



KONICA MINOLTA



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To whom it may concern,

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Notice Regarding Global Structural Reforms and Estimated Loss for Fiscal 2024

The Company announces that it has decided today to implement global structural reforms to achieve the Medium-term Business Plan goals (fiscal 2023 through 2025) and a sustainable growth beyond 2025. Through this initiative, the Company expects to accelerate business selection and concentration and improve productivity of the Group.

1. Background

With the basic policy of challenging and achievable target and return to a highly profitable company, the Medium-term Business Plan has set three major action agendas; business selection and concentration, reallocation of resources to strengthening businesses; structural reform implementation to reinforce profit foundation; and reinforcement of business management system. The Company carries out business selection and concentration in fiscal 2023 and 2024 and aims to establish a foundation for growth in fiscal 2025.

The global structural reforms are efforts to achieve the Medium-term Business Plan goals and a sustainable growth beyond 2025 for the acceleration of business selection and concentration, and productivity improvement of the Group.

2. Overview of Structural Reforms

To achieve Medium-term Business Plan target and a sustainable business growth, the entire Group will adopt measures to improve productivity per employee, in addition to the selection and concentration of businesses.

As a measure for transforming human capital and improving productivity, investments will be strengthened, including utilization of generative AI, to shift the human assets to highly value-added operations.

In addition, primarily for the businesses and regions to strengthen, the Company will continue to evaluate and assign skilled talents to the right positions and invest in human asset development education. These efforts and a focus on interactive communications will increase engagement of employees.

Furthermore, as an additional measure for enhancing productivity, the Company will optimize the headcount globally by around 2,400 people, including regular and non-regular employees, and it will be implemented during fiscal 2024.

As a result, the business contribution profit* in fiscal 2025 is expected to increase by around 20 billion yen, compared with what it would be before the optimization. The measures will be implemented in compliance with local labor laws, rules, and regulations.

*Business contribution profit is a profit index calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

3. Financial Outlook

One-time expenses associated with the global structural reforms will be recorded during fiscal 2024 and is expected to be approximately 20 billion yen. The Company will announce details once they are finalized after examination of the future status.

About Konica Minolta, Inc.

Konica Minolta, Inc. (Konica Minolta) has been creating value together with its industry-leading customers by leveraging the imaging technology it has cultivated over the 150 years since its founding in its original business of cameras and photographic film. Fulfilling the customers' desires to "see" around the world and visualizing the invisible challenges, the Company addresses problems in daily life and businesses. With a wealth of intangible assets including customer relationships, technology integration, and diverse human resources, Konica Minolta is creating greater value that leads to solutions for social challenges.

Konica Minolta will continue to bring joy and excitement to the customers, lead their businesses to success, help realize people's purpose in life, and make a difference for society at large.

For more information about Konica Minolta, visit
<https://www.konicaminolta.com/global-en/corporate/index.html>.

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