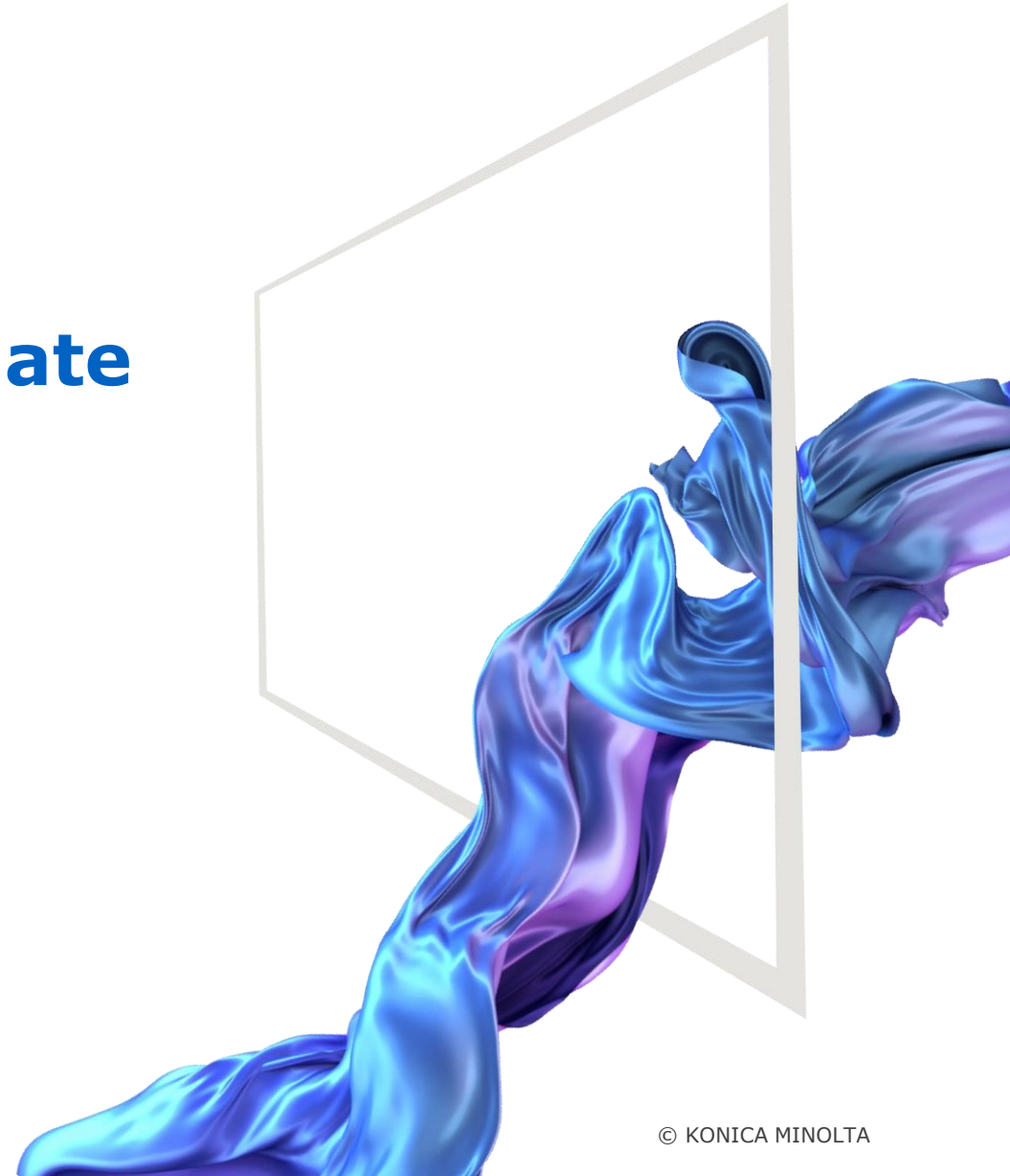


Konica Minolta, Inc.

Medium-term Business Plan Update

April 4th, 2024
Toshimitsu Taiko
President and CEO



Complete management reform in FY24

- 1. Business profitability**
- 2. Revenue foundation**
- 3. Business management system**

- Breaking away from the past, took a major step for reform and saw positive effects in FY23
- Improve profitability in office unit in addition to pursuing growth of strengthening businesses
- Implement global structural reforms to improve productivity, and accelerate business selection and concentration

MEDIUM-TERM BUSINESS PLAN UPDATE



KONICA MINOLTA

Positioning of the Medium-term Business Plan

Medium-term Business Plan

FY22

FY23

FY24

FY25

FY26-

Phase1
Breaking away from the past

Phase2
Business selection and concentration

Phase3
Establishing foundation for growth

Renewed trajectory for sustainable growth

- Recorded impairment losses on goodwill by past large acquisitions

- Decide and implement policies for selection and concentration of business

- Enhance productivity by global structural reforms
 - ✓ Measures to human capital in line with business and function strategies (Optimal allocation and optimization of human capital)

- Pursue alliance opportunity in Business Technologies Business[※]
- Accelerate preparations for future growth

- Implement full-scale growth strategy for strengthening businesses

TRENDS IN MAJOR BUSINESSES



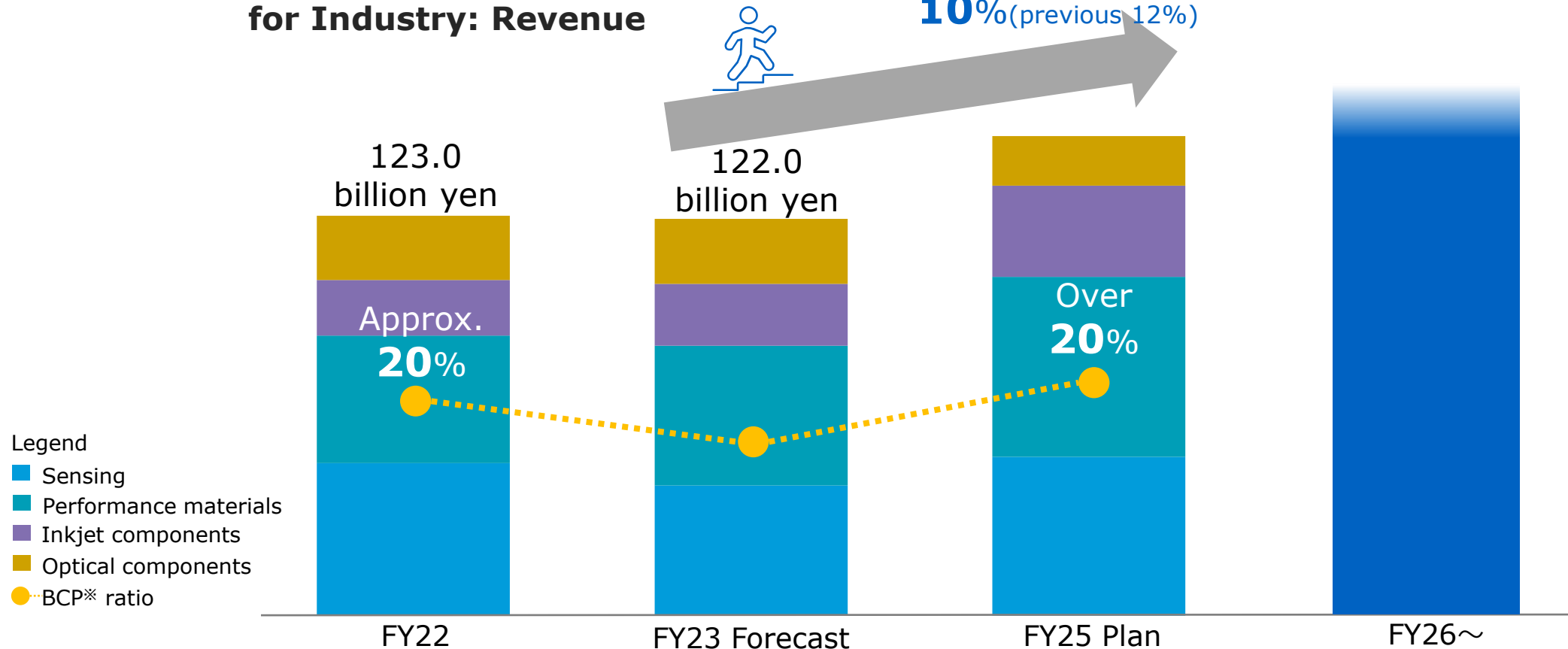
KONICA MINOLTA

Industry Business | Driving Growth through Medium-sized Stable Markets × High Market Share × High Profits

- No impact on mid-to long-term growth potential despite 1.5-year delay of revenue growth comparing plan due to market conditions and subsequent delay in product development
- Improve profitability through shift to industrial applications by the strategic alliance for optical components
- Improve productivity through the global structural reforms

Strengthening Areas for Industry: Revenue

FY23-25 CAGR
10%(previous 12%)

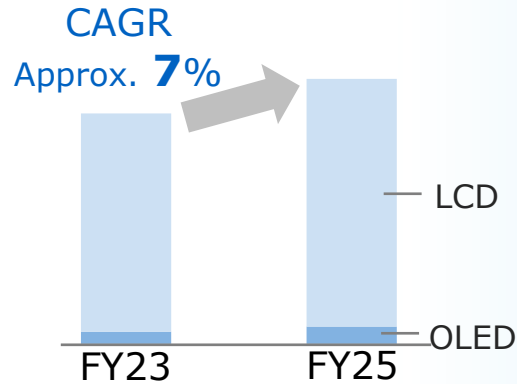


Medium-term Growth Drivers | Display field

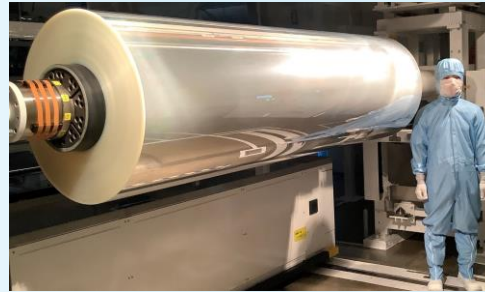
Grow focusing products capturing trends in display, with market recovery from FY24 onward

Shift to large display

Area shipped(m²)
Market estimate*

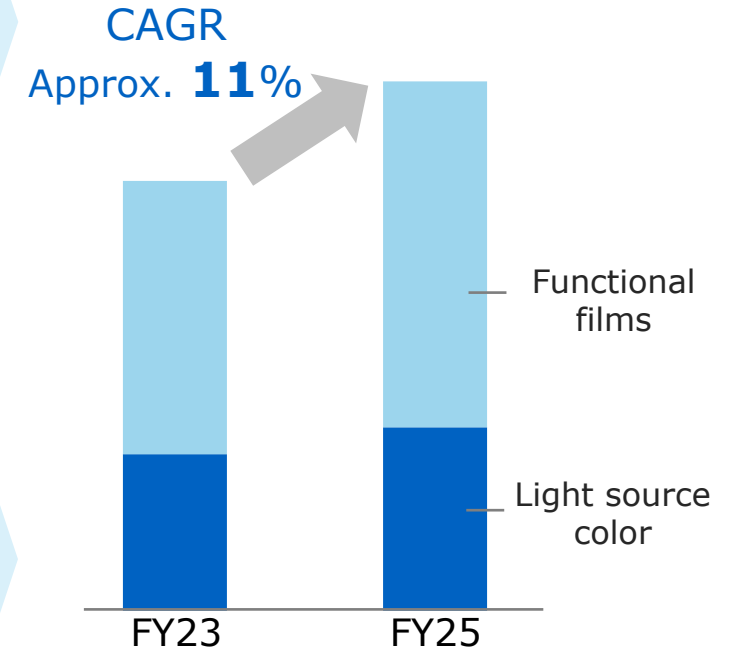


- Recovery in panel demand for final product manufacturers
- Expansion of ultra-wide SANUQI film stretched offline



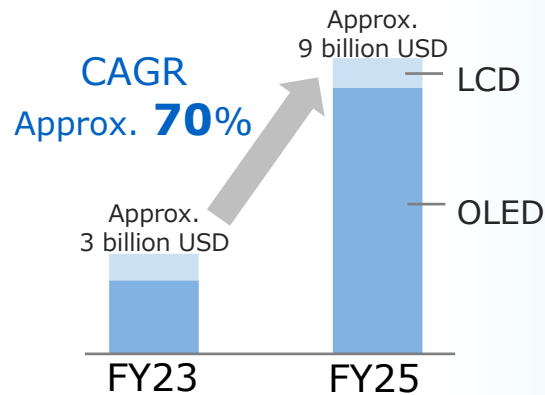
Largest in the industry
~2.6m wide

Konica Minolta Revenue



Next-gen display

FPD equipment
Market estimate*



- Rollout of high-performance film for next-generation displays
- Expansion of light source color mainly for OLED, with the recovery from capital investment delay of major customers



* Estimated by KONICA MINOLTA

Medium-term Growth Drivers | Mobility and Other Focus fields

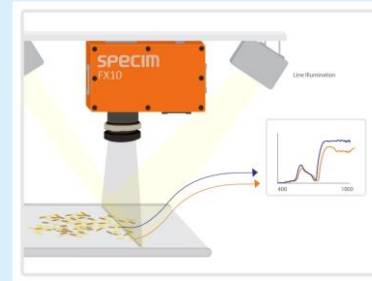
Expand by capturing opportunities to transform manufacturing in focus fields that grow globally

Sensing

Market estimates* and industries

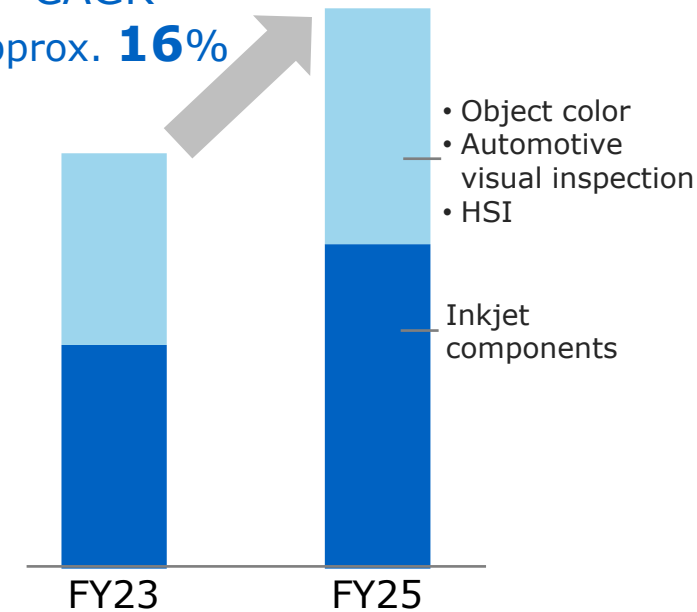
	CAGR	Industries
Object color measurement	4%	ICT devices Automotive, etc.
Automotive visual inspection	15%	Automotive
HSI※	11%	Recycling Foods, etc.

- Expand market share and business field in object color, where we are highly competitive
- Strengthen the global rollout of automotive visual inspection (Eines) and HSI※ (Specim)



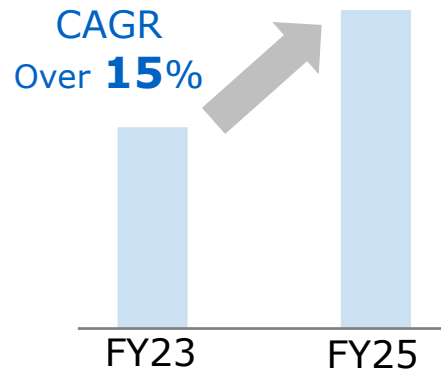
Konica Minolta Revenue

CAGR
Approx. **16%**



Inkjet

Industrial applications Market estimate*



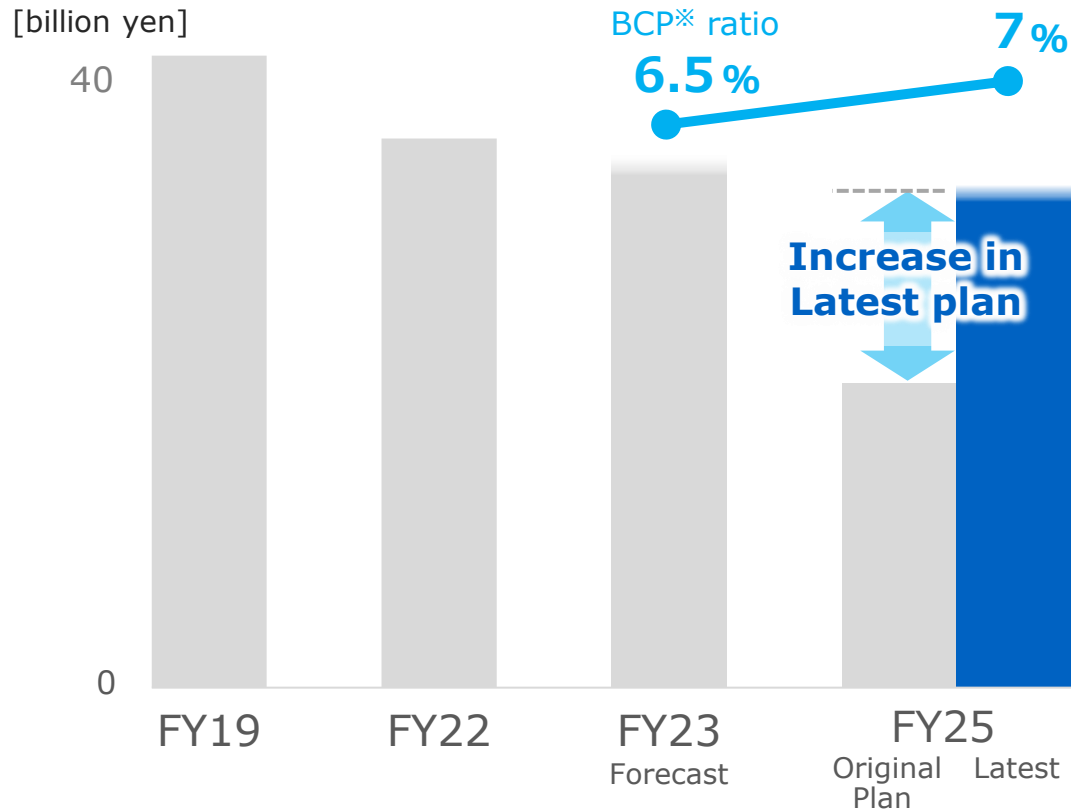
- Accelerate the shift to IJ manufacturing through high-durability printheads and material alignment technology
- Strengthen the development of functional inks for packaging and printed circuit boards



* Estimated by KONICA MINOLTA

Improving profitability of office unit

Business contribution profit[※]



◆ Thorough production cost reductions

Expand One Rate →

Maximize next-gen product effect →

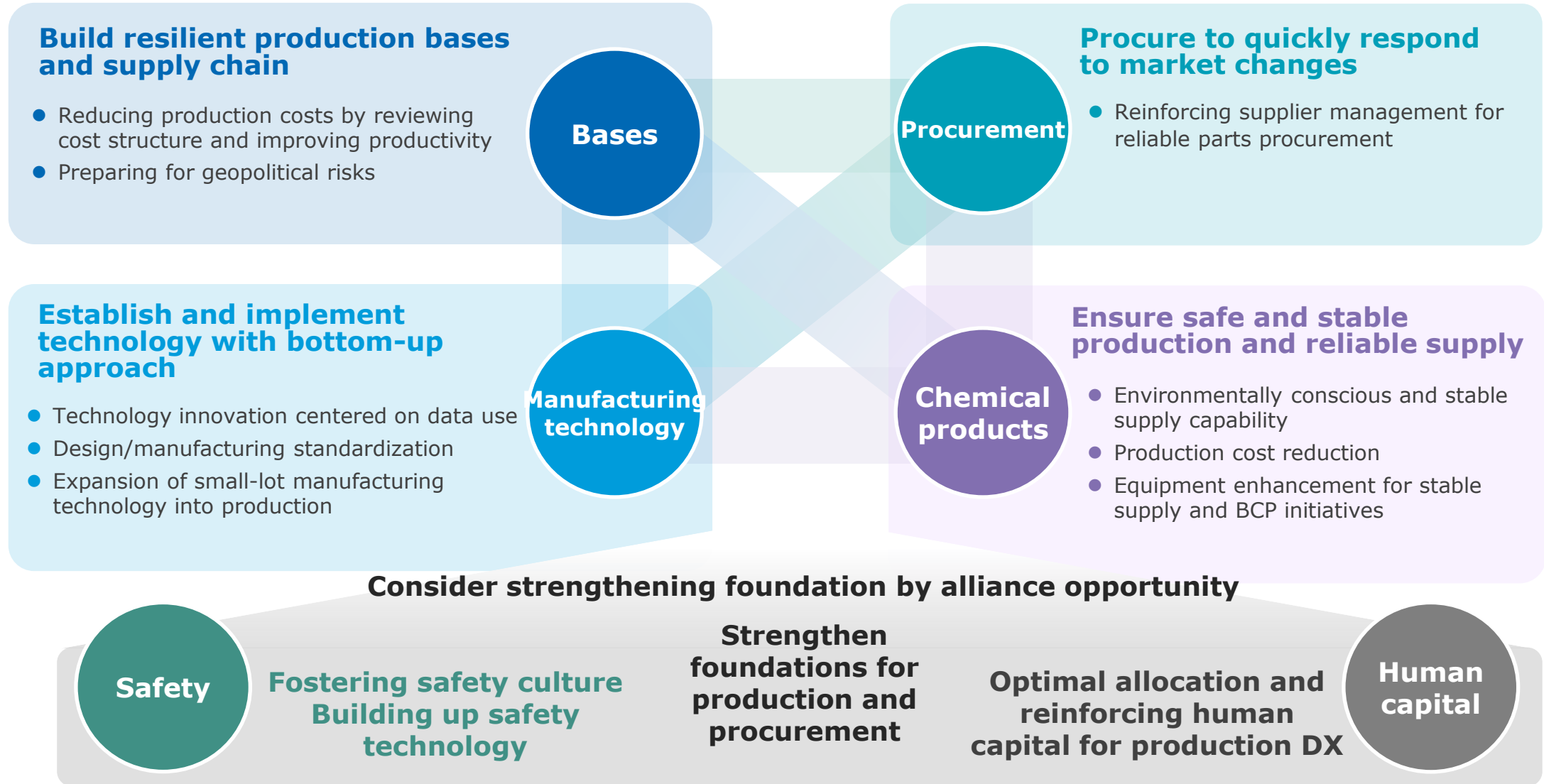
◆ Structural reform effect

Take measures for future and accelerate enhancing profitability

Office unit strategy

- **Maintain gross profit ratio from NH**
Expand One Rate[※], reduce the operating costs for services (expand remote services)
- **Implement structural reforms in FY24 and achieve targets in FY25**
- Implement the Manufacturing Strategy
- Improve service efficiency and launch next-generation products supporting mid-to long-term growth

Manufacturing Strategy in Business Technologies Business | Strengthening Responsive Capability to Potential Changes and Risks



TOWARDS FY25



KONICA MINOLTA

Global Structural Reforms

Transform to highly productive organization

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

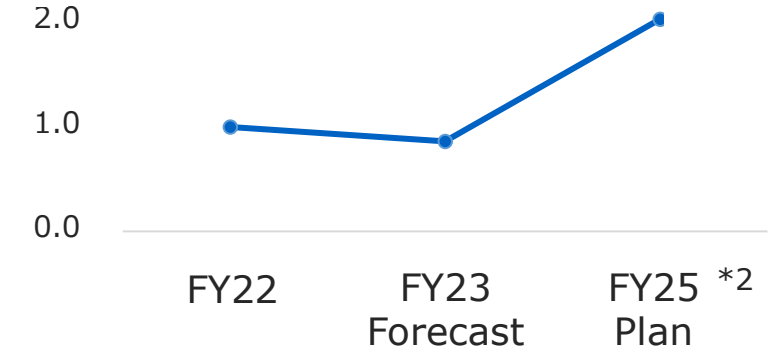
Around 2,400 personnel globally*1

(both regular and non-regular employees)

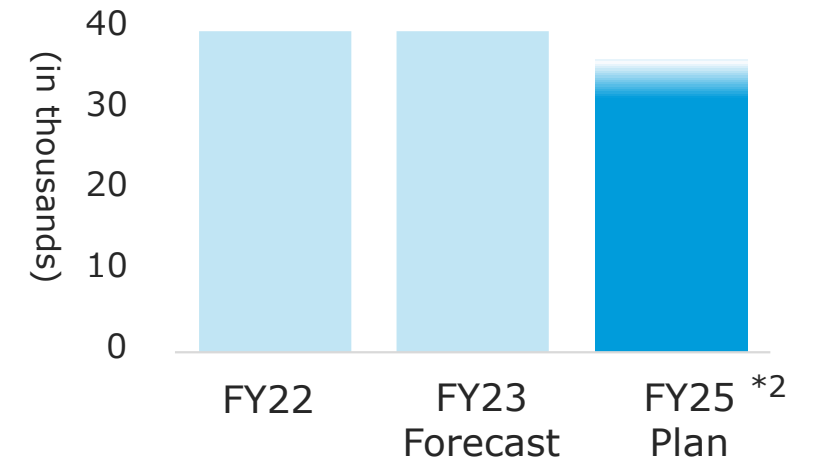
- Anticipated cost: Approx. 20.0 billion yen in FY24
- Anticipated effect: **Approx. 20.0 billion yen** in FY25*1



BCP* per employee (FY22 is indexed at 1.0)



Number of employees



*1 Comparison with FY25 original plan

*2 Portion of businesses that have been decided to be transferred are also excluded.

Invicro

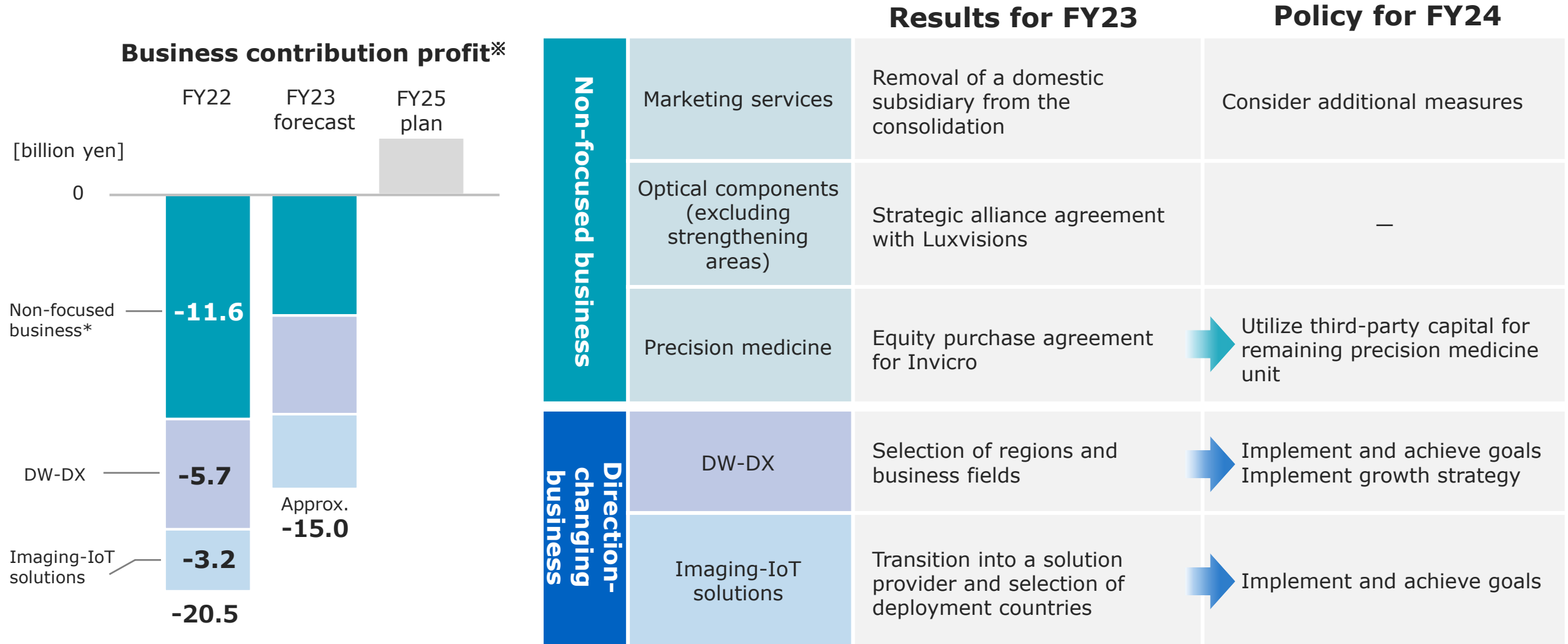
Equity capital transfer of Invicro to Calyx

- In our decision, the transfer of the equity capital was optimal in terms of the best ownership structure, as continuous investment is required to accelerate Invicro's business growth.
- Calyx is a leading global service provider of medical imaging and IRT/RTSM* for pharmaceutical company and the global clinical research community.

Path Forward

- We will actively consider third-party equity utilization for the remaining precision medicine unit (genetic testing business).

Progress on Business Selection and Concentration | Non-focused and Direction-changing Businesses



*In this graph, non-focused business represents the sum of precision medicine unit and marketing services unit

Business Portfolio | Vision

FY25 vision toward growth from FY26 onward

Relevant businesses

FY25 vision

Strengthening business

- Professional Print
- Industry
- Healthcare (medical imaging)

Maintaining profit business

- Office

Direction-changing business

- Imaging-IoT solutions
- DW-DX

Drive growth and expand business

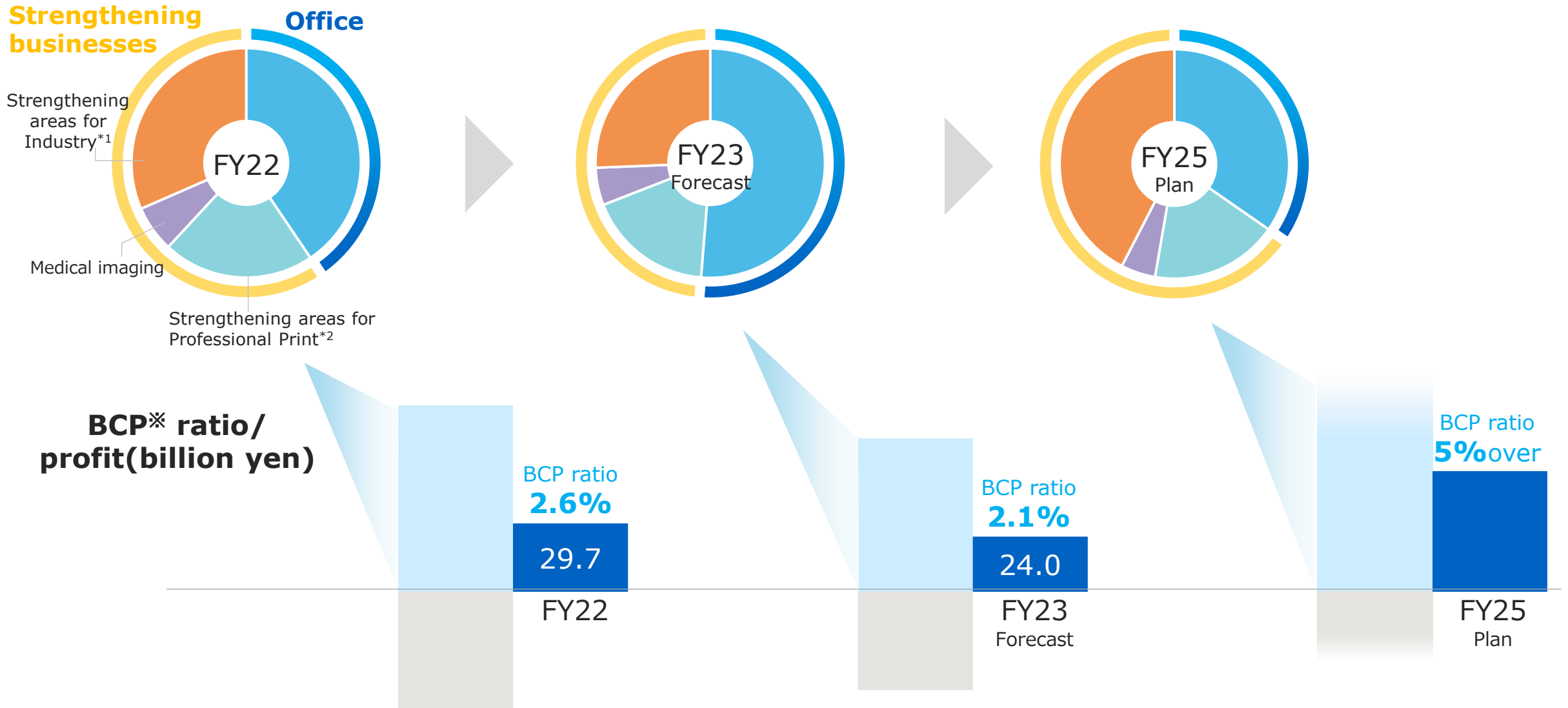
Stable cash generation and strengthening earning capability

Toward growth trajectory after selection and concentration



Seeds for long term growth

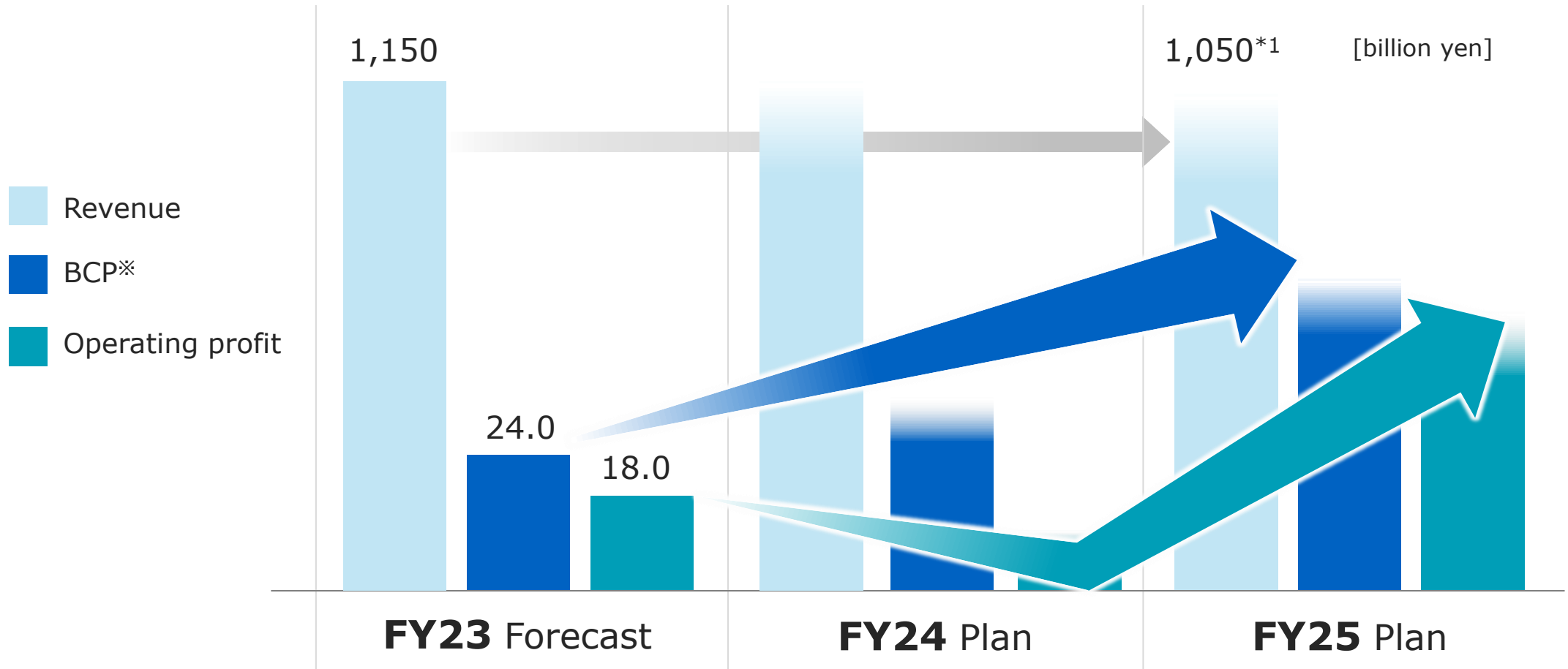
Business Portfolio | Expand Profitability in Strengthening Businesses and Office Unit



*1 Strengthening areas for Industry: sensing, performance materials, IJ components, and optical components

*2 Strengthening areas for Professional Print: production print and industrial print

Performance Plan | Incorporate One-time Cost into FY24 Operating Profit and Toward Growth from FY25

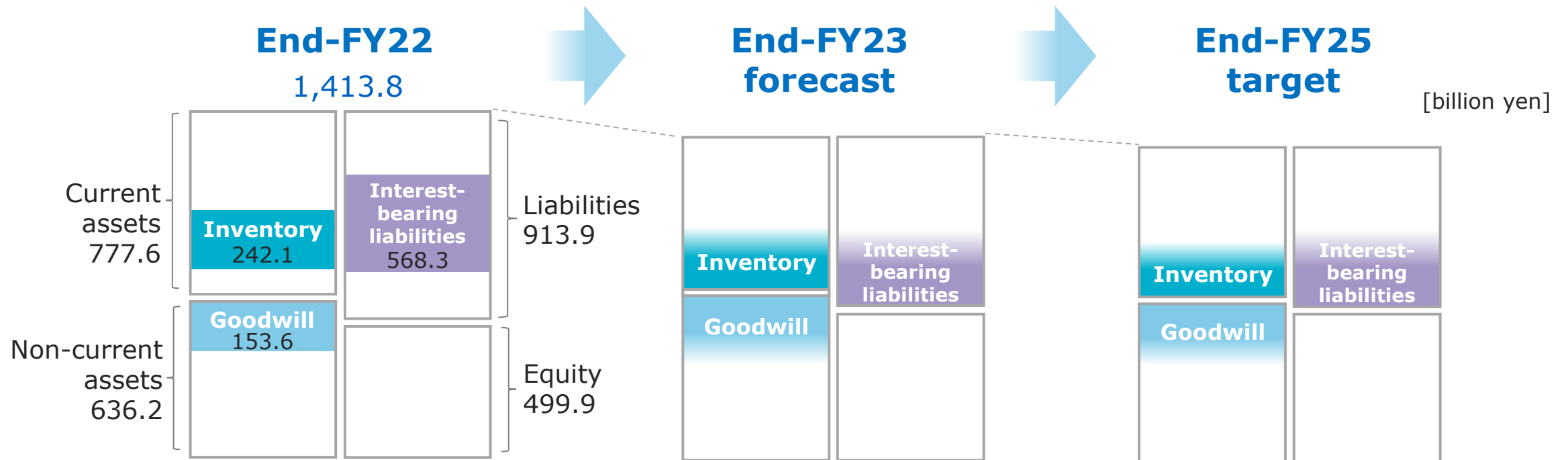


FOREX assumptions	(Result) FY22	FY23	FY24	FY25
USD	135.5	140.0	140.0	135.0
EUR	141.0	140.0	150.0	140.0

*1 After deconsolidation of non-focused businesses

Strengthening Financial Foundation | Improved Asset Efficiency

Improving asset efficiency through the business selection and concentration and the optimization of working capital



Total asset turnover x0.8

x0.85-0.9

x1.0

Net D/E Ratio 0.8

0.7-0.75

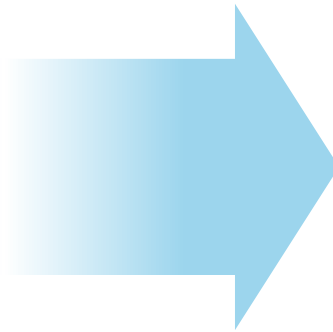
0.5-0.55

Cumulative in FY23–25

Cash in

Operating cash flow
270-300
billion yen

- Business growth
- Optimization of inventories
- Standardization of strategic inventories etc.



Cash out

Investment in businesses
(Capital expenditures and others)
150 billion yen

Reduction in liabilities
+
Dividends payout
120-150
billion yen

Financial Indicators | Aim to achieve profitability and asset efficiency for FY25 targeted in the Medium-term Business Plan

	Results	Forecast	Plan	
	FY22	FY23	FY25 Original plan	FY25 Based on the 2023 review

Profitability

Revenue (billion yen)	Strengthening businesses	418.4	-	500.0	460.0
	Consolidated	1,130.4	1,150.0	1,200.0	1,050.0^{*1}
BCP[*] ratio	Strengthening businesses	11.5%	-	11-13%	11-13%
	Consolidated	2.6%	2.1%	Over 5%	Over 5%

Asset efficiency

ROE		-19.9%	0.8%	Over 5%	Over 5%
Profit ratio		-	0.3%	Over 2.5%	Over 2.5%
Total asset turnover		0.8x	0.8x	1.0x	1.0x
Financial leverage		2.7x	2.8x	2.0x	2.0x

FY25 FOREX assumption: 135 JPY/USD, 140 JPY/EUR

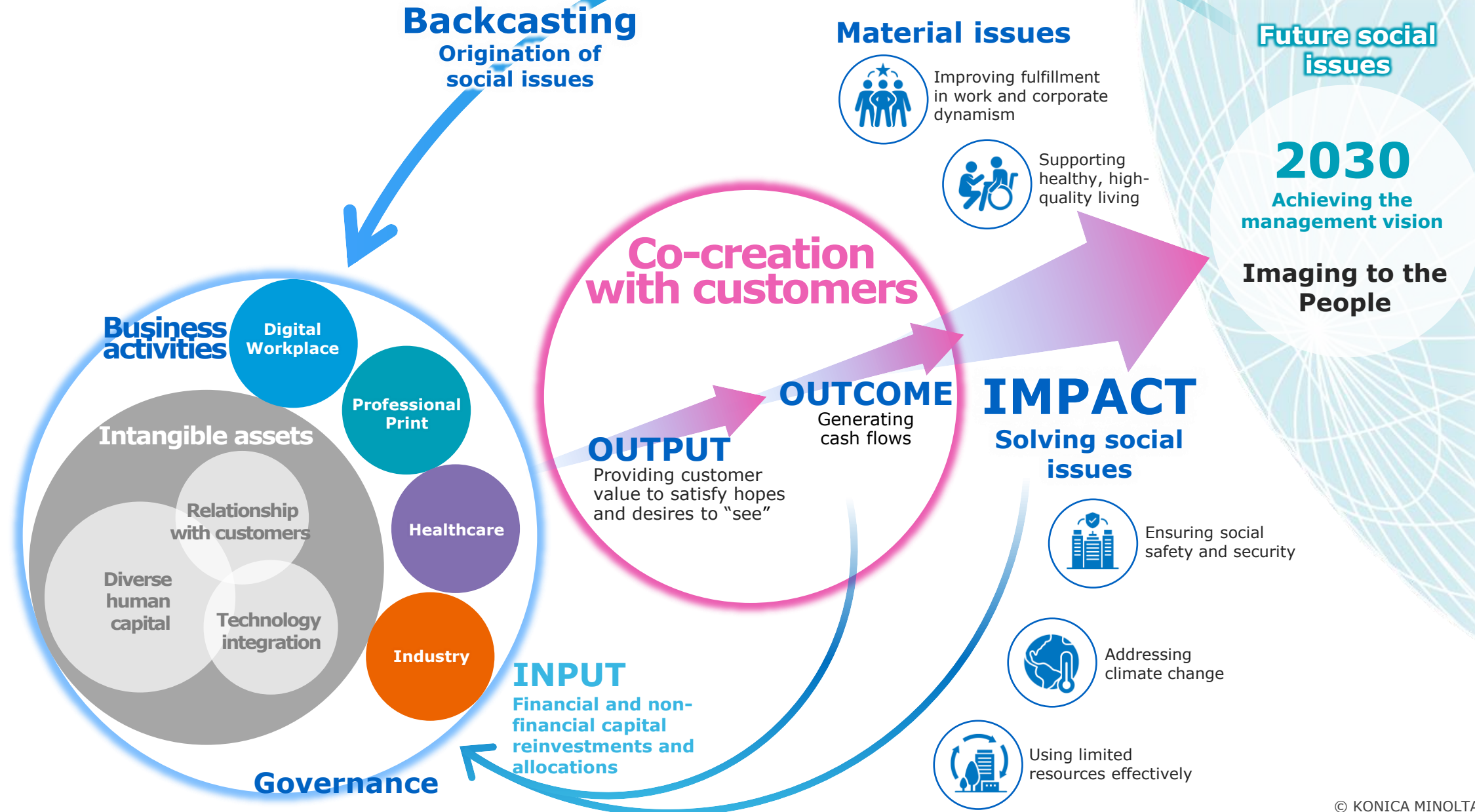
*1 After deconsolidation of non-focused businesses

TOWARDS SUSTAINABLE GROWTH



KONICA MINOLTA

Value Creation Process



To Achieve Decarbonized manufacturing



Using limited resources effectively



Addressing climate change



KONICA MINOLTA

Circle size: Scale of social impact

Difficulty in spreading

Backcasting
Origination of social issues

Achieving decarbonization society

Bio-manufacturing (non-fossil derived raw material)

Manufacturing using recycled plastics

Existing business Core technology

Sensing

AI

Material/
Molding

Time

Market environment

Stronger regulation and rapidly expanding market

- Recycled plastics: Regulations are being strengthened worldwide to promote the use of recycled plastics, and the market is expected to grow despite currently 8% of whole plastic market
- Bio: Rapid market growth is forecast, mainly for pharmaceuticals and foods, and US Presidential directive has been issued to return bio industries to the country

Social issues to address for spreading

Difficult to achieve mass production on a larger scale

- The measurement and control of biological complex phenomena depend on the experience of human
- Slight differences in conditions affect on yield and quality

Unstable quality and high cost

- The mixture of various scrap materials leads to unstable mass production compared to the virgin materials with stable quality

Recycled Plastic Technologies for Environment



Using limited resources effectively



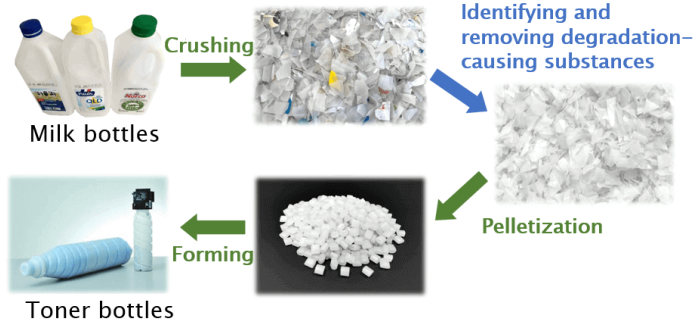
Addressing climate change



KONICA MINOLTA

Using recycled materials for inhouse products

- Industry top-class rate of recycled materials used in MFP
- **Strengths: Formulation design of high PCR* materials and high-quality injection molding**



Sensing

- Global top share in HSI* field
- **Strengths: Hyperspectral imaging technology identifying type of plastics with high accuracy**



By combining our materials, sensing, and AI technologies, aim to provide new value in recycled materials supply chains, contributing to decarbonization society

Biomanufacturing Diverse Substances from Bio-based Materials through the Microbial Metabolism

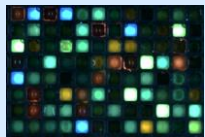
Contribute to social implementation by our sensing × AI technology

National Institute of AIST*

- Cutting-edge biomanufacturing research

Konica Minolta

- Wide range of advanced sensing devices
- Suitable measurement for complex phenomena with AI



FLAIRS*



Hyperspectral camera

Planetary

- Switzerland-based precision fermentation CDMO and technology provider startup

Elemental technologies for microbial sensing

Launched a joint laboratory in FY23 to develop stable microbial metabolism process by combining bio and sensor technologies

Bio-based materials



Microbial metabolism

Bio-based products



Verification at the manufacturing site

Promote swift technology verification through Planetary's manufacturing line



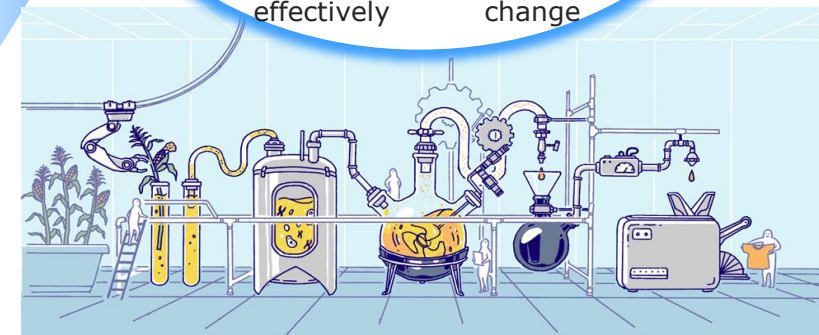
Stable quality × low cost
Accelerating social implementation of biomanufacturing



Using limited resources effectively



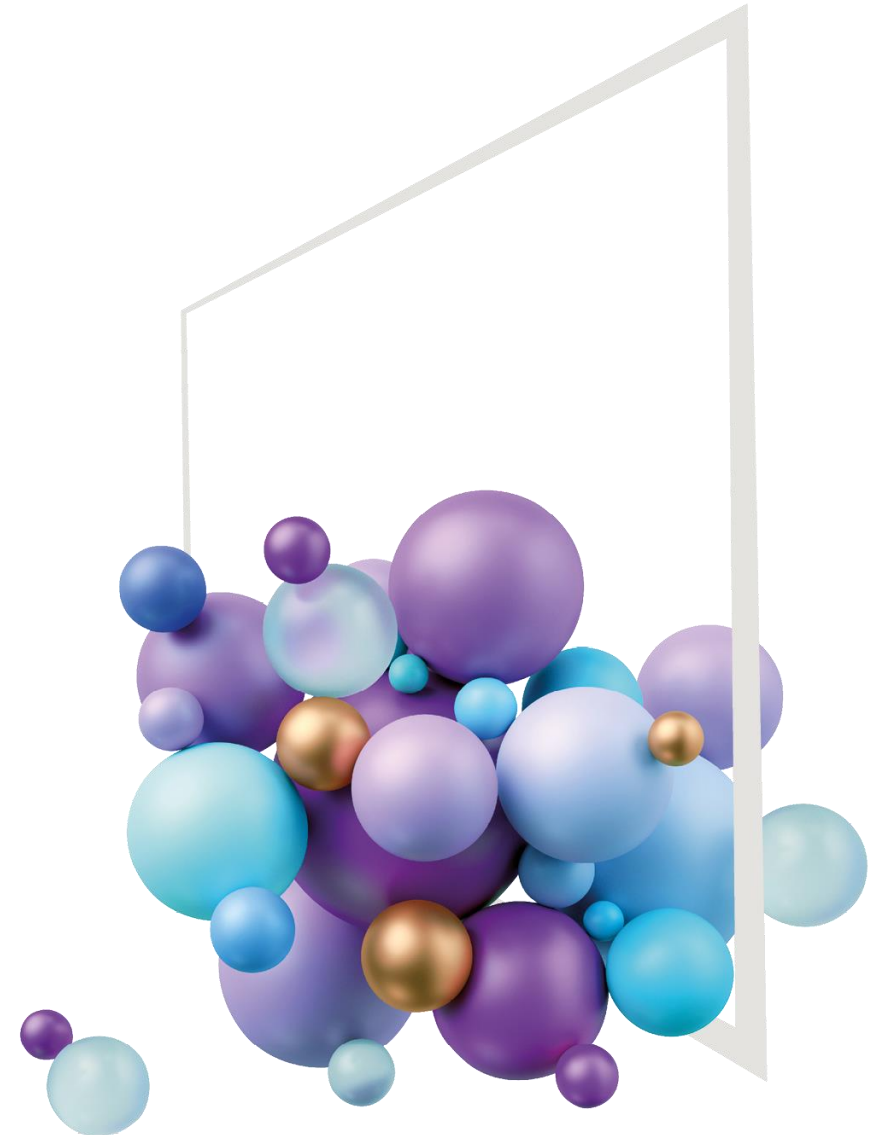
Addressing climate change





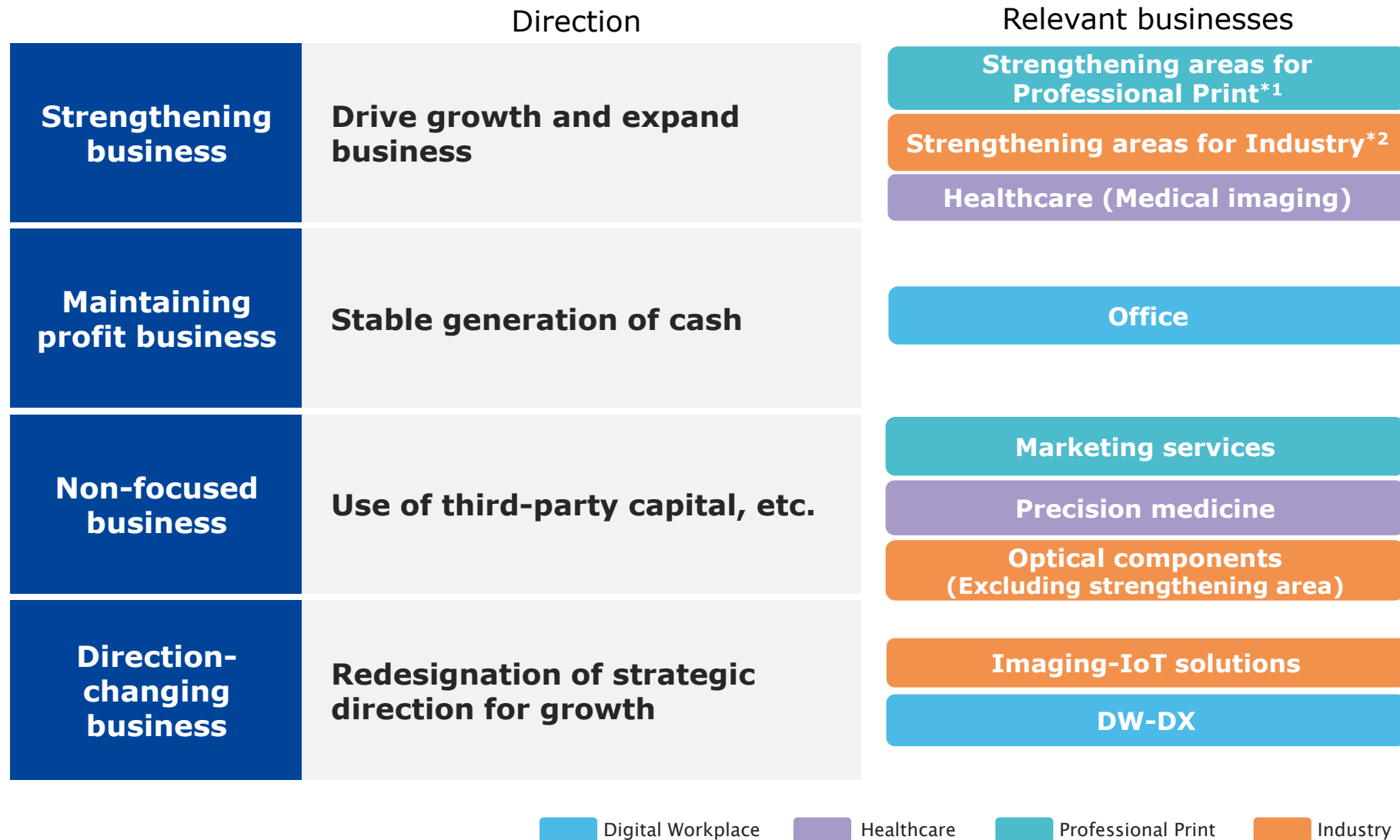
KONICA MINOLTA

APPENDIX



P4	Business Technologies Business	The collective name for the Digital Workplace Business and the Professional Print Business
P6 and others	BCP: Business contribution profit	Original index of Konica Minolta, the profit subtracted sales cost, SG&A from revenue
P8,24	HSI	Hyperspectral imaging A method for dividing a wide range of wave lengths into a large number in taking images. This technology enables sorting of plastics which cannot be distinguished by human eyes and RGB cameras
P9	One Rate	Konica Minolta's unique fixed-rate billing model for MFPs, unlike conventional billing methods, for which changes varied by month
P23	Complex phenomena	Biological processes such as microbial fermentation, where chemical, biological, and physical factors are complexly intertwined
P24	PCR	Post-Consumer Recycled Resource recovery through the collection of used products
P25	FLAIRS	Fluorescent Analysis with Inductive Recognition System Unique sensor technology developed for product quality prediction and process management of liquid materials with complex compositions, such as beverages, chemicals and bio-manufacturing

Roles of Businesses in Medium-term Business Plan



*1 Strengthening areas for Professional Print: production print and industrial print

*2 Strengthening areas for Industry: performance materials, IJ components, sensing, and optical components (industrial applications)



KONICA MINOLTA

Cautionary Statement:

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

Remarks:

Yen amounts are rounded to the nearest 100 million.