



KONICA MINOLTA



November 5, 2024

To whom it may concern,

Company Name: Konica Minolta, Inc.
Representative: Toshimitsu Taiko, President and CEO
Stock Exchange Listing: Tokyo Prime Market
Local Securities Code Number: 4902
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Notice Regarding Change in a Consolidated Subsidiary (Transfer of Share) and Recording of Profit from Discontinued Operation due to the Share Transfer

The Company announces that it has decided, on November 5, 2024, that it will transfer the share of Ambry Genetics Corporation (Ambry Genetics) to Tempus AI, Inc. (Tempus), through REALM IDx, Inc. ("REALM IDx"). The Company also announces that, on the same day, the share transfer agreement has been executed by all parties. Ambry Genetics provides genetic testing and is held by the Company through REALM IDx that operates the Precision Medicine business. Both Ambry Genetics and REALM IDx are based in the U.S.

Tempus is a U.S. technology company leading the adoption of AI to advance precision medicine and patient care, and has been expanding its business in the healthcare domain since its establishment in 2015.

With such transfer of share, the Company revised the consolidated full-year forecasts for the fiscal year ending March 31, 2025, disclosed on July 31, 2024. The details were disclosed today in "Notice Regarding Revision of Full-year Forecasts for Consolidated Financial Results for Fiscal Year Ending March 31, 2025."

1. Reason for Transfer of Share

Aiming to contribute to precision medicine, a new trend in healthcare, the Company made a full-scale entry into the Precision Medicine business in 2017. In 2018, it established Konica Minolta Precision Medicine, Inc. (now REALM IDx), which held Ambry Genetics, the Japanese-based Konica Minolta REALM, Inc., and Invicro, LLC (Invicro), a drug discovery support company. The Company has integrated the strengths of each company to develop the business globally.

Ambry Genetics boasts top-tier technology and track record in the U.S. market, where Precision Medicine is advancing rapidly. Ambry Genetics is a leader in analytical accuracy for genetic testing and is the first company in the world to commercialize RNA tests that evaluate innate genetic variants. During the Covid-19 pandemic, the decline in the number of recipients for preventive genetic diagnosis and a shortage of healthcare personnel resulted in the slowing demand for genetic testing in hospitals - significantly below the initial expectations. However, as the market conditions improved and investments in the research and development continued, Ambry Genetics' recent financial results has been favorable, and further growth is expected.

During Medium-term Business Plan from fiscal 2023 to 2025, the Company has been actively considering the utilization of third-party equity from the best owner's perspective, taking into account that the Precision Medicine business has high social value and will need ongoing investment in research and development to realize further acceleration of its growth. The Company decided that the best option is to transfer all share of Ambry Genetics to Tempus, following the completion of the transfer of all equity capital of Invicro to the third party in April 2024.

2. Overview of the Consolidated Subsidiary

(1) Name	Ambry Genetics Corporation	
(2) Address	1 Enterprise, Aliso Viejo, CA 92656	
(3) Name and title of representative	Tom Schoenherr, Chief Executive Officer	
(4) Line of business	Genetic testing services with a focus on oncology	
(5) Capital	US\$102	
(6) Establishment	November 18, 1999	
(7) Major shareholder and ownership percentage	REALM IDx, Inc. 100%	
(8) Relationship between the Company and Ambry Genetics	Capital relationship	REALM IDx, which is 98.6% owned by the Company, owns 100% of Ambry Genetics.
	Personnel relations	No material items to report.
	Business relationship	REALM IDx has a certain loan to Ambry Genetics.

(9) Business results and financial position of Ambry Genetics for the last three years (U.S. GAAP)						
Fiscal year	Ended March 31, 2022		Ended March 31, 2023		Ended March 31, 2024	
Unit	US\$ mil	¥ bil.	US\$ mil.	¥ bil.	US\$ mil.	¥ bil.
Consolidated net assets	(60)	(8.5)	(97)	(13.6)	(101)	(14.1)
Consolidated total assets	183	25.6	157	22.0	160	22.4
Consolidated revenue	189	26.5	211	29.5	240	33.6
Consolidated operating profit	(86)	(12.1)	(47)	(6.6)	(8)	(1.2)
Profit attributable to owners of the parent company	(105)	(14.7)	(51)	(7.1)	(19)	(2.7)
Net assets per share	(60)	(8.5)	(97)	(13.6)	(101)	(14.1)
Profit per share	(105)	(14.7)	(51)	(7.1)	(19)	(2.7)

Note: Impairment losses for the goodwill and intangible fixed assets related to Ambry Genetics were recorded for the fiscal year ended March 31, 2023. However, because the impairment losses for the goodwill and intangible fixed assets were recorded as consolidation adjustment, they are not recorded in the above financial statements of the invested company.

3. Summary of the Transferee

(1) Name	Tempus AI, Inc.	
(2) Address	600 West Chicago Avenue, Suite 510, Chicago, Illinois 60654	
(3) Name and title of representative	Eric Lefkofsky, Chief Executive Officer and Executive Chairman	
(4) Line of business	Provision of precision medical technology through the use of data and AI	
(5) Capital	US\$16,000	
(6) Establishment	August 2015	
(7) Relationship between the Company and Tempus AI	Capital relationship	There are no items that should be included.
	Personnel relationship	There are no items that should be included.

	Business relationship	There are no items that should be included.
	Status as a related company	There are no items that should be included.

4. Shares to Be Transferred and Shares before and after Transfer

(1) Number of shares before transfer	1 share (REALM IDx 100% (The Company's Group's equity capital is 98.6%))
(2) Number of shares to be transferred	1 share
(3) Number of shares after transfer	0 share (0%)

5. Transfer Price

Transfer price	US\$600 million (Approximately 84 billion yen)
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Note 1: Of the US\$ 600 million transfer price, US\$375 million will be paid in cash and US\$225 million will be paid in Tempus Type A common stock. In addition, of the Type A common stock, US\$125 million portion will be available for sale after completing the registration process. The remaining US\$100 million is subject to a 12-month lock-up period. The share transfer agreement stipulates the price per share of the common stock is US\$46.4575, which is the average of the daily volume-weighted average prices during the 14 days before the date the agreement was entered into.

Note 2: The consolidated net assets in "2. Overview of the Consolidated Subsidiary (9) Business results and financial position of Ambry Genetics for the last three years (U.S. GAAP)" is in local financial report in accordance with U.S. GAAP. It is different from the net assets (not yet determined) which will be used for calculating the gain or loss from this transfer of share.

6. Timeline

(1) Date of the resolution on the transfer of share	November 5, 2024
(2) Signing of agreement	November 5, 2024
(3) Share transfer execution (planned)	During the second half of the fiscal year ending March 31, 2025

Note: Closing of the share transfer is subject to certain closing conditions and required regulatory approvals, the satisfaction of which could have an effect on the timeline

noted.

7. Financial Outlook

With the conclusion of the share transfer agreement, the Precision Medicine business will be classified as a discontinued operation, and a gain of 41 billion yen from this share transfer is expected to be recorded as income from discontinued operations in the second half of the fiscal year ending March 31, 2025. Considering such effects, the Company has revised the full-year forecast for the consolidated financial results for fiscal year ending March 31, 2025. Its details are disclosed today in "Notice Regarding Revision of Full-year Forecasts for Consolidated Financial Results for Fiscal Year Ending March 31, 2025." The final amount of a gain or loss on the share transfer might change depending on the future stock price, foreign exchange rate fluctuations, and other factors.

The Company will promptly announce any matters that require disclosure in the future.

Note: The exchange rate used in these materials is based on an exchange rate of US\$1=¥140 (same as in the fiscal year forecast).

Reference: The Company's consolidated forecasts for the fiscal year ending March 31, 2025 (as disclosed on November 5, 2024) and consolidated financial results for the fiscal year ended March 31, 2024 (in billions of yen)

	Revenue	Business contribution profit*1	Operating profit	Profit attributable to owners of the Company
Consolidated forecasts for the fiscal year ending March 31, 2025	1,134.0	42.0	14.0	0
Consolidated financial results for the fiscal year ended March 31, 2024 before retroactive adjustment*2	1,160.0	26.0	26.0	4.5
Consolidated financial results for the fiscal year ended March 31, 2024 after retroactive adjustment*2	1,107.7	33.3	27.5	4.5

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

*2 As in "7. Financial Outlook," the Precision Medicine business is classified as a

discontinued operation. Consequently, revenue, business contribution profit and operating profit in the forecasts for consolidated financial results for fiscal year ending March 31, 2025, are from continuing operations, and profits attributable to owners of the Company is the sum of continuing operations and discontinued operation. Further, the corresponding figures for consolidated financial results for fiscal year ended March 31, 2024, are respectively shown as “before” and “after” retrospective adjustment because of the classification for discontinued operation.

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