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## **NOTICE OF CONVOCATION OF THE 116<sup>TH</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Konica Minolta, Inc.

## **Konica Minolta Philosophy**

### **Our Philosophy**

#### **The Creation of New Value**

##### **Our 6 Values**

Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

##### **Open and honest**

We are convinced that only by acting with integrity and communicating with all our partners in an open and honest way can we create long-lasting partnerships of mutual trust and true significance.

##### **Customer-centric**

We exist solely for our customers; always thinking on their behalf, undertaking challenges together with them, and working tirelessly to bring them success and provide excitement that exceeds expectations both now and in the future.

##### **Innovative**

Innovation is what drives us. We constantly strive to develop ground-breaking ideas that will form the basis of everything we do going forward, every step of the way.

##### **Passionate**

Being passionate, strong-willed and determined is essential to making a meaningful contribution to our customers' businesses and society as a whole.

##### **Inclusive and collaborative**

We believe that the power of inclusiveness and collaboration with customers, partners and each other is the best way to come up with game-changing ideas that provide ultimate benefits.

##### **Accountable**

Not only must we be individually and collectively responsible and accountable for what we do, all our actions should contribute to the creation of a sustainable society and Konica Minolta.

### **Our Vision**

#### **A global company that is vital to society**

Possessing a mindset that drives us to best serve and improve the quality of society in all our activities, we are determined to become a company that is vital to global society by providing excitement that exceeds the expectations of all.

#### **An innovative company that is robust and constantly evolving**

We are committed to becoming an innovative company that stands tall in difficult times with a solid and quality business base, ensuring we remain courageous to provide new value in the face of any challenge.

### **Brand Proposition**

#### **Giving Shape to Ideas**

It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high quality society.

To Our Shareholders

Shoei Yamana  
Director, President and CEO  
Representative Executive Officer  
**Konica Minolta, Inc.**  
2-7-2 Marunouchi, Chiyoda-ku, Tokyo

**NOTICE OF CONVOCATION OF  
THE 116<sup>TH</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

KONICA MINOLTA, INC. (“the Company”) hereby announces that the 116th Ordinary General Meeting of Shareholders (“the Meeting”) will be held as detailed below.

The General Meeting of Shareholders is an important opportunity for communication between the Company and our shareholders, and fundamentally, the Company is honored to have many shareholders attend. **However, in light of the current situation regarding the novel coronavirus disease (COVID-19), the Company requests that you exercise your voting rights this year prior to the meeting by returning the voting form or using the Internet, if at all possible, and refrain from attending the meeting in person. Please examine the attached Reference Documents for the General Meeting of Shareholders on pages 7 to 26, indicate your approval or disapproval on the enclosed voting form and return it so it reaches us by 5:40 p.m., Monday, June 29, 2020, or vote on the website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>) no later than the above-mentioned deadline.**

**1. Date and Time:** Tuesday, June 30, 2020 at 10.00 a.m.

**2. Place:** Tokyo Marriott Hotel, B1F “The GOTENYAMA Ballroom”  
4-7-36, Kitashinagawa, Shinagawa-ku, Tokyo, Japan

**3. Objectives:**

- Matters to be Reported:**
1. Reports on the Business Report, the Consolidated Financial Statements for the 116<sup>th</sup> Fiscal Year (from April 1, 2019 to March 31, 2020); and Audit Reports by the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements
  2. Reports on the Non-consolidated Financial Statements for the 116<sup>th</sup> Fiscal Year (from April 1, 2019 to March 31, 2020)

**Matters to be Resolved:**

**Agenda Item:** Election of Twelve (12) Directors

**4. Guide to the Exercise of Voting Rights, etc.**

Please refer to “Guide to the Exercise of Voting Rights, etc.”

- Method of Publication in the Event of Revisions to the Reference Documents, Business Report, Consolidated Financial Statements and the Non-Consolidated Financial Statements  
In case of any revisions to the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, the revised matters will be posted on the Company’s website.  
Website: <https://www.konicaminolta.com/jp-ja/investors/event/stock/meeting.html>

**Guide to the Exercise of Voting Rights, etc.**

You may exercise your voting rights in the following three ways.

Please examine the attached Reference Documents for the General Meeting of Shareholders and indicate your approval or disapproval.

**Attending Meeting to exercise voting rights**

Please bring the enclosed voting form and submit at the reception desk. Meeting will be held at 10:00 a.m., Tuesday, June 30, 2020.

**Using mail to exercise voting rights**

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it so it reaches us by 5:40 p.m., Monday, June 29, 2020.

**Using the Internet to exercise voting rights**

Please use the Company's designated voting website (<https://evote.tr.mufig.jp/>) to submit votes concerning the proposals. Votes can be submitted until 5:40 p.m., Monday, June 29, 2020.

**About the exercise of voting rights**

1. Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
2. If any voting right is exercised more than once by mail, the latest exercise will be upheld as a valid exercise of the voting right.
3. Shareholders are respectfully requested to notify the Company in writing of any diverse exercising of voting rights and the reason therefore not later than three days before the Meeting.
4. If any voting right is exercised both by mail and by the Internet, the exercise via the Internet will be upheld as valid exercise of the voting right.
5. If any voting right is exercised more than once via the Internet, the latest exercise will be upheld as a valid exercise of the voting right.
6. If you intend to attend the Meeting in person, voting in writing or using the Internet is unnecessary.

### **How to exercise your voting rights via the Internet**

Although the exercise of voting rights via the Internet will be acceptable until 5:40 p.m. on Monday, June 29, 2020, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

#### Exercise of voting rights by scanning QR Code:

You can log in the voting website without entering your “Login ID” and “Temporary Password” described on the side slip of the voting form.

- 1 Please scan the QR Code on the side slip (right side) of the voting form.  
\* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.
- 2 Please follow the instructions on the screen thereafter and enter approval or disapproval.

You can log in to the website using the QR Code only once.

If you exercise your voting right again or exercise your voting right without using the QR Code, please follow the “Exercise of voting rights by entering Login ID and Temporary Password” below.

#### Exercise of voting rights by entering Login ID and Temporary Password:

Voting website: <https://evote.tr.mufg.jp/>

- 1 Please access the voting website.
- 2 Please enter your “Login ID” and “Temporary Password” described on the voting form and click “Log in.”
- 3 Please register a new password and click “Send.”
- 4 Please follow the instructions on the screen thereafter, and enter approval or disapproval.

For enquiries with respect to the system, including how to use the devices,  
please call:

Mitsubishi UFJ Trust and Banking Corporation  
Stock Transfer Agency Department (**helpdesk**)  
Telephone: 0120-173-027  
(Operating Hours: 9.00 to 21.00, toll-free number)  
(Japanese language only)

**To Institutional Investors**

As an additional method for exercising your voting rights via the Internet described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc. subject to prior request for the use of the platform. The exercise deadline may be set earlier than the voting right exercise period designated by the Company in the voting rights exercise system which institutional investors contracted separately. Please check and we recommend that you exercise your voting rights earlier.

**Note in exercising voting rights via the Internet:**

- You may only exercise voting rights via the Internet by accessing the website for exercising voting rights designated by the Company (<https://evote.tr.mufig.jp/>) through a personal computer or smartphone or scanning the “QR code for log-in” on the side slip (right side) of the voting form. Please note that you will not be able to access the above URL from 2.00 a.m. to 5.00 a.m. each day during the exercise period.
- In some network environments (including, but not limited to, the case in which you use firewall, etc. antivirus programs or a Proxy Server for Internet access), you may not be able to exercise voting rights.
- Please note that if you wish to exercise your voting rights via the Internet, you will be asked to change your “Temporary Password” on the website for exercising voting rights in order to prevent unauthorized access (web spoofing) or alteration of the voting by any other person than you.
- The “Login ID” and the “Temporary Password” will be renewed and sent to you for each general meeting of shareholders to be held in the future.
- Any costs arising from access to the website for exercising voting rights (the Internet connection fees, communication fees, etc.) shall be paid by you.

# REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

## AGENDA ITEM Election of Twelve (12) Directors

Upon the close of this Ordinary General Meeting of Shareholders (“the Meeting”) of Konica Minolta, Inc. (“the Company”), the terms of office of all the twelve (12) Directors will expire. Accordingly, shareholders are requested to elect twelve (12) Directors based on the nominations of the Nominating Committee.

The candidates for the position of Director are as follows. For career histories, please refer to pages 10 through 23.

Please refer to pages 68 through 70 for information on the Company’s corporate governance structure and refer to page 9 for information on the policies regarding the nomination of Director candidates, procedures and other items.

No.	Name	Current Position and Responsibilities at the Company		Term of office	Board of Directors meeting attendance	Committee meeting attendance	Committee the candidate is scheduled to join (◎ to serve as committee chairman)
						Nominating Committee Audit Committee Compensation Committee	Nominating Committee Audit Committee Compensation Committee
1	Masatoshi Matsuzaki	Director and Chairman of the Board Member of Nominating Committee	Re-election Non-executive	14 years	12/12 (100%)	6/6 (100%) — —	○ — —
2	Shoei Yamana	Director, President and CEO, and Representative Executive Officer	Re-election	14 years	12/12 (100%)	— — —	— — —
3	Takashi Hatchoji	Director Chairman of Audit Committee Member of Nominating Committee	Re-election Outside Independent	3 years	12/12 (100%)	6/6 (100%) 13/13 (100%) 1/1 (100%)	— ◎ ○
4	Taketsugu Fujiwara	Director Chairman of Nominating Committee Member of Audit Committee	Re-election Outside Independent	2 years	12/12 (100%)	6/6 (100%) 13/13 (100%) 1/1 (100%)	◎ ○ —
5	Chikatomo Kenneth Hodo	Director Member of Nominating Committee and Compensation Committee	Re-election Outside Independent	2 years	12/12 (100%)	6/6 (100%) 3/3 (100%) 7/7 (100%)	○ ○ —
6	Sakie Tachibana Fukushima	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Outside Independent	1 year	9/9 (100%)	6/6 (100%) 10/10 (100%) 6/6 (100%)	○ — ◎
7	Soichiro Sakuma		First-time candidate Outside Independent	—	—	— — —	○ ○ ○
8	Toyotsugu Itoh	Director Member of Audit Committee and Compensation Committee	Re-election Non-executive	2 years	12/12 (100%)	— 13/13 (100%) 7/7 (100%)	— ○ ○
9	Hiroyuki Suzuki	Director Member of Audit Committee and Compensation Committee	Re-election Non-executive	1 year	9/9 (100%)	— 10/10 (100%) 6/6 (100%)	— ○ ○

No.	Name	Current Position and Responsibilities at the Company		Term of office	Board of Directors meeting attendance	Committee meeting attendance	Committee the candidate is scheduled to join (◎ to serve as committee chairman)
						Nominating Committee Audit Committee Compensation Committee	Nominating Committee Audit Committee Compensation Committee
10	Toshimitsu Taiko	Director and Senior Managing Executive Officer	Re-election	2 years	12/12 (100%)	— — —	— — —
11	Seiji Hatano	Director and Senior Executive Officer	Re-election	6 years	12/12 (100%)	— — —	— — —
12	Masafumi Uchida	Director and Senior Executive Officer	Re-election	1 year	9/9 (100%)	— — —	— — —

Notes:

“Re-election” means a candidate for Director to be reelected, “First-time candidate” means a candidate for Director to be newly elected, “Outside” means a candidate for Outside Director, “Non-executive” means a candidate for (Inside) Director who does not concurrently serve as Executive Officer, and “Independent” refers to a candidate reported to the stock exchange as Independent Director.

As Ms. Sakie Tachibana Fukushima, Mr. Hiroyuki Suzuki and Mr. Masafumi Uchida were newly elected as Directors at the previous Ordinary General Meeting of Shareholders (held on June 18, 2019), the numbers of their Board of Directors meeting attendance and committee meeting attendance are different. As Mr. Takashi Hatchoji and Mr. Taketsugu Fujiwara assumed office as a member of the Compensation Committee from April 2019 to the close of the previous Ordinary General Meeting of Shareholders, the number of their Compensation Committee attendance is different. In addition, because Mr. Chikatomu Kenneth Hodo served as a member of the Audit Committee during the same period, the number of his Audit Committee attendance is different.



## **Policies and Procedures for the Nomination of Director Candidates**

The Nominating Committee has formulated Director election standards and independence standards for Outside Directors, which are shown on page 24.

Prior to selecting candidates, the Nominating Committee reviews the composition of the Board of Directors and committees and deliberates on the number of Director candidates for the upcoming fiscal year. Concerning the size of the Board of Directors, the Company considers the current membership of 10 to 12 Directors to be appropriate, considering the composition and combination of Inside Directors who do not concurrently serve as Executive Officers, Inside Directors who concurrently serve as Executive Officers and Outside Directors.

Based on principles prescribing limitations to the number of years re-election is possible and identifying directors who are scheduled to step down, the Nominating Committee assumes the number of candidates for new election, separating them according to Inside Directors and Outside Directors, and proceeds with candidate selection.

Among candidates for Inside Directors of the Company, we find that those who can serve as Chairman of the Board of Directors and enhance the effectiveness of corporate governance and those who can secure a certain level of audit at meetings of the Audit Committee as full-time Members of the Audit Committee should be selected for Inside Directors who do not serve as Executive Officers. For Inside Directors who serve as Executive Officers, we find that those in title who are in charge of primary duties along with President and CEO, Representative Executive Officer, should be selected so that they are able to engage in active and essential discussions at meetings of the Board of Directors.

In selecting candidates for Outside Directors, to supervise business operation from a variety of perspectives, the Company places priority on considering diversity and balance of their expertise, experience, and industry, and on whether they have expertise and experiences to supervise the Company's medium-term management issues in an appropriate manner.

In the selection of candidates for this year, we focused on that standpoint the most and chose the candidates who have extensive experience and a broad range of knowledge in management in the manufacturing sector, law and internal control and can provide useful supervision and advice.

We confirm the Director election standards at the Nominating Committee in determining the candidates for Directors and the independence standards in determining the candidates for Outside Directors.

### **<Procedures for Selection of Outside Director Candidates>**

- a. In reference to the database of candidates, such as "chairmen," etc. of excellent companies, prepared by the Nominating Committee secretariat, which includes information on the independence from the Company, their age, concurrent positions and amount of sales of their companies, the Chairman of the Nominating Committee requests that Nominating Committee members, other Outside Directors and President and CEO, Representative Executive Officer recommend candidates according to the policies described above.
- b. From recommended candidates, the Nominating Committee discusses who are more appropriate as candidates, narrows down their number, and determines their order.
- c. In order of ranking, the Chairman of the Nominating Committee and the Chairman of the Board visit candidates to inquire about taking office as Outside Directors.

### **<Procedures for Selection of Inside Director Candidates>**

- a. President and CEO shares his plan on the executive system for the next fiscal year with Chairman of the Board of Directors. The two discuss a plan on candidates for Non-executive Directors and a plan on candidates for Directors who concurrently serve as Executive Officers according to the policies described above and make a joint proposal to the Nominating Committee.
- b. The Nominating Committee discusses the proposal and makes its decision.

No.  
1

**Masatoshi Matsuzaki**  
(July 21, 1950)

Re-election

Non-executive



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**Career history, position and responsibilities at the Company**

April 1976	Joined Konishiroku Photo Industry Co., Ltd.
November 1997	General Manager of Development Group No. 2, Color Business Machines Development Div., Business Machines Headquarters of Konica Corporation
May 1998	General Manager of Development Center No. 1, System Technology Development Div., Business Machines Headquarters of Konica Corporation
October 2003	Director of Konica Minolta Business Technologies, Inc.
April 2005	Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc.
April 2006	Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc.
June 2006	Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc.
April 2009	Director, President and CEO, and Representative Executive Officer of the Company
April 2014	Director and Chairman of the Board of the Company (positions which he continues to hold)

• Number of shares of the Company held:

**105,700 shares**

• Board of Directors meeting attendance:

**12 / 12 times (100%)**

• Nominating Committee attendance:

**6 / 6 times (100%)**

• Term of office:

**fourteen years**

**Important position concurrently held**

Outside Director of Ichigo Inc.

Outside Director of Nomura Research Institute, Ltd.

Outside Director of LIXIL Group Corporation

● **Reasons for selecting the candidate for Director**

Mr. Masatoshi Matsuzaki has extensive experience and expertise. At the Company and its Group companies, under the company split and holding company structure, Mr. Matsuzaki has been in charge of research and product strategies for the Business Technologies Business, served as president of a subsidiary handling basic research and development of elemental technologies and served as Executive Officer in charge of technology strategy at the Company. In addition, Mr. Matsuzaki led the management reforms of the Konica Minolta Group ("the Group"), serving as President and CEO from April 2009 through March 2014. Since April 2014, as Chairman of the Board of Directors, he has worked to further enhance corporate governance while managing the Board of Directors.

It has been confirmed by the annual evaluation of the effectiveness of the Board of Directors that Mr. Matsuzaki properly chooses matters for discussion as a specialized supervisor with a very high level of familiarity of the Company's management, draws on capabilities of Outside Directors, and enhances the quality of supervision with questions and opinions that support the others. He also leads the Company's corporate governance reform aiming at realizing sustainable growth and enhancing corporate value. Therefore, the Company requests that shareholders elect for him to continue. Mr. Matsuzaki has been in charge of supervision of the management, securing sufficient time to fulfill his duties as full-time Chairman of the Board of Directors.

No.  
**2** **Shoei Yamana**  
(November 18, 1954)

Re-election



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**Career history, position and responsibilities at the Company**

April 1977	Joined Minolta Camera Co., Ltd.
July 1996	General Manager of Management Planning Div. of Minolta Co., Ltd.
January 2001	CEO of Minolta QMS Inc.
July 2002	Executive Officer, General Manager of Management Planning Div., Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.
August 2003	Senior Executive Officer of the Company, and Executive Officer and General Manager of MFP Operations and Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd.
October 2003	Senior Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc.
April 2006	Senior Executive Officer of the Company
June 2006	Director and Senior Executive Officer of the Company
April 2011	Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc.
April 2013	Director and Senior Managing Executive Officer of the Company
April 2014	Director, President and CEO, and Representative Executive Officer of the Company (positions which he continues to hold)

• Number of shares of the Company held:

**72,200 shares**

• Board of Directors meeting attendance:

**12 / 12 times  
(100%)**

• Term of office:

**fourteen years**

**Important position concurrently held**

None

● **Reasons for selecting the candidate for Director**

Mr. Shoei Yamana has extensive experience and expertise. At the Company and its Group companies, Mr. Yamana has been an Executive Officer in charge of management strategy and IR, served as General Manager of the Sales Division of Image Information Products and been in charge of operations, among other positions. Mr. Yamana has led the management of the Group, serving as President and CEO since April 2014, and has worked to enhance corporate value by promoting “TRANSFORM 2016” and “SHINKA 2019,” the Company’s Medium-Term Business Plans. Regarding the previous Medium-Term Business Plan, “SHINKA 2019,” Mr. Yamana has reviewed the progress made during that plan and is continuing to utilize that information in management.

As the Chief Executive Officer of the Group, Mr. Yamana is formulating the new Medium-Term Business Plan aimed at sustainable growth through business transformation and DX (Digital Transformation) and promoting the Company’s response in this challenging business environment. In addition to demonstrating accountability on the Board of Directors as Representative Executive Officer, Mr. Yamana can continue contributing to the enhancement of the function of making important decisions from a management standpoint. Therefore, the Company requests that shareholders elect for him to continue.

No.  
3

**Takashi Hatchoji**  
(January 27, 1947)

Re-election

Outside

Independent



### Career history, position and responsibilities at the Company

April 1970	Joined Hitachi, Ltd.
June 2003	Vice President and Executive Officer of Hitachi, Ltd.
April 2004	Senior Vice President and Executive Officer of Hitachi, Ltd.
April 2006	Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
April 2007	Director of Hitachi Research Institute
June 2007	President and Representative Director of Hitachi Research Institute
April 2009	Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi, Ltd.
June 2011	Director of Hitachi, Ltd.
June 2015	Advisor of Hitachi, Ltd.
June 2016	Retired from Advisor of Hitachi, Ltd. (position which he continues to hold)
June 2017	Director of the Company (position which he continues to hold)

• Number of shares of the Company held:

**0 shares**

• Board of Directors meeting attendance:

**12 / 12 times  
(100%)**

• Nominating Committee attendance:

**6 / 6 times (100%)**

• Audit Committee attendance:

**13 / 13 times (100%)**

• Compensation

Committee attendance:

**1 / 1 time (100%)**

• Term of office:

**three years**

### Important position concurrently held

Outside Director of Nitto Denko Corporation

Outside Auditor of Marubeni Corporation (scheduled to assume office as Outside Director in June 2020)

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)

At Hitachi, Ltd., Mr. Takashi Hatchoji was involved for many years in the management of the electronics manufacturing business, including promotion of global management and business transformation. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Hatchoji has a high degree of independence from the Company as stated below. Following his election as a Director in June 2017, Mr. Hatchoji has performed well as a member of the Board of Directors and other committees. Fiscal 2019 activities are listed in “Primary activities of Outside Directors” in the business report (pages 59). Mr. Hatchoji has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Mr. Hatchoji can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an Outside Director.

- Information concerning independence

Hitachi, Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.

Mr. Hatchoji meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No.  
**4**

**Taketsugu Fujiwara**  
(February 19, 1947)

Re-election

Outside

Independent



**Career history, position and responsibilities at the Company**

April 1969	Joined Asahi Chemical Industry Co., Ltd.
June 1998	President and Representative Director of Asahi-Schwebel Co., Ltd.
June 2000	Director of Asahi Chemical Industry Co., Ltd.
June 2003	Senior Executive Officer of Asahi Kasei Corporation
October 2003	President of Asahi Kasei Chemicals Corporation
April 2009	Vice-Presidential Executive Officer of Asahi Kasei Corporation
June 2009	Director, Vice-Presidential Executive Officer of Asahi Kasei Corporation
April 2010	President and Representative Director of Asahi Kasei Corporation
April 2014	Vice Chairman and Director of Asahi Kasei Corporation
June 2014	Vice Chairman of Asahi Kasei Corporation
June 2015	Standing Counsellor of Asahi Kasei Corporation
June 2018	Counsellor of Asahi Kasei Corporation (position which he continues to hold)
June 2018	Director of the Company (position which he continues to hold)

• Number of shares of the Company held:

**0 shares**

• Board of Directors meeting attendance:

**12 / 12 times  
(100%)**

• Nominating Committee attendance:

**6 / 6 times (100%)**

• Audit Committee attendance:

**13 / 13 times (100%)**

• Compensation

Committee attendance:

**1 / 1 time (100%)**

• Term of office:

**two years**

**Important position concurrently held**

Counsellor of Asahi Kasei Corporation  
Outside Director of IHI Corporation  
Outside Director of KOKUYO Co., Ltd.

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)

Mr. Taketsugu Fujiwara has been in charge of management of a comprehensive chemicals maker for years at Asahi Kasei Corporation, which diversified from chemicals and textiles to electronic materials, pharmaceuticals, and housing. His duties at Asahi Kasei included fostering businesses through mergers and acquisitions. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Fujiwara has a high degree of independence from the Company as stated below. Following his election as a Director in June 2018, Mr. Fujiwara has performed well as a member of the Board of Directors and other committees. Fiscal 2019 activities are listed in “Primary activities of Outside Directors” in the business report (pages 59). Mr. Fujiwara has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Mr. Fujiwara can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an Outside Director.

- Information concerning independence  
Asahi Kasei Corporation and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.  
Mr. Fujiwara meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
- Other  
Mr. Fujiwara has been Outside Director of IHI Corporation since June 2015. In March and April 2019, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport, and Tourism launched administrative sanctions against IHI concerning inadequate practices occurring in the company's aero engine maintenance business. Mr. Fujiwara has made remarks on the importance of compliance with laws and regulations at the Board of Directors meetings of IHI and on other occasions. After the disclosure of the practices, he requested that IHI take comprehensive measures to prevent the recurrence of similar practices and maintain compliance.

No. **Chikatomo Kenneth**  
**5 Hodo**  
(July 31, 1960)

Re-election

Outside

Independent



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**Career history, position and responsibilities at the Company**

September 1982 Joined Accenture Japan Ltd  
September 2005 Representative Director of Accenture Japan Ltd  
April 2006 Representative Director and President of Accenture Japan Ltd  
September 2015 Director and Chairman of Accenture Japan Ltd  
September 2017 Director and Senior Corporate Advisor of Accenture Japan Ltd  
July 2018 Senior Corporate Advisor of Accenture Japan Ltd  
(position which he continues to hold)  
June 2018 Director of the Company  
(position which he continues to hold)

• Number of shares of the Company held:

**0 shares**

• Board of Directors meeting attendance:

**12 / 12 times (100%)**

• Nominating Committee attendance:

**6 / 6 times (100%)**

• Audit Committee attendance:

**3 / 3 times (100%)**

• Compensation Committee attendance:

**7 / 7 times (100%)**

• Term of office:

**two years**

**Important position concurrently held**

Senior Corporate Advisor of Accenture Japan Ltd  
Outside Director of Sumitomo Mitsui DS Asset Management Company, Limited  
Outside Director of Mynavi Corporation  
Outside Director of Mitsubishi Chemical Holdings Corporation

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)

Mr. Chikatomo Kenneth Hodo has been in management of a company providing business consulting and IT services for years at Accenture Japan Ltd. He has extensive experience and a broad range of knowledge on digital business as a corporate executive. In addition, Mr. Hodo has a high degree of independence from the Company as stated below. Following his election as a Director in June 2018, Mr. Hodo has performed well as a member of the Board of Directors and other committees. Fiscal 2019 activities are listed in “Primary activities of Outside Directors” in the business report (pages 59). Mr. Hodo has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Mr. Hodo can continue contributing to the maintenance and upgrading of corporate governance through his activities at the Board of Directors and the committees, and requests that shareholders elect him as an Outside Director.

- Information concerning independence

Accenture Japan Ltd and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.

Mr. Hodo meets the independence standards for Outside Directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.



No. **Sakie Tachibana**  
**6 Fukushima**  
 (September 10, 1949)

Re-election  
 Outside  
 Independent



#### Career history, position and responsibilities at the Company

June 1980 Joined Braxton International  
 September 1987 Joined Bain & Company, Inc.  
 August 1991 Joined Korn/Ferry International-Japan  
 May 1995 Member of the Board of Korn/Ferry International (Global Headquarters)  
 September 2000 Regional Managing Director of Korn/Ferry International-Japan and Member of the Board of Korn/Ferry International (Global Headquarters)  
 July 2001 President and Representative Director of Korn/Ferry International-Japan and Member of the Board of Korn/Ferry International (Global Headquarters)  
 September 2007 President and Representative Director of Korn/Ferry International-Japan  
 May 2009 Chairman and Representative Director of Korn/Ferry International-Japan  
 July 2010 President and Representative Director of G&S Global Advisors Inc.  
 (position which she continues to hold)  
 June 2019 Director of the Company  
 (position which she continues to hold)

• Number of shares of the Company held:

**0 shares**

• Board of Directors meeting attendance:

**9 / 9 times**

**(100%)**

• Nominating Committee attendance:

**6 / 6 times (100%)**

• Audit Committee attendance:

**10 / 10 times (100%)**

• Compensation

Committee attendance:

**6 / 6 times (100%)**

• Term of office:

**one year**

#### Important position concurrently held

President and Representative Director of G&S Global Advisors Inc.

Outside Director of USHIO INC.

Outside Director of Kyushu Electric Power Company, Incorporated  
 (scheduled to assume office in June 2020)

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)

Ms. Sakie Tachibana Fukushima served as Member of the Board of Korn/Ferry International (Global Headquarters) and head of its Japanese subsidiary for many years. She also served as outside director of many Japanese companies. In addition to extensive experience as a corporate executive and a broad range of experience and knowledge about the management of human resources, she has an extensive range of knowledge about corporate governance. In addition, Ms. Fukushima has a high degree of independence from the Company as stated below. Following her election as a Director in June 2019, Ms. Fukushima has performed well as a member of the Board of Directors and other committees. Fiscal 2019 activities are listed in “Primary activities of Outside Directors” in the business report (pages 59 through 60). Ms. Fukushima has been in charge of the duty, securing sufficient time. Therefore, the Company believes that Ms. Fukushima can continue contributing to the maintenance and upgrading of corporate governance through her activities at the Board of Directors and the committees, and requests shareholders elect her as an Outside Director.



- Information concerning independence  
G&S Global Advisors Inc. and the Company do not have any business transaction. Furthermore, the two companies are not major shareholders of each other.  
Ms. Fukushima meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
- Other  
Ms. Fukushima has served as Outside Director of J. Front Retailing Co., Ltd. since May 2012. Its business subsidiary, Daimaru Matsuzakaya Department Stores Co. Ltd., received a cease and desist order and a surcharge payment order under the Antimonopoly Act, concerning orders received for business uniforms, from the Japan Fair Trade Commission in January 2018. Ms. Fukushima, who had expressed opinions from the standpoint of compliance with laws and regulations, made remarks seeking comprehensive measures to prevent the recurrence of a similar event and has supervised the J. Front Retailing Group's thorough compliance management by strengthening and enhancing its in-house training plans and monitoring structure.

No.  
7

**Soichiro Sakuma**  
(February 15, 1956)

First-time  
candidate

Outside

Independent



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**Career history, position and responsibilities at the Company**

April 1978	Joined Nippon Steel Corporation
April 2009	Director (under the Executive Management System) of Nippon Steel Corporation
April 2012	Managing Director (under the Executive Management System) of Nippon Steel Corporation
June 2012	Managing Director (Member of the Board) of Nippon Steel Corporation
October 2012	Managing Director, Member of the Board of Nippon Steel & Sumitomo Metal Corporation
April 2014	Representative Director and Executive Vice President (in charge of General Administration, Legal, Internal Control & Audit, Business Process Innovation, Human Resources and Environment) of Nippon Steel & Sumitomo Metal Corporation
April 2018	Director of Nippon Steel & Sumitomo Metal Corporation
June 2018	Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
April 2019	Senior Advisor of Nippon Steel Corporation (position which he continues to hold)

• Number of shares of the  
Company held:

**0 shares**

**Important position concurrently held**

None

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)  
At Nippon Steel Corporation and Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation), Mr. Soichiro Sakuma was involved for many years in management in the manufacturing sector and was in charge of main head office functions, including general administration, human resources, environment and IT, mainly in legal and internal control & audit. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Sakuma has a high degree of independence from the Company as stated below. Therefore, the Company believes that Mr. Sakuma can contribute to the maintenance and upgrading of corporate governance through his activities at the Board of Directors and the committees, and requests shareholders to newly elect him as an Outside Director.
- Information concerning independence  
Nippon Steel Corporation and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.  
Mr. Sakuma meets the independence standards for Outside Directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. and is an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No.  
**8** **Toyotsugu Itoh**  
(December 20,1955)

Re-election

Non-executive



**Career history, position and responsibilities at the Company**

April 1979	Joined Konishiroku Photo Industry Co., Ltd.
October 2002	General Manager, Technology Center of Konica Minolta Technoproducs Co., Ltd.
October 2003	General Manager, Production Technology Center, Production Technology Headquarters of Konica Minolta Business Technologies, Inc.
April 2005	Vice President (in charge of Corporate Planning, Quality, Environment, Technology) of Konica Minolta Business Technologies (Wuxi) Co. Ltd.
October 2008	General Manager, Manufacturing Technology Center of Konica Minolta Technology Center, Inc.
June 2011	Director, General Manager, Manufacturing Technology Center of Konica Minolta Technology Center, Inc.
April 2013	Executive Officer, General Manager, Corporate Production Operation Division of the Company
April 2015	Senior Executive Officer, General Manager, Corporate Production Operation Division in charge of Group Production Engineering of the Company
April 2016	Senior Executive Officer in charge of Management Quality Improvement of the Company
April 2018	Senior Executive Officer of the Company
June 2018	Director of the Company (position which he continues to hold)

• Number of shares of the Company held:

**23,100 shares**

• Board of Directors meeting attendance:

**12 / 12 times  
(100%)**

• Audit Committee attendance:

**13 / 13 times (100%)**

• Compensation

Committee attendance:

**7 / 7 times (100%)**

• Term of office:

**two years**

**Important position concurrently held**

None

- Reasons for selecting the candidate for Director  
The Company believes that it is important for the Audit Committee to include a full-time Inside Director who has extensive business management experience and expertise involving the collection of information. Mr. Toyotsugu Itoh attends management meetings of Executive Officers as a Member of the Audit Committee. He works to optimize the quality and quantity of information for the audit by the Committee as he will grasp and confirm validity of the determination process about operations, which are commissioned to the Executive Officers by the Board of Directors, as well as the operational status of the internal control system and will provide the Audit Committee with feedback on such information.  
Mr. Itoh has engaged in operations of the Company, such as production technologies, business administration of subsidiaries, and reforms of the management quality as the Company's Senior Executive Officer and has extensive experience and considerable expertise related to business administration and internal control. Since 2018, Mr. Itoh has engaged in supervising management as an Inside Director at the Company not concurrently serving as Executive Officer and properly fulfilled his duties at the Audit and Compensation Committees as an Inside Member.  
Therefore, the Company believes that Mr. Itoh can continue enhancing corporate value by maintaining and strengthening the corporate governance, and requests that shareholders elect for him to continue.

No.

9

**Hiroyuki Suzuki**

(March 16, 1957)

Re-election

Non-executive



**Career history, position and responsibilities at the Company**

April 1979	Joined Minolta Camera Co., Ltd.
July 1997	Senior Managing Director, Minolta MBK Digital Studio, Inc.
April 2004	General Manager, China Sales Promotion Office, MFP Overseas Sales Department, Konica Minolta Business Technologies, Inc.
June 2006	General Manager in charge of Audit Committee Office of the Company
June 2009	General Manager, Corporate Audit Division of the Company
April 2012	Executive Officer, General Manager, Corporate Audit Division of the Company
June 2019	Director of the Company (position which he continues to hold)

• Number of shares of the Company held:

**15,500 shares**

• Board of Directors meeting attendance:

**9 / 9 times  
(100%)**

• Audit Committee attendance:

**10 / 10 times (100%)**

• Compensation

Committee attendance:

**6 / 6 times (100%)**

• Term of office:

**one year**

**Important position concurrently held**

None

- Reasons for selecting the candidate for Director  
The Company believes that it is important for the Audit Committee to include a full-time Inside Director who has extensive business management experience and expertise involving the collection of information. Mr. Hiroyuki Suzuki will attend management meetings of Executive Officers as a Member of the Audit Committee. He will work to optimize the quality and quantity of information for the audit by the Committee as he will grasp and confirm validity of the determination process about operations, which are commissioned to the Executive Officers by the Board of Directors, as well as the operational status of the internal control system and will provide the Audit Committee with feedback on such information.  
After engaging in the secretariat duties to support the Audit Committee at the Audit Committee Office of the Company, Mr. Suzuki has also overseen internal audit as the General Manager of the Company's Corporate Audit Division. Mr. Suzuki has extensive experience and considerable expertise related to internal control. Since 2019, Mr. Suzuki has engaged in supervising management as an Inside Director at the Company not concurrently serving as Executive Officer and properly fulfilled his duties at the Audit and Compensation Committees as an Inside Member.  
Therefore, the Company believes that Mr. Suzuki can continue enhancing corporate value by maintaining and strengthening the corporate governance, and requests shareholders elect him as a Director.

No.  
**10** **Toshimitsu Taiko**  
(November 30, 1962)

Re-election



**Career history, position and responsibilities at the Company**

April 1986	Joined Minolta Camera Co., Ltd.
April 2002	Executive Vice President of Minolta QMS Printing Solutions USA Inc.
April 2005	General Manager, Business Strategy Division, Business Headquarters of Konica Minolta Business Technologies, Inc.
June 2012	Director, General Manager, Corporate Planning Division, General Manager, Business Innovation Division of Konica Minolta Business Technologies, Inc.
April 2013	Group Executive of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2015	Executive Officer, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2016	Executive Officer, General Manager, Business Technologies Business, Business Planning Headquarters of the Company
April 2017	Executive Officer, General Manager, Professional Printing Business Headquarters of the Company
April 2018	Senior Executive Officer, lead officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company
June 2018	Director and Senior Executive Officer, lead officer responsible for Business Technologies Business, General Manager, Office Business Headquarters of the Company
April 2020	Director and Senior Vice President and Executive Officer, lead officer responsible for Business Technologies, and responsible for Corporate Planning, Investor Relations, Corporate Communications and DX Branding of the Company (position which he continues to hold)

• Number of shares of the Company held:

**15,100 shares**

• Board of Directors meeting attendance:

**12 / 12 times  
(100%)**

• Term of office:

**two years**

**Important position concurrently held**

None

- Reasons for selecting the candidate for Director  
The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.  
As a Senior Managing Executive Officer of the Company in charge of Management Planning, IR, etc., and lead officer responsible for supervision of the Company's mainstay Business Technologies Business, Mr. Toshimitsu Taiko has worked to enhance corporate value of the Group by promoting the medium-term business plan. The Company believes Mr. Taiko can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

No.  
**11** **Seiji Hatano**  
(December 17, 1959)

Re-election



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**Career history, position and responsibilities at the Company**

April 1982	Joined the Mitsubishi Bank, Ltd.
June 2011	Resigned the Bank of Tokyo-Mitsubishi UFJ, Ltd.
July 2011	Joined the Company
April 2013	Executive Officer and General Manager, Corporate Strategy Division of the Company
April 2014	Senior Executive Officer and General Manager, Corporate Strategy Division of the Company
June 2014	Director, Senior Executive Officer and General Manager, Corporate Strategy Division of the Company
April 2016	Director, Senior Executive Officer and General Manager, Management Planning Division of the Company
April 2017	Director and Senior Executive Officer in charge of Management Planning, Administration, and Risk Management of the Company
April 2018	Director and Senior Executive Officer in charge of Administration, Accounting, Financial Affairs, and Risk Management of the Company (position which he continues to hold)

• Number of shares of the Company held:

**18,300 shares**

• Board of Directors meeting attendance:

**12 / 12 times**

**(100%)**

• Term of office:

**six years**

**Important position concurrently held**

None

- Reasons for selecting the candidate for Director  
The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.  
As a Senior Executive Officer in charge of Administration, Accounting, Financial Affairs, and Risk Management, Mr. Seiji Hatano has worked to enhance corporate value of the Group by promoting the medium-term business plan. The Company believes Mr. Hatano can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

No. **12** **Masafumi Uchida**  
(January 22, 1959)

Re-election



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**Career history, position and responsibilities at the Company**

April 1983	Joined Konishiroku Photo Industry Co., Ltd.
April 2012	General Manager in charge of Production Technology Division, Konica Minolta Business Technologies, Inc.
April 2013	Deputy General Manager, Production Headquarters of the Company
April 2015	General Manager, Corporate Social Responsibility Operations of the Company
April 2016	Executive Officer, General Manager, Environment Management and Quality Promotion Division, and in charge of Business Technologies Quality Assurance of the Company
April 2018	Senior Executive Officer, General Manager, Quality Headquarters and in charge of Promotion of Sustainability of the Company
April 2019	Senior Executive Officer responsible for Technologies and General Manager, Quality Management Headquarters of the Company
June 2019	Director and Senior Executive Officer responsible for Technologies and General Manager, Quality Management Headquarters of the Company
April 2020	Director and Senior Executive Officer responsible for Technologies of the Company (position which he continues to hold)

• Number of shares of the Company held:

**16,581 shares**

• Board of Directors meeting attendance:

**9 / 9 times**

**(100%)**

• Term of office:

**one year**

**Important position concurrently held**

None

- Reasons for selecting the candidate for Director  
The Company believes that it is important to select Executive Officers in title who are in charge of primary duties so that they can engage in active and essential discussions at meetings of the Board of Directors.  
As a Senior Executive Officer of the Company in charge of all aspects of the technology sector, Mr. Masafumi Uchida has worked to enhance corporate value of the Group by promoting the medium-term business plan. The Company believes Mr. Uchida can continue demonstrating accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests shareholders elect him as a Director.

- Notes: 1. No conflicts of interest exist between the Company and the Director candidates.
2. The Company has entered into liability limitation agreements with Outside Directors Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara, Mr. Chikamoto Kenneth Hodo and Ms. Sakie Tachibana Fukushima, the content of which is summarized in “Liability limitation agreements” on page 60 of the Business Report. The Company will enter into similar agreements with them if they are re-elected, and with Mr. Soichiro Sakuma, the first-time candidate for Outside Director, if he is elected.

[Director election standards]

The Nominating Committee has selected candidates who satisfy the following standards as being suitable Directors for achieving good corporate governance i.e. ensuring the transparency, soundness and efficiency of the Company’s operations.

- (1) Good physical and mental health
- (2) A person that is well liked, dignified, and ethical
- (3) Completely law-abiding
- (4) In addition to having objective decision-making abilities for management, the person must have good foresight and insight
- (5) Someone with no possible conflict of interest or outside business relations that may affect management decisions in the Company’s main business areas, and who has organizational management experience in the business, academic, or governmental sectors. Otherwise, someone with specialized knowledge in technology, accounting, law, or other fields
- (6) For Outside Directors, a candidate with a history of performance and insight in that person’s field, someone with sufficient time to fulfill the duties of a Director, and who has the ability to execute required duties as a member of the three relevant committees
- (7) The Nominating Committee has separately set forth points for consideration in the re-election of Directors and requirements concerning the number of terms of office, age and other factors. Especially, in principle, existing terms of office for Outside Directors are up to four years.
- (8) In addition, the candidate must have the abilities necessary for a Director running and building a public corporation that is transparent, sound, and efficient

[Independence standards for Outside Directors]

Regarding standards for the independence of Outside Directors, the Company’s Nominating Committee selects Outside Director candidates, provided that none of the following criteria apply.

- (1) Person affiliated with Konica Minolta
  - Former employee of the Group
  - Having a family member (spouse, child, or any blood or marital relative twice removed or less) that has served as a Director, executive officer, auditor or top manager in the Group during the past five years
- (2) Person affiliated with a major supplier/client
  - Currently serving as a managing director, executive officer, or employee of a major supplier/client company/group that receives 2% or more of its consolidated sales from the Group or vice versa
- (3) Specialized service provider (lawyer, accountant, consultant, etc.)
  - Specialized service provider that received annual compensation of ¥5 million or more from the Group for the past two years
- (4) Other
  - A shareholder holding 10% or more of the voting rights in the Company (executive director, executive officer, or employee in the case of a corporate body)
  - A director taking part in a director exchange
  - A director, executive officer, auditor or equivalent position-holder of a company that competes with the Group, or a person holding 3% or more of the shares of a competing company
  - Having some other significant conflict of interest with the Group

[The members of each of the committees (planned)]

If the twelve Directors are elected at the Meeting, the members of each of the committees under the company with three committees provided for in Article 2, Item 12 of the Companies Act will be appointed as follows from among three Inside Directors, Mr. Masatoshi Matsuzaki, Mr. Toyotsugu Itoh and Mr. Hiroyuki Suzuki who do not concurrently hold Executive Officer posts, and the five Outside Directors. The Company appoints the Chairman of each committee especially from among Outside Directors. The Representative Executive Officer and President serves as neither member of the committees. Thus, the



Company continues to strive to ensure the transparency of the administration of three committees. Committees are composed of three to four Outside Directors and one or two Inside Directors, and consideration is given to cooperation among the committees and between the individual committees and the senior management.

Nominating Committee	Taketsugu Fujiwara (Chairman), Chikatomo Kenneth Hodo, Sakie Tachibana Fukushima, Soichiro Sakuma, Masatoshi Matsuzaki,
Audit Committee	Takashi Hatchoji (Chairman), Taketsugu Fujiwara, Chikatomo Kenneth Hodo, Soichiro Sakuma, Toyotsugu Itoh, Hiroyuki Suzuki
Compensation Committee	Sakie Tachibana Fukushima (Chairman), Takashi Hatchoji, Soichiro Sakuma, Toyotsugu Itoh, Hiroyuki Suzuki

## [Frequently Asked Questions]

Q: What do you think about opinions about the importance of diversity, including gender and internationality, which should be needed for the Board of Directors?

A: In order to form a Board of Directors of an appropriate size, the Company considers the most important requirements of an individual to have an overall balance of knowledge, experience, and ability, and suitability for providing supervision to tackle management issues facing the Company. Although diversity in that point of view is something we should place importance, the Company does not consider it realistic to be obligated to select a woman or a foreigner on the grounds of gender or nationality.

Ms. Sakie Tachibana Fukushima, whom we request to be elected as Director at the current Ordinary General Meeting of Shareholders, has extensive experience and a broad range of knowledge about human resources management in Japan as well as in the United States, and the Company believes that she is an appropriate candidate from the standpoint of the balance of careers and skills at the Board of Directors. Ms. Fukushima assumed office as Director in June 2019 and is the first-ever female Director of the Company.

The Company also believes that many of Outside Directors and Inside Directors have internationality through each own global management experience.

Q: Isn't there any problem that an Inside Director becomes a Member of the Audit Committee?

A: The Company does not believe that the Audit Committee comprised of only Outside Directors can secure the quality of audits. In order to secure the auditing quality, Inside Directors become full-time members of the Audit Committee and are in charge of investigation under the Companies Act. Due to collection of information by the Inside Members, the committee not only fulfills its own auditing function, but also enhances information brought to the committee, where Outside Directors account for a majority, and secures the quality of its auditing function.

Q: Isn't there any problem that Outside Directors do not account for a majority of the Board of Directors?

A: In its "Basic Policy on Corporate Governance," the Company provides that "one-third or more of Directors are Independent Outside Directors, and (Outside and Inside) Directors who do not concurrently serve as Executive Officers constitute the majority of the total number of Directors." This is because the Company is aware of the need not only for Outside Directors, but also for "Directors who do not concurrently serve as Executive Officers" versed in the Company, as the Chairman of the Board of Directors or as full-time members of the Audit Committee. Namely, the Company believes that (Outside and Inside) Directors who do not concurrently serve as Executive Officers constitute the majority of the total number of Directors.

The Nominating Committee reviews the structure of the Board of Directors every year and selects candidates for Directors after confirming the validity of the structure of the Board of Directors.

Please refer to "Reference: Corporate Governance" on pages 68 through 70.

Q: Is there any impact of concurrent positions served by Directors on their duties as the Company's Directors?

A: In selecting candidates for Directors, the Company makes deliberate consideration from the standpoint of whether they are able to secure sufficient time for the duties at the Board of Directors and each committee. They make sufficient contribution to the Company's governance as we showed attendance and comments at Board of Directors meetings and each committee meetings of the Outside Directors in fiscal 2019 on pages 58 through 60 of the business report and attendance at Board of Directors meetings and each committee meetings of 11 candidates for re-election on the page of each candidate in this proposal.

## BUSINESS REPORT

From April 1, 2019 to March 31, 2020

### 1. Overview of Konica Minolta Group business activities

#### (1) Developments and results of business activities

Looking back at the economic situation during the fiscal year ended March 31, 2020 (hereafter, “the current fiscal year”), the European economy continued to be sluggish from the second half of the previous fiscal year. Though Brexit became official in January 2020, as the United Kingdom and the European Union were to continue various negotiations, the uncertainty lingered. Economic growth in the United States and China slowed down due to factors like additional tariffs linked to their trade friction. As a result, our customer companies, mainly in the manufacturing sector, were less willing to invest. The Japanese economy continued moderate growth overall despite sluggish exports and capital expenditures affected by the global economy where the uncertainty continued. Amid these economic conditions, the yen tended to be higher than in the previous fiscal year. In 2020, as the infection of the novel coronavirus (COVID-19) expanded, economic activities began to stagnate since February in different countries due to lockdowns in China, Europe and the United States.

Under such economic environment, the Group’s revenue on a consolidated basis for the current fiscal year was ¥996.1 billion (down 6.0% year on year). Appreciated yen affected negatively by ¥32.9 billion year on year. By business segment, revenue in the Office Business decreased due to falls in sales in China and North America though signs of recovery were seen led by sales in Europe. In the Professional Print Business, the production print unit posted a decline in revenue, affected by falls in sales in all regions other than the ASEAN region, after revenue in real terms excluding foreign exchange effects turned up, supported by sales in the North America. Meanwhile, the industrial printing business unit, which is positioned as a growth business of the Group, managed to post growth in real terms. In the Healthcare Business, revenue decreased due to a fall in sales in China though sales in all other regions posted growth. Revenue in the Industrial Business posted a decline. Sales in the performance materials business unit decreased, affected by customers’ inventory adjustment, and those in the Inkjet components unit and the measuring instruments unit dropped, affected by COVID-19 as many of major customers were Chinese companies. The Group estimated that the impact of COVID-19 on consolidated revenue would be approximately ¥23 billion.

In the new businesses where the Group continues to invest to develop its future revenue pillars as initiatives for sustainable growth over the medium to long term, the sales area of the Workplace Hub, an edge IoT platform provided by the Company, has expanded from nine countries to 26 countries during the current fiscal year, and measures have been implemented to reinforce sales activities, leading to an expansion of the number of customers. In the bio-healthcare field, the world’s first commercialization of the ribonucleic acid (RNA) testing that assesses germline mutations to enhance the accuracy of genetic diagnostics dramatically was highly recognized by medical institutions, contributing to an increase in the number of orders for genetic testing. For further expansion of the business, the Group prepared further for the full-scale service to organizations for medical examination. As a result, revenue in the new businesses substantially increased.

Operating profit was ¥8.2 billion (down 86.8% year on year). Appreciated yen affected negatively by ¥7.1 billion year on year. The result was partly affected by the absence of temporary income worth ¥20.2 billion that was recorded in the previous fiscal year associated with the liquidation of assets, the payment of additional tariffs worth ¥2.4 billion regarding the

U.S.-China trade friction and the recognition of structural reform expenses worth ¥7.4 billion. The Company estimated the impact of COVID-19 on operating profit at around ¥11 billion.

Though operating profit incurred the sharp year-on-year decline, the initiatives, such as structural reforms and production cost cuts, and shifts to new products which launched aiming to enhance the marketing's competitiveness with more high value-added to improve the worsened productivity in the Office Business and the Professional Print Business in the first half of the fiscal year made smooth progress as planned. The Company added expenses for those initiatives in expectation that the better performance in the segments would contribute to the next fiscal year's earnings. The Company expects that the structural reforms will show larger profit-boosting effects in the next fiscal year than the spending injected in the fiscal year.

Profit before tax came in at ¥200 million (down 99.5% year on year), while loss for the year attributable to owners of the Company amounted to ¥3.0 billion (equity attributable to owners of the Company of ¥41.7 billion in the previous fiscal year).

Business conditions in each segment during the current fiscal year are as follows.

(Hundred millions of yen)				
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019	Increase (Decrease)	
<b>Office Business</b>				
Revenue	5,464	5,878	(414)	(7.0)%
Operating profit	238	471	(233)	(49.4)%
<b>Professional Print Business</b>				
Revenue	2,100	2,277	(176)	(7.8)%
Operating profit	43	138	(94)	(68.5)%
<b>Healthcare Business</b>				
Revenue	878	909	(30)	(3.4)%
Operating profit	6	23	(17)	(73.1)%
<b>Industrial Business</b>				
Revenue	1,096	1,167	(70)	(6.1)%
Operating profit	192	209	(17)	(8.3)%
<b>Subtotal</b>				
Revenue	9,540	10,232	(692)	(6.8)%
Operating profit	480	843	(362)	(43.0)%
<b>Others and Adjustments</b>				
Revenue	420	358	62	17.3%
Operating profit	(398)	(219)	(179)	—
<b>Total</b>				
Revenue	9,961	10,591	(630)	(6.0)%
Operating profit	82	624	(542)	(86.8)%

Notes: 1. Business conditions have been prepared on the basis of International Financial Reporting Standards ("IFRS").

2. "Revenue" refers to revenue from external customers.

Regarding the dividends at the end of the fiscal year, we will very regrettably pay ¥10 per share, down ¥5 year on year, after considering the above results and business environment comprehensively amid the impact of the expansion of COVID-19. Including the dividend distributed on September 30, 2019, we will pay a full-year dividend of ¥25 per share.

## (Reference) Business Activity Highlights of the fiscal year

### May 2019

The Company announced a **comprehensive partnership with Microsoft Japan**. The two companies will further promote reforms that support customers' digital transformation in workstyle reforms, healthcare and other fields.

### June 2019

The Company **started joint research and development with the University of Tokyo and the National Cancer Center Japan** of a next generation oncogenic panel test. This research collaboration enables Konica Minolta to fully enter into the field of the cancer genome medical system in Japan.

### December 2019

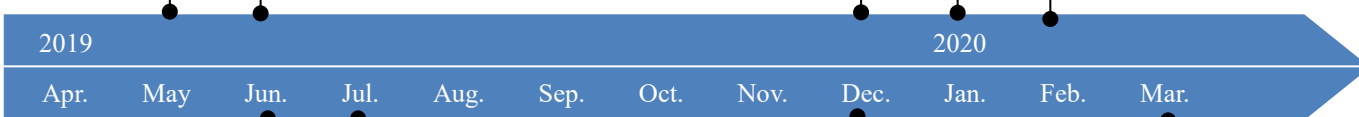
Konica Minolta **received the Grand Prix Award at the Nikkei SDGs Management Grand Prix** as it was recognized as one of front-runner companies that are vigorously addressing Sustainable Development Goals (SDGs) management and tying their efforts to corporate value enhancement.

### January 2020

The Company was listed among **Global 100 Most Sustainable Corporations in the World (2020 Global 100)**, which were announced in conjunction with the annual meeting of the World Economic Forum (Davos Meeting), **for the third time after 2011 and 2019**.

### February 2020

The Company **donated eight units of its ultrasonic diagnostic device SONIMAGE HS1** to six hospitals in Wuhan, China where pneumonia patients gather, to support measures to cope with the spreading infection of the novel coronavirus.



### June 2019

The Company joined the **Smart Industrial Centre (SIC) project, a corporate consortium in Malaysia**. Through the SIC project, the Company promotes the establishment of competitive manufacturing solutions moving beyond conventional value chains and promote a global digital manufacturing plan.



Former Malaysian Prime Minister Mahathir Mohamad, who took part in the opening ceremony of the Smart Industrial Centre, a corporate consortium led by Konica Minolta

### July 2019

Konica Minolta **launched the LED Dome System in Japan**. By using LED elements that emit light by themselves on the screen, the system can reproduce images of unprecedented quality. Leveraging its know-how of projection dome construction, the Company will offer the LED Dome System for a diverse range of customers, including planetariums.



Screen with LED elements that emit light by themselves

### December 2019

The Company added new medium to high-speed color MFPs to its **bizhub i-Series**. The Company will assist customers' workstyle reforms by supporting the strengthening of security at offices and providing constant monitoring and maintenance helped by the remote maintenance function.



MFP bizhub i-Series

### March 2020

The Company and NEC Corporation agreed to promote digital transformation (DX) utilizing 5G as partners. As the first step, the two companies will establish local 5G verification environments in the new Takatsuki building of Konica Minolta's development base Innovation Garden OSAKA Center, which is scheduled to be completed in October 2020.



Appearance (completion drawing) of Innovation Garden OSAKA Center

## **i. Office Business**

### **Business Details**

Development, manufacturing and sale of multifunctional peripherals and related supplies, and provision of related solution services

### **Business report for the current fiscal year**

In the office products business unit, the sales volume of color MFPs turned up in the third quarter due to the effect of launching new models. However, in February and March, when sales activities should have been most active, the sales volume of A3 MFPs sharply declined, particularly in China, due to the impact of COVID-19. Though COVID-19 began to have an impact in Japan and Europe, the sales volume of color models was in line with the previous year's level owing to the effects of the new models before the lockdowns. However, in North America, the main market for high-speed color MFPs, the sales volume, mainly in direct sales channels, decreased as the lockdowns took effect in February when the Company had just launched new models before the end of the current fiscal year. As a result, the sales volume of color models decreased year on year and the decline in monochrome models expanded.

The IT services solution business unit narrowed part of the IT services line-up to improve the prospect of profit and tried to further enhance profitability by standardizing and automating services support, but annual sales decreased year on year partly affected by a decline in March.

As a result, the Office Business segment recorded revenue of ¥546.4 billion (down 7.0% year on year) and operating profit of ¥23.8 billion (down 49.4% year on year), partly due to tariffs in conjunction with the U.S.-China trade friction worth ¥1.9 billion and the recognition of structural reform expenses worth ¥5.8 billion.

## **ii. Professional Print Business**

### **Business Details**

Development, manufacturing, and sale of digital printing systems and related supplies, and provision of various printing service and solution services

### **Business report for the current fiscal year**

In the production print business unit, there were signs of recovery in sales in North America in the third quarter, reflecting the results of emphasized values of IQ-501 Intelligent Quality Optimizer. The Company advanced into the field of large-quantity printing as orders received for its first high-speed models, the “AccurioPress C14000 Series,” launched in February, fared well. However, sales decreased in all regions excluding the ASEAN region, due to delays of installations at customers, restrained investments and postponement of investment decisions amid the impact of COVID-19.

In the industrial printing business unit, sales of “AccurioJet KM-1” digital inkjet press through direct sales showed significant growth. Sales of label printers and digital decoration printing\* equipment showed growth, reflecting the effects of new products and reinforced sales capacity, and maintaining the highest market share in the targeted markets.

In the marketing services business unit, despite continuing efforts into transition to a business that provides high value-added solutions and expanding sales driven by the United States and Asia, revenue declined due to decreased marketing activities among customers and a fall in visiting customers at Kinko’s shops, where the Company provides the on-demand printing service, since the second half of February.

As a result, the Professional Print Business segment recorded revenue of ¥210.0 billion (down 7.8% year on year) and operating profit of ¥4.3 billion (down 68.5% year on year), partly due to tariffs linked to the U.S.-China trade friction worth ¥500 million and impairment loss regarding goodwill at a subsidiary in the marketing services business unit worth ¥1.6 billion.

### **(Company-business related glossary)**

\* Decoration printing

Printing that adds value to printed matters, such as conveying a sense of luxury through the expression of a three-dimensional effect through raised printing with varnish and embossing jobs by gold and silver.

### **iii. Healthcare Business**

#### **Business Details**

Development, manufacturing, and sale of medical diagnostic imaging systems (such as X-ray photography and ultrasonic diagnostic imaging system), provision of services related to those systems and other solution services for digitizing and networking medical treatment.

#### **Business report for the current fiscal year**

In the healthcare (modality) business unit, the sales volume of the digital radiography (DR)\*<sup>1</sup> for hospitals increased smoothly in Japan, Europe and Asia throughout the fiscal year and the Americas, due to favorable sales in South America, ended up a year-on-year increase in the overall sales volume. The sales volume of diagnostic ultrasound systems increased steadily throughout the fiscal year in Japan, supported by the effects of a new product for obstetrics and a rise in the sales volume for the new fields like dialysis and anesthesia. Overseas sales of diagnostic ultrasound systems also grew, primarily in Europe, the United States and Asia. Overall revenue in the healthcare (modality) business unit decreased year on year partly due to a fall in sales in China affected by COVID-19.

The medical IT business unit maintained an increase in revenue amid the severe economic environment in the second half of the fiscal year, by contribution of a large-scale order of the Picture Archiving and Communication System (PACS)\*<sup>2</sup> in North America, solid sales of PACS in Japan and the start of sales of PACS in Asia.

As a result, the Healthcare Business segment recorded revenue of ¥87.8 billion (down 3.4% year on year) and operating profit of ¥600 million (down 73.1% year on year), partly due to the recognition of valuation loss on property, plant and equipment of ¥500 million related to a sale of subsidiaries' business bases.

#### **(Company-business related glossary)**

\*<sup>1</sup> DR (Digital Radiography)

A technique that detects the intensity distribution of the X-rays that pass through the body when an X-ray is taken, and then converts the data to a digital signal, which is processed by computer. Also refers to systems that perform this function.

\*<sup>2</sup> PACS (Picture Archiving and Communication System)

PACS is an image archiving and communication system for medical treatments. It manages a huge amount of images including photos taken by DR and other X-ray photography, CT, MRI and other methods.



## **iv. Industrial Business**

### **Business Details**

#### **<Materials and components>**

Development, manufacturing and sale of functional film used for liquid crystal displays, OLED lighting, ink jet heads for industrial use and lenses for industrial and professional uses and others.

#### **<Optical systems for industrial use>**

Development, manufacturing and sale of measuring equipment and others

### **Business report for the current fiscal year**

In the field of materials and components, shifts to sales of high value-added products in the performance materials business unit remained firm; however, revenue fell slightly due to customers' temporary inventory adjustment among others. The sales of new resin films, which had been in production until the previous fiscal year, have been approved by customers and are now on the market. As a result, the exchange of products in our product portfolio and the expansion of our customer base are progressing as planned. The optical component business unit posted a decrease in revenue. Sales of lenses for projectors remained firm throughout the fiscal year, while those of other optical components declined. In the inkjet component business unit, revenue ended up in decline due to a rapid slowdown of sales in the fiscal year amid the impact of COVID-19. As a result of the above, for the field of materials and components as a whole, there was a decline in revenue.

In the field of optical systems for industrial use, the measuring instruments business unit experienced a stronger standstill of demand for object color measurement instruments due to restrained business activities amid the spread of COVID-19. Sales of light source color measurement instruments were recovering in the second half of the fiscal year, overcoming a decrease in large-scale demand that had been enjoyed in the previous year due to diversification of display products. However, business activities were restrained due to COVID-19 and deliveries to customers were postponed to the next year due to slow customs work in China. As a result, revenue for the unit fell overall. Nonetheless, inquiries from customers in China and South Korea continued and business talks were resuming around the end of the fiscal year.

As a result, the Industrial Business segment recorded revenue of ¥109.6 billion (down 6.1% year on year), and operating profit of ¥19.2 billion (down 8.3% year on year).

### **(Company-business related glossary)**

#### **\* TAC (triacetyl cellulose) film**

Primarily composed of cellulose acetate, it is mainly used as a protective film for polarizers, a key component of LCDs. TAC was originally developed as a substrate for photographic film, but because of its superior flame resistance, transparency, surface appearance, and electric insulation characteristics, we are pursuing development of new applications.

## **(2) Financing, etc.**

### **a. Financing**

In the fiscal year under review, the Company did not procure new funds by issuing new shares or corporate bonds.

### **b. Capital expenditure**

The capital expenditure of the Group during the fiscal year under review totaled ¥50.8 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Office Business, the Professional Printing Business and the Industrial Business.

### (3) Business results

		113 <sup>th</sup> Term Fiscal Year Ended March 31, 2017	114 <sup>th</sup> Term Fiscal Year Ended March 31, 2018	115 <sup>th</sup> Term Fiscal Year Ended March 31, 2019	116 <sup>th</sup> Term Fiscal Year Ended March 31, 2020 (current fiscal year)
Revenue	(Hundred millions of yen)	9,625	10,312	10,591	9,961
Operating profit	(Hundred millions of yen)	501	538	624	82
Profit (loss) for the year attributable to owners of the Company	(Hundred millions of yen)	315	322	417	(30)
Basic earnings (loss) per share (Note 2)	(yen)	63.65	65.17	84.33	(6.21)
Equity attributable to owners of the Company	(Hundred millions of yen)	5,243	5,245	5,556	5,237
Total assets	(Hundred millions of yen)	10,054	12,039	12,189	12,767
Equity per share attributable to owners of the Company (Note 2)	(yen)	1,057.92	1,060.72	1,123.39	1,058.29
Dividend per share [of which, interim dividend per share]	(yen)	30 [15]	30 [15]	30 [15]	25 [15]
ROE (Note 3)	(%)	6.1	6.1	7.7	(0.6)

- Notes: 1. Business results have been prepared on the basis of International Financial Reporting Standards (“IFRS”).
2. From the 114<sup>th</sup> fiscal year ended March 31, 2018, treasury shares, on which basic earnings per share and equity per share attributable to owners of the Company are based, include the Company’s shares held by trust accounts related to the BIP (Board Incentive Plan) trust for compensation for Directors.
3. The following methods are used to calculate the return on equity.  
Profit attributable to owners of the Company divided by equity attributable to owners of the Company  
(average of equities at beginning and end of fiscal year)

#### **(4) Issues to be handled**

##### **1. Corporate philosophy**

Under the corporate philosophy “The Creation of New Value,” the Company has generated innovations with its original technologies focusing on input/output of images and image processing and met desires to “see” among global customers. We have made invisible things visible in the following fields: risks like waste and errors hidden in customers’ operational processes, skilled craftsmen’s dependence on intuition and inspiration at workplaces of printing and manufacturing, minimal signs of diseases that threaten healthy life and stable society and potential risks like genetic mutations. Throughout the provision of values in an exclusive way, we have aimed to become a company that solves issues of customers and society.

##### **2. Key initiatives in FY2020**

In the first half of FY2019, profitability in the mainstay businesses, such as the Office Business and the Professional Print Business, declined due to worse external factors, such as the sluggish European economy and the yen’s continuous rise against the euro and the economic slowdowns in the United States and China as a result of their trade friction, and internal factors like a delay in production cost reductions in switching to new models of low-to-medium speed color MFPs in the Office Business. In the second half of FY2019, there was the impact of additional tariffs stemming from the U.S.-China trade friction, but the Company’s additional measures to improve profitability progressed steadily. Since January 2020, the Company increased high-value added products, launching new high-speed color MFPs in the Office Business and a new product in the new business area of high-speed color digital printing. It also achieved its structural reforms, which had been implemented in expectation of annual contribution to FY2020 results, in line with its schedule.

However, the worldwide spread of COVID-19 since February 2020 has considerably restrained our production and sales activities. In Europe and the United States, installations of ordered equipment and provision of services have been delayed and activities to obtain new orders have been restrained due to the lockdowns there, substantially affecting the performance of the Company, at which these regions account for a large portion of overall sales. The worse earnings results, however, were caused by an inability to do sales activities, not stemming from disappearance of demand or lower competitiveness.

While sales and profits in many sectors were affected due to the spread of COVID-19, the performance materials business unit managed to strengthen its earning ability as its continuous product portfolio strategy bore fruit.

The effects of COVID-19 are expected to expand further in the first quarter of FY2020 and the subsequent situation is likely to be unforeseeable. The Company will try to establish a sturdy business structure resilient to changes in the environment, on the assumption that those effects, even they once become stable, will enter the repeated trends of expansion and shrinkage for a year or two. The Company will cope with the following five points as its key policies for FY2020.

1) Continuation and strengthening of measures to improve profitability: Generate results of the structural reforms conducted in FY2019. While placing emphasis on inventory reduction and controlling output, strengthen competitiveness by cost reduction and the launch of new products and support customers solve social issues in response to demand that will rise amid the effects of COVID-19 infection (such as support for telework at small and medium-size enterprises, reduce burdens for medical treatment with speedy diagnosis using medical imaging and provision of temperature measurement systems at entries of buildings and large-scale facilities).

2) Ensuring liquidity at hand: Procure funds equivalent to six months’ worth of sales to prepare for a structure where the Company can concentrate on its businesses without concern over finance. Reduce inventories and restrain capital expenditures thoroughly.

3) Reduction in fixed costs: Accelerate non-face-to-face sales and provision of services using digital technology and revolutionize business processes that start from customers in a digital way. Review work styles radically and deploy the optimized personnel and exercise the optimized spending to that effect.

4) Improvement of capital productivity: Strengthen management of capital efficiency for individual business units using KM-ROIC, an original indicator based on each business segment's profit, and by the management of conventional return on invested capital (ROIC). Restrain capital expenditures. As to investments and loans like M&A, put priority for harvesting results of past investments and limit to projects that are indispensable for future growth.

5) Reform of organizational structure: Take changes as an opportunity and establish an organizational structure that moves autonomously and flexibly. Foster corporate culture and human resources that can create social values in a bottom-up way.

### 3. Toward medium and long-term growth

As a result of the spread of COVID-19, the way of the world is changing dramatically. We expect that the world will be penetrated by and filled with the values of creating a better society autonomously by relations and inter-dependence among people and society without bound by conventional wisdom.

Leveraging its technologies of “making the invisible visible,” which have been fostered since its founding, the Company visualizes inefficiency and risks of the business processes at small and medium-size enterprises in the Office Business area, losses caused by changes in industrial demand and their burden on the global environment in the Digital Printing Business area and hidden risks of infections and other diseases among seemingly healthy people in the Healthcare Business area, and so on, and thereby the Company will contribute to creating a society where more people can feel the joy of living with a sense of fulfillment by drawing the potential and creativity from professionals who work on their business sites in each business field.

The way to a company that directly faces the world after COVID-19 and grows sustainably along with society will not be flat and we recognize strongly that the Company has to advance its reforms in a bold manner based on digitalization and data storage that we have been promoting. As it determined to retreat from its original business of film cameras in the past, the Company will restructure its business portfolio radically by anticipating changes in the circumstances, such as more speedily coping with paperless society that is to come on a full-scale basis. We will advance strategic concentration on core businesses boldly, based on our original way of thinking, “genre-top value,” and aims to become a company that is needed and supported by society and continues to evolve with society.

## **(5) Network of the Group (as of the fiscal year end)**

### **a. Main business offices, plants, etc.**

The Group is comprised of the Company, 170 consolidated subsidiaries, and four affiliated companies accounted for by the equity method and jointly controlled entities. The Group has product and technology development, manufacturing, and sales bases worldwide.

#### **Main business offices in Japan**

##### **The Company**

- (1) Head Office (Chiyoda-ku, Tokyo)
- (2) Kansai Branch (Osaka City, Osaka)

##### **Other domestic offices**

- a) Hino City (Tokyo), Hachioji City (Tokyo), b) Chuo City (Yamanashi Prefecture),
- c) Toyokawa City (Aichi Prefecture), d) Sakai City (Osaka), Osakasayama City (Osaka),
- e) Kobe City (Hyogo Prefecture)

##### **Subsidiaries**

- (1) Konica Minolta Japan, Inc. (Minato-ku, Tokyo)
- (2) Konica Minolta Supplies Manufacturing Co., Ltd. (Kofu City, Yamanashi Prefecture)
- (3) Konica Minolta Mechatronics Co., Ltd. (Toyokawa City, Aichi Prefecture)
- (4) Konica Minolta Technoproducts Co., Ltd. (Sayama City, Saitama Prefecture)

#### **Main business offices overseas**

##### **Subsidiaries**

##### **U.S.A.**

- (1) Konica Minolta Business Solutions U.S.A., Inc.  
Konica Minolta Healthcare Americas, Inc.
- (2) Ambry Genetics Corporation

##### **Europe**

- (3) Konica Minolta Business Solutions Europe GmbH (Germany)  
Konica Minolta Business Solutions Deutschland GmbH (Germany)  
Instrument Systems GmbH (Germany)
- (4) Konica Minolta Business Solutions France S.A.S. (France)
- (5) Konica Minolta Business Solutions (UK) Limited (U.K.)  
Konica Minolta Marketing Services EMEA Limited (U.K.)

##### **Asia, etc.**

- (6) Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
- (7) Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
- (8) Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
- (9) Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
- (10) Konica Minolta Business Solutions Asia Pte. Ltd. (Singapore)
- (11) Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)
- (12) Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)

(Reference)

**External revenue by Region (the fiscal year under review)**

External revenue of the fiscal year by geographical area is as follows.

Region	Revenue (Hundred millions of yen)	Sales proportion of each region
Japan	1,917	19.3%
U.S.A.	2,797	28.1%
Europe	2,942	29.5%
China	792	8.0%
Asia	784	7.9%
Other	725	7.2%
Total	9,961	100%

Note: Revenue classifications are based on customers' countries. When there are no key countries for customers in any of the regions above, they are classified into the respective regions.

**b. Employees of the Group**

Number of employees	Compared with end of previous fiscal year
43,961	Decrease of 399

Note: The number of employees indicates the number of employees currently on duty.

**(6) Significant subsidiaries (as of the fiscal year end)**

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Japan, Inc.	Millions of yen 397	100%	Sale of multi-functional peripherals, digital printing systems, printers, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related solution services
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 200	100%	Manufacturing and sale of supplies for multi-functional peripherals, digital printing systems and printers
Konica Minolta Mechatronics Co., Ltd.	Millions of yen 90	100%	Manufacturing and sale of multi-functional peripherals, printers related supplies and optical devices (Pickup-lens and lens-unit etc.)
Konica Minolta Technoproducts Co., Ltd.	Millions of yen 350	100%	Manufacturing and sale of equipment for medical system
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in the U.S., and providing related solution services
Konica Minolta Business Solutions Europe GmbH	Thousand euro 88,101	100%	Sale of multi-functional peripherals, digital printing systems, medical imaging systems and related supplies in Europe and others, and providing related solution services
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in Germany, and providing related solution services
Konica Minolta Business Solutions France S.A.S.	Thousand euro 46,290	*100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in France, and providing related solution services
Konica Minolta Business Solutions (UK) Limited	Thousand British pound 21,000	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in the U.K., and providing related solution services
Konica Minolta Marketing Services EMEA Limited	Thousand British pound 440	*100%	Print management service providers in Europe

Note: The ratio of voting rights marked with \* include those held by subsidiaries.



Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in China, and providing related solution services
Konica Minolta Business Technologies Manufacturing (HK) Limited	Thousand HK dollar 195,800	100%	Manufacturing and sale of multi-functional peripherals, printers, and related supplies
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers, and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers, and related supplies
Konica Minolta Business Solutions Asia Pte. Ltd.	Thousand US dollar 56,064	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in Southeast Asia, and providing related solution services
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Thousand Malaysian ringgit 135,000	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers, and related supplies
Konica Minolta Business Solutions Australia Pty Ltd	Thousand Australian dollar 24,950	100%	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in Australia, and providing related solution services
Konica Minolta Healthcare Americas, Inc.	Thousand US dollar 5,300	*100%	Sale of medical imaging systems and other products in the United States and other countries
Instrument Systems GmbH	Thousand euro 600	100%	Manufacturing and sale of LED light sources, light measurement systems and other products
Ambry Genetics Corporation	US dollar 102	*60%	Providing genetic testing service centering on cancer area

Note: The ratio of voting rights marked with \* includes those held by subsidiaries.

**(7) Principal lenders and the amount of loans of the Group (as of the fiscal year end)**  
(Hundred millions of yen)

Lender	Outstanding amount of loan
MUFG Bank, Ltd.	845
Sumitomo Mitsui Banking Corporation	372
Resona Bank, Limited.	235
Nippon Life Insurance Company	187
The Norinchukin Bank	104

**(8) Policy on exercise of authority if Articles of Incorporation allow distribution of dividends from retained earnings by the resolution of the Board of Directors (Article 459, Paragraph 1 of the Companies Act)**

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements to promote strategic investments in growth fields while seeking to implement proactive shareholder returns. The Company strives to enhance shareholder returns through higher dividends as well as a flexible acquisition of the treasury shares.

**(9) Other significant matters of the Group**

No significant matters worth mentioning.

## 2. State of shares (as of the fiscal year end)

(1) Total number of shares authorized to be issued ..... 1,200,000,000 shares

(2) Total number of shares issued ..... 502,664,337 shares  
(of which, treasury shares 6,580,147 shares)

(3) Number of shareholders ..... 59,587

### (4) Major shareholders (the top ten shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	48,831	9.84
Japan Trustee Services Bank, Ltd. (Trust account)	34,875	7.03
MUFG Bank, Ltd.	13,945	2.81
Japan Trustee Services Bank, Ltd. (Trust account 9)	12,844	2.59
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.39
Nippon Life Insurance Company	10,809	2.18
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for MUFG Bank, Ltd.)	10,801	2.18
Japan Trustee Services Bank, Ltd. (Trust account 7)	9,834	1.98
Daido Life Insurance Company	9,040	1.82
Japan Trustee Services Bank, Ltd. (Trust account 5)	8,892	1.79

Note: 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 (1,184,094 shares).

### (5) Other significant matters regarding shares

With regard to the "Summary of policy for amount of Director or Executive Officer compensation and the method of calculation," the Company has adopted a system called the BIP (Board Incentive Plan) trust for compensation for Directors in distributing shares to Directors as a "medium-term stock bonus" and to Executive Officers as a "stock bonus linked with medium-term performance." As of March 31, 2020, the trust accounts related to the BIP trust for compensation for Directors held 1,184,094 shares of the Company.

### 3. Share acquisition rights, etc. of the Company

#### (1) Summary of share acquisition rights, etc., issued to/held by Directors and Executive Officers of the Company as compensation for the execution of duties (as of the fiscal year end)

Starting in fiscal 2005, the Company began issuing share acquisition rights to Directors (excludes Outside Directors) and Executive Officers in the form of a compensation-type stock option plan, in accordance with its compensation determination policy.

Upon the exercise of share acquisition rights, treasury shares owned by the Company will be transferred.

		First Series Fiscal Year Ended March 31, 2006	Second Series Fiscal Year Ended March 31, 2007	Third Series Fiscal Year Ended March 31, 2008
Number of share acquisition rights		389	211	226
Type and number of shares under share acquisition rights		Ordinary shares 194,500 shares	Ordinary shares 105,500 shares	Ordinary shares 113,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 23, 2005 - June 30, 2025	September 2, 2006 - June 30, 2026	August 23, 2007 - June 30, 2027
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of Directors and Executive Officers	Number of holders	2	2	2
	Number of rights	25	20	20
	Number of shares	12,500 shares	10,000 shares	10,000 shares

		Fourth Series Fiscal Year Ended March 31, 2009	Fifth Series Fiscal Year Ended March 31, 2010	Sixth Series Fiscal Year Ended March 31, 2011
Number of share acquisition rights		256	399	376
Type and number of shares under share acquisition rights		Ordinary shares 128,000 shares	Ordinary shares 199,500 shares	Ordinary shares 188,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 19, 2008 - June 30, 2028	August 20, 2009 - June 30, 2029	August 28, 2010 - June 30, 2030
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of Directors and Executive Officers	Number of holders	2	3	3
	Number of rights	22	67	65
	Number of shares	11,000 shares	33,500 shares	32,500 shares

		Seventh Series Fiscal Year Ended March 31, 2012	Eighth Series Fiscal Year Ended March 31, 2013
Number of share acquisition rights		479	571
Type and number of shares under share acquisition rights		Ordinary shares 239,500 shares	Ordinary shares 285,500 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 24, 2011 - June 30, 2031	August 23, 2012 - June 30, 2032
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until five (5) years from that starting date.	
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.	
Holdings of Directors and Executive Officers	Number of holders	4	5
	Number of rights	100	126
	Number of shares	50,000 shares	63,000 shares

		Ninth Series Fiscal Year Ended March 31, 2014	Tenth Series Fiscal Year Ended March 31, 2015
Number of share acquisition rights		515	1,596
Type and number of shares under share acquisition rights		Ordinary shares 257,500 shares	Ordinary shares 159,600 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 23, 2013 - June 30, 2043	September 12, 2014 - June 30, 2044
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until ten (10) years from that starting date.	
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.	
Holdings of Directors and Executive Officers	Number of holders	8	8
	Number of rights	159	725
	Number of shares	79,500 shares	72,500 shares

		11 <sup>th</sup> Series Fiscal Year Ended March 31, 2016	12 <sup>th</sup> Series Fiscal Year Ended March 31, 2017
Number of share acquisition rights		1,101	1,714
Type and number of shares under share acquisition rights		Ordinary shares 110,100 shares	Ordinary shares 171,400 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of share acquisition rights		August 19, 2015 - June 30, 2045	September 1, 2016 - June 30, 2046
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company up until ten (10) years from that starting date.	
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.	
Holdings of Directors and Executive Officers	Number of holders	11	15
	Number of rights	607	1,208
	Number of shares	60,700 shares	120,800 shares

Notes: 1 The number of shares issued upon the exercise of each share acquisition right was 500 from the first to the ninth series and is 100 from the tenth series.

2. Two Directors who were incumbent at the end of the current fiscal year acquired a total of 80 share acquisition rights when they were Group Executive Officers as consideration for the exercise of their duties. These share acquisition rights were described in (2) below.

3. The stock compensation-type stock option plan was abolished with the twelfth issue.



**(2) Summary of share acquisition rights, etc., issued to/held by Group Executives of the Company (“the Group Executives”) as compensation for the execution of duties (as of the fiscal year end)**

In fiscal 2016, the Company began issuing share acquisition rights to the Group Executives in the form of a compensation-type stock option plan, based on a decision by the President, CEO and Representative Executive Officer.

Upon the exercise of share acquisition rights, treasury shares held by the Company will be transferred.

		12 <sup>th</sup> Series Fiscal Year Ended March 31, 2017
Number of share acquisition rights		200 (100 shares per right)
Type and number of shares under share acquisition rights		Ordinary shares 20,000 shares
Amount to be paid upon exercise of the share acquisition rights		One (1) yen per share
Exercise period of share acquisition rights		September 1, 2016 - June 30, 2046
Primary condition for exercise of share acquisition rights		The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director or Executive Officer of the Company or Group Executive up until ten (10) years from that starting date.
Primary events and conditions for acquisition of share acquisition rights		The Company may acquire share acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.
Holdings of the Group Executives	Number of holders	3
	Number of rights	120 (100 shares per right)
	Number of shares	12,000 shares

Note: The stock compensation-type stock option plan was abolished with the twelfth issue.

#### 4. Status of the Company's management members

##### (1) Names, etc. of Directors and Executive Officers

##### a. Directors (as of the fiscal year end)

Position	Name	Responsibilities	Important positions concurrently held
Director	Masatoshi Matsuzaki	Chairman of the Board Member of Nominating Committee	Outside Director of Ichigo Inc. Outside Director of Nomura Research Institute, Ltd. Outside Director of Nippon Sheet Glass Co. Ltd. Outside Director of LIXIL Group Corporation
Director	Shoei Yamana	(President and CEO, and Representative Executive Officer)	
Outside Director	Kimikazu Noumi	Member of Compensation Committee (Chairman) Member of Audit Committee	Executive Advisor of J-WILL CORPORATION Outside Director of Nishimoto Co., Ltd. Outside Director of SPARX Group Co., Ltd.
Outside Director	Takashi Hatchoji	Member of Audit Committee (Chairman) Member of Nominating Committee	Outside Director of Nitto Denko Corporation Outside Auditor of Marubeni Corporation
Outside Director	Taketsugu Fujiwara	Member of Nominating Committee (Chairman) Member of Audit Committee	Counsellor of Asahi Kasei Corporation Outside Director of SHIMADZU CORPORATION Outside Director of KOKUYO Co., Ltd. Outside Director of IHI Corporation Chairman of Japan Society for Safety Engineering
Outside Director	Chikatomo Kenneth Hodo	Member of Nominating Committee Member of Compensation Committee	Senior Corporate Advisor of Accenture Japan Ltd Outside Director of Sumitomo Mitsui DS Asset Management Company, Limited Outside Director of Mynavi Corporation Outside Director of Mitsubishi Chemical Holdings Corporation.
Outside Director	Sakie Tachibana Fukushima	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	President & Representative Director of G&S Global Advisors Inc. Outside Director of J. FRONT RETAILING CO., Ltd. Outside Director of USHIO INC.
Director	Toyotsugu Itoh	Member of Audit Committee Member of Compensation Committee	
Director	Hiroyuki Suzuki	Member of Audit Committee Member of Compensation Committee	
Director	Seiji Hatano	(Senior Executive Officer)	
Director	Toshimitsu Taiko	(Senior Executive Officer)	
Director	Masafumi Uchida	(Senior Executive Officer)	

- Notes: 1. The five Directors Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo and Ms. Sakie Fukushima Tachibana are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act and Independent Directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
2. At the 115th Ordinary General Meeting of Shareholders held on June 18, 2019, the terms of office of all 12 Directors expired. The following nine Directors were reelected: Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Mr. Toyotsugu Itoh, Mr. Seiji Hatano and Mr. Toshimitsu Taiko and three Directors: Ms. Sakie Tachibana

Fukushima, Mr. Hiroyuki Suzuki and Mr. Masafumi Uchida were newly elected and assumed office the same day.

3. Upon the close of the 115th Ordinary General Meeting of Shareholders held on June 18, 2019, the term of office of Mr. Hiroshi Tomono, Mr. Ken Shiomi and Mr. Kunihiro Koshizuka expired and they retired from the office of Director.
4. Mr. Kimikazu Noumi, a member the Audit Committee, has experience at The Norinchukin Bank and Aozora Bank, Ltd. in the management of the financial services sector. He has considerable knowledge of corporate finance and corporate accounting.
5. Mr. Toyotsugu Itoh and Mr. Hiroyuki Suzuki are full-time members of the Audit Committee. In this role, they constantly collect information, receive periodic reports from business units, visit business sites to perform inspections, and conduct other activities. Sharing information acquired from these activities with all members of the Audit Committee allows this committee to perform effective examinations of various subjects and issues.

**b. Executive Officers (as of the fiscal year end)**

Position	Name	Responsibilities and important positions concurrently held
* President and CEO, and Representative Executive Officer	Shoei Yamana	Responsible for Diversity Enhancement
Senior Vice President and Executive Officer	Kiyotaka Fujii	Division President of Healthcare Business Headquarters and Chairman and CEO, Konica Minolta Precision Medicine, Inc.
Senior Executive Officer	Tsukasa Wakashima	Responsible for Human Resources and General Affairs
* Senior Executive Officer	Seiji Hatano	Responsible for Business Management, Accounting, Financial and Risk Management
Senior Executive Officer	Noriyasu Kuzuhara	Division President of Materials & Component Business Headquarters and General Manager, Corporate R&D Headquarters
Senior Executive Officer	Yuji Ichimura	Division President of Industrial Optical Systems Business Headquarters and Responsible for BIC (Business Innovation Center) and Public Relations
* Senior Executive Officer	Masafumi Uchida	Responsible for Technologies and General Manager, Quality Management Headquarters
* Senior Executive Officer	Toshimitsu Taiko	Lead Officer responsible for Business Technologies and Division President of Office Business Headquarters
Senior Executive Officer	Ikuo Nakagawa	Responsible for Digital Workplace Business, DX Branding and IT
Senior Executive Officer	Kazuyoshi Hata	General Manager, Corporate Planning Division and Kansai Regional Director and Responsible for Investor Relations, Corporate Communications, One KM Business Promotion
Executive Officer	Ken Osuga	Executive Vice President, Konica Minolta Japan, Inc.
Executive Officer	Atsuo Takemoto	General Manager, Manufacturing Headquarters
Executive Officer	Hajime Takei	General Manager, R&D Headquarters, Business Technologies
Executive Officer	Richard K. Taylor	CEO, Konica Minolta Business Solutions U.S.A., Inc.
Executive Officer	Takaji Ito	General Manager, Corporate Business Management Division
Executive Officer	Toshiya Eguchi	General Manager, IoT Service Platform Development Operations
Executive Officer	Koji Sugie	Division President of Professional Printing Business Headquarters
Executive Officer	Tetsuya Matsueda	General Manager, Legal Division and Responsible for Intellectual Property, Compliance and Crisis Management
Executive Officer	Kazumi Atago	Company Secretary and General Manager, Secretarial Division
Executive Officer	Hitoshi Kamezawa	General Manager, Sensing Business Unit, Industrial Optical Systems Business Headquarters
Executive Officer	Toru Hasegawa	Division Vice President of Healthcare Business Headquarters and General Manager, Healthcare Business Unit
Executive Officer	Jean-Claude Cornillet	President, Konica Minolta Business Solutions France S.A.S.
Executive Officer	Keiji Okamoto	President, Konica Minolta Business Solutions Europe GmbH
Executive Officer	Yoshihiko Hirota	Deputy General Manager, IoT Service Platform Development Operations and Deputy General Manager, Quality Management Headquarters

Notes: 1. Executive officers marked with \* hold concurrent Director positions.

2. The above Executive Officers were, after the close of the 115<sup>th</sup> Ordinary General Meeting of Shareholders held on June 18, 2019, elected at the meeting of the board of Directors held the same day.

3. Mr. Ikuo Nakagawa, Mr. Kazuyoshi Hata and Mr. Toru Hasegawa resigned as Executive Officers as of March 31, 2020.

4. Mr. Toshimitsu Taiko was promoted to Senior Managing Executive Officer and Mr. Hajime Takei was promoted to Senior Executive Officer as of April 1, 2020. Mr. Toshitaka Uemura and Mr. Kazuhiro Kobayashi newly assumed Executive Officer posts as of the same day. Executive Officers and their responsibilities changed as of April 1, 2020 as follows.

**Executive Officer as of April 1, 2020**

Position	Name	Responsibilities and important positions concurrently held
President and CEO, and Representative Executive Officer	Shoei Yamana	Responsible for Diversity Enhancement
Senior Vice President and Executive Officer	Kiyotaka Fujii	Division President of Healthcare Business Headquarters and Chairman and CEO, Konica Minolta Precision Medicine, Inc.
Senior Vice President and Executive Officer	Toshimitsu Taiko	Lead Officer responsible for Business Technologies and Responsible for Corporate Planning, Investor Relations, Corporate Communications and DX Branding
Senior Executive Officer	Tsukasa Wakashima	Responsible for Human Resources
Senior Executive Officer	Seiji Hatano	Responsible for Business Management, Accounting, Finance and Risk Management
Senior Executive Officer	Noriyasu Kuzuhara	Division President of Materials & Component Business Headquarters and General Manager, Corporate R&D Headquarters
Senior Executive Officer	Yuji Ichimura	Responsible for Digital Transformation and Public Relations
Senior Executive Officer	Masafumi Uchida	Responsible for Technologies
Senior Executive Officer	Hajime Takei	Division President of Digital Workplace Business Headquarters and Responsible for BIC (Business Innovation Center) and One KM Business Promotion
Executive Officer	Ken Osuga	Representative Director and President, Konica Minolta Japan, Inc.
Executive Officer	Atsuo Takemoto	General Manager, Manufacturing and Procurement Headquarters
Executive Officer	Richard K. Taylor	CEO, Konica Minolta Business Solutions U.S.A., Inc.
Executive Officer	Takaji Ito	Deputy General Manager, Manufacturing and Procurement Headquarters and General Manager, Manufacturing Operations
Executive Officer	Toshiya Eguchi	Responsible for IoT Service Platform Development, Imaging-IoT Solution Business and Visual Solutions Business
Executive Officer	Koji Sugie	General Manager, Quality Management Headquarters
Executive Officer	Tetsuya Matsueda	General Manager, Legal Division and Responsible for General Affairs, Intellectual Property, Compliance and Crisis Management
Executive Officer	Kazumi Atago	Company Secretary and General Manager, Secretarial Division
Executive Officer	Hitoshi Kamezawa	General Manager, Sensing Business Unit
Executive Officer	Jean-Claude Cornillet	President, Konica Minolta Business Solutions France S.A.S.
Executive Officer	Keiji Okamoto	President, Konica Minolta Business Solutions Europe GmbH
Executive Officer	Yoshihiko Hirota	General Manager, R&D Headquarters, Business Technologies
Executive Officer	Toshitaka Uemura	Division President of Professional Print Business Headquarters
Executive Officer	Kazuhiro Kobayashi	Division Vice President of Healthcare Business Headquarters and General Manager, Healthcare Business Unit

Note: Senior Executive Officer, Mr. Tsukasa Wakashima is scheduled to retire from the Executive Officer position as of May 31. As his successor, Mr. Shinichiro Oka is scheduled to assume the position of Executive Officer on June 1.

## (2) Total compensation to Directors and Executive Officers

		Compensation (Millions of yen)						
		Total	Base salary		Performance-based cash bonus		Stock bonus	
			Persons	Amount	Persons	Amount	Persons	Amount
Directors	Outside	63	6	63	-	-	-	-
	Inside	159	4	127	-	-	4	31
	Total	222	10	190	-	-	4	31
Executive Officers		615	24	525	24	55	24	34

- Notes: 1. The number above includes one (1) Outside Director and one (1) Inside Director, both of whom resigned at the date of the 115th Ordinary General Meeting of Shareholders held on June 18, 2019. At the end of the period (March 31, 2020), the Company has five (5) Outside Directors, three (3) Inside Directors (not concurrently holding Executive Officer posts) and 24 Executive Officers.
2. In addition to the four (4) Inside Directors shown above, the Company has another four (4) Inside Directors who concurrently hold Executive Officer posts, and the compensation to these Directors is included in compensation to Executive Officers. As to one (1) Executive Officer, who resigned at the date of the 115th Ordinary General Meeting of Shareholders and assumed the post of Director, was separately counted as Executive Officer and Director in the table and compensation was also set forth separately as the portion as Executive Officer and that as Director.
3. Regarding the performance-based cash bonus, the amounts which were recorded as expense in the period are stated.
4. Regarding the stock bonus, the amounts which were recorded as expense in the period are stated, based on a calculation of future share allocations according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation.

### **(3) Summary of policy for determining amount of Director or Executive Officer compensation and the method of calculation**

The Company, which has adopted the company with three committees system, has established a Compensation Committee. Outside Directors account for the majority of members of the committee and the committee is chaired by an Outside Director to ensure transparency and to determine compensation in a fair and appropriate manner.

The Company's Directors' compensation system is intended to strengthen the motivation of Directors and Executive Officers to strive for the continuous medium-to-long-term improvement of the Group performance in line with management policies to meet shareholder expectations, and to contribute to the optimization of the Group value. The Company aims for a level of compensation that enables it to attract and retain talented people to take responsibility for the Company's development.

In keeping with these aims, the Compensation Committee has established a policy for determining the individual compensation entitlement of Directors and Executive Officers as set out below, and determines the amount, etc. of individual compensation entitlement of Directors and Executive Officers in line with this policy.

#### **a. Compensation system**

- 1) Compensation packages for Directors (excluding Directors who concurrently hold Executive Officer posts) exclude a short-term performance-based cash bonus because Directors have a supervisory role, and consist of a "base salary" component in the form of a base salary and "medium-term stock bonus" that links with improvement of the shareholder value for the medium term. Outside Directors receive base salary only.
- 2) Compensation packages for Executive Officers consist of "base salary," "annual performance-based cash bonus," which reflects the performance of the Group and the performance of the business of which they are in charge in each year, and "stock bonus linking with medium-term performance," which reflects the degree of attainment of the Medium Term Business Plan and improvement of the shareholder value for the medium term.

b. The total amount of individual compensation entitlement and "base salary" are set at an appropriate level with each position and its value taken into account, based upon objective data, evaluation data and other data collected at regular intervals, etc.

c. The amount of the "annual performance-based cash bonus" is determined based on the level of performance result for the fiscal year (consolidated operating profit) and the degree of attainment of annual performance targets and according to progress of each Executive Officer's key operational measures. The amount based on the degree of attainment of annual performance targets is determined in the 0% to 150% range of the standard amount of compensation. The targets are major consolidated performance indicators (operating profit, operating profit margin, ROA and others) associated with results of operations. Executive officers' key operational measures include those related to non-financial indicators, such as ESG (environmental, social and governance).

d. Details of the stock bonus plan are as follows.

- 1) In the "medium-term stock bonus" plan to Directors, the Company's shares are distributed to Directors after the end of the Medium Term Business Plan, according to their roles and years they are in office. The plan is aimed to enhance their motivation toward contribution to improvement of the shareholder value and promote holdings of the Company's own shares.
- 2) In the "medium-term stock bonus" plan to Executive Officers, the Company's shares are distributed to Executive Officers after the end of the Medium Term Business Plan in the 0% to 150% range. The plan is aimed to enhance their incentives toward attainment of the targets in the Medium Term Business Plan and promote holdings of the

Company's own shares. The medium-term targets are major consolidated performance indicators (operating profit, ROE and others) associated with the medium term management policy.

- 3) The standard number of shares is set by the position of each Director or Executive Officer in the first year of the Medium Term Business Plan.
- 4) Certain portions of shares are distributed in cash on assumption that they are exchanged for cash.
- 5) Shares of the Company obtained as stock bonus shall be held in principle for one (1) year after the date of retirement from the post of each Director or Executive Officer.
- e. The standard for compensation to the President and Chief Executive Officer is a 50:25:25 mix of "base salary," "annual performance-based cash bonus" and "medium term performance-based stock bonus." For the other Executive Officers, the "base salary" ratio is set higher than that for the President.
- f. Compensation for non-Japan residents may be handled in different ways from the treatment said above according to legal and other circumstances.
- g. When the Board of Directors resolved a correction to financial statements after the announcement due to a material accounting error or fraud, the Compensation Committee considers corrections to performance-based bonuses and limit payment or request return of the bonuses when necessary.
- h. The Company reviews levels, composition and others of compensation in a timely and proper manner in accordance with changes in the management environment.

### Structure of Konica Minolta's Directors' compensation

#### Director

Inside	Base salary	Medium-term stock bonus
Outside	Base salary	

#### Executive Officer

President and Chief Executive Officer	Base salary 50%	Annual performance-based cash bonus 25%	Medium term performance-based stock bonus 25%
Senior Managing Executive Officer Senior Executive Officer Executive Officer	Base salary 51-55%	Annual performance-based cash bonus 29-25%	Medium term performance-based stock bonus 20%

### Structure of annual performance-based cash bonus

Item	Annual performance-based cash bonus				
	Performance-based portion	Portion according to attainment of performance targets			Portion according to personal appraisal
Indicators for appraisal, others	Amount of Operating profit	Amount of Operating profit 50%	Operating profit margin 25%	ROA 25%	Reflects progress of each Executive



	Linked with Group's consolidated performance level	Linked with attainment rate of annual performance targets	Officer's key operational measures
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### Structure of stock bonus

Item	Medium-term stock bonus	Medium term performance-based stock bonus	
Recipients of compensation	Director (Inside, Non-executive)	Executive Officer (Including Executive Officer who concurrently serves as Director)	
Indicators for appraisal	Roles and years in office	Amount of Group consolidated operating profit 50%	Group consolidated ROE 50%
		Linked with attainment rate of medium-term management plan	

Regarding the conventional retirement benefit system abolished in June 2005, the Compensation Committee has determined individual entitlements within reason based upon certain criteria established by the Company, and will pay such entitlement upon the retirement of each Director or Executive Officer in office prior to the abolition of this system.

In starting its Medium Term Business Plan, “SHINKA 2019,” the Company revised its compensation determination policy (including the introduction of a stock compensation scheme linking with medium-term performance etc.) in April 2017. As a result of consideration and discussion about the need for a review in fiscal 2017 and later, the Compensation Committee, at a meeting held on March 24, 2020, resolved a partial revision to the compensation determination policy

(Effective from April 1, 2020)

The “annual performance-based cash bonus” and “stock bonus linking with medium-term performance” were revised as follows:

<Partial revision to performance indicators associated with the degree of attainment of targets>

- Annual performance-based cash bonus  
After revision: Operating profit, operating profit margin, operating cash flows and KM-ROIC (\*)  
\* KM-ROIC is ROIC set by the Company's own idea, defining invested capital as assets that can be separately managed and improved by each business segment.
- Stock bonus linking with medium-term performance  
After revision: Operating profit, operating cash flows and ROIC

<Revision to the relationship between the degree of attainment of targets and the payout rates>

After revision: Payment in a range of 0% to 200% (\*) depending on the degree of attainment of targets

\* This is not simply a rise in the limit of the payout rates, but it differentiates the payout rates according to the grade of attainment with the purpose of advancing the awareness of attaining the performance targets further.

#### (4) Matters regarding Outside Directors

##### a. Persons serving as Executive Officers at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Taketsugu Fujiwara	Japan Society for Safety Engineering	Chairman
Sakie Tachibana Fukushima	G&S Global Advisors Inc.	President and Representative Director

There is no material transaction with the Company.

##### b. Persons serving as Outside Directors at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Kimikazu Noumi	Nishimoto Co., Ltd. SPARX Group Co., Ltd.	Outside Director Outside Director
Takashi Hatchoji	Nitto Denko Corporation Marubeni Corporation	Outside Director Outside Auditor
Taketsugu Fujiwara	SHIMADZU CORPORATION KOKUYO Co., Ltd. IHI Corporation	Outside Director Outside Director Outside Director
Chikatomo Kenneth Hodo	Sumitomo Mitsui DS Asset Management Company, Limited Mynavi Corporation Mitsubishi Chemical Holdings Corporation	Outside Director Outside Director Outside Director
Sakie Tachibana Fukushima	J. FRONT RETAILING CO., Ltd. USHIO INC.	Outside Director Outside Director

There is no material transaction with the Company.

##### c. Family relationship with an Executive Officer, etc. of the Company or of a specified related business operator of the Company

Not applicable.

##### d. Primary activities of Outside Directors

Outside Directors of the Company participate in Board of Directors meetings by making constructive statements on the decision-making and supervision of management, and they are also in charge of duties of the three committees: the Nominating Committee, the Audit Committee and the Compensation Committee, as stated in “(1) Names, etc. of Directors and Executive Officers.” Also, where appropriate, Outside Directors also observe development, production and marketing and other actual operations as part of their supervision and auditing work, and exchange information with the President, the Chairman and other Directors of the Board on various aspects including the running of Board of Directors meetings. The principal activities of Outside Directors are as follows.

###### 1) Mr. Kimikazu Noumi

During the fiscal year under review that ended in March 2020, Mr. Noumi attended all 12 meetings of the Board of Directors held, all 10 meetings of the Audit Committee that were held after he became a committee member in June 2019, and all seven meetings of the Compensation Committee held during the fiscal year under review. At the Board of Directors, Mr. Noumi used his experience as an investor and a corporate executive to provide supervision and advice concerning business portfolio management, new businesses, understanding and analysis of the business and market environment, and other subjects. As Chairman of the Compensation Committee, he made efforts for the

management with objectivity and transparency in revising the compensation system for Directors and determining individual compensation amounts. In addition, at the Audit Committee, Mr. Noumi used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

2) Mr. Takashi Hatchoji

During the fiscal year under review that ended in March 2020, Mr. Hatchoji attended all 12 meetings of the Board of Directors, all six meetings of the Nominating Committee held after he was named to this committee in June 2019, all 13 meetings of the Audit Committee, and one meeting of the Compensation Committee that was held when he was a committee member until June 2019. At the Board of Directors, Mr. Hatchoji used his experience as a corporate executive to provide supervision and advice concerning risk management, alliance, M&A strategies, emphasis on customers and business sites, and other subjects. In addition, as Chairman of the Audit Committee, Mr. Hatchoji made efforts for the effective management of the committee as he expressed opinions on the internal control system, including risk management. He also used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

3) Mr. Taketsugu Fujiwara

Mr. Fujiwara attended all 12 meetings of the Board of Directors held during the fiscal year under review, all six meetings of the Nominating Committee, all 13 meetings of the Audit Committee, and one meeting of the Compensation Committee that was held when he was a committee member until June 2019. At the Board of Directors, Mr. Fujiwara used his experience as a corporate executive to provide supervision and advice concerning new business strategies, the advancement of development and engineering strategies, optimization of management resources, and other subjects. As Chairman of the Nominating Committee, Mr. Fujiwara engaged in determining candidates for Directors and supervision of a plan pertaining to successor candidates prepared by the President and CEO, and made efforts for the management of the committee with objectivity and transparency. In addition, at the Audit Committee, Mr. Fujiwara used his experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

4) Mr. Chikatomo Kenneth Hodo

Mr. Hodo attended all 12 meetings of the Board of Directors held during the fiscal year under review, all six meetings of the Nominating Committee, all three meetings of the Audit Committee that were held when he was a committee member until June 2019, and all seven meeting of the Compensation Committee. At the Board of Directors, Mr. Hodo used his experience as a corporate executive to provide supervision and advice concerning the reform of business models, IoT strategies, viewpoints from shareholders and investors.

5) Ms. Sakie Tachibana Fukushima (elected at the Ordinary General Meeting of Shareholders held June 2019)

Ms. Fukushima attended all nine meetings of the Board of Directors, all six meetings of the Nominating Committee, all ten meetings of the Audit Committee, and all six meetings of the Compensation Committee, which were respectively held after her appointment as Director during the fiscal year. At the Board of Directors, Ms. Fukushima used her experience as a corporate executive to provide supervision and

advice concerning talent management strategies, business administration from the global standpoint, and other subjects. In addition, at the Audit Committee, Ms. Fukushima used her experience and knowledge to make statements contributing to maintenance and enhancement of the Company's integrity and efficiency.

**e. Liability limitation agreements**

To attract skillful people as Outside Directors and to enable them to fully demonstrate their expected role, the Company stipulates in its current Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, enter into an agreement with Outside Directors which limits their liabilities for payment of damages with respect to the acts mentioned in Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations. Based on these stipulations, the five (5) Outside Directors Mr. Kimikazu Noumi, Mr. Takashi Hatchoji, Mr. Taketsugu Fujiwara, Mr. Chikatomu Kenneth Hodo and Ms. Sakie Tachibana Fukushima have entered into an agreement with the Company limiting their liabilities for payment of damages, and the content of this agreement is summarized as follows.

The maximum amount of liability of an Outside Director who, with the best of intentions and without gross negligence, fails to execute his or her duties while in office and causes damage to the Company shall be limited to the aggregate sum of the amounts prescribed in Article 113 of the Companies Act Enforcement Regulations multiplied by two (Article 425, Paragraph 1, Item 1 (c) of the Companies Act).

## 5. Status of Accounting Auditor

### (1) Name of Accounting Auditor

KPMG AZSA LLC

### (2) Compensation to the Accounting Auditor

#### a. Compensation paid by the Company to the Accounting Auditor during the fiscal year under review

Compensation for audit certification in accordance with Article 2, Section 1 of the Certified Public Accountants Act	¥234 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Act	- million
Total	¥234 million

Notes: 1. Under an audit contract between the Company and the Accounting Auditor, compensation is the total of compensation for the Accounting Auditor's audit under the Companies Act and audit compensation under the Financial Instruments and Exchange Act, as there is no clear separation between the two.

2. The Audit Committee has agreed on the amount of compensation to be paid to the Accounting Auditor as well as other items related to the Accounting Auditor's duties under Article 2, Paragraph 1 of the Certified Public Accountants Act after the committee examined the fiscal year auditing plan, number of audit days, assignment of personnel and other items as explained by the Accounting Auditor and Executive Officer for accounting and finance. The committee also confirmed and assessed audits performed in the previous fiscal year, checked the status and suitability of audits by the Accounting Auditor, and examined the basis used for calculations of estimates used as the premise for determining compensation.

#### b. Total amount of other property benefits paid by the Company and its subsidiaries

¥299 million

### (3) Policy regarding decisions to dismiss or deny reappointment to Accounting Auditor

The Audit Committee will examine dismissing or denying reappointment of the Accounting Auditor if the Accounting Auditor has committed a serious violation or infringement of the Companies Act, the Certified Public Accountants Act or other relevant laws or regulations, or if the Accounting Auditor is deemed to have difficulty in properly conducting audits. If, as a result of this examination, it is deemed appropriate to dismiss the Accounting Auditor or deny reappointment of the Accounting Auditor, a proposition calling for the dismissal or denial of reappointment of the Accounting Auditor will be submitted to the General Meeting of Shareholders.

The Audit Committee also examines the status of the performance of the Accounting Auditor and decides the reappointment or denial every fiscal year.

### (4) Matters regarding audits of subsidiaries

Of the Company's significant subsidiaries, overseas subsidiaries are subject to audits of other accounting auditors than the Accounting Auditor above.

## **6. Establishment of system to ensure appropriate business operations**

The Board of Directors of the Company adopted resolutions on the matters prescribed by the applicable Ordinance of the Ministry of Justice as those necessary for the execution of the duties of the Audit Committee (Article 416, Paragraph 1, Item 1 (b) of the Companies Act), and on the establishment of systems necessary to ensure that the execution of duties by Executive Officers complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a stock company and its subsidiaries (Article 416, Paragraph 1, Item 1 (e) of the Companies Act). A summary of the resolutions is as follows.

### **<I. Requirements for the execution of duties by the Audit Committee>**

- a. The Company set up the Audit Committee Office with a full-time staff to support the Audit Committee, and, besides being the secretariat of the Audit Committee, the Audit Committee Office shall perform its duties in accordance with the instructions of the Audit Committee. Furthermore, this principle is to be clearly specified in Company rules and made common knowledge.
- b. To ensure the independence of the above Audit Committee Office from Executive Officers and the effectiveness of instructions received from the Audit Committee, personnel matters regarding the Audit Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Audit Committee.
- c. The Company's Executive Officers in charge of the Group's internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee, shall report on the status of operation to the Audit Committee on a regular basis and without delay if an urgent situation that must be reported has arisen or if requested to make a report by the Audit Committee. The subsidiaries' internal audit division, risk management division, compliance division and auditors shall report on the status of operation to the Audit Committee without delay if requested to make a report by the Company's Audit Committee.
- d. The Company will secure and manage a budget that is necessary and appropriate for paying expenses arising from the execution of work duties by the Audit Committee members.
- e. The Company will provide opportunity for Audit Committee members elected by the Audit Committee to attend management consultation committee and other important meetings. The Executive Officers in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee shall report without delay if requested to make investigations, reports, etc. by the Audit Committee members.

### **<II. Systems for ensuring compliance of execution of duties by Executive Officers with laws, regulations and the Articles of Incorporation and other required systems of the Group for ensuring the properness of business operations>**

- f. Each Executive Officer shall manage the minutes of management consultation committee and other important meetings, documents requesting formal approval and other information concerning the performance of their duties to ensure that documents are preserved in an appropriate manner and made available for inspection in accordance with the provisions of the Executive Officer document management rules and internal rules concerning the management of other documents.
- g. The Company set up the Risk Management Committee which is in charge of managing the various risks that arise in connection with the Group's business activities, and the Executive Officer nominated by the Board of Directors shall be responsible for the

development of risk management systems including the following, in accordance with the Risk Management Committee Regulations.

- 1) With respect to management of the business risks and operational risks, each Executive Officer shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each Executive Officer. Further, the Risk Management Committee shall periodically conduct selection, assessment and review of risks material to Group management, develop measures, and confirm management status.
  - 2) The Executive Officer in charge of risk management nominated by the Board of Directors shall be responsible for establishing the contingency plans and countermeasures to minimize the damages by a crisis which is supposed to adversely affect the corporate value.
  - 3) Provide support to the development and strengthening of risk management systems at each group company.
- h. The Company set up a Corporate Audit Division which is in charge of the internal auditing of the Group to evaluate and improve the status of execution of business operations in all business activities from the viewpoint of legality and rationality, and which shall be responsible for establishing and operating internal auditing systems in accordance with the Internal Auditing Regulations.
- i. The Company shall be responsible for establishing and operating a system of internal control over financial reporting in the Group and a system for evaluating the efficacy of their operation.
- j. The Company set up the Compliance Committee which is in charge of establishing and operating the Group's compliance systems, and the Executive Officer nominated by the Board of Directors shall be responsible for establishing and operating the compliance systems including the following, in accordance with the Compliance Committee Regulations.
- 1) Defining compliance in the Group as the observance of laws and regulations applicable to corporate activities, corporate ethics and internal regulations and policies, and making this known to every individual working for the Group.
  - 2) Establishing the Konica Minolta Group Charter of Corporate Behavior, familiarizing this through the Group, and enacting compliance conduct guidelines, etc. based on the philosophy of the Charter of Corporate Behavior.
  - 3) Establishing and operating systems to promote compliance at each group company. Specifically, preventing fraud at each group company by establishing the function to supervise each company's president.
  - 4) Establishing and operating a whistle blowing system that allows employees to report any compliance violations that are discovered or anticipated. Make this system clear common knowledge in Company rules to halt unfair treatment through the reporting of infractions. Specifically, preventing the concealment of fraud by taking measures like the Company's direct accepting whistle blowing notifications from each group company. Furthermore, the department in charge of the whistle blowing system will regularly inform the Audit Committee of report details and status.
- k. The Company shall be responsible for establishing a system to ensure the effectiveness of each group company's internal control, promote the awareness and understanding of internal control of the president at each group company, and support the establishment and operation of an internal control system that meets each company's characteristics. The Company shall establish a dedicated organization, which shall help each group company to strengthen its internal controls.

1. The Company established the Corporate Organization Basic Regulations, and shall develop the corporate governance mechanisms of the Company and the Group, including the foregoing systems. The Company shall also work to establish and operate a system for ensuring the appropriateness of business operation through the management consultation committee and other meeting bodies, authority regulations and other internal regulations, and shall endeavor to ensure the legality, rationality and efficiency of business execution by reviewing as necessary systems for management and administration across all the business activities of the Group. Furthermore, based on internal rules, etc. such as Authorization Regulations, the Company will make subsidiaries regularly report and seek preapproval on matters concerning the execution of important work duties, accounting, financial execution, human resources and other important information pertaining to such subsidiaries through management consultation committee and other meetings.



## 7. Framework for ensuring appropriate business operations and status

The Company has established the framework described in “Establishment of system to ensure appropriate business operations” and has the following activities in accordance with the goals of this system.

Executive Officers and employees at the Corporate Audit Division, Risk Management Committee, Compliance Committee and other units responsible for the Group’s internal controls submit reports every month in writing or at periodic meetings to the Audit Committee concerning business operations. Furthermore, explanations are given as needed concerning important subjects and issues involving internal controls.

Members of the Audit Committee, who is responsible for performing examinations, attended all meetings of the management consultation committee during the fiscal year as well as operations meetings of business units and other important meetings. Audit Committee members used these activities to confirm decision-making processes and how Executive Officers and employees are doing their jobs.

### <Risk management>

The Risk Management Committee meets twice each year and at other times as needed. The committee identifies risks associated with business operations and determines measures to deal with these risks. In addition, committee members confirm that the risk management system is functioning effectively and evaluate this system. In the fiscal year under review, the Risk Management Committee held two meetings. Continuing from fiscal 2018, the committee regularly monitored sanctions, new laws and regulations applied to regions and countries that have large effects on the Company’s businesses amid the global protectionist trend stemming from the US-China trade frictions.

The Company has reporting rules for the purpose of responding to a crisis in a rapid and suitable manner. Crisis reporting rules are well known to Executive Officers, executives of subsidiaries and others. Based on these rules, the Executive Officer in charge of crisis management performs the management of all information involving a natural disaster, accident or other crisis that has occurred anywhere in the world. Especially, to cope with the spread of COVID-19 since 2019, the Company has established an emergency internal system at an early phase. Under the oversight of the Representative Executive Officer as chief executive, this system is chaired by the Executive Officer in charge of crisis management.

### <Initiatives to reduce quality risks and prevent fraud concerning quality>

The Company has established the Quality Headquarters as a company-wide organization for the maintenance of product quality, prevention of market outflow of defective products, and strengthening of governance in connection with quality. During the fiscal year under review, it thoroughly complied with the “Guideline for evaluation of safety,” “Guideline for product security,” “Guideline for prevention of quality-related fraud,” and others and made efforts for securing the quality of marketed products, strengthening security, and preventing quality-related fraud.

### <Internal audits>

The Corporate Audit Division is responsible for internal audits for the entire Group.

Overseen directly by the Representative Executive Officer, this division oversees the internal auditing function for the entire Group and performs internal audits of the Company and its subsidiaries. Audits use the risk approach for efficiency from the standpoint of the reliability of financial reports, the efficiency and effectiveness of business operations, and compliance with

laws and regulations. There are also follow-up audits to confirm that actions have been taken concerning items requiring improvements that were identified during audits.

Major subsidiaries also have their own internal audit departments. These departments strengthen the internal audit function of the entire Group while working with the Konica Minolta Corporate Audit Division. In fiscal 2019, the Company worked to improve the audit system at the sales subsidiaries in Europe with the aim of establishing the Group's audit system supported by regional autonomy.

#### <Internal control over financial reporting>

To prevent fraudulent accounting activities, an internal controls report that is based on internal evaluations that cover the entire Group of 139 consolidated companies. This report is prepared in accordance with the Financial Instruments and Exchange Act for the purpose of ensuring the reliability of financial reports. After an audit by the Accounting Auditor, the report is submitted with the Securities Report. In fiscal 2019, the Company introduced its internal controls assessment at 13 companies, including a newly acquired French subsidiary and its group companies. Moreover, in applying the new lease accounting standard, the Company has taken measures such as preparing the necessary business process and its documentation.

#### <Compliance>

The Executive Officer in charge of compliance ("the Compliance Officer"), who is appointed by the Board of Directors under the oversight of the Representative Executive Officer, determines important issues involving Group compliance activities and oversees compliance activities. The Group Compliance Committee, which consists of Executive Officers for a variety of business and corporate functions, serves as an advisory body to the Compliance Officer. In addition, there are regional compliance coordinators for Europe, North America, China and Southeast Asia, who are appointed by the Compliance Officer. This framework allows those coordinators, together with the subsidiary presidents, to perform compliance activities that match the characteristics and needs of each overseas region.

In fiscal 2019, the Company was registered as one of the registered businesses for declaration of conformity for the whistleblowing compliance management system certification under the jurisdiction of Japanese Consumer Affairs Agency. For the purpose of enhancing the awareness of compliance, the Company has obtained declarations of placing a top priority on compliance from all officers and employees at the Company and subsidiaries in Japan and overseas and made efforts to make the whistle blowing system well known within the Group.

#### <Whistle blowing system>

The Company has a whistle blowing system for compliance and is always seeking ways to improve this system. In Japan, Group employees can use a telephone call, e-mail, letter or other method to contact the representative Executive Officer, Compliance Officer, general manager of the Corporate Legal Division or an external attorney about a compliance problem or for a consultation. The Group has established contacts for notification and consultation with the full regional coverage in North America, Europe, China and Southeast Asia. During the fiscal year under review, there were 32 notifications in Japan and 47 overseas, but there was no issue falling under a serious violation of laws and regulations.

When a whistle blowing report is received, an investigation is performed while ensuring that there will be no negative consequences for the individual who submitted the whistleblowing report. Departments involved in this investigation determine a solution in a timely manner. The Compliance Officer submits reports to the Audit Committee about these whistle blowings on a regular basis.

<Administration of group companies>

The Company has established an organization dedicated to supporting internal controls at its subsidiaries. The organization supports the preparation and improvement of the internal controls system at each subsidiary in cooperation with related departments. In fiscal 2019, it developed a self-diagnosis tool for internal controls, comprised of 37 key questions, establishing and developing a mechanism that enables each subsidiary to diagnose the situation and improve it on its own. As the organization found improper treatment of accounting at an overseas subsidiary, the regional headquarters and the Company's internal controls department cooperated in launching corrective measures and steps to prevent the recurrence.

\*Amounts and numbers of shares shown in this business report are rounded down to the nearest whole unit.

## **Reference: Corporate Governance**

### **(1) Basic Concept for Corporate Governance**

The Company has established a corporate governance framework from the standpoint of supervision. This is based on the conviction that corporate governance that contributes to medium and long-term corporate value growth must encourage suitable risk-taking in business operations and have a highly effective supervisory function for business operations. In 2003, the “company with committees” (currently “company with three committees”) structure was selected as the organizational structure in accordance with the Companies Act. In addition, to maintain a governance system devoid of personal characteristics, there have been measures to operate a governance system in a distinctive Konica Minolta style. The followings are our basic policies for corporate governance concept:

- Ensure management oversight for corporate value growth by separating the roles of management oversight and operation of business activities;
  - Election of independent Outside Directors who can perform supervision from the standpoint of shareholders; and
  - Using these measures for improving the transparency, integrity and efficiency of management
- The diagram on page 70 shows the structure of this corporate governance system centered on the Board of Directors and three committees.

### **(2) Board of Directors**

The Company believes that determining strategic goals is the primary role of the Board of Directors. The Board of Directors makes decisions about basic management policies and other matters that must be decided by the Board of Directors in accordance with laws and regulations. In addition, the Board of Directors make decisions for expenditures only for matters of at least a certain amount or other items that may have a significant effect on the operations of the Group. Furthermore, there are Outside Directors and Inside Directors who do not concurrently serve as Executive Officers for the purpose of performing highly effective oversight of business operations exercised by Executive Officers from an objective perspective.

### **(3) Executive Officers**

Executive Officers make decisions and conduct business activities in the business sectors designated for each Executive Officer by the Board of Directors. The Company grants Executive Officers considerable autonomy by the Board of Directors within the legally permitted limit for a Company with three committee management structure. This authority allows them to speed up the decision-making process.

### **(4) Nominating Committee**

This committee makes decisions about proposals submitted at General Meeting of Shareholders meetings about the election and termination of Directors. Committee members also receive reports about the Representative Executive Officer’s succession plan and oversee this plan as needed.

### **(5) Audit Committee**

This committee audits the performance of Directors and Executive Officers, prepares audit reports, and makes decisions about proposals submitted at General Meeting of Shareholders for the election, termination or reappointment denial of the Accounting Auditor.

### **(6) Compensation Committee**

This committee makes decisions about the compensation of individual Directors and Executive Officers. To reach these decisions, this committee determines suitable compensation structures for each role of the Directors and Executive Officers. This committee also establishes a

Compensation Policy for Directors and Executive Officers that takes into account linking compensation with the Company's medium to long-term performance and combining cash and stock compensation.

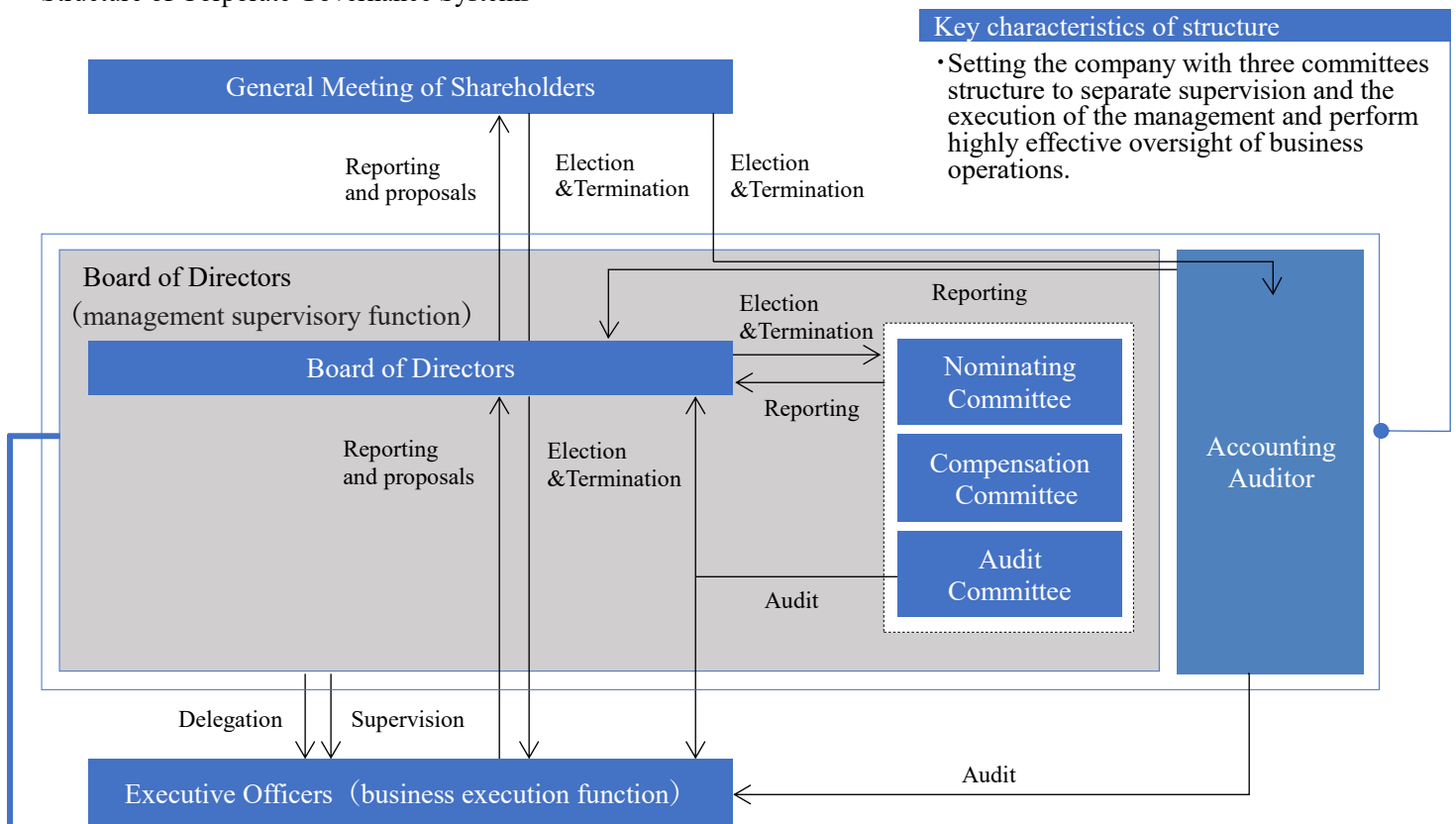
**(7) Analysis and Assessment of Effectiveness of Governance**

The Company has evaluated the effectiveness of the Board of Directors since 2004. Directors are required to complete questionnaires concerning the composition and operation of the Board of Directors and three committees, as well as communication, support by the secretariat of the committees, among other matters. The overall effectiveness of the Board of Directors is then analyzed and evaluated each year, issues are identified, and improvements are made continuously.

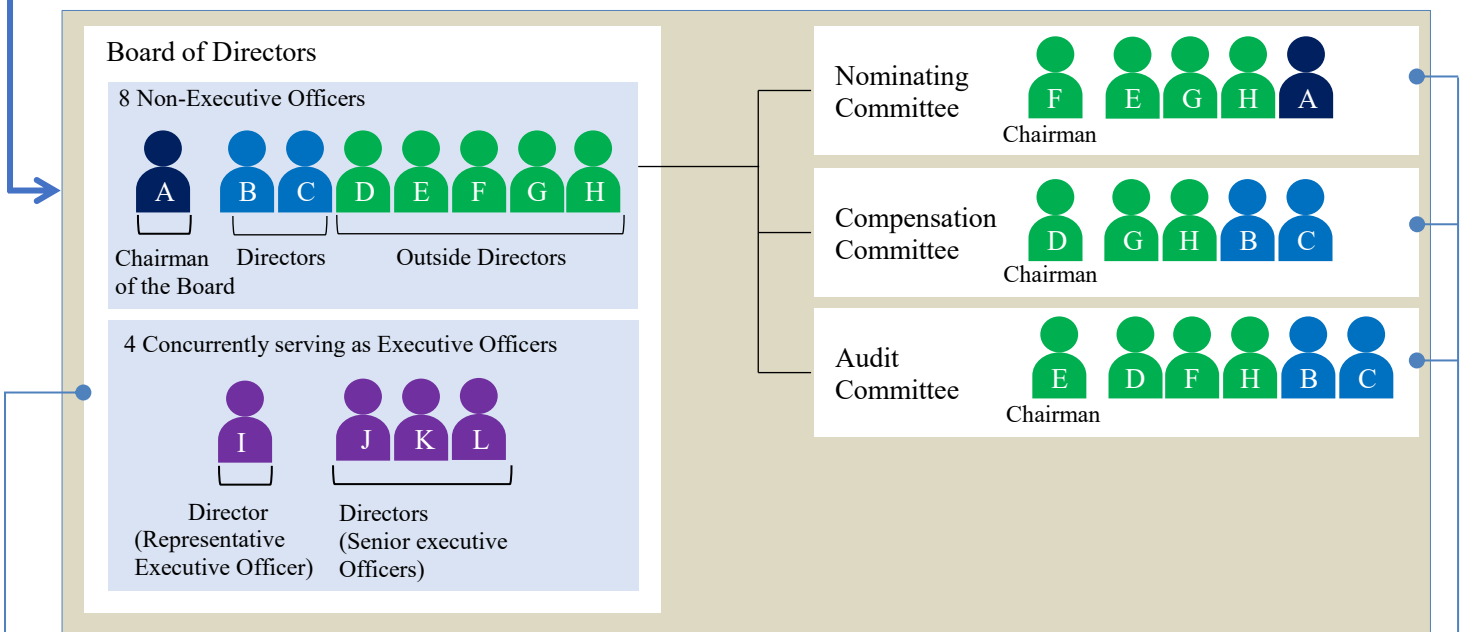
The Company conducted the evaluation of the effectiveness by going back to the basics to recognize what challenges each principle of the corporate governance code actually copes with and what issues each of them faces, with the aim of confirming whether the governance system has been established and the system has been operated to meet the purposes of the Company's corporate governance, which are sustainable growth and realization of corporate value for the medium and long term. Based on the results, the Company plans to find out matters to be tackled by the Board of Directors in the next fiscal year and enhance the effectiveness further.

## Distinctive Characteristics of Governance at Konica Minolta

### Structure of Corporate Governance Systems



Board of Directors and three Committees (as of March 31, 2020)



#### Key characteristics of the Board of Directors

- Chairman is not an Executive Officer
- Outside Directors are at least one-third of the Board of Directors
- All outside Directors are Independent Directors.
- Directors who are not concurrently Executive Officers are the majority of the Board of Directors

#### Key characteristics of the three committees

- Chairmen are Outside Directors
- Directors who are concurrently Executive Officers are not allowed to be committee members

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Statement of Financial Position

(As of March 31, 2020)

(Millions of yen)

Item	Amount
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	89,901
Trade and other receivables	260,850
Inventories	162,575
Income tax receivables	4,775
Other financial assets	6,113
Other current assets	26,938
<b>Total current assets</b>	<b>551,154</b>
<b>Non-current assets</b>	
Property, plant and equipment	309,457
Goodwill and intangible assets	337,785
Investments accounted for using the equity method	644
Other financial assets	38,394
Deferred tax assets	34,562
Other non-current assets	4,770
<b>Total non-current assets</b>	<b>725,614</b>
<b>Total assets</b>	<b>1,276,768</b>

(Millions of yen)

Item	Amount
<b>Liabilities</b>	
<b>Current liabilities</b>	
Trade and other payables	162,886
Bonds and borrowings	59,267
Lease liabilities	18,456
Income tax payables	286
Provisions	12,028
Other financial liabilities	2,927
Other current liabilities	47,556
<b>Total current liabilities</b>	<b>303,409</b>
<b>Non-current liabilities</b>	
Bonds and borrowings	230,027
Lease liabilities	95,760
Retirement benefit liabilities	33,840
Provisions	15,205
Other financial liabilities	46,381
Deferred tax liabilities	11,973
Other non-current liabilities	6,404
<b>Total non-current liabilities</b>	<b>439,593</b>
<b>Total liabilities</b>	<b>743,002</b>
<b>Equity</b>	
Share capital	37,519
Share premium	196,135
Retained earnings	307,179
Treasury shares	(9,684)
Share acquisition rights	728
Other components of equity	(8,133)
Equity attributable to owners of the Company	523,745
Non-controlling interests	10,020
<b>Total equity</b>	<b>533,766</b>
<b>Total liabilities and equity</b>	<b>1,276,768</b>



## Consolidated Statement of Profit or Loss

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount
<b>Revenue</b>	<b>996,101</b>
Cost of sales	529,780
<b>Gross profit</b>	<b>466,321</b>
Other income	4,615
Selling, general and administrative expenses	443,071
Other expenses	19,654
<b>Operating profit</b>	<b>8,211</b>
Finance income	4,923
Finance costs	12,594
Share of loss of investments accounted for using the equity method	255
<b>Profit before tax</b>	<b>284</b>
Income tax expense	3,371
<b>Profit (loss) for the year</b>	<b>(3,086)</b>
<b>Profit (loss) attributable to:</b>	
Owners of the Company	(3,073)
Non-controlling interests	(12)

## Consolidated Statement of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Equity attributable to owners of the Company						
	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity	
						Remeasurements of defined benefit pension plans	Net gain (loss) on revaluation of financial assets measured at fair value
Balance as of April 1, 2019	37,519	188,333	324,628	(9,979)	836	-	5,248
Effect of changes in accounting policies	-	-	(744)	-	-	-	-
Restated balance as of April 1, 2019	37,519	188,333	323,884	(9,979)	836	-	5,248
Profit for the year	-	-	(3,073)	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	1,031	(2,782)
Total comprehensive income (loss)	-	-	(3,073)	-	-	1,031	(2,782)
Dividends	-	-	(14,842)	-	-	-	-
Acquisition and disposal of treasury shares	-	-	(132)	295	-	-	-
Share-based payments	-	13	-	-	(107)	-	-
Change in non-controlling interests due to changes in subsidiaries	-	-	-	-	-	-	-
Equity and other transactions with non-controlling shareholders	-	360	-	-	-	-	-
Put options written on non-controlling interests	-	7,427	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	1,343	-	-	(1,031)	(311)
Total transactions with owners	-	7,801	(13,630)	295	(107)	(1,031)	(311)
Balance as of March 31, 2020	37,519	196,135	307,179	(9,684)	728	-	2,154

(Millions of yen)

	Equity attributable to owners of the Company				Total	Non-controlling interests	Total equity
	Other components of equity						
	Net gain (loss) on derivatives designated as cash flow hedges	Exchange differences on translation of foreign operations	Share of other comprehensive income of investments accounted for using the equity method				
Balance as of April 1, 2019	839	8,264	(2)	14,350	556,689	10,294	565,983
Effect of changes in accounting policies	-	-	-	-	(744)	-	(744)
Restated balance as of April 1, 2019	839	8,264	(2)	14,350	554,944	10,294	565,238
Profit (loss) for the year	-	-	-	-	(3,073)	(12)	(3,086)
Other comprehensive income (loss)	(779)	(18,596)	(13)	(21,139)	(21,139)	(402)	(21,542)
Total comprehensive income (loss)	(779)	(18,596)	(13)	(21,139)	(24,213)	(414)	(24,628)
Dividends	-	-	-	-	(14,842)	(21)	(14,864)
Acquisition and disposal of treasury shares	-	-	-	-	162	-	162
Share-based payments	-	-	-	-	(93)	-	(93)
Change in non-controlling interests due to changes in subsidiaries	-	-	-	-	-	7	7
Equity and other transactions with non-controlling shareholders	-	-	-	-	360	155	515
Put options written on non-controlling interests	-	-	-	-	7,427	-	7,427
Transfer from other components of equity to retained earnings	-	-	-	(1,343)	-	-	-
Total transactions with owners	-	-	-	(1,343)	(6,984)	140	(6,843)
Balance as of March 31, 2020	60	(10,331)	(15)	(8,133)	523,745	10,020	533,766

## **Notes to Consolidated Financial Statements**

### **<NOTES TO BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS>**

1. Basis for the preparation of consolidated financial statements  
The consolidated financial statements for the Group are prepared in accordance with International Financial Reporting Standards (hereinafter, “IFRS”) as provided by Article 120-1 of the Ordinance on Company Accounting. Part of the descriptions and notes required under IFRS have been omitted, in accordance with the provisions in the latter part of this item.
2. Scope of Consolidation  
Number of consolidated subsidiaries and names of principal consolidated subsidiaries  
Number of consolidated subsidiaries: 170 companies  
The names of principal consolidated subsidiaries are omitted because they are described in “Business Report 1. Overview of Konica Minolta Group business activities (6) Significant subsidiaries (as of the fiscal year end).”
3. Scope of the Use of Equity Accounting  
Number of associates and jointly controlled entities accounted for using the equity method (hereinafter “companies accounted for using the equity method”)  
Number of companies accounted for using the equity method: 4 companies

#### 4. Accounting policies

##### (1) Asset valuation standards and methods

###### a. Financial instruments

###### 1) Non-derivative financial assets

At the time of initial recognition, the Group classifies non-derivative financial assets as financial assets measured at amortized cost, those measured at fair value through other comprehensive income (FVTOCI) (debt instruments and equity instruments), and those measured at fair value through profit or loss (FVTPL).

###### i) Financial assets measured at amortized cost

The Group classifies financial assets as those measured at amortized cost only if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at particular dates. Of those financial assets, trade receivables that include no significant financial factors are measured at transaction prices initially. Other financial assets are measured at fair value plus transaction costs initially. After initial recognition, these financial assets are measured at amortized cost using the effective interest method.

###### ii) Financial assets measured at FVTOCI

Upon initial recognition, the Group elects to recognize the valuation differences of equity instruments held to expand its revenue base by maintaining or strengthening relations with business partners in other comprehensive income. In case equity instruments are recognized for accounting by the FVTOCI method, the method is applied consistently assuming that the election is irrevocable.

The Group recognizes financial assets as debt instruments and classifies them as financial assets measured at FVTOCI only if the financial asset is held within a business model whose objective is achieved by both collection and sale of contractual cash flows and if the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at particular dates.

Financial assets measured at FVTOCI are initially recognized at their fair value plus transaction costs. After initial recognition, the financial assets are sequentially measured at fair value, and any changes in fair value are recognized in other comprehensive income. Upon derecognition of these financial assets or when their fair values fall substantially, the cumulative gains or losses recognized in other comprehensive income are transferred to retained earnings.

The Group recognizes dividends from financial assets measured at FVTOCI as financial income in the profit and loss account.

###### iii) Financial assets measured at FVTPL

The Group measures all financial assets, which are not classified as those measured at fair value through amortized cost or at FVTOCI, at fair value and recognizes changes in those assets as profit or loss.

Transaction costs associated with financial assets measured at FVTPL are recognized in profit or loss as they occur.

###### iv) Impairment on financial assets

The Group recognizes allowances for doubtful accounts on expected credit losses associated with impairment on financial assets measured at amortized cost, lease receivables, contract assets, and debt instruments measured at FVTOCI. As of each term end date, the Group assesses whether credit risks associated with financial assets to be measured have sharply increased or not since initial recognition. If the credit risks have not increased sharply since the initial recognition, the Group recognizes an amount equal to expected credit losses for 12 months as an allowance for doubtful accounts. If the credit risks have sharply increased since the initial recognition, the Group recognizes an amount equal to expected credit losses for the entire period as an allowance for doubtful accounts. For trade receivables and lease receivables and contract assets not including significant financial factors, however, the Group does not assess whether the credit risks have sharply increased since initial recognition and does always recognize an amount equal to expected credit risks for the entire period as an allowance for doubtful accounts. On a quarterly basis, the Group assesses whether there is any objective evidence of impairment, such as significant worsening in the financial condition of the borrower or a group of borrowers, a default or delinquency in payments, and bankruptcy of the borrower.

For individually significant financial assets, expected credit losses are assessed individually. Expected credit losses for financial assets that are not individually significant are collectively assessed by grouping together financial assets with similar risk characteristics. As a result, the expected credit losses are measured as a whole. The expected credit losses are measured at the difference between all cash flows to be paid to the Group according to contracts and all cash flows expected by the companies to receive, discounted at the initial effective interest rate. The expected credit losses are recognized in profit or loss through an allowance for doubtful accounts. The carrying amount of these financial assets is directly reduced when they are expected to become

non-recoverable due to situations like the worsening of financial position at trading partners, offsetting the carrying amount by the allowance for doubtful accounts.

2) Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value less transaction costs. After initial recognition, these liabilities are measured at amortized cost using the effective interest method. However, the Company remeasures contingent consideration, which is financial liability, at a fair value and recognizes a change in the value as profit or loss.

3) Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognized at fair value, with any attributable transaction costs recognized in profit or loss as they occur. After initial recognition, fair value is remeasured, and the following accounting policies are applied for changes depending on whether derivative financial instruments designated as hedging instruments satisfy the conditions for hedge accounting. The Group designates those derivative financial instruments that satisfy the conditions for hedge accounting as hedging instruments, and applies hedge accounting to those instruments.

i) Derivative financial instruments that do not satisfy the conditions for hedge accounting

Changes in fair value are recognized in profit or loss. However, changes in the fair value of put options granted to non-controlling shareholders are recognized as share premium.

ii) Derivative financial instruments that satisfy the conditions for hedge accounting

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, and the objectives and strategies of risk management for undertaking the hedge, as well as the method for assessing the effectiveness of the hedge. At the inception of the hedge and on an ongoing basis thereafter, the hedging instruments are assessed as to whether they are highly effective in offsetting changes in the cash flows of the hedged item.

As to cash flow hedge, the effective portion of changes in the fair value of the hedging instrument is recognized in other comprehensive income (hereafter, "OCI"), while the ineffective portion is recognized immediately in profit or loss. The cumulative gains or losses recognized through OCI are reclassified from OCI to profit or loss in the consolidated statement of comprehensive income in the same period during which the cash flow of the hedged item affects profit and loss.

If the hedging instrument no longer satisfy the conditions for hedge accounting, expires or is sold, terminated or exercised, or if the forecast transaction is no longer expected to occur, then hedge accounting is discontinued prospectively.

b. Inventories

The cost of inventories includes purchase costs, processing costs and all other costs incurred to bring inventories to their present location and condition.

Inventories are measured at the lower of cost or net realizable value after the initial recognitions. If net realizable value is less than the purchase cost, that difference is accounted for as a write off and recognized as an expense. The weighted average method is used to calculate cost. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and estimated costs necessary to make the sale.

c. Property, plant and equipment (excluding right-of-use assets)

The cost of property, plant and equipment includes any costs directly attributable to the acquisition of the asset and dismantlement, removal and restoration costs, as well as borrowing costs that satisfy the conditions for capitalization.

After the initial recognition, property, plant and equipment is measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses.

d. Right-of-use assets

Excluding short-term leases and leases of small assets, the Group recognizes right-of-use assets and lease liabilities at the commencement dates of leases.

Right-of-use assets are measured at the initial measurements of lease liabilities adjusted by initial direct costs and other items, plus costs to restore the original conditions and others.

After the initial measurement, the right-of-use assets are measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses, and presented in property, plant and equipment in the consolidated statement of financial position.

Lease liabilities are measured at present value of the unpaid lease fees at the commencement dates discounted by the interest rates implicit in the leases. If the interest rates cannot be calculated easily, the lessee's incremental borrowing rates are used. Interest expenses are distributed at fixed rates in the lease liability balances over the lease terms and recognized as costs during the terms.

Lease fees associated with short-term leases and leases of small amounts are recognized as costs using the straight-line method over their lease terms.

e. Intangible assets

Intangible assets acquired separately are measured at cost at the initial recognition, and the cost of intangible assets acquired through business combinations are recognized at fair value at the acquisition date.

Expenses on internally generated intangible assets are recognized as expense in the period when incurred, except for those that satisfy the criteria for recognition as assets. Internally generated intangible assets that satisfy the criteria for recognition as assets are stated at cost in the total amount of spending that is incurred after the assets first met recognition standards.

Intangible assets are subsequently measured using the cost model that is, at cost less accumulated amortization and accumulated impairment losses.

f. Impairment of non-financial assets

The Group assesses at each fiscal year-end whether there is any indication that a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) may be impaired. If any such indication exists, then an impairment test is performed. For goodwill and intangible assets with indefinite useful lives or that are not yet in use, an impairment test is performed each year and whenever there is any indication of impairment. In an impairment test, the recoverable amount is estimated, and the carrying amount and recoverable amount are compared. The recoverable amount of an asset, Cash generating unit (hereafter, "CGU") or group of CGUs is determined at the higher of its fair value less costs of disposal or its value in use. In determining the value in use, estimated future cash flows are discounted to the present value, using pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the asset.

If as the result of the impairment test, the recoverable amount of an asset, CGU or group of CGUs is below its carrying amount, an impairment loss is recognized. In recognizing impairment losses on CGUs, including goodwill, first the carrying amount of goodwill allocated to the CGUs is reduced. Next, the carrying amounts of other assets within the CGUs are reduced proportionally.

If there is any indication that an impairment loss recognized in previous periods may be reversed, the impairment loss is reversed if the recoverable amount exceeds the carrying amount as a result of estimating the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed a carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Impairment losses on goodwill are not reversed.

(2) Depreciation method for depreciable assets and amortization method for amortizable assets

a. Property, plant and equipment (excluding right-of-use assets)

The historical costs less residual values of property, plant and equipment other than land (excluding some portions) and those in the construction in progress account are depreciated using the straight-line method over their estimated useful lives.

b. Right-of-use assets

Right-of-use assets are depreciated under the straight-line method over their estimated useful lives or lease terms, whichever is shorter.

c. Intangible assets

1) Intangible assets with finite useful lives

Intangible assets for which useful life can be determined are amortized on a straight-line method over their estimated useful lives from the date the assets are available for use.

2) Intangible assets with indefinite useful lives and those not yet available for use

Intangible assets with indefinite useful lives and those not yet available for use are not amortized. These assets are tested for impairment each fiscal year or when signs of impairment are recognized.

(3) Accounting standards for provisions

The Group has present legal or constructive obligations resulting from past events and recognizes provisions when it is probable that the obligations are required to be settled and the amount of the obligations can be estimated reliably.

Where the effect of the time value of money is material to the provisions, the amount of provisions is measured at the present value, which is the estimated future cash flows discounted using the pre-tax discount rate reflecting

current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount associated with the passage of time is recognized as a financial cost.

(4) Accounting methods related to post-retirement benefits

The Group employs defined benefit plans and defined contribution plans as post-retirement benefit plans for employees.

a. Defined benefit plans

The Group calculates the present value of the defined benefit obligations, related current service cost and past service cost using the projected unit credit method.

For discount rates, a discount period is determined based on the period until the expected date of benefit payment in each fiscal year, and each discount rate is determined by reference to market yields for the period corresponding to the discount period at the end of each fiscal year on high-quality corporate bonds.

Assets and liabilities related to the post-retirement benefit plans are calculated by the present value of the defined benefit obligation, deducting the fair value of any plan assets, and their amounts are recognized in the consolidated statement of financial position. The net amount of interest income related to plan assets in the post-retirement benefit plans, interest costs related to defined benefit obligation, and current service cost is recognized as profit or loss.

Remeasurements of defined benefit plans are recognized in full in OCI in the period when they are incurred and transferred immediately from other components of equity to retained earnings. The entire amount of past service costs is recognized as profit or loss in the period when incurred.

b. Defined contribution plans

The cost for defined-contribution's post-retirement benefit is recognized as an expense at the time of contribution.

(5) Criteria for revenue recognition

The Group recognizes revenue by applying the following five steps.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation in the contract

Step 5: Recognize revenue when (or as) a performance obligation is satisfied

Revenue from sales of goods is recognized when control of the goods is transferred to a customer, and revenue is measured at an amount of the consideration promised in a contract with a customer less returns, discounts, rebates, and other similar items.

Revenue from providing services is recognized upon completion of providing services when the performance obligation is satisfied at a point in time, and it is recognized over the term of a contract depending on the progress at the end of each reporting period when the performance obligation is satisfied over time.

The incremental costs of obtaining a contract with a customer, and the costs incurred to fulfill a contract with a customer, are capitalized if they are expected to be recovered. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Assets recognized from contract costs are amortized over the customer's estimated contract terms using the straight-line method.

(6) Foreign currency translation

a. Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company. The foreign operations of the Group principally use local currencies as their functional currencies. However, if the currency of the primary economic environment in which an entity operates is other than its local currency, the functional currency other than the local currency is used.

b. Foreign currency transactions

Foreign currency transactions, or transactions that occur in currencies other than entities' functional currencies, are translated to the respective functional currencies of the Group entities at exchange rates on the transaction dates or approximate rates. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate on the fiscal year-end date, and foreign currency differences are recognized in profit or loss.

However, foreign currency differences resulting from financial instruments measured at FVTOCI, cash flow hedges and a hedge of the net investment in a foreign operation are recognized in OCI. Items denominated in foreign currencies due to their measurement at historical cost are translated using the exchange rate on their acquisition dates.



c. Foreign operations

The assets and liabilities of foreign operations employing functional currencies other than Japanese yen are translated to Japanese yen at the exchange rates as of the fiscal year-end date, while income, expenses and cash flows are translated to Japanese yen at the exchange rates on their transaction dates or at the average exchange rates for the fiscal period that approximates the exchange rates on their transaction dates. Resulting foreign currency differences are recognized in OCI, and their cumulative amounts are presented in other components of equity.

In the event all interests in a foreign operation are disposed or a portion of the interest is disposed such that the control is lost, these cumulative amounts in the other components of equity are reclassified in whole or in part, from other comprehensive income to profit or loss.

(7) Other important items regarding the preparation of consolidated financial statements

Accounting for consumption taxes

The tax-exclusion method is used to account for consumption taxes and regional consumption taxes.

### <Note Concerning Changes in Accounting Policy>

(Adoption of IFRS 16 “Leases”)

From the fiscal year under review, the Group adopted IFRS 16 “Leases” (issued in January 2016) (hereafter referred to as “IFRS 16”).

In leases as lessee, the Group recognizes right-of-use assets and lease liabilities at the commencement dates, excluding those of short-term leases and leases of small assets.

Lease liabilities are measured at present value of the unpaid lease fees at the commencement dates discounted by the interest rates implicit in the leases. If the interest rates cannot be calculated easily, the lessee’s incremental borrowing rates are used. Interest expenses are distributed at fixed rates in the lease liability balances over the lease terms and recognized as costs during the terms.

Right-of-use assets are measured at the initial measurements of lease liabilities adjusted by initial direct costs and other items, plus costs to restore the original conditions and others. After the initial measurement, the right-of-use assets are measured using the cost model that is, at cost less accumulated depreciation and accumulated impairment losses, and presented in property, plant and equipment in the consolidated statement of financial position.

Acquisition costs are depreciated using the straight-line method over the years of estimated useful lives or lease terms, whichever is shorter.

Lease fees associated with short-term leases and leases of small amounts are recognized as costs using the straight-line method over their lease terms.

According to a transitional measure in the application of IFRS 16, the Group retroactively applied IFRS 16 and recognized the cumulative effect of the initial application of IFRS 16 as an adjustment to the opening balance of retained earnings at the beginning of the fiscal year under review. On whether a contract contains a lease, the Group chose the practical expedients in IFRS 16 and took over the judgments under IAS 17 “Leases” (hereafter referred to as “IAS 17”) and IFRIC 4 “Determining Whether an Arrangement Contains a Lease.”

In the application of IFRS 16, the Group recognized right-of-use assets and lease liabilities for the leases that had been classified as operating leases by applying IFRS 17, excluding short-term leases and leases of small assets, at the commencement date of IFRS 16. The lease liabilities were measured at present value of the unpaid lease fees discounted by the lessee’s incremental borrowing rate at the commencement date. The right-of-use assets were measured by any of the following methods:

- The book value calculated on the assumption that IFRS 16 had been applied at the lease commencement dates. For the discount rate, however, the lessee’s incremental borrowing rate at the commencement date of IFRS 16 was used.
- The same amount as the lease liabilities after adjustment with prepaid or unpaid lease fees.

In the application of IFRS 16 to the leases that had been classified as operating leases in applying IFRS 17, the following practical expedients under IFRS 16 were adopted.

- As a substitute for conducting an impairment review, the Company applied IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” to the leases immediately prior to the commencement date of IFRS 16 and depended upon the assessment of whether there was a disadvantage in the leases.
- The leases that will expire within 12 months since the commencement date were treated in the same accounting manner as that for short-term leases.
- The initial direct costs were excluded from the measurement of right-of-use assets at the commencement date.

As a result, right-of-use assets included in property, plant and equipment and lease liabilities increased by ¥110,923 million and ¥111,979 million, respectively, and retained earnings decreased by ¥744 million in the consolidated statement of financial position at the beginning of the fiscal year ended March 31, 2020, compared with those accounted for under the previous accounting standard. The weighted average of incremental borrowing rates, used for measuring lease liabilities, was 2.44%.

There is no significant change in the lessor’s leases from the accounting policy under the previous accounting standard.

### <Notes to Consolidated Statement of Financial Position>

1. Allowances for doubtful accounts deducted directly from assets	
Trade and other receivables	¥6,675 million
Other financial assets	¥521 million
2. Accumulated depreciation on assets (including accumulated impairment losses)	
Accumulated depreciation on property, plant and equipment	¥521,520 million
3. Balance of guaranteed obligations	
Guaranteed obligations	¥183 million
(The Group guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)	

**<Notes to Consolidated Statement of Changes in Equity>**

## 1. Issued shares and treasury shares

(shares)

	Number of authorized shares	Number of issued shares (Note 1) (Note 2)	Number of treasury shares (Note 3)
At March 31, 2019	1,200,000,000	502,664,337	8,008,984
Increase	-	-	2,936
Decrease	-	-	247,679
At March 31, 2020	1,200,000,000	502,664,337	7,764,241

Notes: 1. Shares issued by the Company are non-par value ordinary shares.

2. Issued shares have been fully paid.

3. The number of treasury shares as of March 31, 2019 included 1,250,538 shares held by trust accounts related to the BIP trust for compensation for Directors and the number of treasury shares as of March 31, 2020 included 1,184,094 shares held by the same trust.

## 2. Dividends

### (1) Dividend payments

Resolution Date	Class of shares	Amount of dividends (millions of yen) (Note 1) (Note 2)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 13, 2019	Ordinary shares	7,438	15.00	March 31, 2019	May 29, 2019	Retained earnings
Board of Directors' meeting held on November 1, 2019	Ordinary shares	7,440	15.00	September 30, 2019	November 27, 2019	Retained earnings

- Notes: 1. The total dividend payment according to the resolution at the Board of Directors' meeting held on May 13, 2019 includes dividends of ¥18 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors
2. The total dividend payment according to the resolution at the Board of Directors' meeting held on November 1, 2019 includes dividends of ¥17 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors

### (2) Of dividends with record dates during the fiscal year, those whose effective periods start after the fiscal year-end date

Resolution Date	Class of shares	Amount of dividends (millions of yen) (Note)	Dividends per share (yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 26, 2020	Ordinary shares	4,960	10.00	March 31, 2020	June 10, 2020	Retained earnings

Note: The total dividend payment includes dividends of ¥11 million to shares of the Company held by trust accounts related to the BIP trust for compensation for Directors.

### 3. Share acquisition rights

Type and number of shares under share acquisition rights at the end of FY2019

Breakdown of share acquisition rights	Type of shares under share acquisition rights	Number of shares under share acquisition rights
First issue of stock compensation-type stock options for 2005	Ordinary shares	12,500 shares
Second issue of stock compensation-type stock options for 2006	Ordinary shares	10,000 shares
Third issue of stock compensation-type stock options for 2007	Ordinary shares	10,000 shares
Fourth issue of stock compensation-type stock options for 2008	Ordinary shares	15,000 shares
Fifth issue of stock compensation-type stock options for 2009	Ordinary shares	39,500 shares
Sixth issue of stock compensation-type stock options for 2010	Ordinary shares	47,000 shares
Seventh issue of stock compensation-type stock options for 2011	Ordinary shares	69,500 shares
Eighth issue of stock compensation-type stock options for 2012	Ordinary shares	128,500 shares
Ninth issue of stock compensation-type stock options for 2013	Ordinary shares	174,000 shares
Tenth issue of stock compensation-type stock options for 2014	Ordinary shares	149,000 shares
11 <sup>th</sup> issue of stock compensation-type stock options for 2015	Ordinary shares	102,400 shares
12 <sup>th</sup> issue of stock compensation-type stock options for 2016	Ordinary shares	182,000 shares
Total		939,400 shares

## <Notes to Financial Instruments>

### 1. Matters relating to the status of financial instruments

The Group actively monitors and manages its capital and debt structure in relation to economic conditions and current company circumstances, and raises necessary funds for working capital, capital expenditure, investment and loans and other items.

The Group works to reduce credit risk on trade and other receivables through credit management based on regulations.

The Group uses forward exchange contracts and currency swap transactions to reduce foreign exchange risk on claims and obligations denominated in foreign currencies. The Group also uses interest rate swap transactions to reduce interest rate fluctuation risk on certain borrowings. Derivative transactions are conducted only to hedge foreign exchange risk and interest rate fluctuation risk, and are not engaged in for speculative purposes.

The Group reduces liquidity risk related to procuring funds through borrowing by maintaining and securing appropriate on-hand liquidity.

The Company decreases fluctuation risks of its shareholdings by regularly observing their market prices and the financial positions of the issuers.

### 2. Fair value of financial instruments

Amounts stated in the consolidated statement of financial position and their fair value at the end of FY2019 are as follows.

(Millions of yen)		
	Book value	Fair value
<Financial assets>		
Cash and cash equivalents	89,901	89,901
Trade and other receivables	225,769	225,769
Other financial assets	44,507	44,507
<Financial liabilities>		
Trade and other payables	162,886	162,886
Bonds and borrowings	289,294	302,526
Other financial liabilities	8,388	8,388

Other than the above, there are finance lease receivables worth ¥34,849 million, contract assets worth ¥231 million, and put options vested in non-controlling shareholders worth ¥40,920 million.

The fair value of financial assets and financial liabilities is calculated as described below.

#### (1) Derivative financial assets and liabilities

Fair value of currency derivatives is based on forward quotations and prices quoted by financial institutions that enter into these contracts. Fair value of interest rate derivatives is based on prices quoted by financial institutions that enter into these contracts. The value of put options granted to non-controlling interests is computed based on the current value of the amount, which may be required to pay to the counterparty to the contract.

#### (2) Investment securities

Where market prices are available, fair value is based on market prices. For financial instruments whose market prices are not available, fair value is measured by discounting future cash flows or using other appropriate valuation methods, taking into account the individual nature, characteristics and risks of the assets.

#### (3) Borrowings

As short-term loans payable are to be settled in a short period of time, their fair value is assumed to be equivalent to the carrying amounts.

For long-term borrowings with fixed interest rates, fair value is calculated by discounting the total amount of principal and interest using assumed interest rate of a new similar borrowing. As the interest rate of long-term borrowings with variable interest rates is revised periodically and their fair value is approximate to carrying amounts, their fair value is assumed to be equivalent to carrying amounts.

(4) Bonds

Fair value is calculated on the basis of market value.

(5) Contingent consideration

Fair value is calculated by estimating amounts of possible additional payments in the future using a proper evaluation method.

(6) Financial instruments other than those indicated above

Financial instruments other than those indicated above are mainly settled in the short term, so fair value is assumed to be equivalent to their carrying amounts.

**<Notes on Per-Share Information>**

- |   |           |
|---|-----------|
| 1. Equity per share attributable to owners of the company | ¥1,058.29 |
| 2. Basic loss per share                                   | ¥6.21     |

Note: In calculating per-share information, 1,184,094 shares and 1,205,476 shares are deducted from the numbers of shares at the end of the fiscal year and those averaged during the fiscal year, respectively, as the shares of the Company held by trust accounts related to the BIP trust for compensation for Directors are treated as treasury shares.

**<Note Concerning Significant Subsequent Events>**

Not applicable.

**<Other Notes>**

**1. Other expenses**

Other expenses are mainly comprised of business structure improvement expenses of ¥5,060 million, loss on disposal of property, plant and equipment and intangible assets of ¥3, 696 million and impairment loss of ¥3,074 million. The business structure improvement expenses include expenses related to structural reform of sales sites in Europe and North America, etc. for the Office Business and Professional Printing Business. The loss on disposal of property, plant and equipment and intangible assets is mainly comprised of expenses for relocating domestic business sites. The impairment loss is mainly a partial reduction of ¥1,698 million in the book value of goodwill at a subsidiary, which was acquired in the marketing services business unit of the Professional Printing Business.

**2. Figures given in the text have been rounded down to the nearest millions of Yen.**



# NON-CONSOLIDATED FINANCIAL STATEMENTS

## Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
<b>Current assets</b>	<b>229,964</b>	<b>Current liabilities</b>	<b>159,824</b>
Cash and deposits	22,594	Notes payable - trade	8,234
Notes receivable - trade	1,553	Accounts payable - trade	42,693
Accounts receivable – trade	68,499	Short-term borrowings	37,704
Inventories	42,496	Current portion of long-term borrowings	23,060
Prepaid expenses	3,251	Current portion of bonds payable	10,000
Short-term loans receivable	68,882	Lease liabilities	100
Current portion of long-term loans receivable	4,645	Accounts payable - other	25,730
Accounts receivable – other	7,641	Accrued expenses	4,994
Income taxes receivable	2,058	Income taxes payable	325
Other current assets	8,399	Advances received	401
Allowance for doubtful accounts	(60)	Provision for bonuses	4,647
		Provision for bonuses for directors (and other officers)	50
<b>Non-current assets</b>	<b>521,331</b>	Provision for product warranties	228
<b>Property, plant and equipment</b>	<b>110,750</b>	Provision for stock bonuses	518
Buildings, net	51,736	Other current liabilities	1,133
Structures, net	1,563	<b>Non-current liabilities</b>	<b>262,003</b>
Machinery and equipment, net	18,776	Bonds payable	30,000
Vehicles, net	28	Long-term borrowings	199,192
Tools, furniture and fixtures, net	9,969	Lease liabilities	100
Land	25,219	Deferred tax liabilities for land revaluation	3,019
Leased assets	170	Provision for retirement benefits	13,373
Construction in progress	3,284	Asset retirement obligations	13,850
		Other noncurrent liabilities	2,466
<b>Intangible assets</b>	<b>17,973</b>	<b>Total liabilities</b>	<b>421,827</b>
Software	12,665	<b>Net assets</b>	
Other intangible assets	5,307	<b>Shareholders' equity</b>	<b>315,944</b>
<b>Investments and other assets</b>	<b>392,607</b>	<b>Share capital</b>	<b>37,519</b>
Investment securities	17,143	<b>Capital surplus</b>	<b>135,592</b>
Shares of subsidiaries and associates	261,450	Legal capital surplus	135,592
Investments in capital of subsidiaries and associates	84,943	<b>Retained earnings</b>	<b>152,516</b>
Long-term loans receivable	5,796	Other retained earnings	152,516
Long-term prepaid expenses	2,143	Retained earnings brought forward	152,516
Deferred tax assets	11,201	<b>Treasury shares</b>	<b>(9,684)</b>
Other investment	9,946	<b>Valuation and translation adjustments</b>	<b>12,794</b>
Allowance for doubtful accounts	(17)	Valuation difference on available-for-sale securities	2,213
		Deferred gains or losses on hedges	3,751
		Revaluation reserve for land	6,830
		<b>Share acquisition rights</b>	<b>728</b>
		<b>Total net assets</b>	<b>329,468</b>
<b>Total assets</b>	<b>751,295</b>	<b>Total liabilities and net assets</b>	<b>751,295</b>

**Statement of Income**  
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
<b>Revenue</b>		<b>430,914</b>
Cost of sales		295,481
<b>Gross profit</b>		<b>135,432</b>
Selling, general and administrative expenses		137,047
<b>Operating profit (loss)</b>		<b>(1,614)</b>
Non-operating income		
Interest and dividend income	20,957	
Miscellaneous revenue	1,303	22,260
Non-operating expenses		
Interest expenses	1,972	
Commission for syndicate loan	1,101	
Foreign exchange losses	2,032	
Loss on disposal of mass-produced trial products	1,219	
Miscellaneous expenses	1,773	8,100
<b>Ordinary profit</b>		<b>12,545</b>
Extraordinary income		
Gain on sales of non-current assets	4	
Gain on sales of investment securities	570	
Gain on sale of businesses	799	1,375
Extraordinary losses		
Loss on sales and retirement of non-current assets	3,384	
Loss on sales of investment securities	27	
Loss on valuation of investment securities	175	
Loss on forgiveness of debts	216	
Impairment loss	700	4,505
<b>Profit before income taxes</b>		<b>9,416</b>
Income taxes-current	(652)	
Income taxes-deferred	(2,030)	(2,683)
<b>Profit</b>		<b>12,100</b>

# Statement of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at April 1, 2019	37,519	135,592	135,592	153,795	153,795	(9,979)	316,927
Changes of items during period							
Dividends of surplus	-	-	-	(14,878)	(14,878)	-	(14,878)
Profit	-	-	-	12,100	12,100	-	12,100
Purchase of treasury shares	-	-	-	-	-	(2)	(2)
Disposal of treasury shares	-	-	-	(132)	(132)	297	165
Reversal of revaluation reserve for land	-	-	-	1,632	1,632	-	1,632
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during period	-	-	-	(1,278)	(1,278)	295	(983)
Balance at March 31, 2020	37,519	135,592	135,592	152,516	152,516	(9,684)	315,944

	Valuation and translation adjustments				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at April 1, 2019	5,337	3,437	8,463	17,238	836	335,001
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(14,878)
Profit	-	-	-	-	-	12,100
Purchase of treasury shares	-	-	-	-	-	(2)
Disposal of treasury shares	-	-	-	-	-	165
Reversal of revaluation reserve for land	-	-	-	-	-	1,632
Net changes of items other than shareholders' equity	(3,124)	314	(1,632)	(4,443)	(107)	(4,550)
Total changes of items during period	(3,124)	314	(1,632)	(4,443)	(107)	(5,533)
Balance at March 31, 2020	2,213	3,751	6,830	12,794	728	329,468

## Notes to Financial Statements

### <NOTES TO BASIS OF SIGNIFICANT ACCOUNTING POLICIES>

#### 1. Valuation Standards and Methods for Securities

##### (1) Shares of subsidiaries and associates

Shares of subsidiaries and associates are recorded at cost using the moving-average method.

##### (2) Other securities

Securities with fair market value are recorded using the mark-to-market method based on the market price as of the balance sheet date. (Valuation difference is directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)

Other securities that do not have fair market values are primarily recorded at cost using the moving-average method.

#### 2. Valuation Standards and Methods for Derivatives

Derivatives are recorded using the mark-to-market method.

#### 3. Valuation Standards and Methods for Inventories

The value of inventories is determined by using the cost method based on the gross-average method (book values are reduced to reflect declines in profitability).

#### 4. Amortization Method for Non-current Assets

##### (1) Property, plant and equipment (excluding leased assets)

The straight-line method is used.

##### (2) Intangible assets (excluding leased assets)

The straight-line method is used.

We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.

##### (3) Leased assets

Leased assets arising from finance lease transactions that do not transfer ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

#### 5. Standards for allowances

##### (1) Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectability. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

##### (2) Provision for bonuses

To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees for the fiscal year is recorded.

##### (3) Provision for Directors' bonuses

To prepare for the payment of Directors' bonuses, an amount corresponding to the current portion of estimated bonus payments to Directors for the fiscal year is recorded.

##### (4) Provision for product warranty

The provisioning of free after-sales service for products is recorded based on past after-sales service expenses as a percentage of net sales.

(5) Provision for retirement benefits

In order to provide employee retirement benefits, the amount recorded by the Company is based on projected benefit obligations and pension assets at the end of the fiscal year. In determining retirement benefit obligations, the Group attributes the expected amount of retirement benefit to the period until this fiscal year-end based on the benefit formula.

Past service cost is being amortized as incurred by the straight-line method over periods (10 years), which are shorter than the average remaining years of service of the employees.

Actuarial gains and losses are amortized from the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (10 years) which are shorter than the average remaining years of service of the employees.

The accounting method for undisposed unrecognized past service expenses and unrecognized actuarial gains and losses is different from the accounting method used for the consolidated financial statements.

(6) Provision for stock bonuses

To prepare for future share allocations to Directors and others, the Company basically records the amount of payments according to estimated points to be allotted to Directors and others under the share allocation regulations.

6. Accounting methods for hedge transactions

(1) Hedge accounting methods

The deferred hedge method is mainly used. Deferral hedge accounting is used for currency swaps that meet the conditions, and special accounting methods are used for interest rate swaps that meet certain conditions, respectively.

(2) Hedging methods and hedging targets

The hedge methods used are forward exchange contracts, currency option transactions, currency swaps and interest rate swaps.

The hedge targets are scheduled foreign currency denominated transactions, loans and borrowings.

(3) Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts and currency option transactions as hedging instruments only, not for trading purpose to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates.

In addition, the Company and consolidated subsidiaries enter into currency swaps and interest rate swaps to make interest rates on borrowings stable, to reduce the risk of cost fluctuations for future capital procurement, not for speculation purpose, within the limit of actual financial or operating transactions.

(4) Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of hedged items, cash flows and hedge instruments.

7. Consumption tax

The tax-exclusion method is used to account for consumption taxes and local consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

8. Consolidated tax payment system

Consolidated tax payment system is adopted.

9. Application of tax effect accounting for transition from the consolidated taxation system to the group tax sharing system

The Company applies the treatment under Article 3 of “The Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ Practical Issues Task Force No. 39, March 31, 2020) in relation to items that are revised for the transition to the group tax sharing system established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020) and for the non-consolidated tax payment system in conjunction with the transition to the group tax sharing system, but do not apply the prescriptions under Article 44 of the “Implementation Guidance on Accounting Standards for Tax Effect Accounting, etc.” (ASBJ Implementation Guidance No. 28, February 16, 2018) and treats the amount of deferred income tax assets and deferred tax liabilities in accordance with the tax law provisions before the revision.

<Notes to Balance Sheet>

1. Accumulated depreciation of property, plant and equipment ¥297,971 million

2. Balance of guaranteed obligations

The Company guarantees obligations for lease contracts of affiliated companies.

Konica Minolta Business Solutions U.S.A., Inc. ¥8,566 million

The Company guarantees tariffs payable by affiliated companies.

Konica Minolta (Xiamen) Medical Products Co., Ltd. ¥765 million

3. Receivables from and payables to subsidiaries and associates

Short-term receivables ¥132,807 million

Long-term receivables ¥5,796 million

Short-term payables ¥77,235 million

4. Inventories

Merchandise and finished goods ¥28,035 million

Work in process ¥7,718 million

Raw materials and supplies ¥6,743 million

5. Land revaluation

Land for industrial purposes that had been revaluated based on the Law Concerning Land Revaluation (Law No. 34 promulgated on March 31, 1998) was received from Minolta Co., Ltd. on October 1, 2003, at the time of the merger. The amount corresponding to taxes on the amount of the land revaluation is included under the item deferred tax liabilities for land revaluation. An amount equivalent to the amount of the revaluation less the deferred tax liability has been entered in shareholders' equity as the revaluation reserve for land.

(1) Method of revaluation

The value of the land has been evaluated according to the value appraisal method for land fronting major roads, as provided for in Article 2-4 of the Enforcement Orders for the Law Concerning Land Revaluation (Enforcement Orders No. 119, promulgated on March 31, 1998) or the method for valuation of non-current assets provided for in Article 2-3 of the Enforcement Orders.

(2) Date of revaluation March 31, 2002

(3) The difference between the market value of the revalued land at the end of the fiscal year under review and the book value following revaluation ¥(6,727) million

6. Loan commitment

The Company has loan agreements with subsidiaries concerning financial matters for group companies and has established credit lines for thirteen of these subsidiaries. The available loan balance at the end of the fiscal year under review under these agreements is as follows.

Total loan limit	¥103,693 million
<u>Disbursed loan balance</u>	<u>¥73,800 million</u>
Available loan balance	¥29,892 million

7. Pension assets in retirement benefit trust

The Company operates with two types of retirement benefit plans: a lump-sum payment plan and a defined benefit pension plan.

Provision for retirement benefits and pension assets in retirement benefit trust at year end by retirement benefit plan are as follows.

(Millions of yen)

	Provision for retirement benefits (Before deduction of pension assets in retirement benefit trust)	Pension assets in retirement benefit trust	Provision for retirement benefits (After deduction of pension assets in retirement benefit trust)
Lump-sum payment plan	8,573	-	8,573
Defined benefit pension plan	9,863	5,064	4,799
Total	18,437	5,064	13,373

**<Notes to Statement of Income>**

## Transactions with subsidiaries and associates

Operating revenue	¥321,822 million
Operating expense	¥240,582 million
Other operating transactions	¥37,156 million
Other non-operating transactions	¥9,406 million

**<Notes to Statement of Changes in Equity>**

## Type and number of treasury shares at end of period

Ordinary shares	7,764,241 shares
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Note: The number of treasury shares includes those held by trust accounts related to the BIP trust for compensation for Directors.

**<Notes on Tax Effect Accounting>**

## 1. Breakdown by cause of deferred tax assets and liabilities

## Deferred tax assets

Loss on valuation of shares of subsidiaries and associates	¥17,652 million
Net operating tax loss carried forward	¥9,133 million
Provision for retirement benefits	¥8,644 million
Asset retirement obligations	¥4,067 million
Loss on valuation	¥1,489 million
Provision for bonuses	¥1,444 million
Excess of depreciation and amortization over deductible limit	¥1,238 million
Other	¥3,325 million

Deferred tax assets subtotal	¥46,996 million
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Valuation allowance for operating loss carryforwards	¥(6,159) million
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Valuation allowance for total of deductible temporary differences and others	¥(20,388) million
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Subtotal of valuation allowances	¥(26,548) million
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Total deferred tax assets	¥20,448 million
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## Deferred tax liabilities

Retirement costs corresponding to asset retirement obligations	¥(3,879) million
Loss (gain) on transfer of business	¥(1,384) million
Gain on establishment of employee pension trust	¥(1,300) million
Valuation difference on available-for-sale securities	¥(941) million
Other	¥(1,741) million

Total deferred tax liabilities	¥(9,246) million
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Net deferred tax assets	¥11,201 million
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## 2. Deferred tax liabilities related to revaluation

Deferred tax liabilities for land revaluation	¥(3,019) million
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**<Notes on Related-Party Transactions>**

Subsidiaries, etc.

(Millions of yen)

Attribute	Name of company, etc.	Equity ownership percentage	Relationship with the Company		Description of transactions	Transaction amount	Account item	Ending balance
			Executive posts concurrently held	Business relationship				
Subsidiary	Konica Minolta Business Solutions Europe GmbH	(Ownership) Direct 100%	One Executive of the Company	Sale of multi-functional peripherals, digital printing systems, printers, medical diagnostic imaging system and related supplies in Europe and others, and providing related solution services	Sales of products (Note 1)	103,438	Accounts receivable - trade	10,182
					Lending of funds (Note 2)	42,288	Short-term loans	47,969
Subsidiary	Konica Minolta Business Solutions U.S.A., Inc.	(Ownership) Indirect 100%	Two Executive of the Company	Sale of multi-functional peripherals, digital printing systems, printers and related supplies in the U.S., and providing related solution services	Sales of products (Note 1)	78,243	Accounts receivable - trade	7,776
Subsidiary	Konica Minolta Japan, Inc.	(Ownership) Direct 100%	Five Executive of the Company	Sale of multi-functional peripherals, digital printing systems, printers, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related solution services	Sales of products (Note 1)	43,452	Accounts receivable - trade	15,018
Subsidiary	Konica Minolta Business Technologies Manufacturing (HK) Ltd.	(Ownership) Direct 100%	-	Manufacturing and sale of multi-functional peripherals, printers and related supplies	Purchases of products (Note 1)	63,091	Accounts payable - trade	7,676
Subsidiary	Konica Minolta Business Technologies (WUXI) Co., Ltd.	(Ownership) Direct 15% Indirect 85%	-	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers and related supplies	Purchases of products (Note 1)	46,851	Accounts payable - trade	7,879
Subsidiary	Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	(Ownership) Indirect 100%	-	Manufacturing and sale of multi-functional peripherals, digital printing systems, printers and related supplies	Purchases of products (Note 1)	47,683	Accounts payable - trade	4,308

The transaction amount does not include consumptions tax. The ending-balance of the accounts receivable-trade and accounts payable-trade includes consumption tax.

(Notes) Transaction terms and policy for determining transaction terms

1. Terms for purchases and sales of products and other items are determined by price negotiations in each fiscal year that take into account market prices and the cost of sales.
2. Regarding the lending of funds, the Company enters into loan agreements concerning group financing with subsidiaries, setting a limit. The interest rate is determined based on market rates.  
The transaction amount is the average loan balance over the period under review.



**<Notes on Per Share Information>**

Net assets per share	¥664.25
Earnings per share	¥24.45

Note: In calculating per-share information, 1,184,094 shares and 1,205,476 shares are deducted from the numbers of shares at the end of the fiscal year and those during the fiscal year, respectively, as the shares of the Company held by trust accounts related to the BIP trust for compensation for Directors are treated as treasury shares.

**<Note Concerning Significant Subsequent Events>**

Not applicable.

**<Other Notes>**

1. The Company introduced a stock compensation scheme linking with medium-term performance called the BIP (Board Incentive Plan) trust for compensation for Directors, with the aim of linking its performance targets in the new Medium-Term Business Plan “SHINKA 2019,” which covers fiscal 2017 to fiscal 2019, with compensation to Executive Officers and others.  
As accounting treatment of the trust, the Company applies “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. Through Trusts” (Practical Issues Task Force No. 30; March 26, 2015) and includes the Company’s shares outstanding in the trust as treasury shares, based on their book values (excluding the amount of incidental expenses).
2. Loss on sales and retirement of non-current assets is mainly due to the sale of land and buildings at the Itami site.
3. Figures given in the text have been rounded down to the nearest millions of Yen.

## AUDITOR'S REPORTS

### AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

#### Independent Auditor's Report

May 25, 2020

The Board of Directors  
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Michiaki Yamabe (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yosuke Sato (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

#### **Auditor's Opinion**

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to consolidated financial statements of Konica Minolta, Inc. ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444 (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above, which were prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, as approved under the latter part of Article 120-1 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in those standards is stated in "Auditor's Responsibility in Audit of the Consolidated Financial Statements." In accordance with the provisions for professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and fulfill other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Management's and Audit Committee's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial

statements prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, as approved under the latter part of Article 120-1 of the Ordinance on Company Accounting. Management is also responsible for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare those statements based on the going concern assumption. Management is also responsible for disclosing matters regarding the going concern, in accordance with the provisions of the latter part of Article 120-1 of the Ordinance on Company Accounting, which approve the omission of certain items required to be disclosed by the International Financial Reporting Standards, if it is necessary to do so.

The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the financial reporting processes.

### **Auditor's Responsibility in Audit of the Consolidated Financial Statements**

Our responsibility is to express as independent auditor an opinion on the financial statements based on our audit in the Auditor's Report, after we obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Misstatements may occur due to fraud or error. They are recognized as being important when they are reasonably expected to have an effect, separately or in total, on decision making of users of the consolidated financial statements.

In accordance with the accounting principles generally accepted in Japan, the auditor shall conduct the following with professional judgment and professional skepticism during the process of audit:

- Identify and assess risks of material misstatements, whether due to fraud or error. Plan and conduct audit procedure responding to the risks of material misstatements. The choice and application of the audit procedure is based on the auditor's judgment. Moreover, obtain satisfactory and appropriate audit evidence on which the auditor's opinion will be based.
- The purpose of audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control. However, the auditor shall consider the internal control associated with audit in order to plan the appropriate audit procedure suitable for the situation in conducting risk assessment.
- Assess the appropriateness of management's accounting policy and its application method, the reasonableness of accounting estimates made by management and the validity of related notes.
- Conclude whether management's preparing the consolidated financial statements on the going concern assumption is appropriate and whether there are significant uncertainties related to events or conditions that may cast significant doubt upon the going concern assumption, based on obtained audit evidence. It is requested that the auditor draw attention to the notes to the consolidated financial statements in the auditor's report when there are significant uncertainties related to the going concern assumption or that the auditor express a qualified opinion on the consolidated financial statements when the notes to significant uncertainties in the consolidated financial statements are inappropriate. Though the auditor's conclusion is based on the audit evidence the auditor had obtained by the date of the audit report, the Company may not be able to survive as a going concern depending on future events and conditions.
- Assess whether the presentation and notes in the consolidated financial statements comply with

the provisions of the latter part of Article 120-1 of the Ordinance on Company Accounting, which approve the omission of certain items required to be disclosed by the International Financial Reporting Standards. Assess the presentation, configuration and contents of the consolidated financial statements, including the related notes, and whether the consolidated financial statements appropriately present underlying transactions and accounting events.

- Obtain satisfactory and appropriate audit evidence on financial information of the Company and its consolidated subsidiaries to express an opinion about the consolidated financial statements. The auditor is responsible for the instruction, supervision and exercise in association with audit of the consolidated financial statements. The auditor assumes independent responsibility for its audit opinion.

The auditor reports to the Audit Committee on the scope of its planned audit and schedule of implementation, material findings on audit that were recognized in the implementation process of audit, including significant deficiencies in internal control, and other matters required by the audit standards.

The auditor reports to the Audit Committee that it complied with the code of professional ethics for independence in Japan. The auditor also reports to the Audit Committee on matters that are reasonably considered affecting the auditor's independence and, if applicable, on safeguards to remove or mitigate impeding factors.

### **Interest**

There is no interest between the Company and its consolidated subsidiaries and our auditing firm or executive officers which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act

# AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## Independent Auditor's Report

May 25, 2020

The Board of Directors  
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Michiaki Yamabe (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Yosuke Sato (Seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Auditor's Opinion**

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in equity and the notes to financial statements, and the supporting schedules ("the Financial Statements") of Konica Minolta, Inc. ("the Company") as at March 31, 2020 and for the 116th business year from April 1, 2019 to March 31, 2020 in accordance with Article 436 (2) (i) of the Companies Act.

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Financial Statements were prepared, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility in those standards is stated in "Auditor's Responsibility in Audit of the Financial Statements." In accordance with the provisions for professional ethics in Japan, we are independent from the Company and fulfill other ethical responsibilities as auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's and Audit Committee's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the accounting principles generally accepted in Japan. Management is also responsible for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of the Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing whether it is appropriate to prepare the Financial Statements based on the going concern assumption and, if it is necessary to do so, disclose matters regarding the going concern in accordance with the accounting principles generally accepted in Japan.

The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the financial reporting processes.

### **Auditor's Responsibility in Audit of the Financial Statements**

Our responsibility is to express as independent auditor an opinion on the financial statements based on our audit in the Auditor's Report, after we obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error. Misstatements may occur due to fraud or error. They are recognized as being important when they are reasonably expected to have an effect, separately or in total, on decision making of users of the financial statements.

In accordance with the accounting principles generally accepted in Japan, the auditor shall conduct the following with professional judgment and professional skepticism during the process of audit:

- Identify and assess risks of material misstatements, whether due to fraud or error. Plan and conduct audit procedure responding to the risks of material misstatements. The choice and application of the audit procedure is based on the auditor's judgment. Moreover, obtain satisfactory and appropriate audit evidence on which the auditor's opinion will be based.
- The purpose of audit of the financial statements is not to express an opinion on the effectiveness of internal control. However, the auditor shall consider the internal control associated with audit in order to plan the appropriate audit procedure suitable for the situation in conducting risk assessment.
- Assess the appropriateness of management's accounting policy and its application method, the reasonableness of accounting estimates made by management and the validity of related notes.
- Conclude whether management's preparing the financial statements on the going concern assumption is appropriate and whether there are significant uncertainties related to events or conditions that may cast significant doubt upon the going concern assumption, based on obtained audit evidence. It is requested that the auditor draw attention to the notes to the financial statements in the auditor's report when there are significant uncertainties related to the going concern assumption or that the auditor express a qualified opinion on the financial statements when the notes to significant uncertainties in the financial statements are inappropriate. Though the auditor's conclusion is based on the audit evidence the auditor had obtained by the date of the audit report, the Company may not be able to survive as a going concern depending on future events and conditions.
- Assess whether the presentation and notes in the Financial Statements comply with the accounting principles generally accepted in Japan. Assess the presentation, configuration and contents of the Financial Statements, including the related notes, and whether the Financial Statements appropriately present underlying transactions and accounting events.

The auditor reports to the Audit Committee on the scope of its planned audit and schedule of implementation, material findings on audit that were recognized in the implementation process of audit, including significant deficiencies in internal control, and other matters required by the audit standards.

The auditor reports to the Audit Committee that it complied with the code of professional ethics for independence in Japan. The auditor also reports to the Audit Committee on matters that are reasonably considered affecting the auditor's independence and, if applicable, on safeguards to remove or mitigate impeding factors.

### **Interest**

There is no interest between the Company and our auditing firm or executive officers which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### **Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

## AUDIT COMMITTEE'S REPORT

### AUDIT REPORT

We, the Audit Committee of Konica Minolta, Inc. ("the Company"), have audited the performance of duties by Directors and Executive Officers during the 116<sup>th</sup> business year from April 1, 2019 to March 31, 2020. We report the method and results as follows.

#### 1. Method and details of audit

We, the Audit Committee, have received reports from the Executive Officers and employees on a regularly basis on the details of the board resolutions with respect to items prescribed in Article 416, Paragraph 1, Item 1, b) and e) of the Companies Act, and the status of the establishment and operation of the system established based on such board resolutions (internal control system), sought explanations, whenever the necessity arose, and expressed our opinions. Also, in accordance with the audit standards, audit policy, audit plan, assignment of duties, etc. determined by the Audit Committee and in cooperation with the internal audit division and other internal control divisions of the Company and the auditors of subsidiaries, we verified the process and details of the decision-making at the important meetings, etc., the details of the primary decision documents and other important documents, etc. on the performance of business operations, the status of the performance of the duties of Directors, Executive Officers and others, and the status of business operations and assets of the Company.

With respect to subsidiaries, we confirmed the status of their business and management by communicating and exchanging information with Directors and corporate auditors of the subsidiaries, visiting and attending important meetings, and inspecting important decision documents, etc., whenever the necessity arose.

Moreover, in addition to monitoring and examining whether the Accounting Auditor maintained an independent position and performed auditing appropriately, we received reports from the Accounting Auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the Accounting Auditor that "The systems for ensuring the proper performance of duties" (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report, financial statements (balance sheet, statement of income, statement of changes in equity, notes to financial statements), supporting schedules, and the consolidated financial statements (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, notes to consolidated financial statements, which were prepared by omitting certain items required to be disclosed by the International Financial Reporting Standards, pursuant to the latter part of Article 120-1 of the Ordinance on Company Accounting) for the fiscal year under review.

#### 2. Results of audit

##### (1) Results of audit of business report, etc.

- i) In our opinion, the business report and accompanying schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.
- ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company's Articles of Incorporation by any Directors or Executive Officers in carrying out their duties.
- iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note with respect to the execution of duties of Executive Officers regarding the internal control system.

##### (2) Results of audit of financial statements and accompanying schedules

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

##### (3) Results of audit of consolidated financial statements

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.



May 26, 2020

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Takashi Hatchoji	(Seal)
Audit Committee Member	Kimikazu Noumi	(Seal)
Audit Committee Member	Taketsugu Fujiwara	(Seal)
Audit Committee Member	Sakie Tachibana Fukushima	(Seal)
Audit Committee Member (Full-time)	Toyotsugu Itoh	(Seal)
Audit Committee Member (Full-time)	Hiroyuki Suzuki	(Seal)

**Notes to the Reader of Audit Report:**

1. The Audit Report herein is the English translation of the Audit Report as required by the Companies Act.
2. Mr. Takashi Hatchoji, Mr. Kimikazu Noumi , Mr. Taketsugu Fujiwara and Ms. Sakie Tachibana Fukushima are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.