

"Konica Minolta, Inc." Q&A from Konica Minolta Day

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Cautionary Statement

This material was prepared for those who were unable to attend the financial results briefing in person and is intended only for reference purposes. Readers are asked to acknowledge in advance that the following text is not a verbatim account of everything that was said at the briefing but a basic summary whose content was determined by Konica Minolta.

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[Environment and human capital]

Q. Generally speaking, Konica Minolta has a strong image as a printing company. What are your thoughts on paper use from the perspective of conserving forest resources?

A. Shifting from analog printing to digital printing in production print business contributes to reducing paper consumption. In particular, digital printing eliminates the needs for large inventory and reduces waste. We believe that our technology can contribute to them. With regard to office printing, we are contributing to the reduction in the use of raw paper materials by improving the quality of equipment to enhance its ability to handle recycled paper.

Q. I do not believe that human capital and the environmental initiatives will necessarily make a direct contribution to improve ROE. What are your thoughts?

A. We believe that the value we create per customer will be enhanced by the professional human capital we define, and that management efficiency will increase accordingly.

As for environmental issues, we are promoting recycling, driven by environmental regulations. 85% of the parts in our MFPs are reusable even after 5 years of use. Only 15% of new parts are needed to deliver a product again. From this

perspective, we believe that dealing with environmental issues leads to direct cost reductions and can contribute to profits.

Q. The demands are increasing for human capital capable of using the generative AI and providing consulting and analysis. The wages of these human capital are also rising. What are your initiatives in terms of securing human capital and offering education.

A. For human capital, we have set quantitative targets and are raising the level of education for existing employees. In acquiring outside human capital, the wage is certainly a hurdle, but we have the expert system, as shown in the presentation. The skilled talents prioritize whether they can play an active role with their own specialty, as well as their wages. Therefore, we strive to ensure them by explaining how they are able to play an active role in the Company and how they can grow.

Q. An electronics retailer disclosed skill visualization of its employees in the Annual Securities Report. I expect the Company will take these initiatives.

A. For highly specialized human capital, business skills are reviewed and certified by our expert committee. We are also considering quantification and disclosure in the future.

[Technology and intellectual property]

Q. I understand the advantages of the Company's technology and intellectual property. I would like to ask the TAM and feasibility of the CO₂ separation membrane, along with the timeline.

A. We are working on the environmental technologies ahead of individual plans. Surveys on TAM by many companies vary from one to another. A survey says it is ¥100 billion in 2030. Currently we are placing certain hypotheses and test them so that we will gradually increase the accuracy. Regarding the timeline, the base technology will be established in the current medium-term business plan, and it will be incorporated into modules after the plan.

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