate: Our unique flat-rate billing model, as opposed to the traditional monthly variable billing method



## Message from the CEO

### Achieving the management goals of the Medium-term Business Plan

#### Aiming to complete management reform by the end of fiscal 2024 and achieve the Medium-term Business Plan

We consider fiscal 2024 a key year to promote business selection and concentration and global structural reforms and to serve as a bridge to return to growth starting in fiscal 2025. Although business contribution profit is expected to increase, one-time expenses are necessary to ensure the implementation of business selection and concentration and global structural reforms, which will result in a decrease in operating profit, and we expect profit attributable to owners of the Company to break even. For this reason, we plan not to pay a dividend in fiscal 2024. We also believe that prioritizing the reduction of interest-bearing liabilities in preparation for a full-fledged rise in interest rates in the future will certainly lead to improved profits in the coming years. For now, we will grin and bear it while focusing on improving our financial position, and from fiscal 2025 onward, we aim to put not only business contribution profit but also operating profit and profit

attributable to owners of the Company on a sustainable and stable growth trajectory, thereby increasing corporate value. We intend to return profits to shareholders as earnings improve.

Improvement of ROE is one of the highest priorities in our Medium-term Business Plan, and we aim to achieve ROE of 5% or more in fiscal 2025 by improving the return on profit attributable to owners of the Company to 2.5% or more, achieving a total asset turnover ratio of 1.0, and building a balanced financial base with financial leverage of about 2x. Of course, 5% is a minimum target, and after that we will continue to strive for profit growth and improved asset efficiency, aiming to achieve the capital market expectation of ROE of 8% or higher as soon as possible (see page 19).

There is no “cure-all” for achieving these goals. First, it is essential to improve and strengthen our financial position by completing business selection and concentration and global structural reform in fiscal 2024, and then we will make the necessary growth investments to build a business foundation for sustainable medium- to long-term business growth.

### Enhancing corporate governance

#### Seeking a higher efficiency governance system

Since its establishment in 2003, Konica Minolta has been one of the first Japanese companies to become a Company with Committees (currently a company with three committees), and in 2022, it has evolved its corporate governance by having a majority of its Directors be Independent Outside Directors and electing an Independent Outside Director as Chairperson of the Board. Furthermore, in 2023, we established the Corporate Governance Committee as a forum for discussion that contributes to improving the effectiveness of the Board of Directors (see page 64).

After two years of management under this system, the perspectives of the Outside Directors have clearly become more powerful than before, and I feel that the Board of Directors is performing its functions better than at any time since the Company’s establishment. The Company receives opinions from Outside Directors on proposals made by the executive side, and moves forward after engaging in a variety of in-depth discussions, which include those among the Outside Directors.

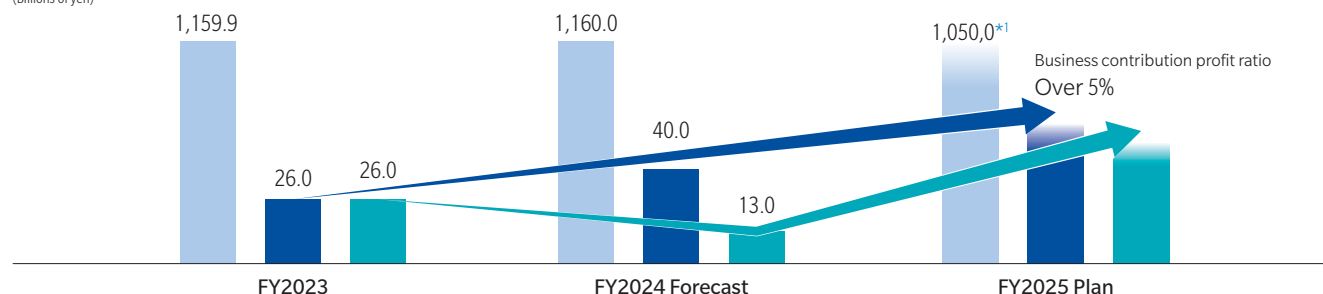
In addition, meetings among the executive team, where important matters are discussed, used to be composed of more than 30 Executive Officers and Corporate Vice Presidents in total, limiting everyone’s opportunity to speak. In April 2024, we changed to a system in which only 13 Executive Officers, as required by the Companies Act, participate in discussions. As a result, we have created an environment in which all participants can speak their minds, and discussions have become much more profound.

We hope to improve our performance going forward and show that our current governance system is right for our Company.

### Operational Plan

■ Revenue ■ Business contribution profit ■ Operating profit

(Billions of yen)



\*1 Adjusted to revenue after deconsolidation



## Message from the CEO

### Promoting sustainability management

#### Our essential role is to meet customers' needs to "see" by creating new value

Based on Our Philosophy, "the creation of new value," Konica Minolta has put forth "Imaging to the People" as its management vision looking forward to 2030. This vision expresses our essential role as an innovative company, continually evolving and contributing to the sustainable growth of society and individuals by using our imaging technology, which is both our origin and our strength, to fulfill our customers' various needs to "see."

To realize this vision, we aim to solve social issues through our business activities based on the five material issues we identified in 2020. Among these, we are particularly focusing on addressing climate change and using limited resources effectively as key issues directly related to our business growth.

Addressing climate change, we aim to reach Carbon Minus<sup>\*1</sup> status in 2025, and, with regard to using limited resources effectively, we aim to achieve zero use of natural resources<sup>\*2</sup> in 2050 (see page 44). Our efforts based on this



progressive policy have been highly evaluated by external organizations. On the other hand, some institutional investors are asking to see how our efforts to solve social issues are linked to our business earnings. I believe that our future challenge is to meet our stakeholders' expectations and show that solving social issues is a driving force for sustainable growth.

In this regard, I am looking forward to seeds for future growth in areas that will lead to decarbonization, while also utilizing and upgrading our technological assets.

For example, we have the technology to produce high-quality recycled plastic materials from used plastic, and have been using recycled materials in MFPs for more than 10 years (see page 46). In addition, the hyperspectral camera developed by our Finnish subsidiary Specim is the top product for sorting plastic waste. In addition to these material and sensing technologies, we are considering developing a new business that will contribute to stabilizing quality and solving cost-related issues of recycled plastics, while effectively employing AI technologies going forward.

Biomanufacturing is a technology to produce a variety of substances from biologically derived raw materials through the metabolism of microorganisms (see page 57). This technology is expected to lead to reduced CO<sub>2</sub> emissions because it can produce industrial products, foods, and pharmaceuticals without relying on fossil fuels. In this area as well, Konica Minolta is developing technologies to enable real-time measurement of complex phenomena such as fermentation by incorporating AI into a wide variety of sensing technologies, including hyperspectral imaging. We plan to accelerate the social implementation of these proprietary technologies through collaboration with partners in various industries.

<sup>\*1</sup> Carbon Minus: Situation where, through not only reducing product lifecycle CO<sub>2</sub> emissions, which is within the purview of our responsibility, but also contributing to the reduction of CO<sub>2</sub> emissions outside of our responsibility (those of our customers and suppliers), the amount of CO<sub>2</sub> emissions reduced overall exceeds the CO<sub>2</sub> emissions we are directly responsible for

<sup>\*2</sup> Natural resources: Resources that involve new mining, such as crude oil and mineral resources

#### Building trust with employees through honest discussions

For Konica Minolta to achieve the goals of its Medium-term Business Plan and achieve medium- to long-term growth, further enhancement and expansion of human capital is imperative. To this end, we have set "improving employee engagement" as one of the KPIs in our Medium-term Business Plan, and we are promoting our human capital strategy by setting "improving fulfillment in work and corporate dynamism" as one of the five material issues of the same plan (see page 50).

To increase engagement, it is important to revitalize internal communication and ensure that the Company's vision, direction, and values are shared. Since assuming the position of President, I myself have been focusing on communicating with employees. During my first year in office, I held town hall meetings in various locations, mainly in Japan, and in fiscal year 2023, even visiting our overseas locations. CEO LIVE!, an internal financial results briefing, also provides on-the-spot responses to employees' opinions (see page 14). We intend to apply the insights gained from these dialogues with employees to management, for example, by setting up a place where DX human capital can be selected and matched to solve problems in the organization, and by strengthening human capital development programs centered on reskilling.

By steadily implementing each strategy in our Medium-term Business Plan and addressing sustainability issues one by one with a focus on results, we aim to return to a growth trend and increase our corporate value over the medium to long term.

We look forward to the continued support of all our stakeholders.

## // TOPICS //

# President's Reinforcement of Inner Communication

Since assuming his position, President Taiko has emphasized communication with the front line, and has personally spoken with more than 5,000 employees.

He believes that direct, honest discussions from the top management will lead to the restoration of employees' confidence and an instilled understanding of company strategies.

The insights gained from these conversations with employees are also reflected in management decisions.

We will continue the dialogue between the president and employees to improve employee engagement.

## "CEO LIVE!", an internal financial results briefing incorporating ideas from young employees

Since President Taiko assumed office, we have continued to hold quarterly briefings on financial results for internal use. Although we had previously held such briefings only for managers, we have reviewed and expanded the audience of these briefings to include all employees. In launching this event, a planning team consisting of young employees in their 20s and early 30s was formed to plan content and manage the event in a way that is easily communicated to general employees.

At this event, the president and other executives take the stage to explain management strategies and the progress of the Medium-term Business Plan, as well as give on-the-spot answers to questions from employees at each location who participate in the Q&A corner both in-person and online. Questions that could not be answered due to time constraints are also answered later via the intranet. This has become an important venue for two-way communication between management and employees. This program also introduces good practices within the Company to motivate employees.



President Taiko's avatar

It helped me get an understanding of the path the Company should take, and the actions needed now.

I could feel President Taiko's commitment and passion.

### Employees' feedback on "CEO LIVE!"

The CEO praised the efforts of the frontline, which really gave us more motivation!

I want to help the Company thrive by getting other people involved.

Of course there will be reflection on the past, but I wish there was more talk about the Company's future.



Planning meeting with President Taiko and the planning team



President Taiko and Executive Vice President and Executive Officer Eguchi answer employees' questions at "CEO LIVE!"

## The president personally goes on a world tour to hold town hall meetings

Since assuming office in fiscal 2022, President Taiko has visited numerous domestic and overseas locations to hold town hall meetings and engage in direct dialogue with employees. He will continue to do so in fiscal 2024 and beyond.



At our locations in South Korea, Germany, and Spain

## Medium-term Business Plan (2023-2025)

### Implementation Issues of the Medium-term Business Plan

In this Medium-term Business Plan, we have narrowed down the action tasks to: strengthening business profitability, structural reforms implemented to reinforce profit foundation, and reinforcement of business management system.

With regard to strengthening business profitability, we are proceeding with selection and concentration of businesses based on whether they will lead to the future of the Company, considering their timeframes, and without being tied down by the past. Specific actions include the sale of equity interests in non-focused businesses. In the office business, we have achieved some results in fiscal 2023, including a steady improvement in profitability. In fiscal 2024, while pursuing growth in strengthening businesses, we will further strengthen business profitability by accelerating business selection and concentration efforts in non-focused businesses and direction-changing businesses.

To reinforce our profit foundation, we are reducing interest-bearing debt and working capital and other assets. In fiscal 2023, we reduced interest-bearing debt by ¥45.7 billion and operating cash flow was positive ¥83.3 billion yen, mainly due to the reduction of working capital, showing steady progress.

With respect to reinforcing our business management system, we are working to review investment evaluations and business reviews, strengthen monitoring the risk of impairment losses, and change our business management system to one that allows us to quickly take action.

Through efforts to address these three issues, we will ensure the achievement of the Medium-term Business Plan and return to a highly profitable company, thereby charting a growth trajectory once again.

### Basic Policies of the Medium-term Business Plan

## Return to a highly profitable company

#### Strengthening business profitability

Business selection and concentration

Reallocation of resources in strengthening businesses

Maintaining profitability in the office business

#### Structural reforms implemented to reinforce profit foundation

Reduction in operating costs

Reinforcement of financial foundation and emphasis on cash generation

#### Reinforcement of business management system

Clarification of business performance

Resource reallocation to strengthening businesses

## Medium-term Business Plan (2023-2025)

### Our Goals

In fiscal 2025, we plan to achieve company-wide sales of ¥1.05 trillion and a business contribution profit ratio of 5% or more. We will enhance the profitability of the entire Company by increasing the ratio of strengthening businesses, among which especially strengthening areas for Industry. Based on the current business situation, we expect sales of ¥460 billion and a business contribution profit ratio of 11-13% in fiscal 2025, maintaining the current level or slightly improving it.

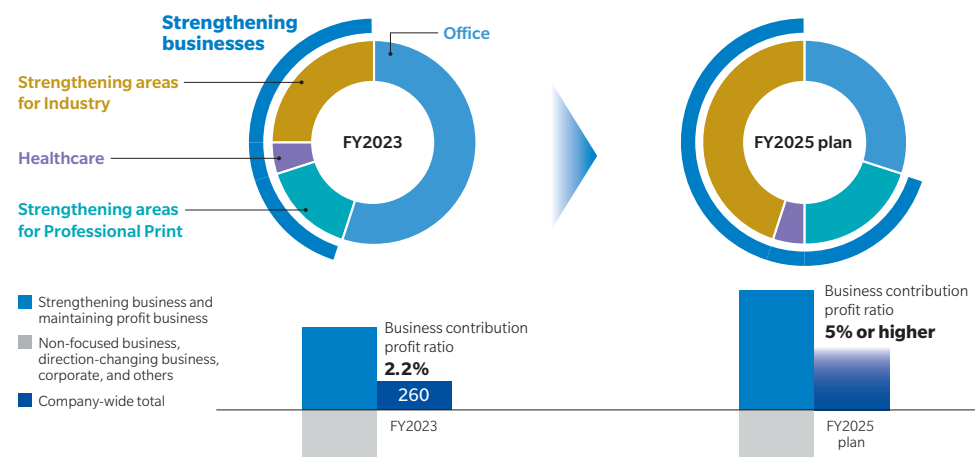
We also set the improvement of ROE as our highest priority goal, aiming to achieve 5% or more by building a well-balanced financial foundation.

### Main Financial Indicators

		FY2022 results	FY2023 results	FY2025 plan
Revenue (Billions of yen)	Strengthening business	418.4	416.5	460.0 <sup>*1</sup>
	Company-wide	1,130.3	1,159.9	1,050.0 <sup>*2</sup>
Business contribution profit ratio	Strengthening business	11.5%	7.7%	11-13%
	Company-wide	2.6%	2.2%	5% or higher
ROE		-19.9%	0.9%	5% or higher

<sup>\*1</sup> Revised on April 4, 2024 <sup>\*2</sup> Revenue after deconsolidation of non-focused businesses

### Image of Breakdown of Business Contribution Profit



\* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue.

### Business Selection and Concentration

In order to select and concentrate businesses, this Medium-term Business Plan redefines the positioning of each business into four categories: strengthening business, maintaining profit business, non-focused business, and direction-changing business, and clarifies the expectations and roles of each business.

The strengthening businesses are those that will drive the Company's growth through further business expansion. Maintaining profit businesses are those that are responsible for stable cash generation, and we will further strengthen their earnings power. Non-focused businesses are those whose role we will determine from a best-owner perspective, including the use of third-party capital. Direction-changing businesses are those that reorient all or part of the business, and, after completing the selection and concentration process, will be put on a growth trajectory.

### Business Positioning

■ Industry ■ Digital Workplace ■ Professional Print ■ Imaging Solutions

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

<sup>1</sup> Strengthening areas for Industry: sensing + performance materials + IJ components + optical components (industrial applications)

<sup>2</sup> Strengthening areas for Professional Print: production print + industrial print



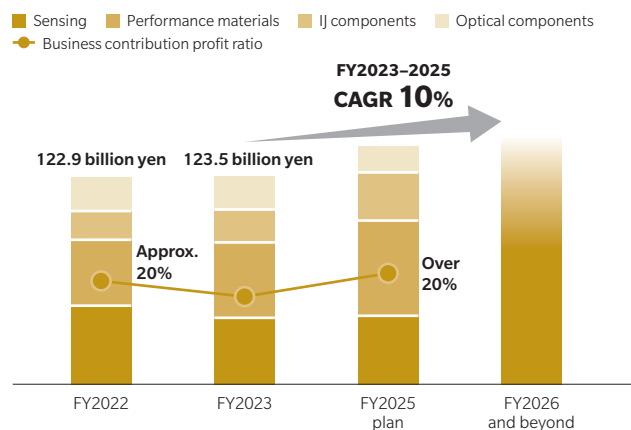
## Medium-term Business Plan (2023-2025)

### Strengthening the Growth Potential of the Industry Business

In the Industry Business, we have selected medium-sized stable markets and are building a business with high market share and high profitability as factors for success. In fiscal 2023, due to delays in investment in production facilities by customers of the sensing business and the deterioration of market conditions for displays and other products, and the resulting delay in the development of performance materials products, we believe that the medium-to long-term growth potential for fiscal 2025 and beyond will remain unchanged, despite falling below initial targets. For future growth, the Industry Business is focusing on three areas that will drive the future global economy: displays, mobility, and semiconductor production equipment.

For example, in the area of displays, the market for small- and medium-sized displays is shifting from conventional LCDs to next-generation displays. Seizing this opportunity, we have taken a cross-business approach to ICT brand owners to begin production based on orders of performance films for non-polarizing plates that will contribute to higher image quality in next-generation display products. In this way, in the Industry Business, we will continue to monetize new technologies and products by seizing changes in the market, identifying issues with customers across the business, and contributing to the resolution of those issues.

#### Revenue in the Industry Business



### Toward Improving Profitability of the Office Business

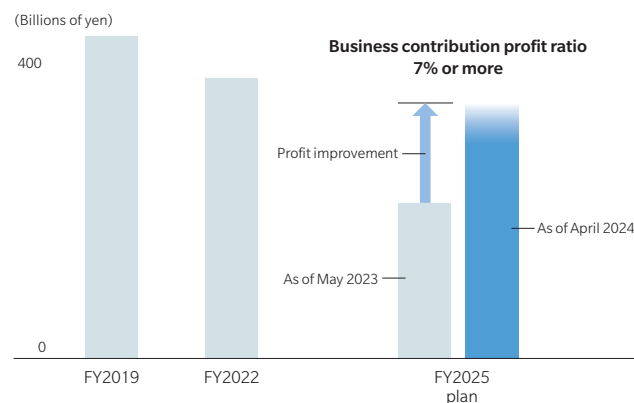
The office business is positioned as a maintaining profit business and is focused on profit and cash contribution. Currently, the decline in MFP print volume is within our expectations, and we are maintaining the gross profit level, partly due to the results of initiatives such as One Rate\*. In addition, in fiscal 2023, through a thorough reduction of production costs, we generated profits that exceed our initial plan.

To further enhance profitability, we will continue to improve sales and service efficiency through the use of AI, as well as implement global structural reforms in the office business. In addition, we will optimize our production system by terminating production at our Chinese production subsidiary Konica Minolta Business Technologies (WUXI) Co., Ltd. by the first half of 2025.

At the time the Medium-term Business Plan was formulated, it was assumed that the business profit contribution from the office business would decrease significantly in fiscal 2025. However, profitability is currently improving at a pace exceeding the plan, and we expect to reach the ¥30 billion yen level in fiscal 2025, with a profit contribution margin of 7% or more.

\* One Rate: A model that charges a flat rate instead of the traditional billing method that fluctuates monthly

#### Business Contribution Profit from the Office Business



#### Close up



**Ken Osuga**

Senior Vice President & Executive Officer  
Responsible for Business Development  
for Business Technologies

### Strategic Alliance with FUJIFILM Business Innovation Corp. to Improve Productivity in MFP and Printer Segments

In April 2024, we announced a business alliance with FUJIFILM Business Innovation in the MFP, office printer, and production printer segments.

In the MFP and office printer industry, we are facing challenges that are difficult or time-consuming for a single company to address on its own, such as responding to the decline in print volume caused by the COVID-19 pandemic, strengthening supply chain capabilities in response to natural disasters and geopolitical risks, and developing procurement systems that take environmental regulations and human rights into account.

The basic concept of this strategic alliance is to address these issues by joining forces and collaborating on themes that will be mutually beneficial to both companies. MFPs and printers are an aggregation of advanced technologies and are known as a Japanese specialty. As two industry-leading companies, we intend to successfully collaborate to enhance our resilience as global manufacturers, strengthen our global competitiveness, and realize mutual business enhancement.

For more details: **News Release**

<https://www.konicaminolta.com/global-en/newsroom/2024/0717-01-01.html>



## Medium-term Business Plan (2023-2025)

### Global Structural Reforms

In order to achieve sustainable growth in the Medium-term Business Plan and beyond, we will promote global structural reform in fiscal 2024 to improve the productivity of the entire Group.

Specifically, we will promote the automation of operations, including the use of generative AI, and invest in DX so that employees can shift to high-value-added operations that only humans can perform. We will also place the right people in the right positions, focusing on businesses and regions to be strengthened, and continue to invest in education for human capital development to improve engagement.

Furthermore, the entire Group will optimize its human capital, and plans to reduce the total number of regular and non-regular employees by 2,400 in fiscal 2024, compared to the original plan for fiscal 2025. As a result, we will record a one-time expense of approximately ¥20 billion in fiscal 2024. We expect this to have the effect of boosting profits by approximately ¥5 billion in fiscal 2024 and ¥15 billion in fiscal 2025.

Through these structural reforms, we will transform ourselves into an organization with high per capita productivity.

#### Strengthen human capital and enhance productivity

- Enhance productivity across all operations through DX (including generative AI)
- Optimal allocation of human capital
- Invest in training to develop professional human capital
- Enhance engagement through an emphasis on dialogue

#### Optimize human capital

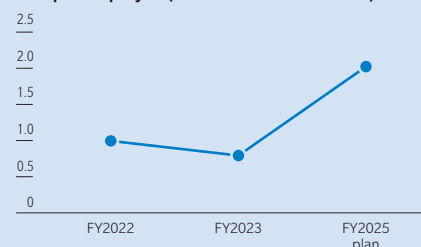
Around 2,400 personnel globally<sup>\*1</sup>  
(both regular and non-regular employees)

Anticipated cost: Approx. 20.0 billion yen in FY2024

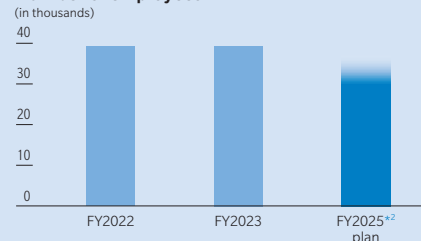
Anticipated effect: Approx. 20.0 billion yen in FY2024–2025<sup>\*1</sup>

<sup>\*1</sup> Comparison with FY2025 original plan

BCP per employee (FY2022 is indexed at 1.0)



Number of employees



<sup>\*2</sup> Portion of businesses that have been decided to be transferred are also excluded.

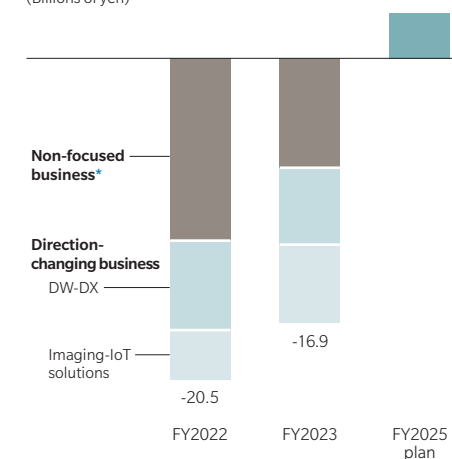
### Goal Achievement for Non-focused and Direction-changing Businesses

We have been working to reduce losses in non-focused and direction-changing businesses, and in fiscal 2023, we reduced losses by approximately ¥3.5 billion compared to the previous fiscal year. In non-focused business, we deconsolidated a domestic subsidiary in marketing services and concluded agreements for the transfer of 80% equity interests in two Chinese optical component manufacturing companies. In addition, the Company executed the transfer of its equity interest in Invicro, a U.S. subsidiary that provides drug discovery support services in precision medicine.

For DW-DX, a direction-changing business, we will narrow down the regions and business areas, and aim to transform it into a business that can grow profitably. For Imaging-IoT solutions, we will transform into a solution provider and narrow down the countries in which it is deployed in order to generate profits. We plan to implement these measures by the end of fiscal 2024, aiming to generate revenue in fiscal 2025.

#### Business contribution profit

(Billions of yen)



<sup>\*</sup> In this graph, non-focused business represents the sum of precision medicine unit and marketing services unit

### Reform Results and Future Policies for Non-focused and Direction-changing Businesses

		Results for FY2023	Policy for FY2024
Non-focused business	Marketing services	Removal of a domestic subsidiary from the consolidation	Consider additional measures
	Optical components (excluding strengthening areas)	Strategic alliance agreement with Luxvisions	—
	Precision medicine	Equity purchase agreement for Invicro	Utilize third-party capital for remaining precision medicine unit
Direction-changing business	DW-DX	Selection of regions and business fields	Implement and achieve results / Implement growth strategy
	Imaging-IoT solutions	Transition into a solution provider and selection of deployment countries	Implement and achieve results

# Financial Strategy

## Message from the Lead Officer



**Yoshihiro Hirai**  
Executive Vice President and  
Executive Officer

Since 2014, we have been working to transform our portfolio through major investments in anticipation of a future decline in office printing, but we have not achieved the anticipated results and our financial base has been damaged. A balanced financial base is essential for the sustainable growth of our business, and we must avoid further financial leverage.

In order to improve our financial base, it is important to raise ROE to 8% or more as soon as possible and to implement capital allocation, which was introduced in the current Medium-term Business Plan. By improving net profit ratio and asset turnover, which are components of ROE, our damaged financial base will naturally begin to improve. In addition, we will strengthen our ability to generate operating cash flow by significantly improving business contribution profit\* and cash conversion cycle, and reduce interest-bearing liabilities in line with our capital allocation policy.

In fiscal 2021 to 2022, we were unable to embark on drastic reforms due to the breach of the financial covenants, but with the return to profitability in fiscal 2023, we can finally move to the stage of implementing reforms. In fiscal 2024, we will grow our businesses while also implementing structural reforms and reviewing loss-making businesses to increase the probability of achieving the profit level we aim for in fiscal 2025 and beyond.

In the life cycle of a company, there are times when a business needs to undergo a renewal. Although painful, this is a necessary path to ensure business continuity and maximize business value. With the understanding of our stakeholders, we will continue working to achieve our goals.

## Fiscal 2023 Review

It was a great achievement for us to reach our most important goal for fiscal 2023, which was to return to profitability in operating profit and profit attributable to owners of the Company. In addition, the generation of ¥83.3 billion in operating cash flow is evidence that the streamlining of the balance sheet, centered on working capital more efficient asset management, and cash flow-oriented management as well as P/L have begun to penetrate within the Company, and we evaluate that we have taken the first step toward improving ROE. In light of the huge impairment losses incurred in fiscal 2022, we began strengthening our monitoring of impairment risks, and although impairment losses were incurred in some of our businesses, they did not become a variable factor that would affect our full-year profit/loss forecast, and we believe we achieved certain results in the first year of the Medium-term Business Plan.

Meanwhile, further improvement of profitability and financial balance is an ongoing challenge. Although we were able to return to profitability, the profit level is still not satisfactory. In particular, we urgently need to build a business structure that will allow us to continue expanding earnings without being affected by market conditions, especially in the Professional Print Business and the sensing and performance materials units of our Industry Business, which strengthening businesses. We also need to improve our financial balance and tax expenses, and resolving these issues is the key to lifting ROE to 8% or more as soon as possible.

## Financial Strategies in the Medium-Term Business Plan

### Toward ROE Improvement

Konica Minolta's PBR was at a low level of 0.4x at the end of fiscal 2023, and in order to raise it to 1x or more, ROE must be raised to 8% or more as soon as possible. Therefore, it is important to improve the net profit ratio and the total asset turnover rate. To achieve this, we are managing progress by breaking down the elements in the ROE logic tree (see page 20).

## Improvement of net profit ratio

The business contribution profit ratio, which represents the profitability of our core business, was still not at a sufficient level at 2.2% in fiscal 2023. We plan to raise it to 3.4% in fiscal 2024 and to 5% or more in fiscal 2025 through business growth in strengthening businesses, improvement in profitability of loss-making businesses through selection and concentration of businesses, and productivity improvement and profit improvement effects (about ¥20 billion) from global structural reforms to be implemented in fiscal 2024. Although operating profit will decrease due to the expected costs of global structural reforms and business selection and concentration, we consider this an unavoidable path to achieve our management targets for fiscal 2025 and sustainable profit growth in fiscal 2026 and beyond.

In addition, we are reducing interest-bearing liabilities in order to improve our financial balance of income and cost. As a capital allocation, we plan to use ¥120 to ¥150 billion of the cash obtained in the three years leading up to fiscal 2025 to reduce interest-bearing liabilities and distribute dividends to shareholders, and we are proceeding at cruising speed, repaying ¥45.7 billion of interest-bearing liabilities in fiscal 2023.

With respect to tax expense reduction, it is essential to improve the effective tax rate, which stands at 69% in fiscal 2023. The main reason for the deterioration in the tax rate is the inapplicability of tax benefits and the reversal of deferred tax assets at loss-making foreign subsidiaries. We are working to significantly improve the effective tax rate from fiscal 2025 onward by reviewing the profit structure of the subsidiaries that are facing challenges.

## Improvement of total asset turnover rate

We are reducing working capital by optimizing inventories and trade receivables, and are in the process of improving the total asset turnover rate to 0.84x in fiscal 2023. In addition to the existing efforts, we will continue to reduce interest-bearing liabilities by reducing business assets through a review of our business portfolio and other measures, and through cash inflows from the sale of assets. Through these efforts, we aim to improve the total asset turnover rate to 1.0x in fiscal 2025.

\* Business contribution profit: Konica Minolta's unique profit index derived by subtracting cost of sales and SG&A expenses from net sales.

## Financial Strategy

### Optimize financial leverage

The main reasons why financial leverage remains high at Konica Minolta are large investments totaling approximately ¥290 billion from fiscal 2014 to 2022, with the necessary funds mainly financed by borrowings; a change in international accounting standards in fiscal 2019 that resulted in over ¥100 billion of on-balance sheet lease assets and liabilities; and four consecutive fiscal years of net losses starting in fiscal 2019. Improving the financial balance is an urgent task, and we will improve financial leverage from 2.7x in fiscal 2023 to 2.0x (equity ratio of 50%) in fiscal 2025 by reducing total assets through the repayment of interest-bearing liabilities and other measures. The net D/E ratio has improved from 0.80 at the end of fiscal 2022 to 0.73 at the end of fiscal 2023, and will be 0.5 to 0.55 at the end of fiscal 2025, returning the financial balance to an appropriate level.

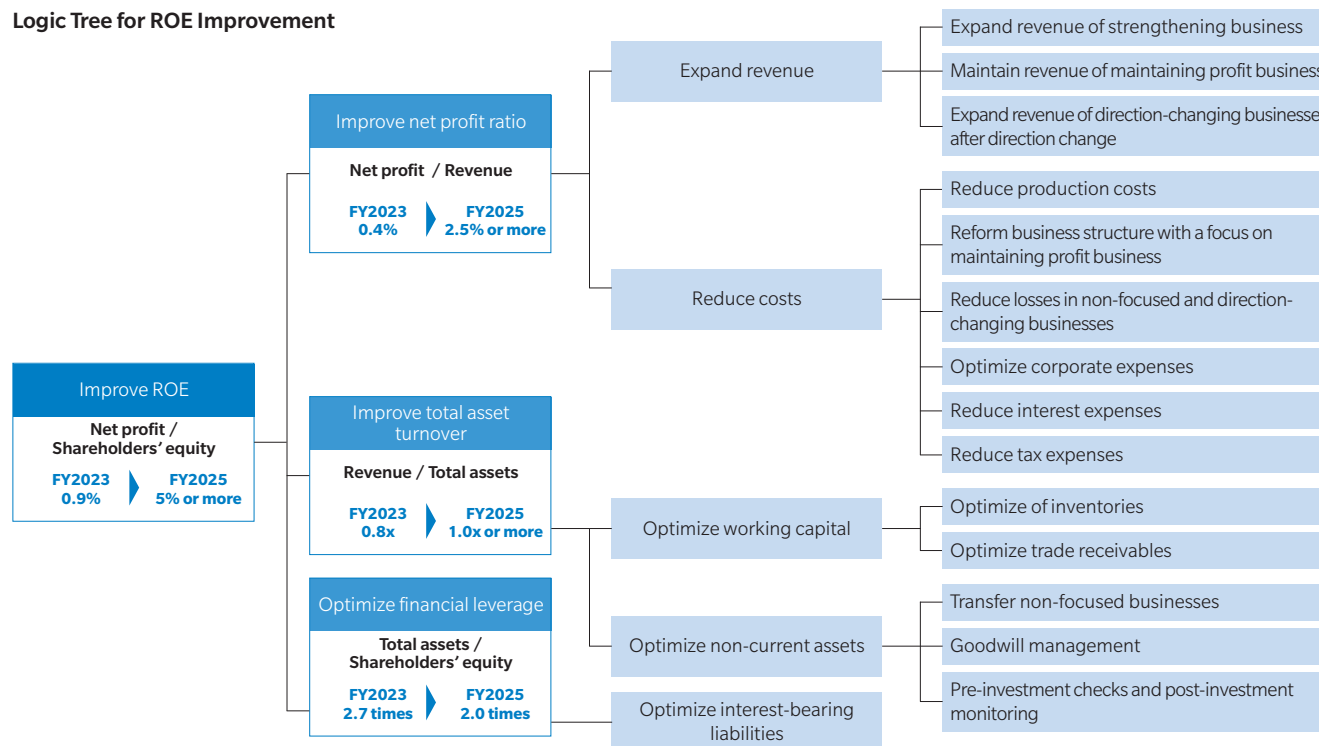
### Return of Profits to Shareholders

Konica Minolta's basic policy for returning profits to shareholders is to strive to enhance returns to shareholders based on dividends, taking into consideration such factors as consolidated business performance, investment in growth areas, and cash flow.

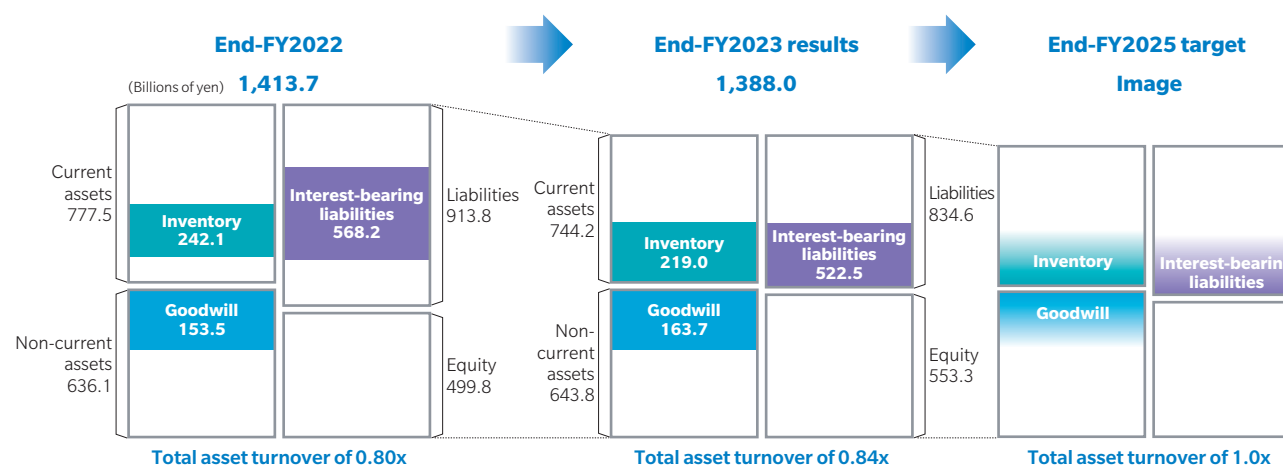
As for the dividend for fiscal 2023, we have implemented a year-end dividend of ¥5 per share, as planned at the beginning of the fiscal year, due to the achievement of the announced figures for profit and cash flow.

We are planning to pay no interim and year-end dividends for fiscal 2024, as we are forecasting zero profit attributable to owners of the Company. We have determined that paying a dividend with a forecast of zero profit could be detrimental not only to Konica Minolta but also to the interests of our shareholders from a medium- to long-term perspective. We are very sorry to our shareholders for this situation. In order to achieve a resumption of dividend payments as soon as possible and increase them, we will carry out every possible measure in fiscal 2024 to achieve a significant recovery of business performance in fiscal 2025.

### Logic Tree for ROE Improvement



### Improved Balance Sheet



## Dialogue between Outside Directors and Investors

					
					
					
Konica Minolta			Institutional Investors		
<b>Akiko Murayama</b> (Facilitator) Senior Vice President & Executive Officer, Board of Directors Office, Responsible for the Corporate Audit		<b>Soichiro Sakuma</b> Outside Director, Chairperson of the Corporate Governance Committee		<b>Mr. Minoru Matsubara</b> Responsible Investment Department, Resona Asset Management Co., Ltd.	
<b>Chikatomo Kenneth Hodo</b> Outside Director, Chairperson of the Board of Directors		<b>Mr. Satoru Kubota</b> Research & Management Department, Sumitomo Mitsui Trust Asset Management Co., Ltd.		<b>Ms. Madoka Minagoshi</b> Responsible Investment Research Department, Nomura Asset Management Co., Ltd.	

**Konica Minolta is committed to dialogues with its stakeholders to both solve social issues and achieve corporate growth. As part of this effort, this time we have invited three institutional investors to have a frank exchange of opinions with our Outside Directors and the Executive Officer in charge of the Board of Directors Office regarding the Company's growth strategy, structural reforms, sustainability management, governance, and other issues.**

### Toward Returning to a Growth Path

**The first year of the Medium-term Business Plan achieved the planned targets and marked an inflection point from the past 10 years**

**Murayama:** One year has passed since we started our Medium-term Business Plan (2023-2025). To begin, how would you rate your first year as an Outside Director?

**Hodo:** The medium-term business plans of the past 10 years were called "TRANSFORM 2016," "SHINKA 2019," and "DX2022," but the current plan has no title. This is because the starting point of the plan is a reflection on our failure to deliver the results of the previous medium-term business plans. The current plan, launched under the slogan, "Break from the past traditions," is a place we can reach if we all work hard together, even without the best possible conditions and with absorbing some potential downside risks that may emerge during the term. In fiscal 2023, its first year, we were able to achieve our initial target and return to profitability. We had not achieved our targets in the past, but this achievement marks an inflection point for us compared to the past 10 years.

**Murayama:** What initiatives do you plan to focus on in fiscal 2024?

**Hodo:** We will continue to complete business selection and concentration, which is a major theme of the Medium-term Business Plan. It is also important to implement global structural reforms, an additional measure announced at the Medium-term

Business Plan progress briefing in April. The Board of Directors will monitor these reforms to ensure that they achieve their targets. Furthermore, with the next Medium-term Business Plan in mind, we intend to conduct a full-fledged discussion on the elements necessary to make the company profitable from innovation, from the perspective of corporate culture and intangible assets.

**Kubota:** As the goals of the current Medium-term Business Plan seem to mark a transition point, I would like to hear more about the next plan along with the implementation of this current plan. So, my question is regarding the future growth strategy. How do the Outside Directors evaluate Konica Minolta's "genre-top strategy"?

**Sakuma:** Being a genre-top is very good in itself, but it is important to be profitable. Some of our genre-top products, even though they have the top market share, have room for further improvement in profitability. I have had my concerns about this point since I became a board member and have raised the issue at board meetings.



## Dialogue between Outside Directors and Investors

**Kubota:** From an outside perspective, I feel that the “genre-top strategy” may be similar to previous success stories. It may be difficult to change this strategy that has been at the core of Konica Minolta since its inception, but I hope that they will successfully update this.

### Strengthening execution abilities and controlling the business from the perspective of overall optimization

**Kubota:** What issues do you think need to be addressed to ensure the implementation of the growth strategy?

**Sakuma:** I think we need to strengthen our execution abilities. We are one of the few companies in the world with superior technologies in both the mechanical and chemical fields. However, since we can do so many things with our technology, there is a danger that we end up -- as the saying goes, “Versatility never pays” -- with businesses that have problems in terms of profitability and future potential. Technological superiority is one thing, but whether it is profitable is quite another. Strong executive abilities are needed to control this in the right way.

**Hodo:** For the front line, I think this is an attractive company that can take on the challenge of new innovations, but I see that there is still some laxity in the decision-making process regarding whether or not to commercialize the business or to halt development.

**Sakuma:** One of the characteristics of our Company is that our business divisions are very strong, due in part to the fact that they were formed through the merger of companies with distinctive

technologies and products, but another issue is that our corporate division is weak in its ability to control these divisions from the perspective of overall optimization through a horizontal skewering.

**Murayama:** Based on our recognition of these issues, in April 2024, we changed our executive structure to assign an Executive Officer to each of the three businesses of Business Technologies, Industry, and Imaging Solutions. Since each business unit promotes its business in an individually optimized manner, the Executive Officer responsible for Business Management acts as a liaison between each business unit and the corporate division to control the vector of the business toward overall optimization.

**Sakuma:** In addition, to strengthen executive abilities, we need to have some “naysayers.” Sometimes policies and requests from business units need to be rejected out of hand without mercy. I feel that there are still not enough people in our Company who can play the naysayer, and I have pointed this out to the executive side.

**Kubota:** Normally, the CFO would play that role. Even if the CFO is disliked or feared by the various business units, he or she is in a position to take a hard look at the Company from a numerical standpoint.

**Sakuma:** Of course, CFOs need to take on the role of the naysayer at a high level of management. However, there are various decision-making processes that take place even before a proposal is brought up at a board or management meeting, so we need people other than CFOs who are willing to be the naysayer at each milestone and give tough criticisms. I believe that we need to develop more human capital to be like this.

### Updating investment criteria and monitoring mechanisms based on lessons learned from the past

**Minagoshi:** On that note, has your Company updated its investment criteria and monitoring system based on past experiences with large investments?

**Hodo:** Yes. To avoid making the same mistakes as in the past, we have revised our investment evaluation rules, tightened the investment decision and survival/exit consideration process, and established criteria for such decisions. In past decision-making for major investments, I believe too much emphasis was placed on executives’ conviction that certain areas are going to grow in the future. Based on these lessons learned, we have updated our investment decision-making and monitoring mechanisms.

**Sakuma:** During the four years since I became a Director, we have not had the opportunity to make any major investments, but we should be seeing some major investment projects in the future as we work to establish a foundation for growth in fiscal 2025 and beyond. Not all investments will necessarily be successful, but even if they do not go according to plan, we will be prepared to make stricter investment decisions so that we do not have to record a major impairment loss. We will also prepare a plan B in advance, for example, in order to be prepared for grounded decision-making.

### Promoting the transformation of Konica Minolta from a medium- to long-term perspective

**Matsubara:** From what you have told us, I see that your Company is aware of the current issues and is working on various management reforms. What is the time frame for the Board of Directors to move forward with these efforts?

**Hodo:** Structural reform, growth strategies, and the transformation of intangible assets and corporate culture to support growth are the major agenda items for the Board of Directors in fiscal 2024, but each have different time frames for their implementation. As for structural reform, we plan to complete them during the year. Of course, we do not want this to be a one-time effort, so for example, regarding productivity improvement, we would like to achieve the target KPI and at the same time incorporate a system that will allow the front lines to continue making improvements and reforms on their own, which we will monitor as the Board of Directors. Meanwhile, we are discussing growth strategies, including the next Medium-term Business Plan, looking three to five years ahead. Furthermore, we believe that we need to work on a time horizon of five to ten years in order to transform our intangible assets and corporate culture.

**Matsubara:** How do you evaluate the speed of Konica Minolta’s management?

**Hodo:** Even among the Outside Directors, there are many who say that it is a bit slow.

**Sakuma:** Nevertheless, I feel that the speed of execution has improved considerably recently, as evidenced by the prompt execution of the sale of Invicro, LLC in the U.S. and the fulfillment of commitments, despite the challenging environment.





## Dialogue between Outside Directors and Investors

### Continuous improvement of employee engagement as a barometer of corporate vitality

**Matsubara:** I believe that increasing employee engagement, especially internal motivations such as “the importance of working for this Company” and “the joy of working”, is crucial in changing a corporate culture. In recent years, you have had a difficult time in terms of business performance, but how has your engagement score been changing?

**Murayama:** Regarding the engagement score, we commissioned a third-party research organization to monitor global tech companies as benchmark targets. Since many of the target companies have high scores, we are still in a lower rung, but our score has improved from the previous year.

**Sakuma:** Despite the continued sluggish performance, the level of employee engagement has not been bad. In fact, when I participated in the “Value Creation Forum” and other events that the executive side holds every year, and spoke with people from the business units there, I felt that everyone seemed to be enjoying their work very much.

**Hodo:** While it is important to enjoy your work, from the opposite perspective, I am concerned that the sense of urgency may not be properly conveyed to the frontlines. We will implement global structural reforms as an additional measure starting in fiscal 2024, and I will continue to keep an eye on how engagement, including the impact of these measures, will evolve in the future.

**Murayama:** Employee engagement is also a barometer that measures the vitality of the entire Group, and our Company is committed to continuously improving it with an awareness of the challenges it faces. As part of this effort, we have incorporated the employee engagement score as one of the evaluation indicators for medium-term stock bonus for Executive Officers.

### Promotion of Sustainability Management

#### Sustainability as a growth strategy and linking it to business growth

**Matsubara:** Konica Minolta is one of the leading companies in the field of sustainability, and I have been paying attention to it

myself. However, the Company’s performance has been sluggish recently. What are your thoughts on how to balance sustainability efforts and corporate growth?

**Sakuma:** As you say, the biggest challenge is to achieve both. In addition to being one of the first companies in the world to comply with sustainability-related guidelines and frameworks, Konica Minolta has led the way in the field of sustainability by announcing Carbon Minus and other environmental initiatives. In the future, it is important for us to turn these sustainability initiatives into a competitive edge for our business and to make a solid profit.

**Hodo:** To achieve this, we must place sustainability in the middle of our growth strategy and promote it as one strategy that cannot be separated from the others. For example, we are focusing on fields related to recycled plastics and biomanufacturing as seeds for future growth, and we need to increase the profitability of these fields and link them to business growth.

**Kubota:** In the case of Konica Minolta, you can do a variety of things with regard to sustainability as well as business, so it would be easier to understand your strategy and lead to better results if you narrow down your targets from the perspective of what you really need to do and in which areas you can differentiate your business.

**Matsubara:** Looking at the relationship between sustainability and business on a time axis, we believe that even if we strengthen sustainability, it will not be immediately reflected in business performance, but the effects will gradually appear later. Therefore, it is very important to clearly and simply explain to the capital market how sustainability is integrated into growth strategies and how it will lead to business growth and increased corporate value in the future.

**Sakuma:** In our case, a high percentage of our business is conducted in Europe. As you know, in Europe, addressing sustainability issues has gone beyond the scope of a target to strive towards and is shifting to a legal requirement. Sustainability has become a compliance issue, and the number of elements that the legal department must deal with is increasing.

**Hodo:** With such accountability issues and legal responses in mind, we intend to promote sustainability as the core of our growth strategy in our next Medium-term Business Plan. The Board of Directors will also discuss this as an important agenda item.



### Evolution of Corporate Governance for Sustainable Growth

#### Governance level improved by having a majority of Outside Directors and an Outside Director as Chairperson of the Board, as well as the Corporate Governance Committee

**Minagoshi:** You newly established a Corporate Governance Committee in fiscal 2023. Can you tell us about the aim of this decision?

**Sakuma:** We have established an advanced corporate governance system as a Japanese company, starting with our transition to a Company with Committees (now a Company with three Committees) in June 2003. Nevertheless, our performance has remained sluggish, with profit in the red for four consecutive fiscal years since fiscal 2019. Therefore, we have established a new committee to resolve issues that could not be addressed by the previous structure alone and to achieve governance that leads to proper results.

**Minagoshi:** What do you see as the reason for the lack of performance despite the advanced governance?

**Sakuma:** The direct cause is the failure of investment for the future. We made a large investment that exceeded our financial capacity, and as a result, we posted a large impairment loss because we judged that it would be difficult to recover the investment within the period we had initially expected. In view of the results, there may have been some governance problems.

## Dialogue between Outside Directors and Investors

**Minagoshi:** What specific problems did you encounter?

**Sakuma:** One problem is the composition of the Board of Directors, which has had a majority of Outside Directors since fiscal 2022, however, at the time of past large-scale investments, Outside Directors were in the minority. I believe that this may have prevented the board from functioning properly to consider the pros and cons of investments from the perspective of shareholders.

**Minagoshi:** What changes have occurred since Outside Directors became the majority?

**Hodo:** This is a very significant change because important decisions, including the confidence of top management, can now be made only with the approval of Outside Directors. This has certainly strengthened governance, which separates supervisory and execution in terms of commitment to results and pursuit of responsibility.

**Sakuma:** In order for us to achieve solid results in the future, it is essential for us to strengthen our executive abilities. In fact, the Corporate Governance Committee has been discussing this as an important theme for the first year. In addition, the committee also discusses how to ensure the effectiveness and transparency of the Board of Directors and each committee, and has clearly stated and disclosed the process for selecting the Chairperson of the Board.

**Hodo:** We also discussed the criteria for the tenure of Outside Directors and decided to extend it from four to six years. This is because we decided that four years is not long enough to fully fulfill the responsibility of an Outside Director, who must understand the essential issues of the Company in order to make important decisions as an Outside Director.

**Sakuma:** The Corporate Governance Committee plans to continue discussions in fiscal 2024 on how the governance system should be structured with a view to executing the growth strategy in fiscal 2025 and beyond, including further enhancing executive abilities.

### Supporting efficient board meeting operations by providing advance explanations of agenda items and enhancing Outside Director meetings

**Matsubara:** I believe that the support of the secretariat is very vital to stimulate discussion at board meetings and improve the effectiveness of governance. What kind of efforts is your Company focusing on?

**Murayama:** In the past, we limited the agenda items and report- or proposal-makers themselves would conduct advance briefings on an irregular basis, but since September 2023, the secretariat has been conducting them for Outside Directors on a monthly basis, setting aside time for them individually. The background and purpose of the agenda setting and issues to be discussed on the day of the meeting are provided in advance, and any questions are answered on the spot to the extent possible. In addition, by providing feedback on opinions and requests from the Outside Directors to the Executive Officers, we are able to organize the issues before the actual meeting, which leads to more efficient discussions and management of the meeting.

**Matsubara:** How many opportunities do you have for discussions among Outside Directors alone?

**Murayama:** Since June 2022, when Mr. Hodo assumed the position of Chairperson of the Board of Directors, we have held meetings every time the Board of Directors meets. Although the framework has been in place for some time, it is now being put to effective use.

**Hodo:** The Board of Directors recognizes the importance of support by the secretariat, and we have been working to strengthen its functions by increasing the number of Board of Directors Office personnel. I feel that the Outside Directors have become more empowered as their understanding of our business has deepened due to better explanations given in advance and more opportunities for meetings.

**Murayama:** The secretariat will continue to work together with the Board of Directors and the various committees to continuously improve the Company's corporate governance and enhance our corporate value. Thank you very much for taking time out of your busy schedules today to provide us with your valuable comments and suggestions.

## Message from an Outside Director

Marking one year since her appointment as an Outside Director of the Company in June 2023, we asked Director Sawada about her activities on the Board of Directors.



**Takuko Sawada**  
Outside Director

### From what perspective does the Board of Directors intend to fulfill its supervisory function?

Since business should be essentially inspired by needs, the most important thing when developing technology is how to accurately determine those needs. I believe that, in this respect, it has been beneficial for the Company to develop its Industry Business, an area of enhancement, horizontally since the first year of its Medium-term Business Plan. At board meetings, we would like to keep a close eye on whether the Company is providing optimal solutions to needs using its collective array of technologies, or otherwise proactively seeking outside technologies as needed.

### What is your advice on our ongoing process of business selection and concentration?

In general, when selecting and concentrating on a business, the decision to exit or change direction is very important. We think it is important to create and agree on criteria for discontinuation or review at the start of any project. However, since we must also consider the changing needs of the times, there must also be a review of the criteria themselves from time to time. On the other hand, from the standpoint of growth strategy, the most important issue is how well a growth scenario can be envisioned. One must consider the probability of success in terms of both technology and business, and look at the path to growth as a portfolio. We also believe that it is better to proceed with multiple trials and errors until a detailed plan can be drawn up for the areas and fields that need to be concentrated. At this point, we do not believe that this growth strategy is persuasive enough, so we would like to pay particular attention to this point in fiscal 2024.

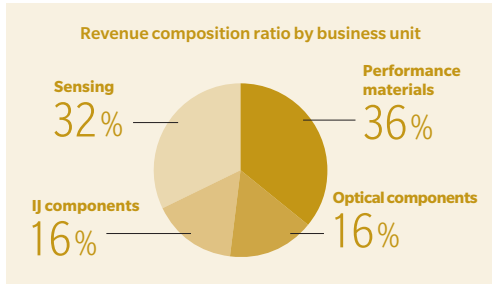
# Part2

## Business Strategy

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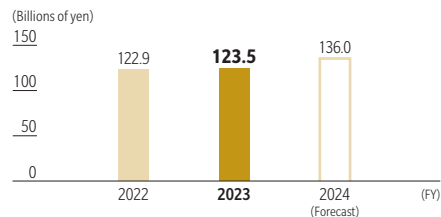
## At a Glance

### Industry Business Revenue composition ratio 11%

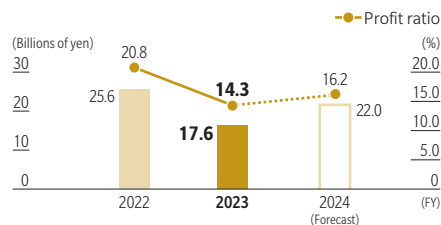


In sensing, demand for light source color measurement instruments remained sluggish due to restrained investment by customers in display equipment, etc. In performance materials, sales of phase difference films for VA panels for TVs were steady. In IJ components, sales of heads for sign graphics printers were strong. In optical components, sales of lenses for projectors were weak due to market conditions.

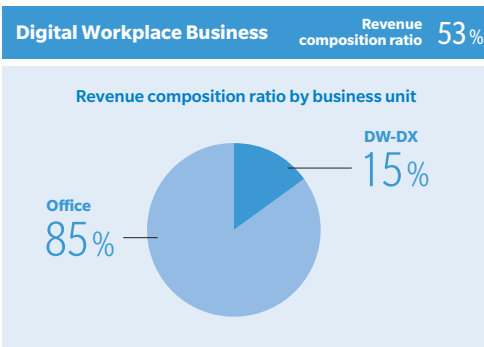
#### Revenue



#### Business contribution profit\*

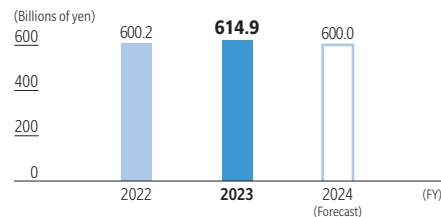


### Business Technologies Business Revenue composition ratio 53%

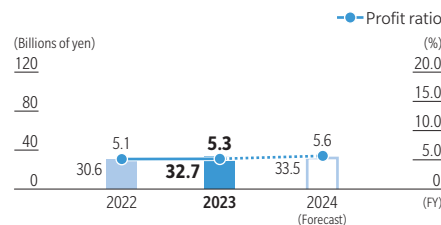


In the office unit, sales volume of A3 MFPs suffered from the backlash of a temporary increase in sales due to the elimination of order backlogs caused by the semiconductor shortage, but in non-hardware such as consumables and services, the decline in color print volume eased and sales of MFP-linked applications and services also grew. DW-DX saw sales growth in business process management services and solutions we developed using AI.

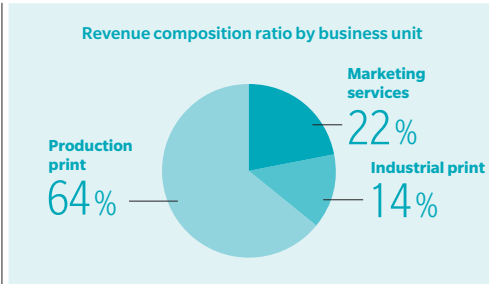
#### Revenue



#### Business contribution profit\*

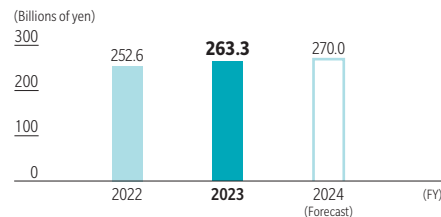


### Professional Print Business Revenue composition ratio 23%

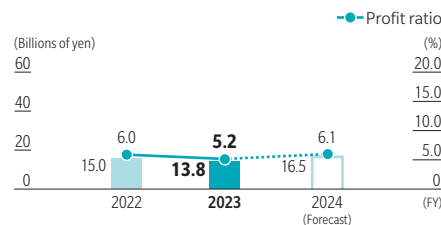


In production print, there were increased sales of Heavy Production Printing presses with the highest printing speed, which is a focus of the Company. Non-hardware sales grew due to increased demand for printing in India and China. In industrial print, unit sales of digital printing presses increased, and non-hardware also grew due to an increase in the number of presses in operation in the market and an increase in the ratio of digital printing among customers.

#### Revenue

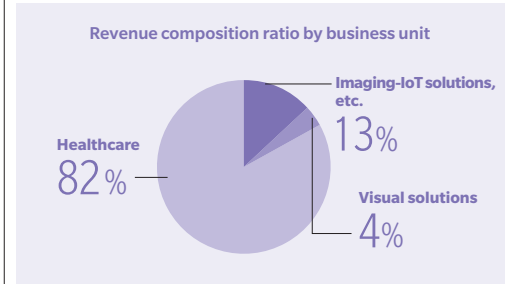


#### Business contribution profit\*



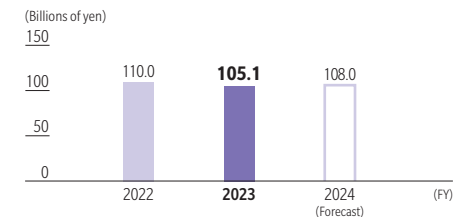
The segment Revenue composition excludes the 5% from precision medicine.

### Imaging Solutions Business Revenue composition ratio 9%

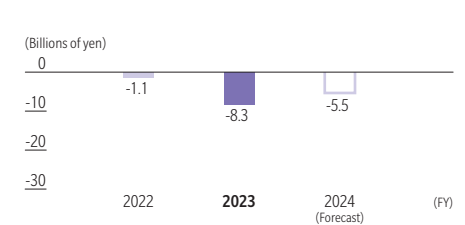


In healthcare, sales of DR (Digital Radiography) used for X-ray diagnostics declined due to the slowdown of growth in the hospital market in Japan and the U.S. On the other hand, sales of Dynamic Digital Radiography grew steadily, especially in the U.S. hospital market. As for imaging-IoT solutions, sales were strong in monitoring camera solutions.

#### Revenue



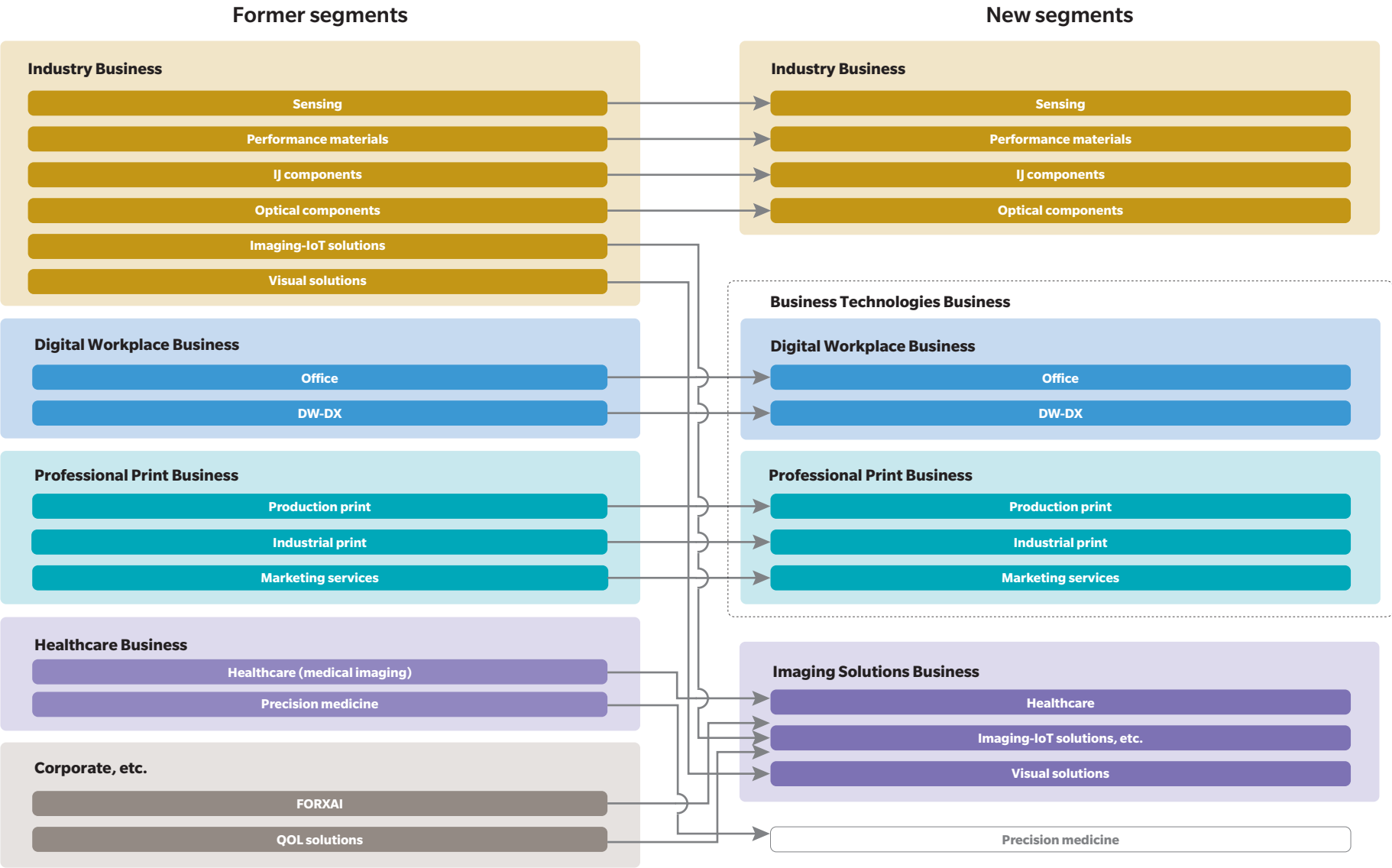
#### Business contribution profit\*



\* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue.

# Segment Changes Due to Organizational Reforms

From fiscal 2024, the business is divided into three main areas: Business Technologies Business, Industry Business, and Imaging Solutions Business to reinforce the structure that will accelerate the implementation of the Medium-term Business Plan.





# Industry Business

## Message from the Lead Officer



**Noriyasu Kuzuhara**  
Director, Executive Vice President &  
Executive Officer  
Industry Business

In the Industry Business, we provide leading products and services based on the technologies refined through our history of innovation and co-creation activities based on the trust of our customers, which we have won through the earnest engagement.

The technologies that form the basis of the value we provide are a combination of the optical, material, nano-fabrication, and other core technologies that we have continued to refine over the years as we have evolved from our original business, plus the addition of AI and other technologies. While the technologies are important to our business, what makes our business unique is the process of converting the technologies into value. We believe value lies in “stories that are realized through applying the technologies” rather than the technologies themselves, and by providing that value, we aim to consistently be partner of our customers in driving their innovation.

This value provision is supported by our “customer-centricity”, that exists in development, manufacturing, and customer support, driven by dedicated and skilled human capitals. We will expand the Industry Business by increasing the number of stories that can be realized through value creation activities with customers across business units that combine our technologies and customer-centricity based on each customer’s business domain. The Industry Business Development Center, which was established last year as the vanguard of this effort, is approaching each of our customers’ business domains by utilizing our assets, such as global customer relationships, development functions, sales functions, and group companies, in addition to our technologies, in a cross-functional and multi-layered manner. In the display industry, one of our focus domains, we have already begun to see results in the expansion of new applications, and we intend to further expand going forward.

## Our Medium- to long-term Growth Strategy

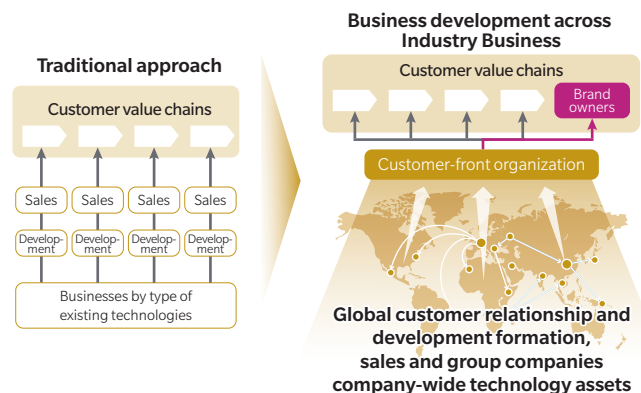
### Achievement of material issues and development through co-creation with customers

In the Industry Business, based on our strengths in core technologies, we provide parts, materials, measurement, and inspection essential for customers through co-creation with our customers using our “customer-centricity”, thereby contributing to the realization of social value, which we raise as material issues. For example, we are promoting initiatives to address such material issues as improving fulfillment in work and corporate dynamism through automating and labor saving in manufacturing and inspection processes, “using limited resources effectively” and “addressing climate change” by reducing losses through digitalization and developing new materials, and by advanced measurement and identification. In the Medium-term Business Plan, we have positioned the Industry Business as a strengthening business that will drive our medium- to long-term growth, and have prioritized allocating management resources to it.

### Three common “success requirements” for the Industry Businesses

The four business units that make up this business (sensing, performance materials, IJ components, and optical components) share three common success requirements. First, a certain size and stability of market; second, the ability to demonstrate superior capabilities and gain a high market share; and third, the ability to have a deep dialogue with customers in the manufacturing industry and maintain profitability by creating

### Strengthening business development through a cross-business approach



non-commoditized value. In addition, we have a deep and long-term cooperation with multiple customers and partners in the midstream of the value chain, which works as an entry barrier to minimize value deterioration. By meeting these requirements, our existing domains keep high profitability.

### Enhance business development across businesses

For business development in the medium- to long-term, we are focusing on three domains that meet our success requirements, and in which new business opportunities are likely to emerge: displays, mobility, and semiconductor manufacturing. We aim to grasp changes in the markets of these domains and quickly respond to the issues and needs of customers operating in these domains. In each focused domain, we assign customer-front human capital who can look at the value chain and technology from the perspective of the market and customers beyond the conventional product-specific business units. In addition, our customer-front capabilities gain advantages to quickly identify demand and develop new solutions by staying in close contact with the industry’s leading brand owners. We are promoting new business development through co-creation with customers while leveraging our technological assets and customer relationships around the globe.

### Achievements in business development through co-creation with customers

#### Display



#### External environment: Acceleration of development of new panel type in line with device evolution

- Through implementing a cross-business approach toward ICT brand owners, we received orders for functional films for next-generation small- and medium-sized displays non-polarizing plate applications

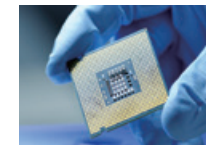
#### Mobility



#### External environment: Acceleration of technological innovation through CASE

- First installation in Japan of automotive visual inspection equipment at Suzuki’s Sagara Plant, expanding the global pipeline including other Suzuki plants

#### Semiconductor manufacturing



#### External environment: Supply chain upheaval due to external factors

- Acquired new model projects in the visible light area in the business of ultra-precision optical components for semiconductor manufacturing equipment

## Sensing

## Market Environment Awareness

## Opportunities

- Changes in development and manufacturing processes due to the evolution of next-generation displays, and the expansion of applications to a variety of devices
- Renewal and installation of new automotive plant facilities in line with automation and DX trends in the manufacturing industry, process and labor saving in quality inspections
- Demand for efficient use of limited resources and response to climate change

## Risks

- Decline in demand due to customers' capital investment cycles

## Market growth rate (2023-2025)

Light source color / object color	+4%
Automotive visual inspection	+15%
Hyperspectral imaging (HSI)	+10-15%

## Strategy and progress

In the sensing business, we have been providing light and color measurement to various industries based on our technology for quantifying color. Based on light source color measurement, in which we have secured a share of more than 50% in display measurement, and object color measurement, which is used in a wide range of industries, we have expanded the scale of our business while also making strategic acquisitions. Aiming for further business growth, we are building a new earnings pillar in the areas of automotive visual inspection and hyperspectral imaging (HSI) technology, which measures wavelengths invisible to the human eye.

In the light source color / object color measurement field, we aim to expand our earnings by embracing technological innovations in display technology as an opportunity. We expect long-term growth in light source color measurement and stable growth in object color measurement and a recovery in demand as we move toward fiscal 2025.

In the area of automotive visual inspection, we expect to expand our pipeline by contributing to the automation of quality inspections on production lines with our strength in AI-powered image analysis technology, and we anticipate sales growth over the medium term. In measuring instruments based on HSI technology, we aim to expand the use of inspection and sorting applications in a wide range of areas including the recycling field, where market growth is anticipated.

Going forward, we will continue to capture inflection points in each industry and support manufacturing quality improvement, loss reduction, and resource recycling.

## Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Target
Revenue growth rate of visual inspection and HSI industrial applications	+5%	+22%

## Performance Materials

## Market Environment Awareness

## Opportunities

- Demand for new functions and expansion of applications for various devices due to the evolution of next-generation displays
- Increased demand for films due to larger display sizes
- New production line construction and widening at polarizer manufacturers

## Risks

- Declined demand in display market due to economic slowdown
- Shrinking market for existing products due to changes in display technology
- Rising costs due to soaring energy and raw material prices

## Market growth rate (2023-2025)

Large TVs (LCD+OLED)	+4%
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## Strategy and progress

Our business develops films for a variety of displays, including large TVs, small and medium-sized mobile displays, and automotive displays. Konica Minolta's strength in film-casting technology lies in the high level of freedom in terms of materials and the ability to add additives that add functionality to the material. By taking advantage of this technology, Konica Minolta has built a genre-top position in long, wide, and thin films.

In the large TV market, polarizer manufacturers are accelerating the shift to wider lines. In this business, we aim to capture this demand with two new resins, SANUQI film and SAZMA film, to expand our market share. In addition, while utilizing existing lines, we are adding a widened line capable of producing larger widths, thereby increasing production capacity while meeting demand for wider films.

In the area of small and medium displays, we have built a genre-top position in thin protective film for LCD polarizers. In addition, we will strive for growth by capturing needs downstream in the supply chain and developing new products based on two key elements: direct co-creation with customers and material formulation technology, which is one of our strengths.

In addition to growth in these two areas, we will also work to solve social issues by improving the efficiency of manufacturing throughout the supply chain, such as by helping to reduce end materials and manufacturing losses when changing rolls by increasing film lengths.

## Strategic KPI

	FY2023 Results	FY2025 Targets
Revenue composition ratio in new resin for large display panel areas	8%	20% or more
Revenue composition ratio in new resin for small and medium-sized display panel areas and new business area	1%	10% or more

## IJ Components

### Market Environment Awareness

#### Opportunities

- Growing demand for inkjet printing as the shift from analog printing to digital printing accelerates
- Changes in manufacturing processes and process and labor saving at manufacturing sites
- Demand for effective use of limited resources and reduction of environmental impact
- Changes in development and manufacturing processes due to the evolution of next-generation displays

#### Risks

- Decrease in demand from customers due to economic recession

#### Market growth rate (2023-2025)

Growth areas (industrial + print-on-demand applications)	+48%
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### Strategy and progress

The strength of this business's IJ (inkjet) printheads lies in its ability to provide heads that are highly compatible with various inks by leveraging our chemical technologies that we have developed through our photographic film business, which is our founding business.

Sign graphics applications, such as outdoor advertising, and commercial printing applications are expected to continue to be in demand as a core field that supports profits. In particular, demand for large-size signage printers is increasing in Southeast Asia, India, and other regions where economic growth continues. Konica Minolta's inkjet heads are highly regarded for their durability and high productivity, and we expect stable growth in this area in the future.

In industrial fields such as pattern-formation applications in the manufacturing process of printed circuit boards and displays, IJ systems are replacing conventional methods to save labor and reduce material loss. This market is expected to grow at an annual rate of 10% or more and is positioned as a growth area. Industrial applications, where special inks are frequently used, require highly durable heads, and we are leading the market with our chemical technology, which is one of the strengths of this business.

This business has been deeply involved in customers' development sites to provide fine-tuned support. Going forward, we will continue to promote IJ by not only providing support for the head and optimal ink matching, but also promoting workflow innovation in collaboration with our customers to help them enhance the value of their products.

### Strategic KPI

	FY2023 Results	FY2025 Target
Revenue composition ratio in growth areas (industrial + print-on-demand)	39%	60%

## Optical Components

### Market Environment Awareness

#### Opportunities

- Rapid increase in semiconductor needs, changes in manufacturing processes, and higher precision requirements affected by fluctuations in the international situation
- Decrease in the number of lens manufacturers that can stably supply lenses in the middle range (UV to visible) of semiconductor manufacturing

#### Risks

- Decrease in customer demand due to economic recession
- Temporary slowdown in semiconductor industry growth
- Substitution risk due to new technological development

#### Market growth rate (2023-2025)

Semiconductor manufacturing equipment	+11%
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### Strategy and progress

Based on the optical technologies that we have cultivated in photographic-related businesses since our founding, this business offers a wide range of optical products, including pickup lenses for optical discs and optical units for high-luminance projectors used in movie theaters. In this context, we aim to shift to high-growth areas by focusing on industrial applications with higher required precision, with our strengths in precision processing technologies including polishing, material technologies that are rare among optical manufacturers, and high-end optical design technologies ranging from geometrical optics to wave optics.

Semiconductors, for which demand is expected to increase over the long term, use many optical components within the manufacturing process. This business already supplies leading semiconductor manufacturing equipment companies with products in the middle range of wavelengths from visible light to ultraviolet light. We have also been building collaborative relationships with equipment and glass manufacturers for more than ten years and will continue to promote product development in response to their needs. For medium- to long-term business expansion, we have expanded into the area of DUV/VUV, which are ultraviolet rays with shorter wavelengths, and have begun capital investment, including the introduction of next-generation technologies, to capture market share in this area as well.

We will continue to proactively gain capabilities to reinforce our foundation for creating new value and develop ultra-high-precision products, thereby contributing to corporate vitality and higher quality of life by solving social issues.

### Strategic KPI

	FY2023 Results	FY2025 Target
Revenue composition ratio in industrial applications area	17%	50% or more

## Value Co-creation with Customers – Case 1

## Performance Materials

## Contributing to the industry's challenges in the face of increasing display sizes by applying our cultivated technologies to develop longer and wider products

## Related material issues



Improving fulfillment in work and corporate dynamism



Addressing climate change



Using limited resources effectively



## Display industry facing increased losses and costs as displays continue to grow in size

In protective film for LCD polarizers, we offer “long films,” which are more than double the conventional roll length, and “wide films,” which are much wider than the current mainstream films at widths of up to 2.6m.

In recent years, polarizer manufacturers have been faced with loss due to decreased efficiency in the use of protective polarizer films for LCDs and with increased costs for transportation, materials, etc., as displays have become larger. With the aim of minimizing losses, costs, and environmental impact throughout the supply chain, we sought to increase the length and width of our films. Initially, however, customers had concerns about switching from a product with a proven track record in terms of quality and processability, and proposals for longer lengths and wider widths were not readily accepted. However, persistent dialogue directly relevant to customer value led to co-creation, we were able to achieve the adoption of our long and wide films.

## Contributing to customers' productivity improvement through problem-solving and appeal to value with our cultivated technologies

In lengthening films, we have succeeded in reducing deformation defects during rolling by utilizing our solvent flow film-casting technologies cultivated from TAC films to produce films with slip properties. In expanding widths, we have achieved flexibility in width selection without major equipment changes by using a new production method of original film formation and post-process stretching based on our core technologies of film formation and optical design.

Long and wide films are products that contribute to the reduction of various losses and costs by promoting workflow efficiency, such as in logistics and storage until products are delivered to customers and the reduction of task-switching during production for both the Company and its customers. We will continue to be a trusted partner to our customers and help them meet their challenges in the display industry.

## Voice



**Tomohiro Yamamoto**  
(right)  
Quality Assurance Department

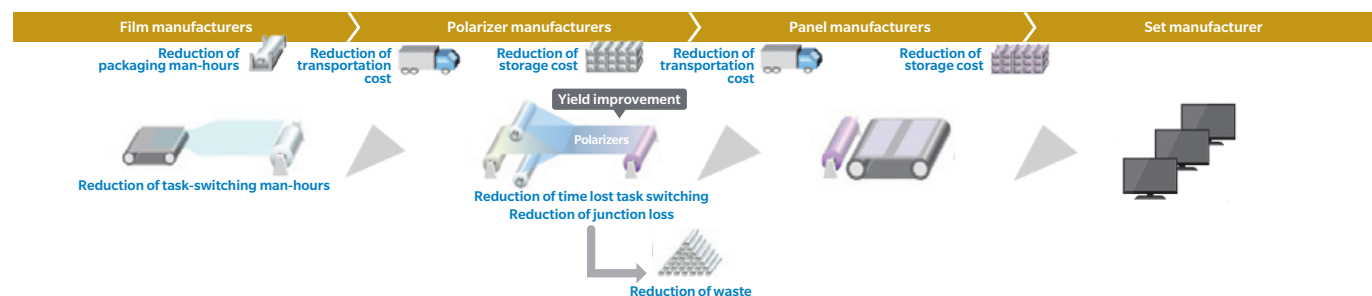
**Tomomasa Furuyama**  
(left)  
Product Development  
Department, R&D Division

Performance Materials  
Business Unit

## Building relationships with customers is the first step in providing value

In the process of transitioning to longer and wider products, we identified and effectively approached our customers' key personnel in their various departments and continued to talk about the ideal supply chain, which ultimately led to recognition of the benefits of our longer and wider products. Since then, we have received comments from customers such as, “We expect to reduce logistics and process losses by up to 30% by using longer films,” and “We hope that Konica Minolta will lead to a smarter supply chain overall.” We feel that our strength lies in the fact that we can instantly grasp the problems of our customers and build relationships that allow us to work together to find solutions to those problems. We intend to continue to devote ourselves to being a company that sincerely addresses the problems of our customers and provides true value.

## Longer films minimize losses, cost, and environmental impact throughout the supply chain





## Value Co-creation with Customers – Case 2

## Sensing

## Related material issues

Improving fulfillment  
in work and  
corporate dynamismEnsuring social safety  
and security

## Contributing to the improvement of the efficiency and quality of automotive manufacturing processes with automated visual inspection solutions

## Co-creation of a quality inspection solution for automotive production lines with Ford Motor Company

Eines is a leading manufacturer of visual inspection for the automotive industry, founded in 1992 and located near Ford's plant in Spain, a key location in Ford's European production, and has developed and implemented solutions in close contact with its customers.

The automotive industry has been facing a labor shortage since that time, and there is a growing need for automation of production lines. In particular, vehicle quality inspections at the end of the production line are highly dependent on human visual inspections, which place a heavy physical burden on inspectors, and the subjective visual inspection results in inconsistencies in accuracy, which can pose a risk of damaging brand value.

Eines co-created with Ford Motor Company an All-in-One In-line Quality Control System that integrates and

automates multiple quality inspections in the automotive production line. They have presented one solution to the challenges faced by the industry.

## Contributing to solving issues in the automotive industry and expanding business globally in the Konica Minolta Group

This system automates three types of inspections: gap step measurement, spec check, and surface damage inspection, achieving objectivity without variation in inspection accuracy due to differences in inspectors. The system frees inspectors from simple tasks and harsh environments where they spend long hours doing visually inspections. In addition, the integration into a single system not only reduces a plant's occupation area and energy consumption, but also ensures worker safety with tunnel-type equipment that has no moving parts. In addition, the three inspection functions can be updated individually to suit customer requests or changes in target vehicle models, allowing for long-term use. We have improved quality while minimizing our customers' environmental impact and costs, giving them a competitive advantage.

Eines expanded the solutions it built in Spain to the European region and became part of Konica Minolta in 2019, adding Konica Minolta's optical and imaging AI technologies to Eines' development capabilities to further add value to its solutions and expand its business globally. Konica Minolta will continue to provide diverse inspection know-how and technologies to automotive production processes, contributing to further development and efficiency in the industry.



## Voice



Antoni Perera i Vernetta

Eines Vision Systems  
Engineering Manager &  
Business Unit Leader

## Increasing the level of trust with our customers and striving to further improve quality control processes

I lead a dedicated team focused on research and development, leveraging my engineering expertise and in-depth knowledge of the market. I find it very rewarding to be involved in evaluating new technologies and developing prototypes, from which more competitive and innovative products are created, pushing our company to the forefront of the field.

We have been working with Ford for over 30 years to implement solutions and deliver results in our customers' production environments based on our trustful business relationship. We will continue to work closely with our customers to develop innovative solutions to further improve their quality control processes.

## Eines Systems Company history

## Founding period

Customer-focused  
value development  
in Valencia, Spain

1992

Startup with  
5 founders

## Growth period

Leveraging success in  
Spain to attract large  
European client companies

2000s



## Expansion period

Global expansion  
under the umbrella of  
Konica Minolta

2019

Joined the  
Konica Minolta Group



# Business Technologies Business

## Message from the Lead Officer



**Norihisa Takayama**  
Senior Vice President & Executive Officer  
Business Technologies Business

The Business Technologies Business has created many products and services on the strength of the diverse technologies it has cultivated in the development of hardware, IT solutions, and production technology that integrate machinery, electricity, optics, chemical products, and control software. And now, supported by our global supply chain, sales and service network, and quality assurance, we generate more than 70% of the Company's sales.

While this business has traditionally improved customers' intellectual productivity by providing high value-added documents and services, from now on we will aim to make further contributions to society from the perspective of DX innovation. For example, in the office and DW-DX businesses, we will continue to provide products and services that contribute to improving fulfillment in work, and in the Professional Print Business, we will contribute to addressing climate change and the effective use of limited resources by transitioning from analog to digital printing.

In the future, we intend to support the Company's growth by leveraging the intangible assets we developed and evolving our business portfolio by creating added value in response to customer needs, thereby meeting their expectations and further strengthening our profitability and cash generation capabilities. At the same time, over the medium- to long-term, we will proactively incorporate technological advancements, as typified by generative AI, to further contribute to solving social issues.

It is my role to define and indicate a concrete path toward such evolution and resolution of issues. We will continue to leverage our corporate culture, symbolized by our 6 Values, and mobilize the strengths of our diverse human capital to achieve solid growth.

## Digital Workplace

### Office

#### Market Environment Awareness

##### Opportunities

- Increased need for workflow optimization related to office documents and digitization of paper, and demand to strengthen information security
- Growing demand for color MFPs in China, India, and other growth markets
- Stricter environmental standards in bidding requirements for MFPs

##### Risks

- Decreased office printing due to the establishment of diverse working styles
- Shrinking demand for A3 color MFPs in developed countries
- Risks in the supply chain such as procurement and manufacturing (logistics) due to various environmental changes

#### Market growth rate (2023-2025)

MFPs	Hardware	-1%
	Non-hardware	-5%

#### Strategy and progress

Our business has built a direct sales structure in major markets such as Europe and the U.S. from an early stage, and the solid customer base we have built through our genre-top strategy in the area of color is the source of our earnings power. Today, by combining MFPs with IT services, we provide solutions that help optimize and solve issues in the office environment. We enable our customers' employees to engage in more creative work and improve their fulfillment in work, which supports the further development of their businesses and enhancement of their corporate value.

The office business is a maintaining profit business that contributes to the Company's overall profit and cash generation. Although print volume has been declining in recent years, gross profit has been maintained thanks to initiatives such as "One Rate\*," our unique flat-rate billing program that does not depend on print volume fluctuations. To reduce SG&A expenses, we have been promoting operational innovations, such as remote services that maintain the operation of MFPs without requiring customer visits, to improve reliability and service efficiency. In addition, the Company has been a pioneer in the use of AI to identify priority customers, thereby promoting improved efficiency in sales activities. Furthermore, in fiscal 2023, we achieved a thorough reduction of production costs, and our profitability is improving at a pace exceeding our initial plan.

In response to the long-term market contraction trend, we

are pursuing the possibility of manufacturing alliances. In April 2024, we began discussions with FUJIFILM Business Innovation Corp. toward a business alliance in the areas of raw materials and parts procurement, toner development and production, and others (see page 17). In July, we decided to establish a joint venture to collaborate in the procurement of raw materials and parts and signed a shareholders' agreement. By utilizing the extensive supplier networks of both companies, we aim to reinforce our business foundation through this joint venture by establishing a robust supply system for products and increasing the efficiency of our business processes.

In contributing to a decarbonized society, we are promoting the use of recycled materials in the exteriors of MFPs (see page 46) and the reduction of greenhouse gas emissions throughout the product life cycle. In Europe, where we have a large market share, we will expand business opportunities by complying with strict environmental standards that are requirements for bidding.

\* One Rate: Our unique flat-rate billing model, as opposed to the traditional monthly variable billing method

#### Strategic KPI

	FY2023 Results	FY 2025 Targets
U.S. One Rate MIF penetration rate	25%	30%
Remote services execution rate	23%	35%

## Digital Workplace

## DW-DX

## Market Environment Awareness

## Opportunity

- In addition to market growth, demand for DX promotion is increasing among companies and local governments seeking to improve operational efficiency. In addition, opportunities for value creation by using new technologies such as generative AI to solve problems will increase.

## Risk

- Soaring labor costs for IT personnel

## Market growth rate (2023-2025)

Operation optimizing services	Enterprise Content Management	+5%
	Enterprise Resources Planning	+10%

\* Konica Minolta estimates

## Strategy and progress

This business's strengths lie in its strong customer base and multifaceted customer contacts built through the office business, as well as in its human capital and organizations who gain deep insight into workplace issues and work with customers to formulate and implement solutions. However, there is a mixture of various services, some of which are not profitable. Considering these circumstances, we have positioned this business as a direction-changing business and are narrowing down regions and countries of operation, and service products. At the same time, we will meet customer needs specific to the industries and business sectors in each region and promote the development of our own unique services that continuously and progressively update the value provided through the use of AI and data in order to expand our customer base and improve profitability.

## Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Target
Sales per employee	\$50,000/month	+2%
Gross profit margin of operation optimizing service	32%	+1pt

## Professional Print

## Production Print / Industrial Print

## Market Environment Awareness

## Opportunities

- The shift from analog printing, such as offset printing, to digital printing has accelerated.
- In commercial printing, marketing methods have become more individualized and are based on shorter cycles, and in industrial printing, the demand for packaging/label printing has increased due to the shift to small lots with the increase in global population and the increase in private/local brands.
- There is a shortage of skilled workers in printing companies and increasing concern for the environment.

## Risk

- Reduced demand for printing due to geopolitical risks and economic fluctuations, reduced willingness to invest in capital and delayed decision-making among printing companies.

## Market growth rates (2019-2029)

Digital printing	Commercial printing	+4%
	Label printing	+6%
	Packaging printing	+20%

\* Konica Minolta estimates

## Strategy and progress

In this business, we are accelerating the spread of digital printing while expanding the scope of our business based on our strengths in technological capabilities to achieve high-quality printing on a variety of printing media using various printing methods and our customer development capabilities. This contributes to the improvement of fulfillment in work in the printing field and to the reduction of losses in each process of the printing lifecycle and impact on the environment.

In production print, we will work with brand owners and others to co-create a system that helps maximize the cost-effectiveness of printing while minimizing environmental impact, aiming to increase the willingness of printing companies to use digital printing. In addition, we will expand the number of Heavy Production Printing machines installed in the market,

## Strategic KPI (vs. FY2022) Production print

	FY2023 Results	FY2025 Target
HPP machines in the field	+52%	+170%

which is expected to meet large-scale printing demand, to capture demand in growing markets while increasing non-hardware revenues.

In industrial print, we will accelerate the introduction of the AccurioJet KM-1e digital inkjet printing press and promote the digitalization of commercial printing by achieving both high quality and productivity. In addition, the Company will promote total solutions combining digital embellishment presses to add value to printed materials and expand sales.

Regarding our label presses, we will introduce models with improved image quality and productivity to expand the target customer base. Regarding our textile presses, we will promote the digitalization of analog textile printing through a broad product lineup. Through these efforts, we aim to greatly expand non-hardware sales.

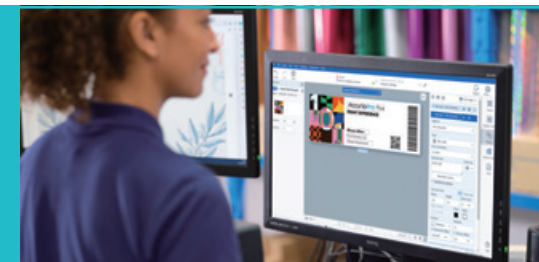
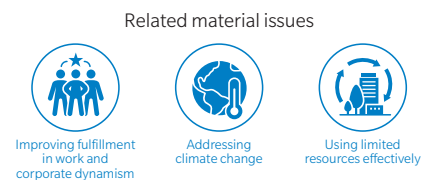
## Strategic KPI (vs. FY2022) Industrial print

	FY2023 Results	FY2025 Target
Revenue growth rate of non-hardware	+24%	+101%

## Value Co-creation with Customers – Case 3

## Professional Print

## Supporting DX in the printing business by diving deep into our customers' production processes



## Leftover analog production processes in the digital printing field are a challenge

Analog printing, which is the current mainstream in the printing industry, is suitable for mass production and mass delivery because it produces the same prints at a low cost, but it also tends to lead to mass waste. Digital printing, on the other hand, enables printing what is needed, when needed, and in the amount needed, minimizing paper loss generated in the printing process and reducing the production and distribution of unnecessary printed materials, thereby contributing to a reduction in environmental impact. For these reasons, the digital printing market is expected to grow at an annual rate of 4% while the commercial printing market shrinks.

However, even with the introduction of digital printing presses, analog production processes such as paper-based printing instructions may still remain. Paper-based instructions have limitations even when making production plans for small lots of multiple products in order to print what is needed, when needed, and in the amount needed. Although our customers are aware of the need to digitalize the production process and make detailed production plans, they are unable to take action because we do not have the capacity to invest in a large-scale system, nor frontline human capital with IT skills to start a small-scale production process from the workplace. Therefore, they remain dependent on frontline labor.

## Digitalizing the production process through co-creation with customers

To address this issue, Konica Minolta has launched "Workflow DX," an initiative to support the digitalization of the production process through co-creation with customers by delving deep into the customer's print production site.

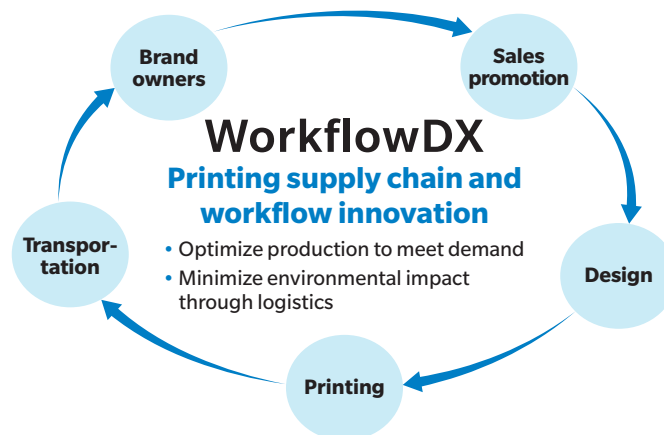
We consult with management on the direction of business

transformation they are aiming for, and at the same time, we listen to the challenges they face on the frontline, and together we consider and propose how we can assist in digitalization to bridge the gap.

There are three key points in proposing the digitalization of production processes: (1) Can we reduce the number of steps in the production process and put more time into creative rather than simple tasks? (2) Can we make work progress visible and measure the effects of improvements? (3) Can we make the investment? To achieve this, our ICT specialists consider and propose how best to combine the customer's existing system with various means, including our own products, other companies' products, and customized products.

Workflow DX aims to improve the value of printing and revitalize the printing industry by building a recycling-oriented supply chain suitable for digital printing, starting from co-creation with customers. In addition, by reforming the supply chain, including logistics, we will contribute to further reduction of environmental impact.

## Circular supply chain for digital printing



## Voice



Hidetaka "Henry" Yoshida

System Control Development Center, R&D strategy and Operation, Professional Print Business Headquarters

## I want to pursue real value by working closely with those who work in the field of printing

When we proposed workflow digitalization to one of our customers, we proposed a plan that would maximize our strengths in automation and efficiency in the printing process. However, the customer pointed out, "This alone won't let us visualize improvements, so it won't convince management and it won't lead to job satisfaction for the employees." We realized that selling our products had become our objective and that we were not imagining the people on the frontlines who would use them.

In the end, we suggested a new proposal, which the client adopted, to link our system with another company's management information system which the customer was already using to achieve both automation, efficiency, and visualization of the positive effects of the system. The frontline workers said, "Printing work has become easier since we linked the systems." This experience taught me that being close to the people on the frontlines is the key to real value.

# Imaging Solutions Business

## Message from the Lead Officer



**Yusuke Yoshimura**  
Senior Vice President & Executive Officer  
Imaging Solutions Business

To continue to meet our customers' desires to "see", which is our Company's DNA, we have integrated five businesses (healthcare, imaging-IoT solutions, visual solutions, QOL solutions, and FORXAI) that provide value through "imaging data x AI", starting from our core technologies, as the Imaging Solutions Business. Under our long-term vision "Imaging to the People," we have been developing our business by utilizing a common fundamental technology named "FORXAI," but I believe that we can promote our business more powerfully by integrating our business and technology.

In this business, our customers come from a wide range of industries, including medical and nursing care, manufacturing, plants, and social infrastructure. We will focus on areas where our strengths can be leveraged, such as medical and nursing care, safety and security, and manufacturing, and build and deploy customer-oriented solutions.

We will also establish a competitive advantage by integrating hardware and AI, evolving our business model to increase customer value through data accumulation and analysis. Since the scope of such a model is limited to our Company alone, we will enhance its value through co-creation with our variety of partners and link it to solutions to social issues.

I also take pride in what we have cultivated over the past 150 years and be willing to incorporate new elements to lead our business to maximize our contribution to the growth of Konica Minolta and the future of society.

## Our Medium- to long-term Growth Strategy

### Fiscal 2023 review

In fiscal 2023, we promoted our business to put our growth areas that cross AI with our proprietary hardware, such as Dynamic Digital Radiography, on a full-scale track, resulting in a significant increase in revenue. In addition, services utilizing data accumulated in each of our businesses continued to expand, and allowing us to enhance added value and identify a path for evolving our business model over this fiscal year.

On the other hand, the healthcare unit faced a difficult environment due to the sluggish Japanese and U.S. hospital markets caused by restrained investment, and the imaging-IoT solutions unit faced intensifying competition due to the commoditization of stand-alone cameras.

In this environment, the Group reviewed the priorities of FORXAI's business areas and development themes, concentrated resources in areas where Konica Minolta can leverage its strengths, and transformed its business structure to one that can generate profits by efficiently and continuously introducing high value-added AI and solutions to the market.

### Imaging Solutions Business strategy

To date, we have developed our businesses in the areas of medical care, safety and security, planetariums, and nursing care. Going forward, we will create new growth opportunities by utilizing common imaging technologies across these areas. With FORXAI, this business will accelerate the company-wide application of AI, data utilization, and knowledge accumulation, contributing to the enhancement of added value across all businesses.

In addition to our strength in hardware, we will promote the development of advanced AI specializing in inspection, diagnosis, and human behavior analysis. We aim to evolve it into a "multimodal AI" by utilizing large-scale language models and fusing complex data such as images, language, and voice. We will then accelerate this transformation into a highly profitable business model by leveraging customer relationships and accumulated data. This will be achieved by adding value through systemization, integrating hardware, networks, servers/clouds, and applications, and through cross-selling, combining data and app services.

Furthermore, this fiscal year, we will continue to improve productivity and review our cost structure, aiming to establish a stable profit foundation.

### Directions in each area

In medical care, we will realize simple and advanced medical care through diagnostic imaging systems such as Dynamic Digital Radiography and diagnostic ultrasound systems, and medical IT solutions such as ICT and AI-based medical support services, thereby accelerating overseas expansion and medical DX within Japan. In the area of nursing care, we will reduce the burden on nursing care personnel and improve quality of care by supporting its process with data.

In safety and security, we will develop new products and expand our menu of solutions, focusing on network cameras, which have strengths in high durability, thermal technology, and edge AI processing. Furthermore, we will expand our business globally as an integrated solution by increasing customer value in line with the workflow of each industry, in the form of occupational safety, quality improvement (inspection), and work efficiency for the manufacturing industry, and gas monitoring and maintenance DX for the manufacturing industry.

### Imaging technologies and focus areas





## Imaging Solutions Business

### Healthcare

#### Market Environment Awareness

##### Opportunities

- Against the backdrop of medical personnel shortages, there is an increasing demand for healthcare DX that utilizes imaging, AI, and IT technologies to make healthcare more advanced and efficient.
- Due to declining birthrates and aging populations, mainly in developed countries, as well as higher medical expenses, the needs for early diagnosis and minimally invasive medical treatment are increasing.
- Rapid economic development, population growth, and increased longevity in emerging countries, particularly in Asia are leading to a greater need for healthcare and an expanded market for digital healthcare.

##### Risks

- Limited capital investment by medical institutions against the backdrop of soaring energy, labor costs, and interest rates
- Supply chain disruptions caused by unstable international conditions and geopolitical risks.

#### Market growth rate (2023-2025)

General X-ray diagnostic systems	+5%
Ultrasound diagnostic systems	+4%

\* Konica Minolta estimates

#### Strategy and progress

This business leverages the strength of its brand and customer base developed through 90 years of history since the X-ray film business, as well as its advanced technologies and expert human capital related to imaging/AI technology, clinical development, and IoT, to provide products and services that contribute to early diagnosis, minimizing medical expenses, and QOL improvement.

In the field of X-ray imaging, we aim to expand global revenue of value-added X-ray systems, centering on Dynamic Digital Radiography, which we were the first company in the world to provide. In diagnostic ultrasound systems, we will leverage our strengths in high imaging quality and auxiliary functions, such as puncture needle visualization processing, to strengthen anesthesia, dialysis, and other genres in addition to orthopedics and obstetrics.

In medical IT solutions, we will expand sales of DX-enabled support services for clinics based on the “infomty” medical ICT service platform, which connects with approximately 20,000 clinics in Japan.

We will expand modalities of X-ray systems and high-value-added medical treatment solutions that combine AI-powered imaging diagnostic support, and strengthen the expansion of our Picture Archiving and Communication System (PACS) to the ASEAN region to increase revenue of our global digital business. In addition, we will promote strategic collaboration with global partner companies with strengths in their respective areas.

#### Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Targets
DR integrated X-ray system, Dynamic Digital Radiography	+1%	+40%
Asia business revenue growth rate	-20%	+55%
Medical IT service revenue growth	+7%	+45%

### Imaging-IoT Solutions, etc.

#### Market Environment Awareness

##### Opportunities

- Increasing demand for data utilization services for stable operation and more efficient monitoring in manufacturing sites and critical security management facilities, etc.
- Switching to alternatives through the development of new technologies
- Tighter regulations to combat climate change

##### Risks

- Limited capital investment from customers due to economic recession

#### Market growth rate (2023-2025)

Network cameras	+11%
-----------------	------

\* Konica Minolta estimates

#### Strategy and progress

The imaging-IoT solutions business' strength is in imaging-IoT technology, which integrates information from image input devices and sensor data for advanced AI processing. FORXAI is a key driver to accelerate on-site DX with the power of imaging-IoT. By combining the components of FORXAI - IoT platforms, devices, and AI - we are creating new solutions with partners who have strengths in technology and channels, including food manufacturing and warehousing and logistics. At the same time, by entering a wide range of customer workplaces, we solve workplace issues and contribute to the safety and security of society.

The network surveillance cameras owned by Group company MOBOTIX AG (Germany) have strengths in high durability, thermal technology, and edge AI processing. By linking these cameras to FORXAI, it becomes possible to quickly detect and analyze abnormalities and signs that may lead to serious accidents in frontline operations of various industries and contribute to their prevention. Sales of these cameras are growing through the sales channels of the Business Technologies Business in Europe and the U.S., as well as through Force Security (U.S.), which was acquired in fiscal 2023.

In addition, as oil and gas operators are required to comply with stricter methane emission regulations in the U.S, our gas leak inspection systems utilize advanced optical and image processing technologies to help visualize leaks of methane gas and other gases and are creating a market while shaping regulations and industry standards.

This business is positioned as a direction-changing business. In fiscal 2024, the business will transform itself into a solution provider and narrow down the countries in which it operates and will also review its strategic KPIs to transform itself into a business that can generate profits as soon as possible.

#### Strategic KPI (vs. FY2022)

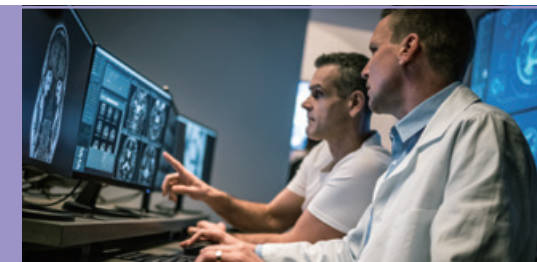
	FY2023 Results	FY2025 Targets
Imaging AI software revenue growth rate	+51%	+100%



## Value Co-creation with Customers – Case 4

## Healthcare

## The world's first Dynamic Digital Radiography to become a global standard in X-ray diagnostics



## Contributing to the optimization of healthcare through the Dynamic Digital Radiography that visualizes organ movements to lessen patient burden

In 2018, Konica Minolta commercialized a groundbreaking technology that allows the observation of organ 'movements' through simple X-ray imaging, leading the world with the release of the 'Dynamic Digital Radiography (DDR)' system. Traditionally, obtaining functional information such as ventilation and blood flow, influenced by organ movements, required contrast-enhanced CT scans or PET scans. However, these tests involve significant X-ray exposure and the risk of side effects from contrast agents, posing a substantial burden on patients. In contrast, research suggests that Konica Minolta's DDR does not require contrast agents and has the potential to acquire functional information such as movement of each organ and blood flow information in a low-exposure examination. Therefore, the future expansion of DDR usage is expected to contribute appropriate test selection and reduce the physical and economic burden on patients, thereby optimize overall medical care. In addition, the AeroDR TX m01, a mobile X-ray imaging system that was launched in 2022, enables the acquisition of DDR images at the bedside, such as in intensive care units, and is further expanding the scope of applications.

## Working with Key Opinion Leaders (KOLs) to deliver DDR's value to the world

Since DDR is a product pioneered by Konica Minolta, the testing and diagnostic methods have not yet been established, making it challenging to use in medical practice. To address this issue, Konica Minolta is working to spread awareness of DDR by (1) co-creating value through clinical research with medical institutions and (2) developing a guidebook for diagnostic imaging. Regarding (1), more than 80 academic papers have been published to date, contributing significantly to the expansion of DDR awareness. For (2), four KOLs in the fields of diagnostic imaging and respiratory medicine were invited to supervise the work, resulting in a guidebook that outlines examination methods and image interpretation, which is already being widely utilized.

DDR is currently in clinical use at more than 300 facilities in Japan, the United States, Asia, and Europe, primarily in the fields of pulmonary circulation, respiratory surgery, and orthopedics, and its use is expanding. In the future, we will accelerate clinical use of our products and establish even more robust evidence-based testing and interpretation to deliver the value of our products more widely.

## Voice

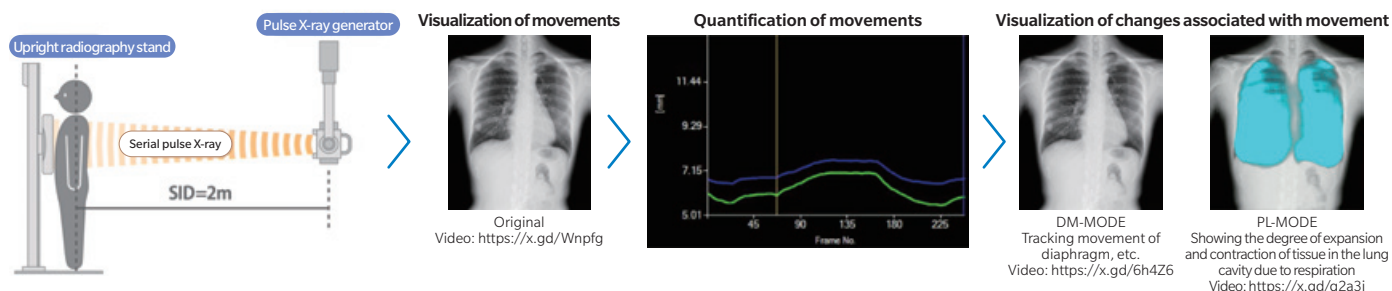


Akinori Tsunomori

Clinical Development Group  
Medical Imaging R&D Center,  
Healthcare Business  
Headquarters

## I would like to make DDR-based inspection and diagnosis the worldwide "norm"

When we first developed DDR, even physicians had no knowledge of these new dynamic radiography images, so it was necessary to define their clinical value and promote their use. First, we communicated our desire to make DDR a commonplace test to KOLs in related fields and gained their support. Since then, we have persistently engaged in discussions, shared our concerns, and co-created clinical value while fostering technological development. KOLs had a strong desire to provide optimal medical care to patients, and as we deepened our discussions, we became convinced that DDR could transform medical care and contribute to society. We will continue to work with KOLs to transform healthcare around the world based on imaging technology that embodies value, which is one of our strengths.



# Part3

## Reinforcement of Management Foundation

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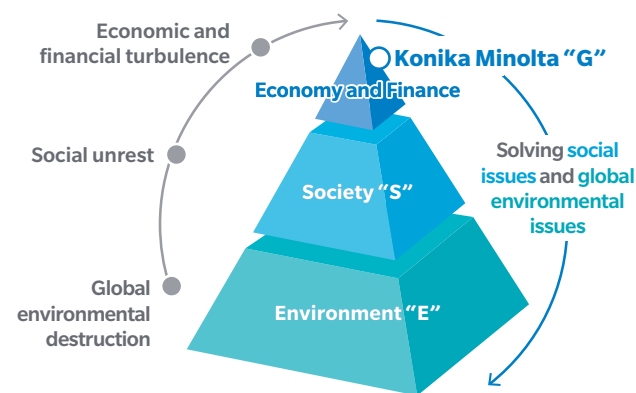
# Sustainability Strategy

## Basic Views

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

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

## Basic Approach to Sustainability Management

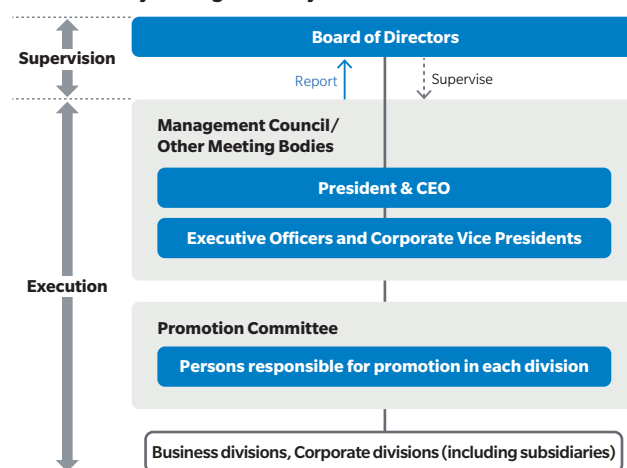


## Management System

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

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

## Sustainability Management System



## Material Issue Identification Process

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

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

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

## Identification Process for Material Issues

### Step 1. Issue Awareness

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

### Step 2. Issue Identification and Prioritization












































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

### Step 3. Validity Confirmation and Issue Identification




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

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

Value Creation through Efforts toward Material Issues


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

## Targets and Results for Each Material Issue

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

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






Addressing climate change

Material Issues	Themes		Indicators		2022 Results	2023		2024 Targets	2025 Targets	2030 Targets	2050 Targets
						Targets	Results				
	Reducing energy usage and CO <sub>2</sub> emissions by transforming customer processes		Social and environmental value	Amount of contribution to CO <sub>2</sub> reduction* <sup>1</sup> (thousand tons)	624	630	631	690	800	1,000	2,060
			Economic value	Solution sales (billion yen)	75.5	89.0	83.6	97.0	100.0	–	–
	Energy usage and CO <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>	Social and environmental value	Reduction of CO <sub>2</sub> emissions (thousand tons)	850	–	750	–	800	650	0 (net zero)
				Reduction rate (%) over FY2005	58	–	63	–	61	70	100
		Reduction of environmental impact of Konica Minolta production sites* <sup>3</sup>	Social and environmental value	Reduction of CO <sub>2</sub> emissions through energy conservation (thousand tons)	18	6	11	17	21	–	–
				Economic value	Monetary equivalent of energy reduction (million yen)	450	280	410	630	800	–
			Social and environmental value	Amount of CO <sub>2</sub> reduced through procurement of renewable energy (thousand tons)	20	3	3	13	55	–	–
				Percentage of electricity derived from renewable energy(%)	12.3	–	14	–	–	50	100
		Reduction of environmental impact through the use/ procurement of Konica Minolta products and services	Social and environmental value	Reduction of CO <sub>2</sub> emissions* <sup>3</sup> (thousand tons)	53	22	19	30	35	–	–
				Economic value	Green Products* <sup>4</sup> sales (billion yen)	776.6	–	772.8	–	735.0	–
		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)	6.4	1.8	2.2	3.5	4.1	–	–
				Economic value	Monetary equivalent of energy reduction (million yen)	103	42	46	95	110	–
	Reinforcing engagement with customers using DX		Economic value	Number of customer relationships strengthened* <sup>5</sup>	338	372	424	371	–	–	–
				Number of times participating in business talks* <sup>6</sup>	230	257	372	258	–	–	–
				Sales Contributions* <sup>7</sup> (million yen)	989	1,100	1,100	1,100	1,300	–	–

Note: Targets and results have been revised retrospectively to fiscal 2020 figures as the method of calculating the effects of measures was changed in fiscal 2021.Targets for FY2024 and FY2025 have been revised based on FY2023 results.



Using limited resources effectively

	Effective use of resources by transforming customer business processes		Social and environmental value	Reduction of waste discharge of customers (thousand tons)	340	360	360	380	400	500	
			Economic value	Solution sales (billion yen)	79.3	89.0	83.6	97.0	100.0	–	
	Toward Zero Natural Resources* <sup>8</sup>		Social and environmental value	Natural resources used* <sup>8</sup> (thousand tons)	104	–	91	–	108	95	
				Reduction rate (%) over FY2019	20	–	32	–	19	30	
	Effective use of resources relating to Konica Minolta sites, suppliers, products and services	Reduction of environmental impact of Konica Minolta production sites* <sup>9</sup>	Social and environmental value	Reduction of waste discharge* <sup>10</sup> (thousand tons)	1.7	0.2	1.6	1.6	1.7	–	
				Economic value	Monetary equivalent of waste reductions (million yen)	470	–	610	650	670	
		Reduction of environmental impact through the use of Konica Minolta products and services	Social and environmental value	Amount of resources saved and recycled (thousand tons)	12	13	13	14	14	–	
				Of which, circulated resources (recycled and bio-materials) utilization rate (thousand tons)	–	10	10	11	11	–	
			Economic value	Green Products* <sup>4</sup> Sales (billion yen)	776.6	–	772.8	–	735.0	–	

Note: Targets and results have been revised retrospectively to fiscal 2020 figures as the method of calculating the effects of measures was changed in fiscal 2021. Targets for FY2024 and FY2025 have been revised based on FY2023 results.

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

## Toward Net Zero CO<sub>2</sub> Emissions and Zero Use of Natural Resources by 2050



Addressing  
climate change

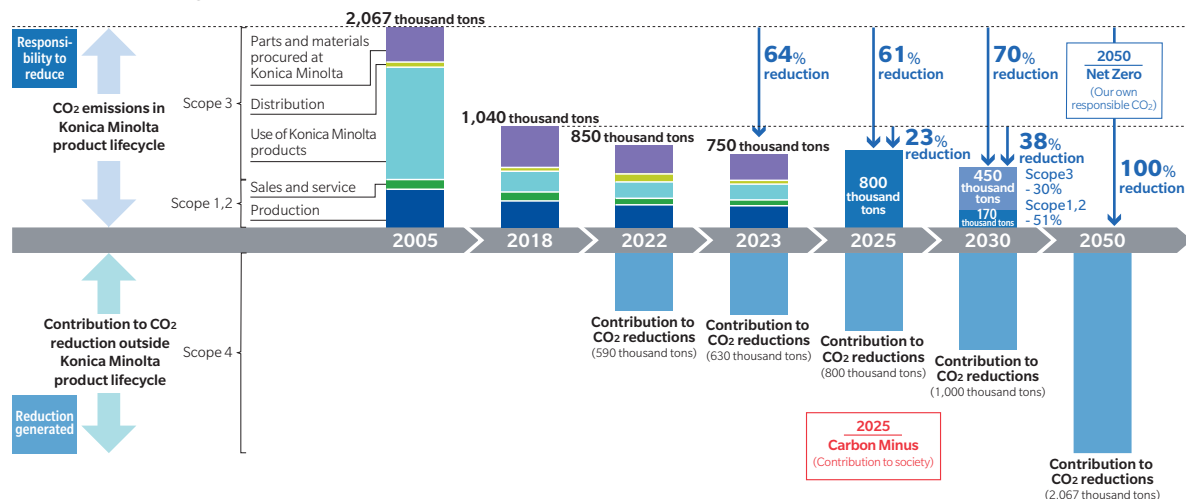
### Net Zero CO<sub>2</sub> Emissions and Carbon Minus

Konica Minolta aims to achieve net zero CO<sub>2</sub> emissions (Scope 1, 2, and 3) over the Konica Minolta product lifecycle in 2050.

We have also taken the lead over our competitors in adopting the unique concept of Carbon Minus and have been working to contribute to CO<sub>2</sub> reductions outside of our own scope of responsibility (Scope 4), with the goal that the amount of reduction will exceed the CO<sub>2</sub> emissions that are within our scope of responsibility. We aim to achieve Carbon Minus in fiscal 2025 by enhancing our core technologies through the use of AI and the integration of technologies across business areas to increase our contribution to CO<sub>2</sub> reduction by our customers and suppliers.

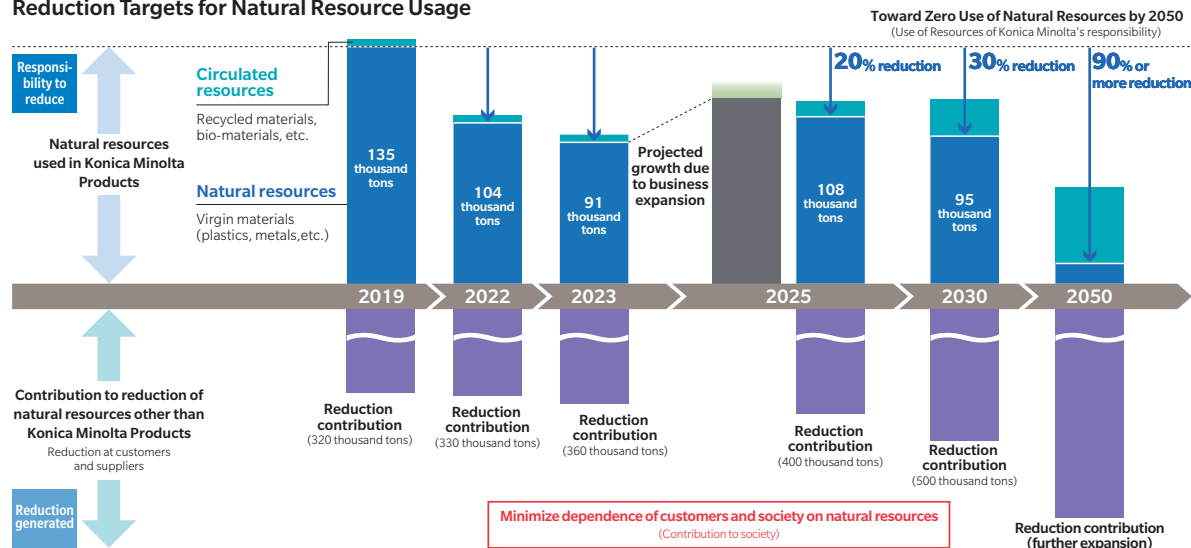
In fiscal 2023, we reduced product lifecycle CO<sub>2</sub> emissions beyond the target of the plan in Scopes 1, 2, and 3, and met the planned target for CO<sub>2</sub> reduction contributions in Scope 4.

### CO<sub>2</sub> Reduction Targets



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

### Reduction Targets for Natural Resource Usage



Using limited  
resources effectively

### Zero Use of Natural Resources\*

Similar to the reduction of CO<sub>2</sub> emissions mentioned above, we have also set reduction targets for the use of natural resources by 2050 for within and outside of our scope of responsibility, respectively.

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

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

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

Examples of Efforts to Achieve Net Zero CO<sub>2</sub> Emissions and Carbon Minus

## Case 1

## MFP Production Site in Malaysia Achieves 100% Renewable Energy

Shinya Imamaki

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

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

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

In addition, the aforementioned Production DX has reduced the number of production line stoppages caused by equipment failure and quality problems, and has also curbed the operating time of air conditioning equipment by preventing overtime and holiday work by following planned operations. In addition, BMMY contributes to the reduction of CO<sub>2</sub> emissions through energy conservation by reducing the cycle time of parts processing and other efforts.

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

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



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

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



## Case 2

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

Ai Katsuda

R&D Operations  
IJ Component Business Unit

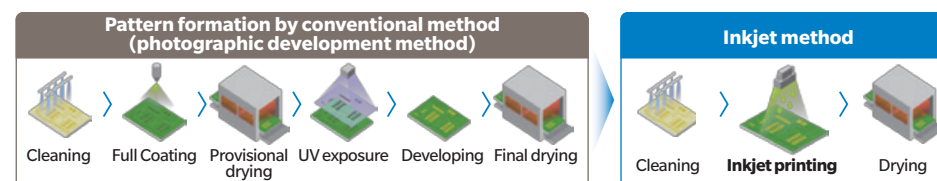
The manufacturing process of printed circuit boards involves the formation of an insulating solder resist coating to protect the circuit patterns. The conventional photographic development method, which is the mainstream method, requires complex processes such as UV exposure, development, and cleaning,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

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

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

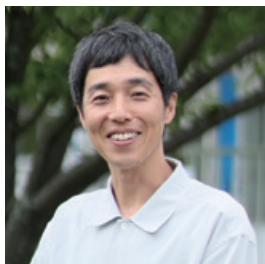
We will use this data to promote the environmental value of our products, and we will lead the way in promoting the use of more sustainable manufacturing methods, such as adopting the IJ method for the printed circuit boards used in our products.

## Transformation of printed circuit board solder resist manufacturing process





## Examples of Efforts to Achieve Zero Use of Natural Resources



## Case 3

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

Hiroshi Bekku

Procurement Division, Business Management & Operations  
Performance Materials Business Unit

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

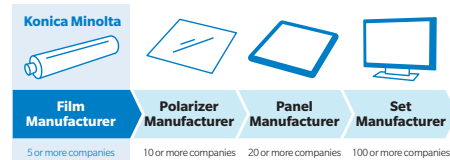
In recent years, in addition to demands for functionality, customer needs for environmental aspects, such as reduction of resource use and disposal/recycling after use, have been increasing. Against this backdrop, our environmental advantages have been reevaluated, including the characteristics of TAC,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

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

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

<sup>\*1</sup> Cycloolefin polymer <sup>\*2</sup> Triacetyl cellulose

## LCD Panel Value Chain



Developed long,  
wide films  
(maximum 2.5 m)



## Case 4

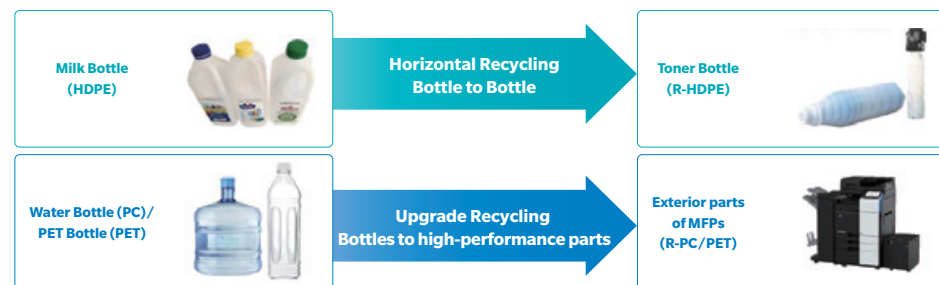
## Recycled plastic is used for toner bottles and exterior materials of MFPs

Kosuke Nakamura

Chemical Products Business Unit

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

## Expanding the area of waste plastic recycling



and our resource recycling volume in fiscal 2022 reached approximately 5,000 tons, or 200 million bottles<sup>\*</sup> in terms of 500-ml PET bottles.

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

<sup>\*</sup> Converted based on statistical data from the Council for PET Bottle Recycling

# Disclosure Based on TCFD Recommendations

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

## Governance

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

## Strategy

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

In terms of opportunities, we have further advanced the timing of achieving “Carbon Minus” to 2025 to increase the level of contribution to energy and CO<sub>2</sub> reduction in customer companies and society and to achieve business growth. We will strengthen the core technologies that each business has cultivated over the past 150 years since our founding as an “evolved core technology group” through the use of AI (data-driven development and production) and the integration of technologies across business areas, and increase the contribution of energy and CO<sub>2</sub> reduction through workflow and supply chain reforms.

## Climate change scenario analysis and results

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

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

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

### Scenario 1

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

## Addressing the “Risks” of Climate Change

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

## “Opportunities” of Climate Change

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



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

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

**“Opportunities” of Climate Change**

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

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

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

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

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

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

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

• **Definition and evaluation criteria for timeline**

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

**Risk management**

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

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

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

**Indicators and targets**

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

**Carbon Minus**

We aim to achieve a “Carbon Minus” state where we create more emissions reduction contributions by society and our customers (CO<sub>2</sub> reduction contributions) outside the scope of Konica Minolta’s product life cycles than our own CO<sub>2</sub> emissions (product life cycle CO<sub>2</sub> emissions) by 2025. ([See page 44](#))

**Product lifecycle CO<sub>2</sub> emissions**

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

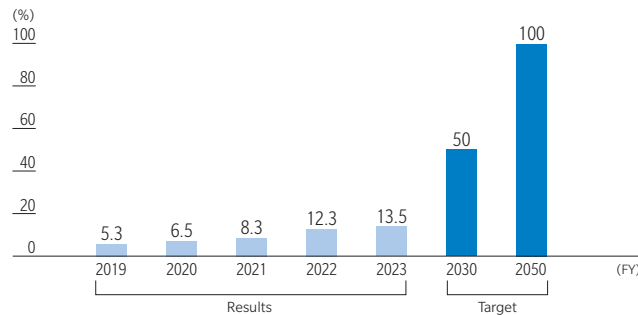
In the medium term, we have set a target of a 61% reduction in CO<sub>2</sub> emissions (800,000 tons) compared to fiscal 2005 by 2025 and a 70% reduction (620,000 tons) by 2030. In fiscal 2023, CO<sub>2</sub> emissions were about 750,000 tons (150,000 tons for Scope 1, 140,000 tons for Scope 2, and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

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

## Disclosure Based on TCFD Recommendations

### Renewable energy-derived electricity ratio

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



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

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

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

### Amount of contribution to reduction of CO<sub>2</sub> emissions (Scope 4)

Mainly in the Professional Print Business, we are contributing to our customers' CO<sub>2</sub> reduction by expanding sales of digital printing systems that improve productivity by shifting from analog to digital printing. In fiscal 2023, we achieved our CO<sub>2</sub> reduction contribution target of 630,000 tons. (See page 44)

### Green products\* sales

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

\* Products and services that solve our uniquely defined environmental issues

### Executive compensation

In order to increase incentives to achieve the goals of the Medium-term Business Plan and promote the holding of company shares, we have set a non-financial indicator, "CO<sub>2</sub> emission reduction by measures\*," as one of the evaluation indicators that constitutes medium-term stock bonus (performance-linked). After the completion of the Medium-term Business Plan, executive compensation for the President & CEO, Representative Executive Officer and other Executive Officers will be determined in the range of 0 to 200% depending on the degree of achievement of the target, and company shares will be issued.

\* Although "CO<sub>2</sub> emission reduction rate" was originally set as an indicator, the Compensation Committee resolved at its meeting held on April 23, 2024 to revise the indicator to "CO<sub>2</sub> emission reduction by measures" in consideration of the impact of production and sales volume.

## Disclosure Based on TNFD Recommendations

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

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

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

### Risks and Opportunities for Konica Minolta

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

# Human Capital Strategy

## Message from the Lead Officer



**Shinichiro Oka**  
Executive Vice President and  
Executive Officer

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

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

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

## Human Capital Vision of Konica Minolta

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

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

## Human Capital Vision of Konica Minolta



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

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

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

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

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

## Three Pillars of Human Capital Enhancement Measures



## Human Capital Strategy

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

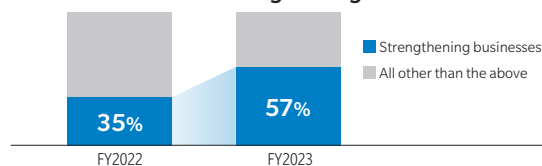
### Creating Human Capital that Realize Business Selection and Concentration and Growth

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

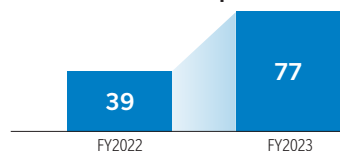
In order for Konica Minolta to achieve sustainable growth, it is of paramount importance to concentrate our human capital on strengthening businesses such as the Industry Business and Healthcare Business. In these areas, high-end human capital with advanced expertise are indispensable. For example, they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

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

#### Recruitment ratio of strengthening businesses\*



#### Number of human capital shifted to strengthening businesses\*



\* Professional Print Business, Industry Business and healthcare unit

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

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

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

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



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

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

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

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



## Human Capital Strategy

### Developing global leaders across borders and organizations

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

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

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

<sup>\*1</sup> IMD: Abbreviation for International Institute for Management Development, one of the world's leading business schools based in Switzerland

### Global Leader Development Model



### Voice



**Vasco Falcão**

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

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

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

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

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



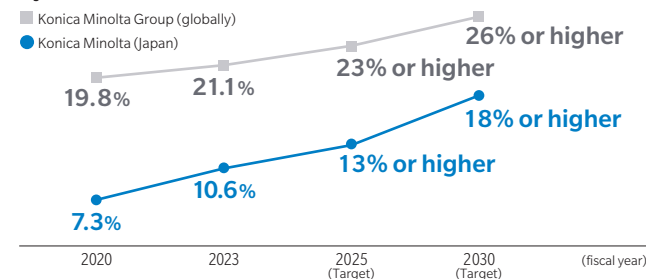
### Enhancing the Quality of Management Decisions by Ensuring Diversity

#### Konica Minolta's management rich in diversity

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

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

#### Percentage of Konica Minolta's management positions held by women





## Human Capital Strategy

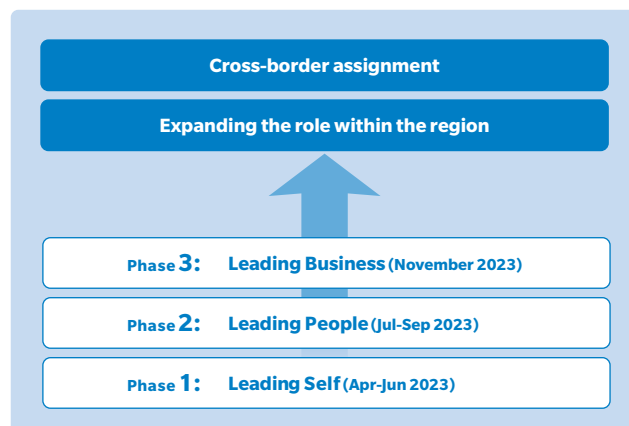
### Women 2 Lead, a program to cultivate management-level employees based on “global × women”

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

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

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

#### “Women 2 Lead” Program steps



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

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

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

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

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



#### Voice



**Kano Ozone**

Digital Workplace Business Headquarters  
Sales Management Division

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

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

<sup>\*1</sup> One Rate: Our unique model of charging a fixed amount, rather than the traditional method of billing that varies each month

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



### Maximizing Performance of Organizations and Individuals

#### Strengthening human capital and improving productivity through global structural reforms

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

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

#### Voice



**Yohei Shinohara**

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

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

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

#### Enhance employee engagement based on dialogue

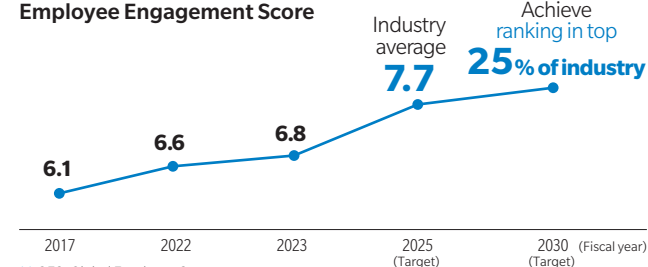
Konica Minolta is focusing on improving employee engagement and conduct an annual GES<sup>\*1</sup> called “Your Voice”. The engagement score<sup>\*2</sup> is incorporated into the compensation determination scheme for executive officers, and is one of the key management indicators that the Group is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

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

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

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

#### Employee Engagement Score



<sup>\*1</sup> GES: Global Employee Survey

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

<sup>\*3</sup> Industry: Technology companies in general, not only in Japan but globally

#### Konica Minolta's health & productivity management

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

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

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

<sup>\*4</sup> A condition in which an employee is present at work, but their performance is declining due to some physical disorder

<sup>\*5</sup> Condition of not being able to come to work due to illness or poor health

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

# Technology and Intellectual Property Strategy

## Message from the Lead Officer



**Toshiya Eguchi**  
Executive Vice President &  
Executive Officer

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

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

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

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

## Shifting Technology Strategies and Seeds for Future Growth

### Technology strategy this Medium-term Business Plan aims at

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

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

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

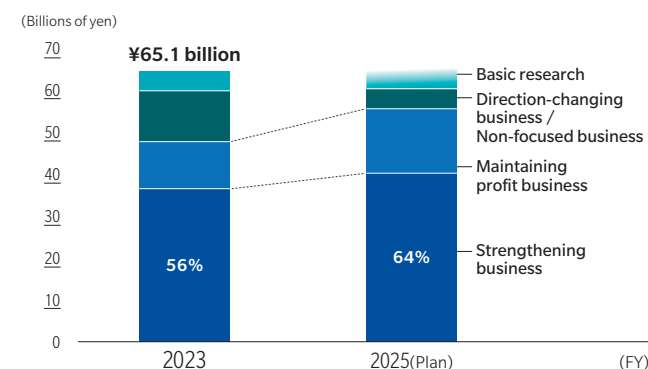
### R&D investments that reflect the strategy

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

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

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

### Breakdown of R&D expenses



## Technology Development that Contributes to the Expansion of Strengthening Businesses

### Integration of core technologies that create strengths

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

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

## Technology and Intellectual Property Strategy

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

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

### Data utilization and DX to increase business value by improving productivity

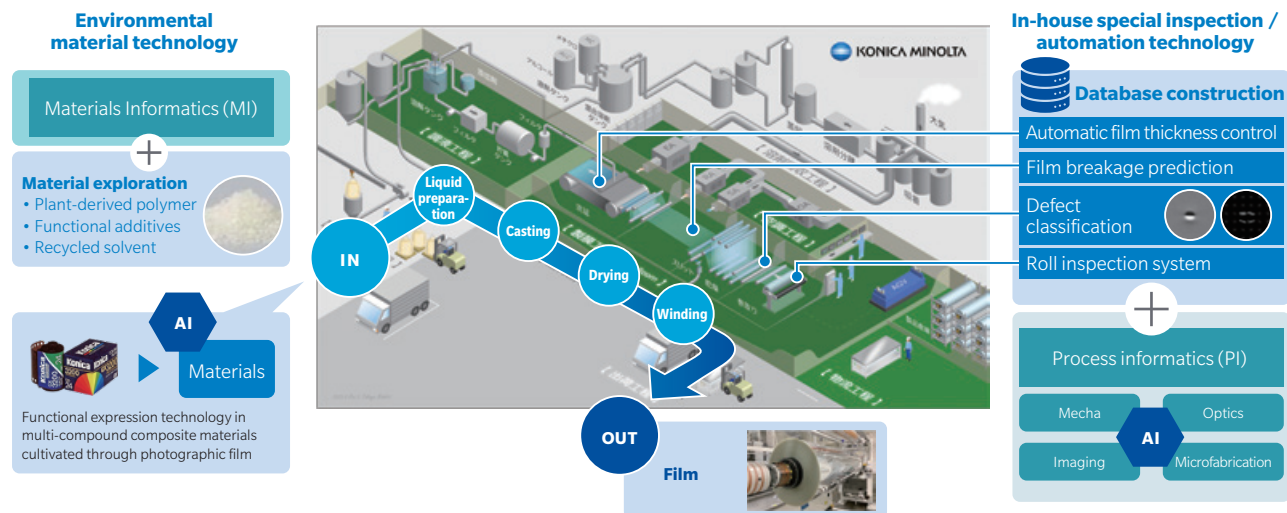
Konica Minolta has been committed to the practice of DX from early on and has strengthened the development of 1,000 DX

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

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

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

### Smart factory in display film production plant



### Voice



Sayaka Matsumoto

Data Science Center  
Technology Development Headquarters

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

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

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



## Preparing Technologies for Future Growth

### Development of technologies to reduce environmental impact

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

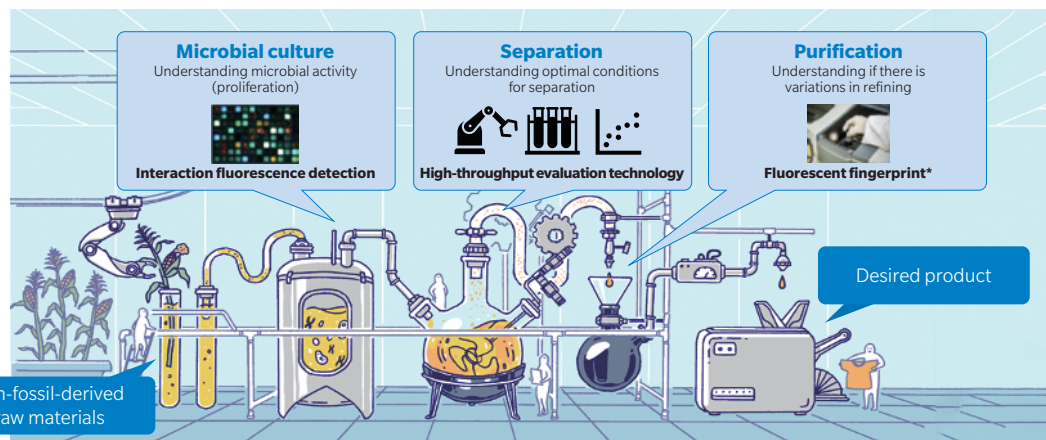
We are also developing technologies for biomanufacturing, which uses microorganisms to synthesize materials from non-fossil-derived raw materials. By combining Konica Minolta's sensing technologies to visualize the complex behavior of microorganisms, we believe we can contribute to the stabilization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

### "Biomanufacturing" using non-fossil-derived raw materials

#### Challenges in biomanufacturing

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

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



### Open innovation for social implementation

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

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

### Voice



Yuu Watari

Technology Development Headquarters  
Research Strategy Center

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

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

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

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

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

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

For more details: **Technology Report**

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



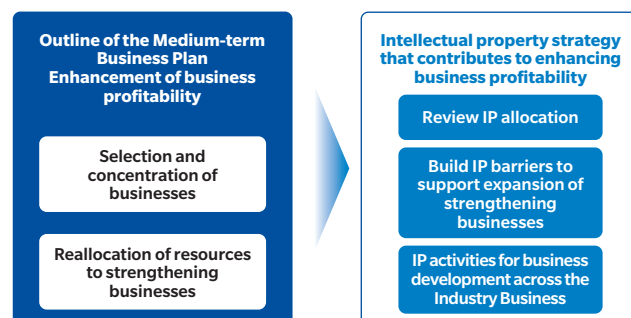
## Technology and Intellectual Property Strategy

### Intellectual Property Strategy

#### Intellectual property activities that contribute to business activities

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

#### Basic Policy of Intellectual Property (IP) Strategy



#### Promoting the new Medium-term Business Plan

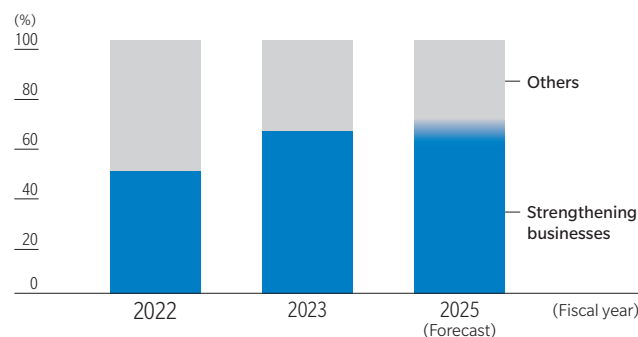
Specifically, in order to further promote the expansion of strengthening businesses through selection and concentration of businesses, we have also promoted selection and concentration in intellectual property investment, and significantly increased the ratio of strengthening businesses (Industry, Healthcare,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

nearly 70% by fiscal 2025.

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

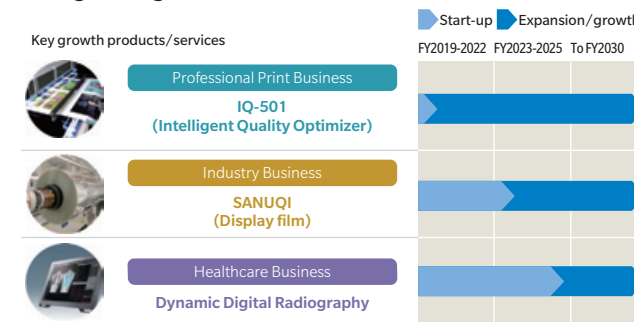
The upper right figure outlines the start-up and the expansion and growth phases of the products and services that are key to the expansion of Konica Minolta's strengthening businesses. In each business, IP barriers have been established at the timing from the start-up of the business to the expansion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

#### Ratio of strengthening businesses to patent applications

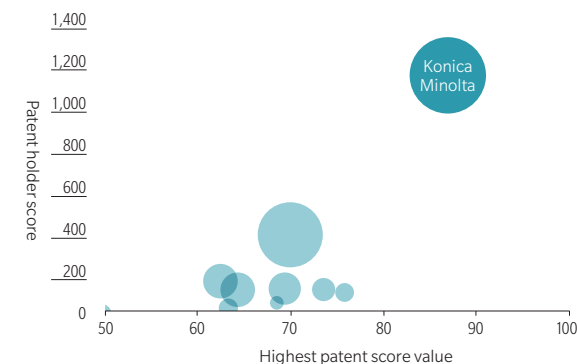


entering the market for a long period of time. Similarly, we are building and strengthening IP barriers for "SANUQI" film in the Industry Business and "Dynamic Digital Radiography" in the Healthcare Business to ensure the expansion of our business.

#### Key products and services for the expansion of strengthening businesses



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



#### Intellectual Property Report

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






[https://www.konicaminolta.com/global-en/investors/ir\\_library/intellectual\\_property/index.html](https://www.konicaminolta.com/global-en/investors/ir_library/intellectual_property/index.html)

# Part4

## Governance

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## List of Directors As of June 18, 2024

						
Name and title		<b>Toshimitsu Taiko</b> Director, President & CEO, Representative Executive Officer	<b>Chikatomo Kenneth Hodo</b> Outside Director, Chairperson of the Board, 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, Compensation Committee Member	<b>Masumi Minegishi</b> Outside Director, Chairperson of the Compensation Committee, Nominating Committee Member
Career highlights	April 1986	Joined Minolta Camera Co., Ltd.	September 1982	Joined Nippon Steel Corporation	April 1978	Joined Sumitomo Forestry Co., Ltd.
	June 2012	Director, General Manager, Corporate Planning Division, General Manager, Business Innovation Division of Konica Minolta Business Technologies, Inc.	September 2005	Director (under the Executive Management System) of Nippon Steel Corporation	June 2007	Executive Officer, General Manager of Corporate Planning Division of Sumitomo Forestry Co., Ltd.
	April 2013	Group Executive of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.	September 2015	Managing Director (under the Executive Management System) of Nippon Steel Corporation	June 2008	Director, Managing Executive Officer of Sumitomo Forestry Co., Ltd.
	April 2015	Executive Officer of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.	September 2017	Managing Director (Member of the Board) of Nippon Steel Corporation	April 2010	President and Representative Director of Sumitomo Forestry Co., Ltd.
	April 2017	Executive Officer, General Manager, Professional Print Business Headquarters of the Company	June 2018	October 2012	April 2020	Chairperson of the Board and Representative Director of Sumitomo Forestry Co., Ltd (present position)
	June 2018	Director and Senior Executive Officer, lead officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company	July 2018	Managing Director, Member of the Board of Nippon Steel & Sumitomo Metal Corporation	June 2021	Director of the Company (present position)
Number of shares of the Company held*		151,775(93,059)	0	13,500(0)	6,200(0)	0
Term of office (years)		6	6	4	3	2

					
Name and title		<b>Takuko Sawada</b> Outside Director, Nominating Committee Member, Audit Committee Member	<b>Hiroyuki Suzuki</b> Director, Nominating Committee Member, Audit Committee Member, Compensation Committee Member	<b>Noriyasu Kuzuhara</b> Director, Executive Vice President and Executive Officer	<b>Yoshihiro Hirai</b> Director, Executive Vice President and Executive Officer
Career highlights	April 1977	Joined Shionogi & Co., Ltd.	April 1979	April 1990	April 1991
	April 2007	Officer, Executive General Manager, Pharmaceutical Development Division of Shionogi & Co., Ltd.	July 1997	General Manager, R&D Department, Performance Materials Headquarters of KONICA MINOLTA OPTO, INC.	June 2019
	April 2010	Executive Officer, Executive General Manager, Pharmaceutical Development Division of Shionogi & Co., Ltd.	April 2004	General Manager, Performance Materials Business Unit, Advanced Layers Company of the Company	July 2019
	April 2011	Senior Executive Officer, Executive General Manager, Global Development Office of Shionogi & Co., Ltd.	June 2006	Executive Officer, General Manager, Performance Materials Headquarters of the Company	April 2021
	June 2015	Director of the Board, Senior Executive Officer, Senior Vice President, Corporate Strategy Division of Shionogi & Co., Ltd.	June 2009	Executive Vice President and Executive Officer, General Manager, Performance Materials Headquarters, responsible for OLED Business of the Company	April 2022
	April 2017	Director of the Board, Senior Executive Officer, Senior Vice President, Corporate Strategy Division of Shionogi & Co., Ltd.	April 2012	Executive Vice President and Executive Officer, Division President, Material & Component Business Headquarters of the Company	April 2023
Number of shares of the Company held*		0	141,943(61,301)	89,515(46,843)	33,227(23,427)
Term of office (years)		1	5	1	1

\* Number of shares held includes shares to be granted under the stock-based compensation plan. The number in parentheses indicates the number of shares to be granted.

## List of Directors

### Skills Matrix

	Term of office (years)	Board of Directors meeting attendance (FY2023)	Committees belonged to			Main skills							
			Nominating Committee	Audit Committee	Compensation Committee	Top management of listed company	Global executive management*	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)
Toshimitsu Taiko	6	16/16				●	●		●				●
Chikatomu Kenneth Hodo	6	16/16	○				●			●			●
Soichiro Sakuma	4	16/16		◎	○		●				●	●	●
Akira Ichikawa	3	16/16	◎	○	○	●	●		●				
Masumi Minegishi	2	16/16	○		◎	●	●		●		●		●
Takuko Sawada	1	11/11	○	○			●	●	●				●
Hiroyuki Suzuki	5	16/16	○	○	○				●			●	
Noriyasu Kuzuhara	1	11/11						●	●				●
Yoshihiro Hirai	1	11/11					●		●	●			

\* All members of the Corporate Governance Committee, which was formed after the ordinary general meeting of shareholders held in June 2023, attended all seven meetings.

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

#### Reason for Selection of Expected Expertise and Experience

- Top management of listed company: To demonstrate supervisory and advisory functions in the improvement of management strategies and management quality utilizing experience and insight, including in terms of confrontations with shareholders and investors, as chief executive officer.
- Global executive management: To demonstrate supervisory and advisory functions in global business expansion and group governance using understanding of complex management environments and diverse cultures, as well as frontline experience, etc.
- R&D and manufacturing: To demonstrate supervisory and advisory functions in the provision of high-added-value products and services as a manufacturer, the continuous offering of differentiated technology-based value, and the formulation and implementation of production strategies.
- Sales and marketing: To demonstrate supervisory and advisory functions in the formulation and implementation of sales and marketing strategies in line with changing business environments and diversifying customer needs.
- Finance and accounting, and understanding of investor perspective: To demonstrate supervisory and advisory functions in the creation of a sound financial base, strategic investments from a medium- to long-term perspective, and the realization of shareholder returns.
- HR management: To demonstrate supervisory and advisory functions in the maximization of human capital and the implementation of corporate culture reforms toward the company's sustainable growth.
- Governance, internal control, legal affairs: To demonstrate supervisory and advisory functions in ensuring transparency, adequacy, and effectiveness in management through compliance with laws and regulations and corporate ethics, offensive and defensive governance, and the creation and operation of internal control systems.
- Business transformations and new business development (DX): To demonstrate supervisory and advisory functions in the company's own reforms and business transformations using data and digital technologies, and the acceleration of new business development.

## List of Executive Officers As of June 18, 2024

Name	Position	Responsibilities	Profile
<b>Toshimitsu Taiko</b>	Director, President and CEO Representative Executive Officer	Responsible for Corporate Business Planning	Joined Minolta Camera Co., Ltd. in 1986. Worked in legal affairs and printer sales and later marketing and business planning operations at a printer sales company. Following the management integration of Konica and Minolta, involved in the Business Technologies Business, and worked in strategic business planning and served as president for a sales company in the U.S. Since 2020, became Director, Senior Executive Vice President and Executive Officer responsible for the Business Technologies Business, as well as Corporate Planning, Investor Relations, and Corporate Communications. Assumed the post of Director, President & CEO, Representative Executive Officer in April 2022 (present position).
<b>Noriyasu Kuzuhara</b>	Director Executive Vice President and Executive Officer	Responsible for Industry Business	Joined Konica Corporation in 1990, after involved in new business development projects such as the development of LCD films. Became Senior Executive Officer in 2016. Since 2017, served as the Division President of Material & Component Business Headquarters, and since 2018, doubled as General Manager of Corporate R&D Headquarters. Since 2022, responsible for Corporate Planning and led the formulation of the Konica Minolta Group's management strategy, before assuming his current position in 2024.
<b>Toshiya Eguchi</b>	Executive Vice President and Executive Officer	Responsible for Technology	Joined Konica Corporation in 1989. 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. After serving as General Manager of IoT Service Platform Development Operations, was appointed Executive Vice President and Executive Officer responsible for Technology in 2021. Currently is responsible for Technology as well as the Design Center and Intellectual Property Division.
<b>Shinichiro Oka</b>	Executive Vice President and Executive Officer	Corporate Human Resources, Corporate General Affairs, Corporate Secretary, Crisis Management and Precision Medicine Business	Joined Toshiba Corporation in 1991, and working in human resources. Then served as HR director for companies such as United Technologies, IBM Corporation, and Coca-Cola Bottlers Japan Inc., as well as an Executive Officer and Global CHRO for Macromill, Inc. before joining Konica Minolta Inc. in June 2020 and in 2021 was appointed as Executive Vice President and Executive Officer. As Human Resources Manager, is responsible for acquiring and developing global talent who will drive Konica Minolta's business model transformation, while leading its organizational transformation initiatives with his hands-on involvement inside the businesses.
<b>Hitoshi Kamezawa</b>	Executive Vice President and Executive Officer	Responsible for Industry Business Development, Sensing Business, Optical Components Business	Joined Minolta Camera Co., Ltd. in 1985 and ever since been involved in the sensing business. Became Development Manager of the Sensing Business Unit in 2011. Worked to strengthen the customer-oriented R&D system of the sensing business focusing on the display and object color measurement business. Appointed head of sensing business in 2015. Leads business expansion by planning and executing acquisitions of multiple overseas manufacturers and carrying out post-merger integration (PMI). Appointed as Executive Vice President and Executive Officer in 2023 (present position).
<b>Yoshihiro Hirai</b>	Director Executive Vice President and Executive Officer	Responsible for Corporate Accounting, Corporate Finance, Legal, Risk Management, and Compliance	Joined the Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) in 1991, and worked in global finance for major electronics and telecommunications corporations for more than 20 years. Joined Konica Minolta Inc. in 2019, and as General Manager of the Corporate Finance Division, worked to strengthen cash management and promoted centralized management of foreign exchange risks at the head office by introducing global netting. Appointed Corporate Vice President in 2021 and Executive Vice President and Executive Officer in 2023 currently in charge of accounting and finance and also involved in risk management, and from 2024 has also been in charge of legal affairs and compliance (present position).
<b>Keisuke Ichijo</b>	Senior Vice President & Executive Officer	Representative Director and President, Konica Minolta Japan, Inc.	Joined Konica Corporation in 1992 and was engaged in sales operations in Japan in the Healthcare Business. Launched a healthcare sales company in Shanghai in 2004, and after returning to Japan in 2008, was in charge of launching the AeroDR business. In 2013, was assigned to a healthcare sales company in the U.S. as Senior Vice President, and in 2017, promoted sales of digital products at the domestic sales company, Konica Minolta Japan. Appointed President of the Healthcare Company of Konica Minolta in 2020 and Representative Director and President in April 2023. Also has been responsible for the Business Technologies Business and Sensing Business, focusing on supporting customers truly succeed. Appointed Corporate Vice President in 2020, Corporate Senior Vice President in 2023, and Senior Vice President & Executive Officer in 2024 (present position).
<b>Hiroyuki Uemura</b>	Senior Vice President & Executive Officer	Responsible for Corporate Quality Management	Joined Konica Corporation in 1994, was involved in planning and development of photo systems and photo print services, development of application software for medical equipment, and activities to strengthen software development capabilities across businesses. From 2018, tackled group-wide issues related to quality assurance. Appointed Senior Manager of New Business QA Division in 2019, Senior Manager of Corporate Quality Assurance Center in 2022, and Deputy General Manager of Quality Management Headquarters in 2023 before being appointed Senior Vice President & Executive Officer in 2024. Leads the quality management of the Konica Minolta Group (present position).
<b>Ken Osuga</b>	Senior Vice President & Executive Officer	Responsible for Business Development for Business Technologies	Joined Minolta Camera Co., Ltd. in 1985. Served in finance and business management, business and sales planning of the Business Technologies Business, and has 25 years of experience in planning, sales, and management at sales subsidiaries in and outside Japan. Served as President of the European regional headquarters of the Business Technologies Business since 2011, and was appointed as Executive Officer in 2013. Upon returning to Japan in 2014, served as CFO, executive responsible for supervising the Business Technologies Business, sales and service, Division President of the Office Business Headquarters, and President of Konica Minolta Japan, Inc. Assisted the President & CEO as an executive responsible for Strategic Project since 2023, and since 2024, has been responsible for Business Development for Business Technologies.
<b>Miwa Okamura</b>	Senior Vice President & Executive Officer	Responsible for Corporate Communications and IR	Joined Ricoh Company, Ltd. in 1989 and was in charge of recruitment. From 1990, was in charge of human resources, public relations, investor relations, budget, and procurement at Yamanouchi Pharmaceutical Co. In IR, responsible for mergers and acquisitions (M&A), and in budgeting, handled mid-term management plans and investment evaluations, and experienced working in the United States. Since 2018, involved in setting up IR and sustainability functions and served as Executive Officer at J-Oil Mills, Inc.. Joined Konica Minolta Inc. in 2022 as Director of Public Relations and IR, and was appointed as Corporate Vice President. Appointed as Senior Vice President & Executive Officer in 2023 and Senior Vice President & Executive Officer in charge of Corporate Communications and IR in 2024 (present position).
<b>Norihisa Takayama</b>	Senior Vice President & Executive Officer	Responsible for Business Technologies Business	Joined Minolta Camera Co., Ltd. in 1991 and engaged in the development of solutions for MFPS for 21 years. Subsequently, was responsible for developing business strategies and new businesses. After being appointed as Corporate Vice President in 2019, was posted to Europe to lead the DX business in Europe from an early stage. After returning to Japan in April 2024, appointed Senior Vice President & Executive Officer Responsible for Business Technologies Business. Currently is working ambitiously for mid-term business growth.
<b>Akiko Murayama</b>	Senior Vice President & Executive Officer	Responsible for Board of Directors Office and Corporate Audit	Joined Konica Corporation in 1990. Engaged in planning operations in the overseas sales section of the photosensitive material business and supported major OEM customers and overseas sales subsidiaries. After the management integration of Konica and Minolta in 2003, started to engage in product planning for the Business Technologies Business in 2006. After a four-year transfer to the workers' union headquarters, returned to the corporate audit section in 2014. Appointed as General Manager of the Corporate Audit Division in 2019, Corporate Vice President in 2021, and Corporate Senior Vice President in 2023. Since July 2022, became executive responsible for corporate audit while doubling as General Manager of the Board of Directors Office, and was appointed as Senior Vice President & Executive Officer in 2024 (present position).
<b>Yusuke Yoshimura</b>	Senior Vice President & Executive Officer	Responsible for Imaging Solutions Business	Joined IBM Japan, Ltd. in 1999, and later joined Sony Corporation, where he worked as an engineer, developing display devices. In 2008, joined Arthur D. Little Japan Inc. (a strategy consulting firm), where he assisted major companies in formulating management, business, and technology strategies. In 2013, joined Konica Minolta Inc., and has led the formulation of company-wide management strategies and development of businesses. Appointed General Manager of the Corporate Planning Division in 2020, and Corporate Senior Vice President in 2022. Since 2023, has led company-wide business promotion and technology development utilizing imaging technologies and AI and IoT technologies. In 2024, appointed as Senior Vice President & Executive Officer (present position).



# Corporate Governance

## History of the evolution of our corporate governance

Konica Minolta was one of the first companies in Japan to adopt a “Company with three Committees” (in 2003, a “Company with Committees”) system as an institutional design under the Companies Act, separating business supervisory and execution, and pursuing Konica Minolta-style governance as a leading company in corporate governance.

Since then, as their own rule, the Nominating, Audit, and Compensation Committees do not appoint the President as a member from the viewpoint of enhancing independence, and the chairpersons of each committee are all Outside Directors. In this way, for example, the content of proposals for the election or dismissal of Directors, including Outside Directors, is decided by the Nominating Committee under the chairmanship of the Chairperson who is an Outside Director. Since June 2022, we have further enhanced our independence and evolved our corporate governance by having an Independent Outside Director chair the Board of Directors and a majority of the Board of Directors be Independent Outside Directors.

On the other hand, since the external form of corporate governance was put in place, the Company’s philosophy of governance has not necessarily been consciously passed down within the Company, and after 20 years, there are still variations in recognition and understanding of the supervisory and executive functions among Directors, which were highlighted in the evaluation of the effectiveness of the Board of Directors in fiscal 2022. While the system is advanced, there is also a recognition that the Company has not performed well in recent years. Therefore, in June 2023, we established the Corporate Governance Committee as a forum for discussions that would contribute to improving the effectiveness of the Board of Directors. Taking into consideration our current situation and management strategy, the Committee has been discussing how corporate governance should be optimized for our Company from a medium- to long-term perspective, and how it can contribute to management.

\* The Basic Policy on Corporate Governance and Governance Report are posted on the Company’s website.  
<https://www.konicaminolta.com/global-en/investors/management/governance/index.html>

## Changes in efforts to improve the effectiveness of our corporate governance

		FY2000-	FY2010-	FY2020-
General Corporate Governance		2003: Adopted the Company with Committees System (presently the Company with three Committees System)	2015: Established the Basic Policy on Corporate Governance	2023: Established Corporate Governance Committee
Board of Directors	Chairperson of the Board	2003-: Non-executive Inside Director		2022-: Independent Outside Director 2023-: Chair selection process in place
	Independent Outside Directors	2003-: 1/3 or more (4) 2006: Independence criteria established	2018-: 1/3 or more (5)	2022-: Majority (5)
	Ratio (Directors)			
	Tenure (baseline)	2003-: 4 years	2021-: 4 years (maximum 6 years)	2024-: 6 years (maximum 8 years)
	Effectiveness Assessments	2004: Initiation (questionnaire)	2016 and 2022: External evaluation (questionnaire/interview) 2023: Individual Director's self-evaluation/interview by the secretariat begins	
Fiscal Year Operations Policy			2014: Establishment started	
Nominating Committee	Selection of Candidates for Board of Directors		2019: Selection of female candidate (1)	
	Succession Planning for the President		2015: Supervision and advice begin	
	Skills Matrix		2015-: Created internally by committee	2021-: Disclosure 2024-: Disclose reasons for skill selection
Audit Committee		2006: Changed External Accounting Auditor		
Compensation Committee	Policy for Determining Compensation, etc.	2003: Policy for determining compensation established	2017: Clawback provision introduced	
	Stock Bonuses	2005-2016: Stock bonus-type stock option	2017: Introduced stock bonus linking with medium-term performance	2020: Introduced long-term stock bonus 2023: Introduced non-financial indicators
Others		2006: Senior adviser position abolished		

## Structure and systems to realize the mission of the Board of Directors

Based on their understanding of the Company, the Board of Directors aims to shorten the monitoring cycle for important themes and speed up the decision-making process by working on both sides of the issue: the exercise of supervisory functions by

Independent Outside Directors who are not bound by internal logic, and the exercise of accountability by the executive side.

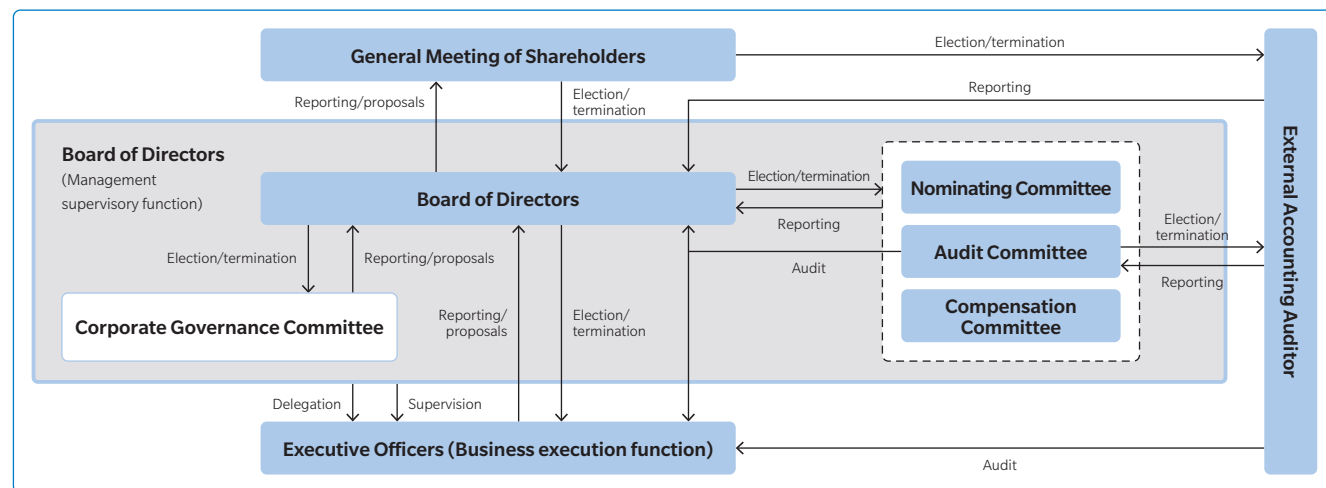
In order to achieve prompt and resilient execution in a changing environment, and to exercise diverse and objective

oversight functions that take into account the perspectives of stakeholders, including shareholders, we have established statutory and voluntary structures to support this. The code of conduct expected of each of them is as follows.

### Various meeting bodies related to corporate governance

Meeting body	Organization		Number of meetings in fiscal 2023 (Attendance rate)	Expected code of conduct
Board of Directors	Statutory	<ul style="list-style-type: none"> <li>Outside Director as Chairperson</li> <li>Majority of Outside Directors (55.6%)</li> </ul>	16 (100%)	<ul style="list-style-type: none"> <li>The Board of Directors will make the following efforts to achieve sustainable growth and enhance corporate value over the medium- to long-term. <ul style="list-style-type: none"> <li>Delegate authority to the Executive Officers to the maximum extent possible and entrust them with business execution, while intensively discussing important issues that will have a significant impact on the medium- to long-term corporate value</li> <li>Strive to maximize the exercise of executive capabilities, and at the same time, evaluate management performance through deliberations and decisions by the Nominating and Compensation Committees</li> </ul> </li> </ul>
Informal gatherings of Directors	Voluntary	<ul style="list-style-type: none"> <li>All directors participate</li> </ul>	11 (100%)	<ul style="list-style-type: none"> <li>To accelerate the implementation of important management issues by improving the quality of discussions at board meetings, exchange opinions in the early stages of execution considerations and confirm the points that the Board attaches importance to</li> </ul>
Executive session	Voluntary	<ul style="list-style-type: none"> <li>Independent Outside Directors only</li> </ul>	12 (98%)	<ul style="list-style-type: none"> <li>Conduct frank discussions among Outside Directors only after board meetings and informal gatherings of Directors</li> <li>To deepen understanding among Outside Directors on proposals made by the Executive Officers so as to make their comments at the next board meeting more constructive</li> <li>Provide feedback to the Executive Officers on an individual basis as necessary and play a role in improving the effectiveness of the Board of Directors</li> </ul>
Nominating Committee	Statutory	<ul style="list-style-type: none"> <li>Outside Director as Chairperson</li> <li>No Director who concurrently serves as an Executive Director shall be selected</li> <li>Majority of Outside Directors (Nominating 80%, Audit 75%, Compensation 75%)</li> </ul>	7 (100%)	<ul style="list-style-type: none"> <li>The Board of Directors shall be responsible for maximizing the functions it possesses to create an optimal supervisory (Director) and executive structure to enhance corporate value, both in the present and the future.</li> <li>While ensuring a medium- to long-term succession plan, the reappointment, non-reappointment, appointment, or dismissal of the CEO will be carefully deliberated prior to the resolution of the Board of Directors.</li> </ul>
Audit Committee	Statutory		13 (100%)	<ul style="list-style-type: none"> <li>Selecting Non-executive Inside Directors as full-time corporate auditors to grasp not only the internal control system but also its status of operations, etc., to ensure its effectiveness</li> <li>Outside Directors are required to serve as Audit Committee members during their first year in office to gain firsthand experience with the Company's unique issues and internal control challenges, and to deepen their understanding of the Company.</li> </ul>
Compensation Committee	Statutory		5 (100%)	<ul style="list-style-type: none"> <li>The remuneration system for Directors and Executive Officers is determined so that the Medium-term Business Plan and annual budget can be achieved.</li> <li>The strategic priorities of the Executive Officers are monitored and advised on a semi-annual basis, and the achievement of targets, including financial indicators, is fairly evaluated at the end of the fiscal year.</li> <li>We will be accountable internally and externally for the results of the evaluation, which will lead to further capacity building improvement in supervision and execution in the following year and beyond.</li> </ul>
Corporate Governance Committee	Voluntary	<ul style="list-style-type: none"> <li>Outside Director as Chairperson</li> <li>Majority of Outside Directors</li> <li>Only committee in which the President serves as a member</li> </ul>	7 (100%)	(Established in fiscal 2023) <ul style="list-style-type: none"> <li>Clarify the ideal form of governance for the Company, considering the situation the Company is in and its vision for the future</li> <li>Achievements in fiscal 2023: Establishment of an evaluation subcommittee focusing on the importance of cooperation between the Nominating and Compensation Committees; clarification of the selection process for the Chairperson of the Board of Directors; discussion of the fiscal 2024 executive structure to improve executive capacity; change in criteria for tenure of Outside Directors, etc.</li> </ul>
Evaluation Subcommittee	Voluntary	<ul style="list-style-type: none"> <li>All Nominating Committee members and Compensation Committee members participate</li> </ul>	1 (100%)	(Established in fiscal 2023) <ul style="list-style-type: none"> <li>The results of the Compensation Committee's semi-annual and year-end individual evaluations of each Executive Officer shall be shared with the Nominating Committee, and reflected in the Nominating Committee's oversight of the CEO succession plan and the deliberations on the election or dismissal of Executive Officers.</li> </ul>

## Structure of Corporate Governance Systems



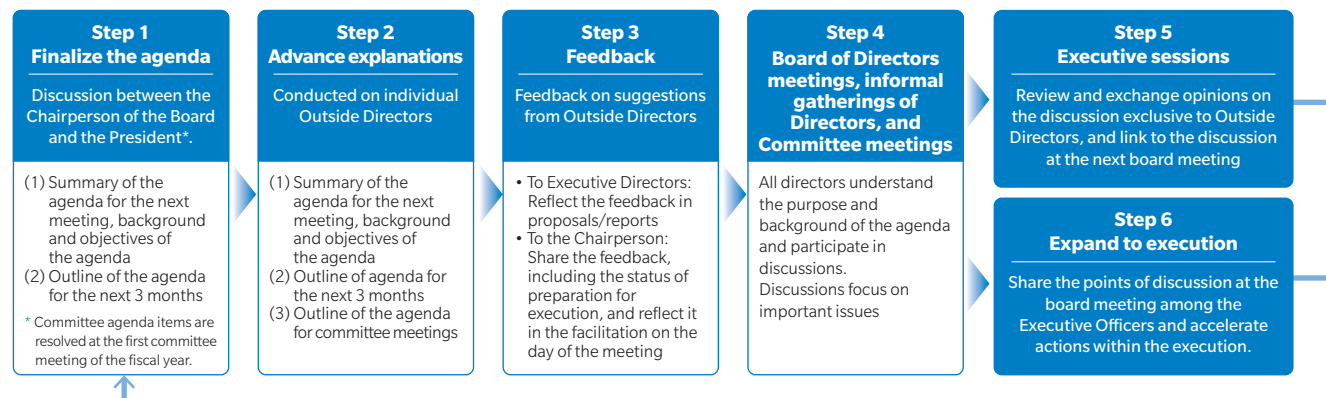
## Mechanisms to ensure the effectiveness of the Board of Directors

In addition to the establishment of the Audit Committee Office as required by the Companies Act, the Company has established the Office of the Board of Directors as the secretariat of the Board of Directors and the Nominating and Compensation Committee.

The Office of the Board of Directors maintains a relationship of

trust and fairness with both supervisory and executive functions, and proactively supports the maintenance and improvement of the Company's corporate governance so that the Board of Directors can fulfill its expected role with firm conviction as a professional in corporate governance. The Board of Directors Office takes the lead in implementing the following mechanisms to ensure the effectiveness of the Board of Directors meetings and other meetings.

## Mechanisms to support board operations



## Selection process for Director candidates

Inheriting the basic approach\* to governance from when we transitioned to a company with committees (now a company with a nominating committee) in 2003, we have implemented a process to ensure a high degree of independence and transparency in the election of Outside Directors.

The Nominating Committee has established the "Policies and Procedures for the Nominating Committee to Nominate Director Candidates" and the "Criteria for the Election of Directors," and determines the content of proposals to be submitted to general meetings of shareholders for the election and dismissal of Directors.

\* This approach places importance on the checking function of the President.

## Procedures upon nominating Director candidates

All Directors	<ul style="list-style-type: none"> <li>Confirm the number of Directors who will retire in accordance with the criteria of tenure or age. Estimate the number of new inside or outside candidates</li> </ul>
Outside Directors	<ul style="list-style-type: none"> <li>Determine the requirements (knowledge, experience, and ability) for new Outside Directors as well as those to be reappointed, so that they can offer useful supervision and advice on the Company's management issues</li> <li>At the request of the Nominating Committee Chairperson, nominate a wide range of candidates from Nominating Committee members, other Outside Directors, and the President &amp; CEO, Representative Executive Officer</li> <li>Distribute the database of candidates prepared by the secretariat to Nominating Committee members, etc., as a reference</li> <li>Narrow down the pool of candidates and determine their order</li> <li>The Nominating Committee Chairperson and, if necessary, a committee member appointed by the Chairperson, interview the candidates and invite them to become Outside Directors.</li> </ul>
Inside Directors	<ul style="list-style-type: none"> <li>The President and CEO shares with the Internal Nominating Committee members his/her concept for the executive structure for the next fiscal year, and jointly proposes it to the Nominating Committee.</li> <li>The Nominating Committee deliberates on the draft.</li> </ul>

### President & CEO Succession Plan

The Nominating Committee shall receive reports from the President and CEO at appropriate times on succession planning and provide necessary supervision. The President and CEO objectively assesses the strengths and challenges of the candidates for succession to President and CEO through external assessments in the succession planning process. In addition, the Nominating Committee (4 Outside Directors and 1 Non-executive Inside Director) self-checks the explanations and responses of candidates for succession to the President and CEO at meetings of the Board of Directors and other meetings or site visits.

At its fiscal 2023 meeting, the Committee reaffirmed that the following perspectives are important when monitoring succession planning and will be reflected in the activities of the Nominating Committee in fiscal 2024.

- The process shall revolve around both universally required qualification requirements and qualification requirements based on business conditions
- Develop a system to visualize and evaluate candidates' abilities and achievements
- Share case studies of achievements and performance of initiatives supporting the potential of candidates for the next successor during their selection

Moreover, the selection of candidates for successor of the next President and CEO is continuously addressed in the process of training the following top executive candidates (Executive Officers and Corporate Vice Presidents, etc.).

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

In order to systematically deploy and develop the next generation of leaders responsible for Company management, we have set up a place where the CEO and department heads can visualize potential human capital through individual dialogue, clarify human capital who can immediately assume the leadership of business and functions, or successors who may be able to do so in three to five years from now, and give them roles in which they can grow as candidates. In particular, we believe that diversity of management is essential to make high-quality decisions in times of rapid change, and female candidates are discussed as an individual theme. In addition, we also target young potential group and overseas human capital for training as candidates for succession.

In fiscal 2023, the top managers of all divisions (21 divisions) and the President held sessions on training and leveraging management personnel, leading to the rotation of about 19 employees and the expansion of about 31 employees' roles. In

addition, approximately 18 employees were carefully selected and dispatched to external executive training programs tailored to their individual needs.

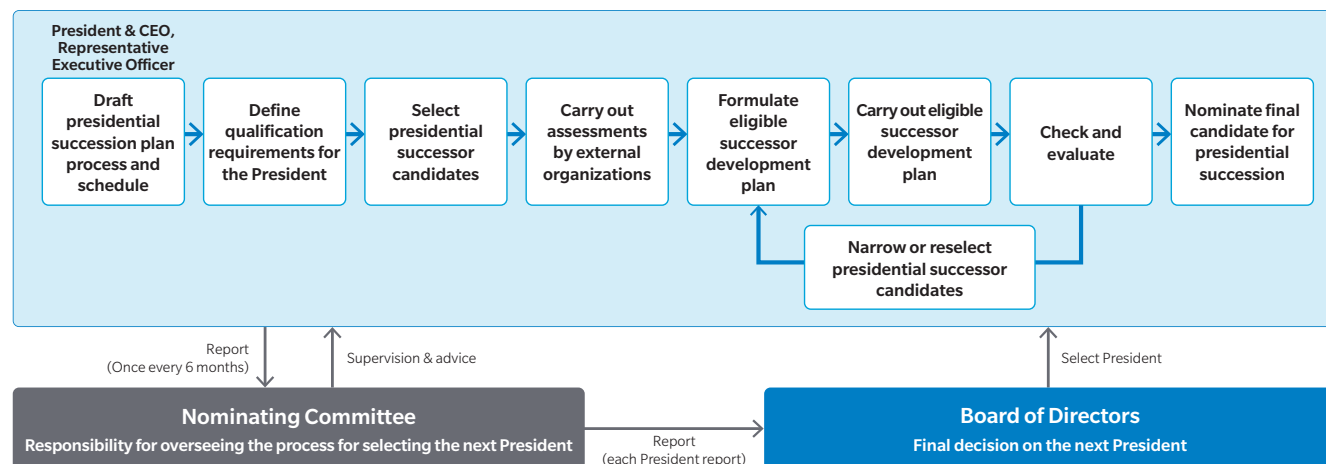
### Effectiveness Assessments for the Board of Directors

In order to confirm whether the establishment and operation of the corporate governance system is contributing to the Company's sustainable growth and medium- to long-term enhancement of corporate value, the Company annually reviews the past year's activities and evaluates the effectiveness of the Board of Directors and its committees.

### Guidelines for Implementation

Objective	To analyze and evaluate the effectiveness of the Board of Directors and its committees to improve their functions
Subjects	All directors (9)
Method	Web-based questionnaire, individual interviews
Implementing entity	The Company (third-party evaluation conducted once every 3-4 years, most recently in fiscal 2022)
Evaluation items	Composition, operation, and discussions of the Board of Directors and each committee; supervisory framework for execution; gap between importance of discussions and volume of discussions; self-assessment
Process	<ol style="list-style-type: none"> <li>(1) Preparation (study of evaluation method, design of questionnaire)</li> <li>(2) Web-based questionnaire</li> <li>(3) Individual interviews (conducted by the secretariat based on analysis of questionnaire results)</li> <li>(4) Analysis (analysis of evaluation results, summary of issues and countermeasures [hypotheses])</li> <li>(5) Report on the evaluation results and discussion for the identification of issues and their countermeasures at the Corporate Governance Committee meeting (attended by all Directors)</li> <li>(6) Report on countermeasures at the Board of Directors meeting</li> <li>(7) Reflection of the results in the policies of the Board of Directors and each committee for the next fiscal year</li> </ol>

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



## Corporate Governance

### Summary of Effectiveness Assessment for the Board of Directors Results

As a result of our efforts to improve the effectiveness of the Board of Directors under the leadership of the Chairperson, we have confirmed that, although there are issues for fiscal 2024 and beyond, there has been improvement since fiscal 2022, and the effectiveness of the Board of Directors is at a satisfactory level, both in terms of quantitative assessments based on scores and qualitative assessments through interviews and exchanges of opinions at the Corporate Governance Committee.

### Fiscal 2023 Assessment Results on Issues Identified in Fiscal 2022

Fiscal 2022 Issues	Fiscal 2023 Assessment Results
1. Redefining the role of the Board of Directors	Significant improvement. Assessed that the phase aimed at having Inside and Outside Directors become a united team against the backdrop of simultaneous change of Chairperson and President was successful.
2. Shared recognition of the composition of the Board of Directors	
3. Further advancement of strategic discussions	Ongoing issues. Improvement efforts will continue in fiscal 2024 for the items listed in the table below.
4. Improving the operational efficiency of the Board of Directors and its committees	

### Results of the Effectiveness Assessments of the Board of Directors for Fiscal 2023

The following results have been incorporated into the Board of Directors' management policies and the activity policies of the Committees for fiscal 2024.

Improvements in fiscal 2023	<ol style="list-style-type: none"> <li>Improved governance by changing the composition of the Board of Directors (Outside Director Chair and majority of Outside Directors)</li> <li>Active discussion at Board of Directors meetings and informal gatherings of Directors and reflection in execution</li> <li>Ensuring information symmetry by strengthening cooperation among committees and Outside Directors</li> <li>Effective use of the new Corporate Governance Committee and executive sessions</li> </ol>
Issues going forward	<ol style="list-style-type: none"> <li>Deepen medium- to long-term strategy (including sustainability and human capital management)</li> <li>Promoting time-sensitive measures</li> <li>Operational efficiency of meetings of the Board of Directors and its committees</li> <li>Corporate governance as a medium- to long-term issue (requirements for outside directors linked to diversity, medium-term strategy, etc.)</li> </ol>

### Board of Directors Operations Policy

#### Review of Fiscal 2023

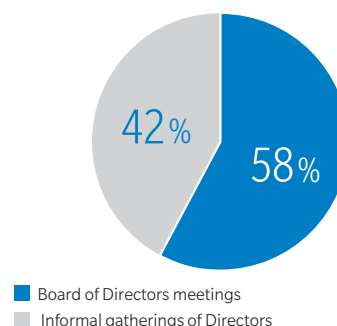
The following is a review of the previous fiscal year as presented by the Chairperson of the Board of Directors at the Board of Directors meeting immediately following the Ordinary General Meeting of Shareholders in June 2024.

Fiscal 2023 Operations Policy	Review
1. Key areas of monitoring by the Board of Directors to ensure achievement of the fiscal 2023 plan	The Board of Directors spent sufficient time on the agenda of business selection and concentration, also utilizing informal gatherings of Directors, which led to results including capital policies for non-focused businesses (e.g., transfer of Invicro's entire equity capital) and the start of discussions for a business alliance in the Business Technologies Business.
2. Further advancement of strategic discussions Beyond business selection and concentration	Insufficient time was spent on medium- to long-term growth strategies, which was recognized as an ongoing issue in the effectiveness assessment.
3. Further improvement of executive power	In fiscal 2023, we were able to exceed the externally announced figures, ensuring that we achieved the committed targets.
4. Improvement of corporate governance	Improvement of governance through a change in the composition of the Board of Directors (Outside Director as Chairperson and a majority of Outside Directors) was confirmed in the assessment of Board effectiveness. The ideal form of corporate governance in the medium- to long-term is still under discussion.
5. Improving operational efficiency of the Board of Directors and its committees	Improved efficiency by having the Chairperson of the Board of Directors and the President and CEO coordinate their understanding of agenda items, providing explanations to Outside Directors in advance, and utilizing written reports, etc.
6. Enhancement of Outside Directors' Executive Sessions	Meetings for the Outside Directors only were held more frequently than in the previous fiscal year. Several opportunities were also set up for discussions between Outside Directors and Executive Officers and Corporate Vice Presidents. Each of these meetings contributed to the improvement of supervisory and executive functions.

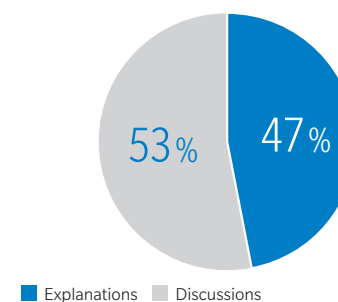
### (Reference) Board of Directors Meetings and Informal Gatherings of Directors in Fiscal 2023

The following table shows each of the Board meetings and informal gatherings of Directors held as a percentage of total meeting time, as well as the percentage of discussions and the percentage of agenda items that took up the most time.

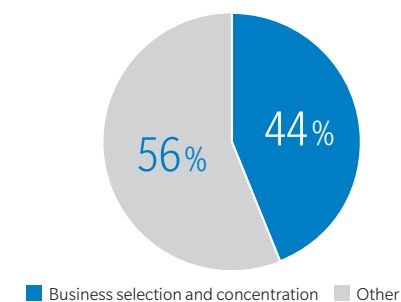
#### Percentage of Board meetings and informal gatherings of Directors



#### Percentage of time in Board meetings and informal gatherings of Directors spent on explanations or discussions



#### Percentage of agenda items related to business selection and concentration at Board meetings and informal gatherings of Directors



\* Time of Board meetings and informal gatherings of Directors held after the 119th Ordinary General Meeting of Shareholders held on June 2023 through the end of May 2024



## Board of Directors management policies for Fiscal 2024

Fiscal 2024 will be the year to clear away the negative legacy and reveal a new Konica Minolta for medium- and long-term growth. In order to start a new chapter for growth from fiscal 2025, the Board of Directors will particularly focus on the following points in fiscal 2024.

1. Completion of structural reforms	Monitor the improvement of productivity and other areas after the completion of structural reforms for the future
2. Medium- to long-term growth strategy	Present our business portfolio after the completion of business selection and concentration, and answer the questions of, "What areas can Konica Minolta succeed in?" and, "How are our material issues connected to our business?" with a growth strategy that is acceptable to capital markets and other stakeholders
3. The capabilities and culture for becoming a profitable company through innovation	Review the past in terms of the Company's capabilities and culture, and identify the elements necessary to become a company that can commercialize innovation and generate profits
4. Achieve the 2024 budget and Medium-term Business Plan	Clarify checkpoints and monitor to ensure achievement of the plan
5. Clarify the ideal form of corporate governance	As an ongoing theme of the Corporate Governance Committee, redefine how the Board of Directors should be involved in strengthening executive capabilities and how the Board of Directors should be for rational decision-making (Board composition, director candidate requirements, etc.)
6. Efficient operation of the Board of Directors and its committees	Continue to work toward further efficient operation of the Board of Directors. In addition, strengthen feedback of the Board of Directors' discussions to the executive team to enhance the content of preliminary explanations for the next Board of Directors meeting
7. Enhancement of Executive Sessions	Meetings among Outside Directors only and creation of contact between Outside Directors and Executive Officers/Corporate Vice Presidents will be continued as opportunities for mutual understanding

## A Compensation System for Directors and Executive Officers That Motivates Them to Achieve Their Goals

The Company's Directors and Executive Officers 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 human capital that will take responsibility for the Company's development.

The Compensation Committee determines the amount of compensation, etc. per individual received by Directors and Executive Officers in accordance with the Officer Compensation Determination Policy established in accordance with this purpose.

In promoting the Medium-term Business Plan from fiscal 2023, we revised the Directors and Executive Officers compensation system to motivate Directors and Executive Officers to achieve the goals<sup>\*1</sup>. Also, in order to improve corporate value in the medium to long term, we have introduced non-financial indicators<sup>\*2</sup> as evaluation items for the medium-term stock bonus.

<sup>\*1</sup> Shift of compensation structure from base salary to annual performance-linked cash bonus by 5%, revision of evaluation indicators, etc.

<sup>\*2</sup> CO<sub>2</sub> emission reduction amount and employee engagement

## Enhancement of system operation and effectiveness of compensation governance

During the period of this Medium-term Business Plan, management will implement, in a timely and appropriate manner, measures that are strategically necessary to enhance the medium- to long-term corporate value of the Company, even if such measures do not show up in financial indicators or involve temporary deterioration of financial indicators. From the first year of the Medium-term Business Plan, we have emphasized strategic priority measures to promote business selection and

concentration and the establishment of a foundation for growth, and have enhanced the operation of the system in order to appropriately evaluate the achievement of such measures as incentives. At the Compensation Committee meetings held at the beginning of the fiscal year (May) and at the interim meeting (November), the President & CEO explained the important tasks and progress status of the strategic priority measures for each Executive Officer, and the Compensation Committee provided supervision and advice while confirming the degree of difficulty of each important task and the involvement of the President & CEO. At the Compensation Committee meeting held in May after the end of the fiscal year, the President proposed an evaluation of each Executive Officer based on the status of achievement of targets for fiscal 2023, and the President explained his own self-evaluation of the status of achievement of targets. The amounts of annual performance-linked cash bonuses for each Executive Officer were determined together with the compensation portion calculated in accordance with the management indices used as evaluation items.

Progress on key issues in the interim was reported simultaneously in the form of an Evaluation Subcommittee attended by members of both the Nominating and Compensation Committees. The Compensation Committee members use this information as interim information for the final evaluation at the end of the fiscal year. The Nominating Committee members use the information as interim information in advance of the Board of Directors meeting at which the executive structure for the next fiscal year is to be decided, when the Nominating Committee receives an explanation of the proposed new executive structure from the President and discusses it in advance. At the Evaluation Subcommittee and Compensation Committee meetings, the members, who have abundant and diverse management experience, provide accurate and meaningful advice on the President's assignment of missions to each Executive Officer and on the incorporation of the management plan into targets to be achieved for each important issue.

## Composition of Directors and Executive Officers compensation

Directors	Inside Directors (not concurrently serving as Executive Officers)	Base Salary		Medium-term stock bonus (non-performance-linked)	Long-term stock bonus	Structure that eliminates short-term performance-reflective portions
	Outside Directors	Base Salary				
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%	<p>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.</p> <ul style="list-style-type: none"><li>• <b>Annual performance-linked cash bonus:</b> 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</li><li>• <b>Medium-term stock bonus (non-performance-linked):</b> role and years in office</li><li>• <b>Medium-term stock bonus (performance-linked):</b> degree of attainment of Medium-term Business Plan targets</li><li>• <b>Long-term stock bonus:</b> position or role and years in office</li></ul>
	Other Executive Officers	Base Salary 50%	Annual performance-linked cash bonus 30%	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	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 <sub>2</sub> 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

## Total amount of compensation, etc. by director or executive officer

Category		Directors			Executive Officers	
		Outside	Inside	Total		
Compensation	Total (million yen)		88	40	128	406
	Base salary	Persons	6	1	7	9
		Amount (million yen)	88	31	120	250
	Performance-based cash bonus (Note 3)	Persons	–	–	–	9
		Amount (million yen)	–	–	–	102
	Stock bonus (Note 4)	Persons	–	1	1	9
		Amount (million yen)	–	8	8	54

Note 1 The number above includes one Outside Director and one Executive Officer (who is also a Director) who resigned on the date of the 119th Ordinary General Meeting of Shareholders held on June 20, 2023. As of March 31, 2024, the Company has five Outside Directors, one Inside Director (not concurrently holding Executive Officer posts) and eight Executive Officers.

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

Note 3 The performance-linked cash bonus reflects the amount to be recorded as an expense for the fiscal year 2023.

Note 4 The stock bonus reflects the amount to be recorded as an expense for the fiscal year 2023, based on a calculation of estimated amount of stock bonus issuance by 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 Business Plan.

Note 5 In addition to the above compensation, the following compensation was paid in fiscal 2023 in accordance with the resolution of the Compensation Committee at the time, based on the former retirement compensation, which was abolished in June 2005.

- Executive Officer (who is also a Director) (one person) 14 million yen (resigned on June 20, 2023)

## 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. Six stocks judged to be lacking in significance were sold (excluding deemed holding shares) in fiscal 2023 (proceeds were 2,668 million yen).

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.

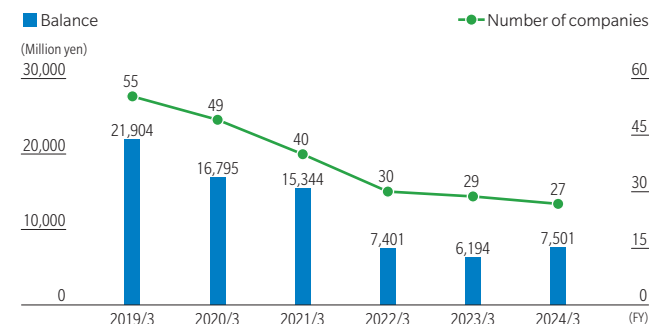
- Transfer of important assets
- Shareholdings structure change due to mergers or acquisition of 100% ownership
- Third-party allotments through favorable issuances
- Introduction of measures to defend against hostile takeovers

## Breakdown of cross-shareholdings

	Stocks (name)	Total amount recorded on balance sheet (million yen)
Unlisted shares	19	708
Shares other than unlisted shares	8	6,792

\* The ratio of the above total to consolidated net assets (total equity attributable to owners of the Company) is 1.4%.

## Trend in cross-shareholdings



## Dialogue with Shareholders and Investors

Konica Minolta believes that maximizing corporate value through two-way dialogue with the capital markets is the key to meeting the expectations of shareholders and investors. Therefore, in accordance with the principle of “disclose corporate information in a timely and fair manner” set forth in the Konica Minolta Group Charter of Corporate Behavior, Konica Minolta strives to ensure that the activities of the entire Group are properly understood through proactive investor relations (IR) activities. We hold quarterly financial results briefing sessions for securities analysts, institutional investors, and individual investors, and are further enhancing our information dissemination tools, including news releases. In addition to responding to individual interviews and meetings for follow-up as needed, top management visits to investors are also conducted. We also actively participate in conferences hosted by securities firms in Japan and overseas to engage in direct communication with investors.

In recent years, we have also held briefings for investors on the theme of sustainability management in light of the rapid expansion of ESG investment, which takes into account not only financial information but also ESG activities in investment decision-making.

Opinions and suggestions from stakeholders obtained through these activities are shared with top management as appropriate and fed back to the Board of Directors and management meetings to improve management. We also provide feedback to all employees on the opinions of the capital market through “CEO LIVE!” an internal financial results briefing, and other means to raise their awareness and encourage them to take actions to enhance corporate value (see page 14).



Ranked No. 1 overall in the 2023 Gomez IR Site Rankings



Awarded for Excellence in Daiwa's "2023 Internet IR Award"

## Dialogue with Shareholders and Investors

### Actual dialogue with investors (FY2023)

Investor interviews	160 times
of which Management attended	President: 23 times Officer: 59 times
Small meetings with the President	2 times
Small meetings with the Chairperson of the Board	1 time
Industry Business small meetings	1 time
Conferences and visits (in and outside Japan)	9 times (75 companies total)
Domestic shareholder engagement meetings	7 companies

### IR Information Meetings Held (FY2023)

Konica Minolta Day (In-person & online)	1 time Approx. 50 participants
Industry Business Briefings (Factory visit & online)	1 time Approx. 80 participants
Briefings for Individual Investors (Online)	2 times Approx. 500 participants

For more details: IR briefings

[https://www.konicaminolta.com/global-en/investors/event/other\\_events/index.html](https://www.konicaminolta.com/global-en/investors/event/other_events/index.html)

### Major Comments and Requests from Shareholders and Investors

#### • Basic policies and measures of the Medium-term Business Plan

The direction and policies are strongly supported. Requests for speedier implementation of measures such as business selection and concentration.

#### • ROE

Requests for an early improvement of ROE to 5% or more

#### • Sustainability Management

Requests for confirmation of the linkage between ESG initiatives and the creation of business value

#### • Financial results briefings, etc.

The amount of information in the materials is excessive and difficult to understand.

#### • Contents of Integrated Report

Desire to learn more about human capitals active in the field, examples of value co-creation with customers, etc.

## Internal feedback

### Major Feedback Opportunities (FY2023)

Opportunities	Frequency
Reporting the opinions received at meetings with investors and securities analysts at management meetings	Before and after financial results for each quarter and on each time
Report on market reaction to the Board of Directors	
Share investor and analyst feedback with employees at internal financial results briefings	
Summaries and feedback from conferences and investor visits reported to the Board of Directors, management meetings, etc.	

### Major improvement actions in response to shareholder and investor feedback

- In response to requests for improved profitability as early as possible, we discussed and formulated an action plan to implement measures such as business selection and concentration and “global structural reform” in fiscal 2024.
- Sustainability briefings, business briefings, etc., to provide examples of business initiatives that solve social issues
- Reduced the number of words in financial results presentation materials, etc., and revised them into a form that can be understood visually in a short time by using graphs and diagrams.
- Improved Integrated Report contents (see page 2 “Editorial Policy” for details.)

# Risk Management

## Major Risks Identified by Frequency and Potential Degree of Impact

Konica Minolta considers 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 Konica Minolta 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

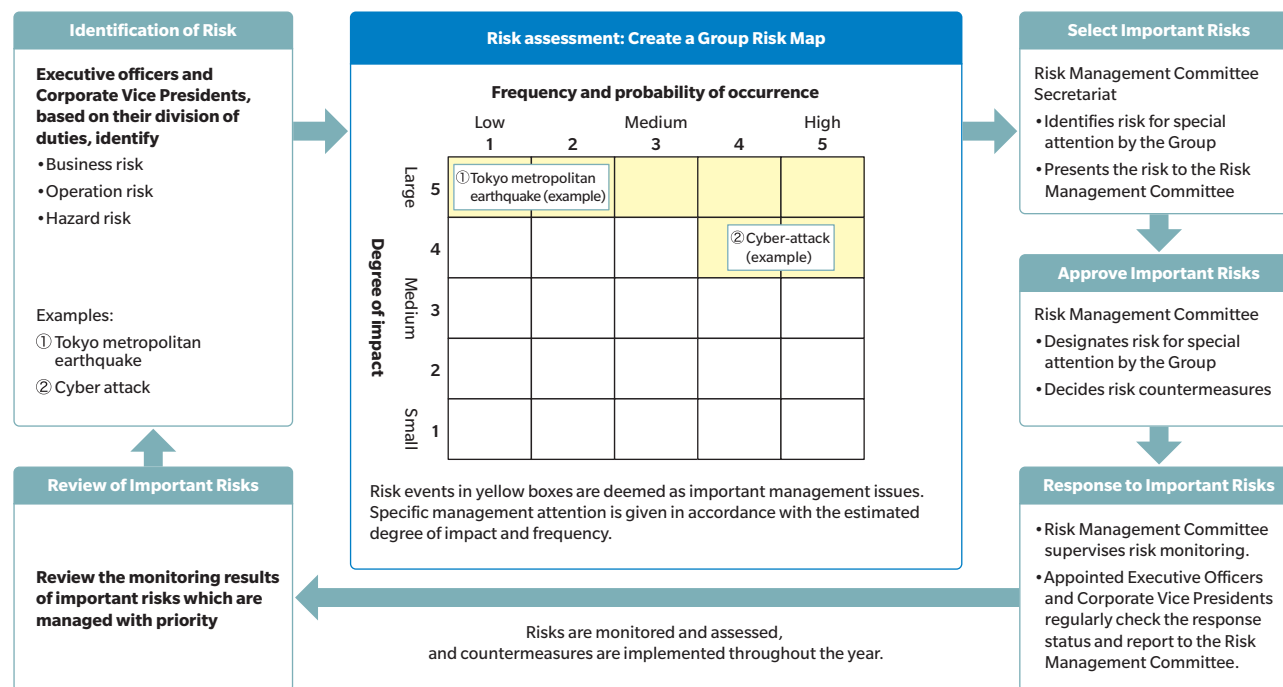
The Risk Management Committee reviews management risk items in 17 categories, including items classified as small and medium risks. It applies the PDCA process to improve risk measures, in which the committee reviews the status of countermeasures by conducting monthly and quarterly monitoring. The Risk 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 of the monthly progress of the Konica Minolta 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



For details about our Risk Management:

<https://www.konicaminolta.com/global-en/investors/management/risk/index.html>



## Risk Management

### Main Risks and Countermeasures

Risk	Probability	Timing with Potential Occurrence	Potential Impact	Countermeasures
Forex fluctuations	High	Within 1 year	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. In addition, netting systems provided by financial institutions are used for global settlements denominated in multiple currencies, and forex risk concentration management and effective hedges are implemented by concentrating subsidiaries' foreign currency risks at the Company.
Digital Workplace Business Risk related to changes in the print environment	High	Within 1 year	Large	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 India and other countries and regions where output opportunities have room to grow.
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 and changes in geopolitical risks. 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, nano-fabrication, 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 Industry, Digital Workplace, Professional Print, and Imaging Solutions Businesses and to deal with the risks engendered by changes in next-generation technologies.
Shift to new products	Medium	Within 3 years	Large	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, corporate acquisitions, etc., 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.	Medium	Within 1 year	Medium	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	Large	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 of preventing 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 so that we can minimize risks related to quality and increase customer satisfaction.
Human rights	Medium	Any time	Medium	As a corporation with global businesses, in the Konica Minolta Group Charter of Corporate Behavior, the Konica Minolta Group Human Rights Policy, and the Konica Minolta Supply Chain Code of Conduct, we have set forth respect for human rights as one of the most basic requirements for our business activities. In addition, we conduct human rights due diligence based on this policy, and in our efforts toward respect for human rights, we are also pursuing respect for human rights by our business partners and other parties connected with our Group's businesses.
Major earthquake, disaster, epidemic, etc.	Medium	Any time	Large	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	The Konica Minolta Group is constantly pursuing efforts to make our production processes more efficient, advancing the development and improvement of production technology, and promoting the Green Factory initiative that will simultaneously reduce both CO <sub>2</sub> emissions and costs. In response to situations where climate change has a tangible material impact, we are tracing the supply routes for raw materials back to their origins, and for raw materials with a high risk involved in obtaining a stable supply, we are securing multiple suppliers or considering alternative materials.
Intellectual property rights	Low	Any time	Small	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	Large	We see the development and acquisition of IT 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 IT field to the Company.
Information security	High	Any time	Large	Regarding information security, we are engaged in network monitoring and are working on early detection of service outages due to attacks of various kinds. We also conduct periodic testing for network intrusions and are implementing responses in the event of early verification of weaknesses that can be exploited. In addition, for employees who continue to work from home after the convergence of the COVID-19 pandemic, we are putting in place restrictions on connecting to the corporate network with computers that are not company-owned and are providing a secure network environment that uses encrypted communications to prevent unauthorized access by external parties, so as to provide these employees with a physical work environment that takes security into consideration.

### Human Rights

Human rights are universally valued rights that all people are born with. In today's world, there is a growing awareness that businesses can have a great impact on human rights.

As a company with global business operations, Konica Minolta specifies respect for human rights as one of the most basic requirements in its business activities in the Konica Minolta Group Charter of Corporate Behavior, Human Rights Policy, and Supply Chain Code of Conduct. Under these policies, the Group conducts human rights due diligence and respects human rights.

#### Human Rights Policy

The Konica Minolta Group Human Rights Policy was established based on the United Nations Guiding Principles on Business and Human Rights. Based on this policy, the Konica Minolta Group asks its business partners and other parties connected to the Group's business not to violate human rights.

#### Human Rights Due Diligence

Konica Minolta has created a human rights due diligence system to identify potential and actual human rights risks that its business activities may pose to stakeholders, to review and implement measures for the prevention and mitigation of adverse human rights impacts, and to disclose information on progress status.

When making new or additional investments, the Group include human capital-related checks in its due diligence process to assess investment suitability.

#### Identifying and Assessing Adverse Human Rights Impacts (Impact Assessment)

First, the Group identified stakeholders who are subject to actual or potential negative impacts and any existing human rights issues caused by its business activities and transactions. Next, the Group assessed the impact of the adversely affected stakeholder who was identified and their human rights issue, and then identified the human rights issues that are considered high priority.

The assessment is periodically reviewed, and the human rights issues that are identified as high priority are set as targets, and the departments in charge of human resources, legal affairs, procurement, quality, IT, and sustainability consider measures and implement them.

#### Remedy and Grievance Mechanism

Using a system that enables employees to report human rights concerns, if there is a clear indication that Konica Minolta directly caused or was involved in any adverse impact on human rights, it will promptly investigate and take corrective action through appropriate internal and external procedures.

[For more details about Human Rights:](https://www.konicaminolta.com/about/csr/social/rights/index.html)

<https://www.konicaminolta.com/about/csr/social/rights/index.html>

### Information Security

Information security is the most important issues for any company that wants to effectively utilize all the types of information in its possession. Konica Minolta treats information as a valuable asset, and is working to ensure information security. It does this by practicing proper information management to address risks such as loss, leakage, or destruction of data, while carrying out continual improvements.

#### Promoting Information Security

Based on the leadership of the President and CEO as well as the officer responsible for IT planning who is appointed as the Chief IT Officer, Konica Minolta has established a Group-wide information security management system and is promoting a higher level of IT security and continual improvements at Group companies worldwide. In order to ensure the security (confidentiality, integrity, and availability) of controlled information, including not only information handled using information technology, but also information on paper and information about services and personnel, all Group companies in Japan have continuously maintained ISO 27001 certification, which is the international

standard for information security management, since fiscal 2009. In addition, once a year risk assessments of information security are conducted and a risk response plan is formulated. Meetings of information security promoters, with a representative from each business in attendance, are held every quarter. At these meetings, progress on risk response plans and actions taken — particularly incident summaries — are reported to the Information Security Control Officer and instructions for necessary responses are issued. In this way, the PDCA cycle is followed. Furthermore, measures to prevent unauthorized use and information leakage are implemented through the enactment and operation of rules relating to the management of confidential information and the establishment of systems for restricting and monitoring access to confidential information and its removal off-site. Also, education on the protection of personal information and information security is given at least once a year to all officers and employees, including non-regular employees, of Group companies in Japan.

Outside Japan as well, Group companies work to obtain ISO 27001 certification. Also, all Group companies outside Japan are required to provide all employees with education on information security at least once a year.

Especially with respect to cyber-attacks, that have increased in recent years, by following the Cybersecurity Management Guidelines formulated by Japan's Ministry of Economy, Trade and Industry, our management team is aware of the importance of cyber security risk countermeasures and implements global security measures for IT, including establishing a Konica Minolta Computer Security Incident Response Team named KM-CSIRT\*, that responds to incidents throughout the Group.

Finally, Konica Minolta is putting in place IT security controls, which are a part of the IT controls required under the Financial Instruments and Exchange Act (Japanese Sarbanes-Oxley Act) while ensuring compatibility within the Group.

\* KM-CSIRT: Konica Minolta's Computer Security Incident Response Team

# Part5

## Data Section

- 76 Key Financial Data for the Past 10 Years
- 77 Independent Valuation
- 78 Company Overview/Stock Information

# Key Financial Data for the Past 10 Years

Konica Minolta, Inc. and Subsidiaries, Business Years Ending March 31

\* The Company uses International Financial Reporting Standards (IFRS)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Consolidated Financial Highlights</b>										
Revenue (Millions of yen) .....	1,002,758	1,031,740	962,555	1,031,256	1,059,120	996,101	863,381	911,426	1,130,397	1,159,999
Business contribution profit (Millions of yen)* <sup>1</sup> .....	78,541	65,623	43,316	45,807	50,694	23,250	-15,018	-12,154	29,739	26,019
Business contribution profit ratio (%) .....	7.8	6.4	4.5	4.4	4.8	2.3	-	-	2.6	2.2
Operating profit (Millions of yen) .....	65,762	60,069	50,135	53,844	62,444	8,211	-16,266	-22,297	-95,125	26,091
Profit attributable to owners of the Company (Millions of yen) .....	40,934	31,973	31,542	32,248	41,705	-3,073	-15,211	-26,123	-103,153	4,521
Basic earnings per share (Yen)* <sup>2</sup> .....	81.01	64.39	63.65	65.17	84.33	-6.21	-30.75	-52.93	-208.89	9.15
Net assets per share (Yen) .....	1,067.97	1,037.96	1,057.92	1,060.72	1,123.39	1,058.29	1,093.98	1,113.71	986.87	1,091.68
Dividends per share (Yen) .....	20.0	30.0	30.0	30.0	30.0	25.0	25.0	30.0	10.0	5.0
R&D expenses (Millions of yen) .....	74,295	76,292	73,275	77,021	78,396	74,040	65,035	62,678	63,894	65,101
R&D expense ratio (%)* <sup>3</sup> .....	7.4	7.4	7.6	7.5	7.4	7.4	7.5	6.9	5.7	5.6
Cash flows from operating activities (Millions of yen) .....	101,989	59,244	68,659	65,367	57,166	30,148	78,060	37,438	13,319	83,338
Cash flows from investing activities (Millions of yen) .....	-54,014	-110,788	-70,594	-133,737	-41,480	-50,043	-34,330	-50,999	-37,498	-44,534
Free cash flow (Millions of yen) .....	47,975	-51,544	-1,935	-68,370	15,685	-19,895	43,730	-13,561	-24,179	38,804
<b>Profitability</b>										
ROE (%)* <sup>4</sup> .....	7.9	6.1	6.1	6.1	7.7	-0.6	-2.9	-4.8	-19.9	0.9
ROA (%)* <sup>5</sup> .....	4.1	3.2	3.2	2.9	3.4	-0.2	-1.2	-2.0	-7.5	0.3
ROIC (%)* <sup>6</sup> .....	6.4	6.1	5.1	5.0	5.4	0.7	-1.4	-1.8	-7.7	2.1
<b>Efficiency</b>										
Total assets (Millions of yen) .....	1,001,800	976,370	1,005,435	1,203,907	1,218,986	1,276,768	1,299,752	1,338,124	1,413,777	1,388,052
Property, plant and equipment (Millions of yen) .....	181,641	187,322	190,580	192,941	207,138	309,457	292,535	287,749	289,127	282,225
Inventories (Millions of yen) .....	120,803	121,361	136,020	139,536	144,703	162,575	156,942	185,661	242,108	219,065
Trade receivables (Millions of yen) .....	248,827	245,047	236,721	255,972	269,147	255,058	256,611	273,576	305,131	312,383
<b>Stability</b>										
Shareholder's equity, Equity attributable to owners of the Company (Millions of yen) ...	535,976	514,285	524,331	524,513	555,689	523,745	539,888	549,810	487,424	539,816
Equity ratio, Ratio of equity attributable to owners of the Company (%) .....	53.5	52.7	52.1	43.6	45.6	41.0	41.5	41.1	34.5	38.9
D/E ratio (Times)* <sup>7</sup> .....	0.31	0.33	0.35	0.56	0.49	0.77	0.76	0.82	1.17	0.97
Net D/E ratio (Times)* <sup>8</sup> .....	-0.02	0.13	0.18	0.27	0.27	0.60	0.53	0.60	0.80	0.73
<b>Investment Indicators</b>										
Price-to-earnings ratio (PER) (Times)* <sup>9</sup> .....	15.07	14.85	15.65	13.99	12.91	-	-	-	-	54.27
Price-book value ratio (PBR) (Times)* <sup>10</sup> .....	1.14	0.92	0.94	0.86	0.97	0.41	0.55	0.46	0.58	0.45

\*<sup>1</sup> Business contribution profit: Original index of the Company, the profit subtracted sales cost, SG&A from revenue

\*<sup>2</sup> Basic earnings per share = Profit attributable to owners of the Company / Average number of issued and outstanding shares during the year

\*<sup>3</sup> Ratio of R&D expenses to revenues = R&D expenses / Revenues × 100 (%)

\*<sup>4</sup> ROE = Profit attributable to owners of the Company / Equity attributable to owners of the Company (average of beginning and ending balances) × 100 (%)

\*<sup>5</sup> Return on assets (ROA) = Profit attributable to owners of the Company / Total assets (average of beginning and ending balances) × 100 (%)

\*<sup>6</sup> ROIC = Operating profit after tax / (Share capital + Share premium + Retained earnings + Treasury shares + Interest-bearing debt (average of beginning and ending balances)) × 100 (%)

\*<sup>7</sup> D/E ratio = Interest-bearing debt / Shareholder's equity (times)

\*<sup>8</sup> Net D/E ratio = (Interest-bearing debt - Cash reserves) / Shareholder's equity (times)

\*<sup>9</sup> PER = Share price at year-end / Earnings per share

\*<sup>10</sup> PBR = Share price at year-end / Total equity attributable to owners of the Company per share

## Independent Valuation

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

We have been selected as a constituent of the international ESG investment indexes and have received high ratings from various ESG rating agencies.

### Credit Ratings \* As of June 1, 2024

Institution Name	Rating	Rating Outlook
Rating and Investment Information, Inc. (R&I)	A-	Stable
Japan Credit Rating Agency, Ltd. (JCR)	A	Stable

### Evaluations by International ESG Rating Agencies

- Listed in The Sustainability Yearbook by S&P Global (U.S.A.), a global research and evaluation firm in the field of ESG investing, for the 14th year in a row since 2009 and selected as one of the Top 10% in the industry
- Acquired “Gold” rating in a sustainability survey by EcoVadis (France) for the 9th consecutive year
- Recognized as a Supplier Engagement Leader (for the fourth consecutive year and sixth time) by CDP, an international NGO working to achieve a sustainable economy



### Inclusion in Prominent Japanese/Foreign Investment Indices

- Included in the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), a global investment index for Social Responsibility Investment (SRI) provided by U.S.-based S&P Global, consecutively every year since 2009
- Included for the 8th consecutive year in all the ESG investment indexes for Japanese equities adopted by the world's largest public pension fund, GPIF; 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, the S&P/JPX Carbon Efficient Index and the Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- Included in the FTSE4Good Index Series by the UK company FTSE Russell, one of the world's best-known indices for SRI, for 21 years consecutively
- Certified as “Prime” as a leading company in the global electronics industry consecutively from 2011 in the CSR rating by ISS ESG, the division for responsible investment Institutional Shareholder Services (U.S.A)
- Selected as a constituent of the SOMPO Sustainability Indexes managed by SOMPO Asset Management Co., Ltd. (Japan)



### Various other management-related surveys and ratings

- Joined the TNFD<sup>\*1</sup> Forum, and registration as a TNFD Early Adopter was announced at the World Economic Forum Annual Meeting (Davos)
- Our medium- to long-term vision for climate change is recognized by SBTi<sup>\*2</sup> as a science-based target for achieving the Paris Agreement's “1.5°C target”
- Selected as one of the Asia-Pacific Climate Leaders jointly surveyed by the Financial Times (U.K.) and Statista (Germany)
- Acquired 4.5 stars in the Nikkei SDGs Management Survey of Nihon Keizai Shimbun

<sup>\*1</sup> TNFD: Task Force on Nature-related Financial Disclosures

<sup>\*2</sup> A joint international initiative by CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to promote climate science-based greenhouse gas emission reduction targets among corporations





# Company Overview/Stock Information

## Company Overview (as of March 31, 2024)

Company name	KONICA MINOLTA, INC.
Stock code	4902Listed on the Prime Market of the Tokyo Stock Exchange
Date established	1873

Establishment as joint-stock company	1936
Capital	37,519 million yen

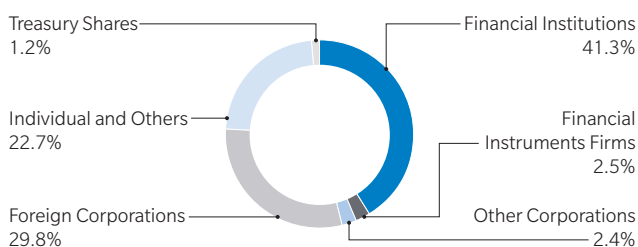
Number of employees	Consolidated: 40,015
Head office	JP TOWER, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7015, Japan

## Stock Information (as of March 31, 2024)

### 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	114,252
Minimum trading units	100 shares

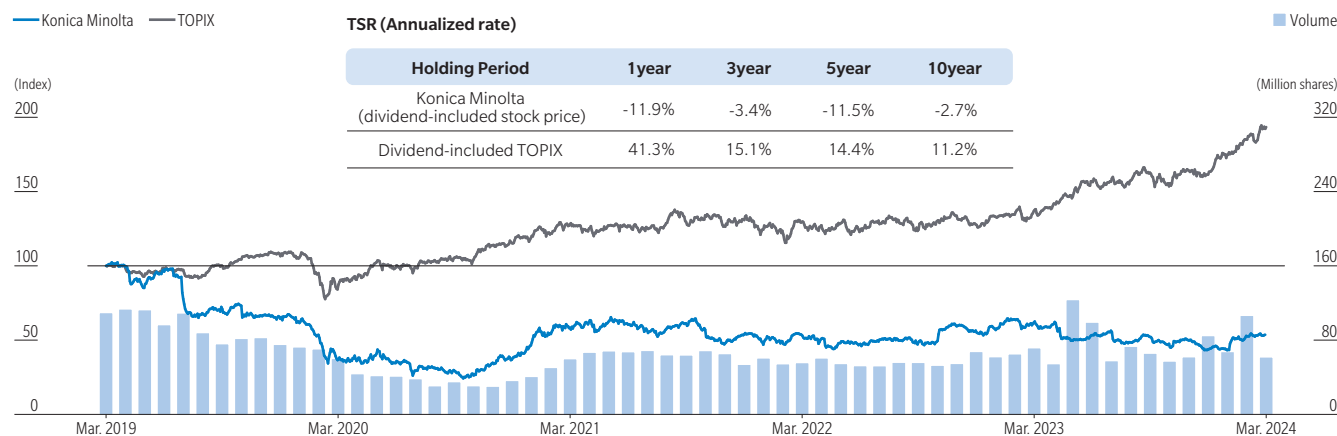
### Shareholder Composition



### Major Shareholders (the top 10 shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)*
The Master Trust Bank of Japan, Ltd. (Trust account)	87,357	17.59
Custody Bank of Japan, Ltd. (Trust account)	39,586	7.97
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.39
Nippon Life Insurance Company	10,809	2.18
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLINETS 15.315 PCT NON TREATY ACCOUNT	10,280	2.07
MUFG Bank, Ltd.	9,519	1.92
BNYM AS AGT/CLTS 10 PERCENT	8,741	1.76
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	8,569	1.73
Konica Minolta Employee Shareholding Association	6,750	1.36
GOLDMAN SACHS INTERNATIONAL	6,396	1.29

### Total Shareholder Return (TSR)



\* Return on investment assuming the closing price on March 31, 2019 to be 100 and dividends reinvested. Prepared by Konica Minolta based on Bloomberg data

\* The Company holds 5,956,544 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 (2,223,585 shares).



**KONICA MINOLTA**

**KONICA MINOLTA, INC.**

JP TOWER, 2-7-2 Marunouchi, Chiyoda-ku,  
Tokyo 100-7015, Japan

<https://konicaminolta.com>