(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Independent Auditors' Reports contained in this document have also been translated by the Company. KPMG AZSA LLC, the Accounting Auditor, has never been involved in this translation and therefore assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

NOTICE OF CONVOCATION OF THE 118TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Konica Minolta, Inc.

Konica Minolta Philosophy

Konica Minolta has formulated “Imaging to the People,” a long-term management vision that looks forward to 2030. In concert with these initiatives, we redeveloped our philosophy. Now, Konica Minolta Philosophy comprises Our Philosophy, unchanged since its formulation in 2003, Our Vision, which defines our aspirations for 2030, and 6 Values that guide the development of Konica Minolta’s corporate culture as the wellspring of our value creation.

Our Philosophy

The Creation of New Value

Our Vision

Imaging to the People
A global company that is vital to society, bringing vision to reality.

A robust and innovative company, continually evolving and contributing to the sustainable growth of the society and individuals.

6 Values

Open and honest
Customer-centric
Innovative
Passionate
Inclusive and collaborative
Accountable

Brand Proposition

Giving Shape to Ideas

Securities Code: 4902
May 26, 2022

To Our Shareholders

Toshimitsu Taiko
Director, President and CEO
Representative Executive Officer
Konica Minolta, Inc.
2-7-2 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 118TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA, INC. ("the Company") hereby announces that the 118th 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 its shareholders. **However, the Company requests that shareholders refrain from attending the Meeting in person in the event of the issuance of the declaration of a state of emergency or a quasi-state of emergency related to novel coronavirus disease (COVID-19), among other measures, amid concerns over the spread of COVID-19. In addition, the proceedings of the Meeting will be live-streamed on the Internet, and shareholders who do not attend in person are encouraged to watch the broadcast of the Meeting.**
As exercising voting rights is an important right of shareholders, the Company requests shareholders to examine the attached Reference Documents for the General Meeting of Shareholders on pages 7 to 29, indicate your approval or disapproval on the enclosed voting form and return it so it reaches us by 5:40 p.m., Thursday, June 16, 2022, 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. **To ensure shareholders' opinions to be reflected in management, please exercise your voting rights.**

1. Date and Time: Friday, June 17, 2022 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 118th Fiscal Year (from April 1, 2021 to March 31, 2022); 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 118th Fiscal Year (from April 1, 2021 to March 31, 2022)

Matters to be Resolved:

Agenda Item No. 1: Election of Nine (9) Directors
Agenda Item No. 2: Amendment to the Articles of Incorporation

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., Friday, June 17, 2022.

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., Thursday, June 16, 2022.

Using the Internet to exercise voting rights

Please use the Company's designated voting website (https://evote.tr.mufg.jp/) to submit votes concerning the proposals. Votes can be submitted until 5:40 p.m., Thursday, June 16, 2022.

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 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 Thursday, June 16, 2022, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

<u>Exercise of voting rights by scanning QR Code:</u>

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.

<u>Exercise of voting rights by entering Login ID and Temporary Password:</u>

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.mufg.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 No. 1
Election of Nine (9) 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 eleven (11) Directors will expire.

Accordingly, shareholders are requested to elect nine (9) Directors by reducing the number of Inside Directors by two based on the nominations of the Nominating Committee.

If the candidates for Directors under this proposal are elected as originally proposed, the majority of the Board of Directors will be Outside Directors (5 out of 9). In addition, by electing an Outside Director as the Chairman of the Board of Directors, the Company aims to transform the corporate governance system so that it will have more transparency. Independent Outside Directors with diverse management experience will play a central role in the Board of Directors and three committees and supervise the solid development of management reform.

The candidates for the position of Director are as follows. For career histories, please refer to pages 12 through 24.

Please refer to pages 9 through 11 for information on the policies regarding the nomination of Director candidates, procedures and other items.

No.	Name	Current Position and Responsibilities at the Company		Board of Directors meeting attendance	Term of office	Committee the candidate is scheduled to join (◎ to serve as committee chairperson) Nominating Committee Audit Committee Compensation Committee
1	Toshimitsu Taiko	Director, President and CEO, Representative Executive Officer	Re-election	14/14 (100%)	4 years	– – –
2	Chikatomo Kenneth Hodo	Director Member of Nominating Committee and Audit Committee	Re-election Outside Independent	14/14 (100%)	4 years	○ – –
3	Sakie Tachibana Fukushima	Director Chairperson of Compensation Committee Member of Nominating Committee	Re-election Outside Independent	14/14 (100%)	3 years	○ – ◎
4	Soichiro Sakuma	Director Chairperson of Audit Committee Member of Compensation Committee	Re-election Outside Independent	14/14 (100%)	2 years	– ◎ ○
5	Akira Ichikawa	Director Member of Nominating Committee, Audit Committee and Compensation Committee	Re-election Outside Independent	10/10 (100%)	1 year	◎ ○ –
6	Masumi Minegishi		First-time candidate Outside Independent	–	–	○ ○ ○
7	Hiroyuki Suzuki	Director Member of Audit Committee and Compensation Committee	Re-election Non-executive	14/14 (100%)	3 years	– ○ ○
8	Shoei Yamana	Director, Executive Chairman and Executive Officer	Re-election	14/14 (100%)	16 years	○ – –
9	Seiji Hatano	Director and Senior Executive Vice President and Executive Officer	Re-election	14/14 (100%)	8 years	– – –

No.	Name	Expertise and experience expected of candidates for Directors							
		Corporate executive experience in listed company	Global executive management experience (Note 3)	R&D and manufacturing	Sales and marketing	Finance and accounting, and understanding of investor perspective	HR management	Governance, internal control, legal affairs	Business transformations and new business development (DX)
1	Toshimitsu Taiko	●	●		●				●
2	Chikatomo Kenneth Hodo		●			●			●
3	Sakie Tachibana Fukushima		●				●	●	
4	Soichiro Sakuma		●				●	●	●
5	Akira Ichikawa	●	●		●				
6	Masumi Minegishi	●	●		●				●
7	Hiroyuki Suzuki				●			●	
8	Shoei Yamana	●	●		●				●
9	Seiji Hatano		●			●		●	

Notes:
1. "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.
2. As Mr. Akira Ichikawa was newly elected as a Director at the previous Ordinary General Meeting of Shareholders (held on June 17, 2021), the numbers of his Board of Directors meeting attendance and committee meeting attendance are different.
3. "Global executive management experience" includes both actual experience at a global business and experience relating to overseas business operation.

Policies and Procedures for the Nomination of Director Candidates

The basic concept for the Company's corporate governance is outlined on pages 75 through 77. The Nominating Committee has formulated Director election standards and independence standards for Outside Directors, which are shown on pages 25 through 26.

The policy and procedures for nominating candidates for Directors are as follows.

The Nominating Committee reviews the compositions of the Board of Directors and three committees every year. In electing the candidates in this proposal, the Company has carefully discussed the following among other matters: 1) The total number of Directors, the number ratio (Outside Directors, Internal Directors, Non-Executive Directors, and Executive Directors), 2) Term of office of Outside Directors, 3) Diversity, 4) The succession of the Chairman of the Board of Directors, 5) Ideal status of Internal Directors serving as full-time Members of the Audit Committee, etc. As a result, the Company has confirmed the following policies on the composition of the Board of Directors.

a. The appropriate number of Outside Directors is approximately five (5) to six (6). As the Company tackles the challenges of transforming its business portfolio and promoting digital transformation (DX), the said number of Outside Directors ensures that they possess the expertise and experience necessary for effective management oversight. In addition, the Company revised the standard whereby the term of the office of Outside Directors can be extended for another two years by the resolution of the Nominating Committee, while the current term of office of four years is maintained in principle. As a result of this revision, the term of office will be up to six years. This review takes into account matters, including the acquisition of knowledge related to the Company’s business, the supervision of the successor plan of the President and CEO, Representative Executive Officer by the Nominating Committee, and the continuity of discussions at the Board of Directors and three committees.
b. The Chairman of the Board of Directors shall be appointed from among Directors who do not concurrently serve as Executive Officers as stipulated in the Articles of Incorporation of the Company. This time, the Company has decided to appoint an Outside Director as the Chairman of the Board of Directors, who have a wealth of experience as an Outside Director of companies, as well as that of other companies, a deep understanding of the Company’s governance, and is deemed appropriate as a leader in managing the Board of Directors based on aptitude.
c. There must be one or more Internal Directors who do not concurrently serve as Executive Officers. At the Audit Committee, the full-time Members of the Audit Committee are responsible for ensuring a certain level of the quality of audits.
d. In order to carry out active and essential strategic discussions at meetings of the Board of Directors, several Executive Officers holding responsible posts, including the Executive Chairman and Executive Officer, as well as the President and CEO, Representative Executive Officer, shall serve concurrently as Executive Officers.

In nominating candidates for Outside Directors, in order to oversee the execution of business from a variety of perspectives, the Company places the highest priority on whether all Outside Directors possess the expertise, experience to oversee the Company’s medium-term management issues appropriately and considers the diversity and balance of their expertise, backgrounds, and industries.
From this perspective of nominating candidates, for this year, the Company has nominated candidates who have abundant expertise in business development, IT service business, and global management and can be expected to provide useful supervision and advice as corporate leaders.

<Procedures for Selection of Outside Director Candidates>

a. The Chairperson of the Nominating Committee asks the Nominating Committee members, other Outside Directors, and the President and CEO, Representative Executive Officer to recommend candidates in accordance with the above nomination policy. In doing so, used as a reference include the database of candidates, such as the chairperson of excellent enterprises, which is prepared by the Nominating Committee Secretariat, containing information such as independence, age, the status of concurrent positions, and the scale of sales of the enterprises which they come from.
b. With a view that Outside Directors have a role in overseeing the Company’s efforts to address medium-term management challenges, the Nominating Committee will discuss the nominees recommended and narrow down and rank the appropriate personnel as the candidates for Directors for the following year.

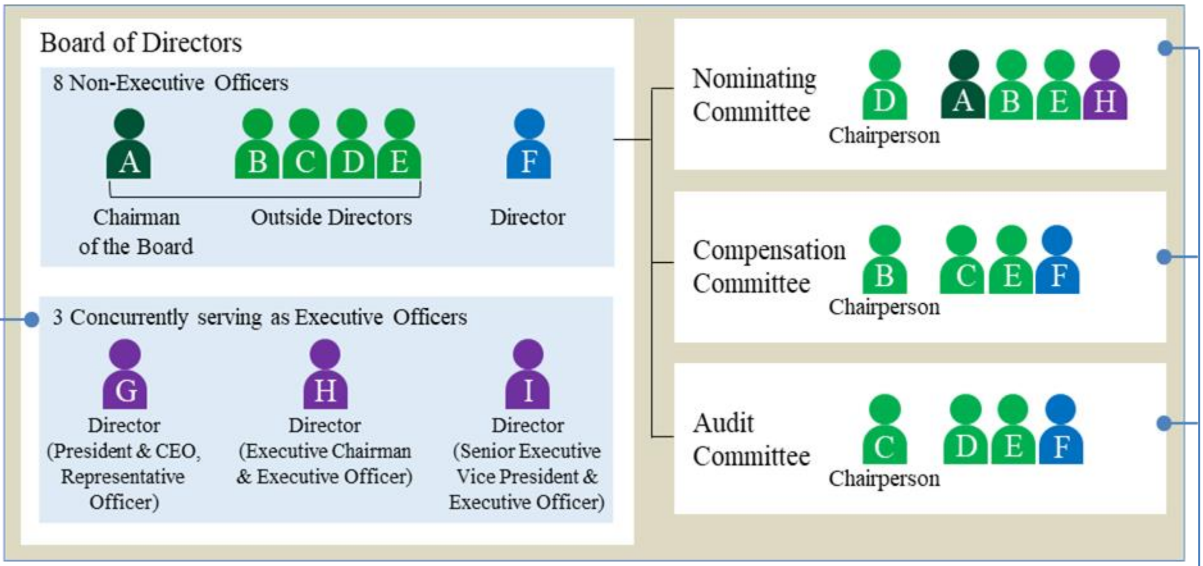
c. In order of the above ranking, the Chairperson of the Nominating Committee and the Chairman of the Board visit candidates to inquire about taking office as Outside Directors.

<Procedures for Selection of Inside Director Candidates>

a. President and CEO, Representative Executive Officer 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.

In determining the candidates for Directors, the Company has confirmed the necessary matters in light of the Company’s standards for the election of Directors, as well as the Company’s standards for independence for Outside Director candidates. The expertise and experience expected of each candidate for Director are shown on page 8.

Proposed Composition of the Board of Directors and Three Committees (to be resolved by the Board of Directors and three committees held on the same day after the approval of this proposal)



Key characteristics of the Board of Directors

- All Outside Directors are Independent Directors
- Outside Directors comprise the majority
- Chairman is Outside Director
- At least one Inside Director not concurrently serving as Executive Officer

Key characteristics of the three committees

- Chairpersons are Outside Directors
- Directors who are concurrently Representative Officers are not allowed to be committee members

Please refer to page 26 for the (planned) members of three committees.

No. 1

Toshimitsu Taiko

(November 30,1962)

Re-election

- Number of shares of the Company held: **42,131 shares**
- Board of Directors meeting attendance: **14 / 14 times (100%)**
- Term of office: **four years**

Career history, position and responsibilities at the Company

April 1986	Joined Minolta Camera Co., Ltd.
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 of the Company, CEO of Konica Minolta Business Solutions U.S.A., Inc.
April 2017	Executive Officer, General Manager, Professional Printing 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
April 2022	Director, President and CEO, Representative Executive Officer of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director

Mr. Toshimitsu Taiko took charge of the Business Technologies Business, the mainstay business of the Company, with the positions of CEO of the US sales subsidiaries, the General Manager of the Professional Printing Business Headquarters, General Manager, Office Business Headquarters, and the lead officer responsible for Business Technologies Business, followed by an Executive Officer responsible for Corporate Planning, Investor Relations, etc., to strive to enhance the corporate value of the Group through the formulation and promotion of the Medium-Term Management Plan "DX2022."

Following the results of the Nominating Committee's supervision and advice on the president's successor plan, the Board of Directors appointed him as the Director, President and CEO, Representative Executive Officer, as he has abundant management experience and track record and has met the requirements for a Company’s new leader to overcome medium- to long-term and short-term management challenges. He assumed office on April 1 of this year.

Therefore, the Company expects that Mr. Taiko can contribute to effective discussions on important management decisions while fulfilling his accountability as the Director, President and CEO, Representative Executive Officer at the Board of Directors' meetings, and requests that shareholders elect him as a Director.

No. 2 **Chikatomo Kenneth Hodo**

(July 31,1960)

Re-election

Outside

Independent

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
June 2021	Retired from Senior Corporate Advisor of Accenture Japan Ltd
July 2021	Representative Director of Bayhills Co., 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: **14 / 14 times (100%)**

・Nominating Committee attendance: **10 / 10 times (100%)**

・Audit Committee attendance: **13 / 13 times (100%)**

・Term of office: **four years**

Important position concurrently held

*Officer of a listed company under the Companies Act

Representative Director of Bayhills Co., 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 of ORIX Corporation

- Reasons for selecting the candidate for Outside Director and expected roles

  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 2021 activities are listed in "Primary activities of Outside Directors and a summary of the tasks performed on the expected roles" in the business report (page 64 through 66). Mr. Hodo has been in charge of the duty, securing sufficient time.

  Mr. Hodo will be elected the Chairman of the Board of Directors at the Board of Directors meeting to be held after the conclusion of the General Meeting. He has a wealth of experience as an outside director of multiple companies, including a company with a Nominating Committee, etc. similar to the Company, as well as his deep understanding of governance, and is qualified to lead the management of the Company's Board of Directors, aiming to "promote DX and increase corporate value."

  Therefore, the Company expects that Mr. Hodo can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.

- Information concerning independence

  The Company's business relationships with Accenture Japan Ltd and Bayhills Co., Ltd. account for less than 1% of consolidated net sales, and the two companies fall under neither the category of major business partners nor the category of major shareholders.

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. 3

Sakie Tachibana Fukushima

(September 10, 1949)

Re-election

Outside

Independent

・Number of shares of the Company held:
0 shares

・Board of Directors meeting attendance:
14 / 14 times (100%)

・Nominating Committee attendance:
10 / 10 times (100%)

・Compensation Committee attendance:
12 / 12 times (100%)

・Term of office:
three years

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)

Important position concurrently held

*Officer of a listed company under the Companies Act

President and Representative Director of G&S Global Advisors Inc.
*Outside Director of USHIO INC.
*Outside Director of Kyushu Electric Power Company, Incorporated
*Outside Director of Aozora Bank, Ltd. (scheduled to assume office in June 2022)

- Reasons for selecting the candidate for Outside Director and expected roles

  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 2021 activities are listed in "Primary activities of Outside Directors and a summary of the tasks performed on the expected roles" in the business report (page 64 through 66). Ms. Fukushima has been in charge of the duty, securing sufficient time.

  Therefore, the Company expects that Ms. Fukushima can continue contributing to the maintenance and upgrading of its corporate governance as before, 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 had served as Outside Director of J. Front Retailing Co., Ltd. from May 2012 through May 2020. 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 had supervised the J. Front Retailing Group's thorough compliance management by strengthening and enhancing its in-house training plans and monitoring structure.

No. 4

Soichiro Sakuma

(February 15, 1956)

Re-election

Outside

Independent

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
July 2020	Advisor of Nippon Steel Corporation (position which he continues to hold)
June 2020	Director of the Company (position which he continues to hold)

・Number of shares of the Company held:
6,100 shares
・Board of Directors meeting attendance:
14 / 14 times (100%)
・Nominating Committee attendance:
1 / 1 times (100%)
・Audit Committee attendance:
13 / 13 times (100%)
・Compensation Committee attendance:
12 / 12 times (100%)
・Term of office:
two years

Important position concurrently held

Advisor of Nippon Steel Corporation
Outside Director of JX Nippon Mining & Metals Corporation (scheduled to assume office in June 2022)
President of Japan International Dispute Resolution Center

- Reasons for selecting the candidate for Outside Director and expected roles

  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.

  Following his election as a Director in June 2020, Mr. Sakuma has performed well as a member of the Board of Directors and other committees. Fiscal 2021 activities are listed in "Primary activities of Outside Directors and a summary of the tasks performed on the expected roles" in the business report (pages 64 through 66). Mr. Sakuma has been in charge of the duty, securing sufficient time.

  Therefore, the Company expects that Mr. Sakuma can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders 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. 5

Akira Ichikawa

(November 12, 1954)

Re-election

Outside

Independent

Career history, position and responsibilities at the Company

April 1978	Joined Sumitomo Forestry Co., Ltd.
June 2007	Executive Officer, General Manager of Corporate Planning Division of Sumitomo Forestry Co., Ltd.
June 2008	Director, Managing Executive Officer of Sumitomo Forestry Co., Ltd.
April 2010	President and Representative Director of Sumitomo Forestry Co., Ltd.
April 2020	Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd. (position which he continues to hold)
June 2021	Director of the Company (position which he continues to hold)

・Number of shares of the Company held:
1,200 shares

・Board of Directors meeting attendance:
10 / 10 times (100%)

・Nominating Committee attendance:
9 / 9 times (100%)

・Audit Committee attendance:
10 / 10 times (100%)

・Compensation Committee attendance:
10 / 10 times (100%)

・Term of office:
one year

Important position concurrently held

*Officer of a listed company under the Companies Act

*Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd.

*Outside Director of SUMITOMO CHEMICAL COMPANY, LIMITED (scheduled to assume office in June 2022)

Representative Supervisory Officer and Chairman of Wooden Home Builders Association of Japan

- Reasons for selecting the candidate for Outside Director and expected roles
  Mr. Akira Ichikawa has been a senior executive at Sumitomo Forestry Co., Ltd., which operates various businesses, including those related to lumber and building materials, housing and construction, and overseas housing and real estate, where he promoted sustainability management, and raised that company’s corporate value over the medium- to long-term. In addition to such extensive management experience and broad-ranging insight as a corporate executive, he has a high degree of independence with respect to the Company as described below.
  Following his election as a Director in June 2021, Mr. Ichikawa has performed well as a member of the Board of Directors and other committees. Fiscal 2021 activities are listed in “Primary activities of Outside Directors and a summary of the tasks performed on the expected roles” in the business report (pages 64 through 66). Mr. Ichikawa has been in charge of the duty, securing sufficient time.
  Therefore, the Company expects that Mr. Ichikawa can continue contributing to the maintenance and upgrading of its corporate governance as before, and requests that shareholders elect him as an Outside Director.
- Information concerning independence
  Sumitomo Forestry Co., 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. Ichikawa 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. Akira Ichikawa is primarily tasked with overseeing management as the Chairman of the Board at Sumitomo Forestry Co., Ltd. He has no area of responsibility, and his involvement in decision-making on day-to-day business operations is limited.

No. 6

Masumi Minegishi

(January 24,1964)

First-time candidate

Outside

Independent

・Number of shares of the Company held:
0 shares

Career history, position and responsibilities at the Company

April 1987	Joined Recruit Co., Ltd.
April 2003	Corporate Executive Officer of Recruit Co., Ltd.
April 2004	Managing Corporate Executive Officer of Recruit Co., Ltd.
June 2009	Managing Corporate Executive Officer, and Director of the Board of Recruit Co., Ltd.
April 2011	Senior Managing Corporate Executive Officer, and Director of the Board of Recruit Co., Ltd.
April 2012	President, CEO, and Representative Director of the Board of Recruit Co., Ltd.
October 2012	President, CEO, and Representative Director of the Board of Recruit Holdings Co., Ltd.
April 2021	Chairperson and Representative Director of the Board of Recruit Holdings Co., Ltd. (position which he continues to hold)

Important position concurrently held

*Officer of a listed company under the Companies Act

*Chairperson and Representative Director of the Board of Recruit Holdings Co., Ltd.

*Independent Outside Director of ANA HOLDINGS INC. (scheduled to assume office in June 2022)

- Reasons for selecting the candidate for Outside Director and expected roles

  Mr. Masumi Minegishi has led the transformation of Recruit Holdings Co., Ltd. into a global tech company through the expansion of the human resources business into the information business and digitalization and globalization. In addition to his wealth of management experience and broad insights as a top leader of companies with DNA related to the commercialization of IT services and business development capabilities, he has a high degree of independence, as follows, for the Company.

  Therefore, the Company expects that Mr. Minegishi can contribute to the maintenance and improvement of the Company's governance by monitoring and offering advice from a global perspective based on his experience in management, and requests that shareholders elect him as an Outside Director.
- Information concerning independence

  Recruit Holdings Co., 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. Minegishi 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. Masumi Minegishi is primarily tasked with overseeing management as the Chairperson at Recruit Holdings Co., Ltd. He has no area of responsibility, and his involvement in decision-making on day-to-day business operations is limited.

No. 7

Hiroyuki Suzuki

(March 16, 1957)

Re-election

Non-executive

・Number of shares of the Company held: **54,789 shares**

・Board of Directors meeting attendance: **14 / 14 times (100%)**

・Audit Committee attendance: **13 / 13 times (100%)**

・Compensation Committee attendance: **12 / 12 times (100%)**

・Term of office: **three years**

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)

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 securing the effective operation of its corporate governance, and requests that shareholders elect for him to continue.

No.
8

Shoei Yamana

(November 18, 1954)

Re-election

・Number of shares of the Company held:
116,971 shares

・Board of Directors meeting attendance:
14 / 14 times (100%)

・Term of office:
sixteen years

Career history, position and responsibilities at the Company

April 1977	Joined Minolta Camera 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.
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
April 2022	Director, Executive Chairman and Executive Officer (positions which he continues to hold)

Important position concurrently held

*Officer of a listed company under the Companies Act

*Outside Director of TDK Corporation (scheduled to assume office in June 2022)

- Reasons for selecting the candidate for Director

Mr. Shoei Yamana has extensive management 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 through promoting “TRANSFORM 2016” and “SHINKA 2019,” the Company’s Medium-Term Business Plans, while achieving business growth by strengthening the intangible assets of the customer base, human resources and technology. Mr. Yamana has also focused on “Sustainable Development Goals (SDGs) management,” “environment and quality management,” “health management,” etc. In addition, he formulated the Medium-term Business Strategy DX2022, which aims for sustainable growth through the transformation of the Company's business portfolio and Digital Transformation (DX), and has pressed ahead with addressing the challenging business environment.

Since April this year, he has been assisting Director, President and CEO, Representative Executive Officer, being in charge of areas of strengthening new business, strategic alliance and M&A, as Executive Chairman and Executive Officer.

The Company believes Mr. Yamana 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. 9

Seiji Hatano

(December 17, 1959)

Re-election

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
April 2022	Director, Senior Executive Vice President and Executive Officer, and Assistant to the CEO, Lead officer responsible for Accounting, Finance and Risk Management of the Company (position which he continues to hold)

Important position concurrently held

None

・Number of shares of the Company held:
33,030 shares

・Board of Directors meeting attendance:
14 / 14 times (100%)

・Term of office:
eight years

- 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.

  Mr. Seiji Hatano assists the President and CEO, Representative Executive Officer in overall management, and as Senior Executive Vice President and Executive Officer in charge of Accounting, Finance Affairs, and Risk Management, he also has worked to enhance the corporate value of the Group by promoting the Medium-term Business Strategy “DX2022.” 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.

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. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima, Mr. Soichiro Sakuma and Mr. Akira Ichikawa, the content of which is summarized in "Liability limitation agreements" on page 66 of the Business Report. The Company will enter into similar agreements with them if they are re-elected, and with Mr. Masumi Minegishi, the first-time candidate for Outside Director, if he is elected.
3. The Company has entered into an indemnity agreement, with each of the Directors who currently holds office, as provided for in Article 430-2, Paragraph 1 of the Companies Act. The outline of the content is as stated in "Matters related to indemnity agreement" (page 57) under the Business Report. The Company will enter into a similar agreement with Mr. Masumi Minegishi, the first-time candidate for Outside Director, if he is elected.
4. The Company has entered into a directors and officers liability insurance contract, in which the Directors of the Company are the insured, with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The outline of its content is as stated in "Matters related to directors and officers liability insurance contract" (page 57) under the Business Report. Upon their election, all of the candidates for Director will be included as insured persons under this directors and officers liability insurance contract. Furthermore, the insurance contract is scheduled to be renewed in October 2022, which is during the terms of office of the candidates for Director.

[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, existing terms of office for Outside Directors are up to six years. Specifically, the term of office is four years, in principle, and it may be extended up to one time for a further two years based on a resolution of the Nominating Committee.
(8) Gender, nationality, country of origin, cultural background, race, ethnicity, etc., shall not be the reasoning for excluding the candidates for Directors from the candidacy.
(9) 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 nine (9) 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 from among five (5) Outside Directors and Inside Directors, Mr. Hiroyuki Suzuki and Mr. Shoei Yamana.

The Company appoints the Chairperson of committees 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. In addition, each committee is composed of three to four Outside Directors and one Inside Director to effectively operate the committee, and consideration is given to cooperation among the committees and between the individual committees and the senior management.

Nominating Committee	Akira Ichikawa (Chairperson), Chikatomo Kenneth Hodo, Sakie Tachibana Fukushima, Masumi Minegishi, Shoei Yamana
Audit Committee	Soichiro Sakuma (Chairperson), Akira Ichikawa, Masumi Minegishi, Hiroyuki Suzuki
Compensation Committee	Sakie Tachibana Fukushima (Chairperson), Soichiro Sakuma, Masumi Minegishi, Hiroyuki Suzuki

[Frequently Asked Questions]

Q: What do you think about opinions on the importance of diversity, including gender, internationality, work experience and age which should be needed for the Board of Directors?
A: While the Company fully recognizes the importance of diversity, including gender, internationality, work experience and age in selecting candidates, in order to composing a Board of Directors of an appropriate size, the Company places the highest priority on matching requirements for the overall balance of knowledge, experience and capabilities, and appropriate supervisors for the Company's management issues.

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: 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 2021 on pages 64 through 66 of the business report and attendance at Board of Directors meetings and each committee meetings of 8 candidates for re-election on the page of each candidate in this proposal.

Q: Is there any problem with the Executive Chairman and Executive Officer becoming a member of the Nominating Committee?
A: The incumbent Executive Chairman and Executive Officer Mr. Shoei Yamana, was the previous President and CEO, Representative Executive Officer, and he is familiar with the Company's situation and management issues. By utilizing this knowledge, etc., the Company believes that he can properly execute his duties, such as oversight of the president's successor plan (including oversight of the development status of executive officers and candidates for executive officers) and the nomination of candidates for Internal Directors.
The Company's Nominating Committee Regulations stipulate that Directors who are Representative Executive Officers may not become the members of the Nominating Committee. However, it does not prescribe that Executive Officers other than Representative Executive Officers are barred from assuming office as members of the Nominating Committee.

AGENDA ITEM No. 2
Amendment to the Articles of Incorporation

1. Reasons for the proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

(1) Article 16, Paragraph 1 in "Proposed Amendments" below will stipulate that the Company shall take measures for providing information that constitutes the content of reference materials for the Shareholders' Meeting, etc. in electronic format.
(2) Article 16, Paragraph 2 in "Proposed Amendments" below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
(3) Since the provisions for disclosure through the Internet and deemed provision of reference materials for Shareholders' Meetings, etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
(4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows:

(Underlined portions indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
(Disclosure through the Internet of Reference Materials for Shareholders' Meetings, etc.) Article 16 Upon convocation of a Shareholders' Meeting, the Company may, in accordance with the Ordinances of the Ministry of Justice, make available to shareholders through means of the Internet such information as is recorded or appears in the reference materials for the Shareholders' Meeting, business report, non-consolidated financial reports, and consolidated financial reports.	(Deleted)
(Newly established)	(Measures, etc. for Providing Information in Electronic Format) Article 16 <u>1. Upon convocation of a Shareholders' Meeting, the Company shall take measures for providing information that constitutes the content of the reference materials for Shareholders' Meeting, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by ordinance of the Ministry of Justice from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	(Supplementary Provisions) Articles 1 1. The deletion of Article 16 in the current Articles of Incorporation and the establishment of Article 16 of Proposed Amendment of Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the "Date of Enforcement"). 2. Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date on or before the last day of February 2023. 3. These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.

[Provided Documents]

BUSINESS REPORT

From April 1, 2021 to March 31, 2022

1. Overview of Konica Minolta Group business activities

(1) Developments and results of business activities

Looking back on the economic situation during the fiscal year ended March 31, 2022 (hereafter, “the current fiscal year”), a shortage of semiconductors and other materials and tight logistics had a great impact on economic activities, starting from around the second quarter of the current fiscal year ended September 30, 2021 (hereafter, “the second quarter”). Further, infectious diseases with mutated strains of COVID-19 began to spread again in each region. During the fourth quarter of the current fiscal year ended March 31, 2022 (hereafter, “the fourth quarter”), the impact of COVID-19 pandemic gradually improved and the economy progressed along the recovery track, but the geopolitical situation in Eastern Europe has increased uncertainty in the business environment. In the United States, a sign of recovery was seen in the economy as consumer spending increased and the employment situation improved steadily. In China, the ongoing economic growth slowed down due to local restrictions on activities associated with the zero COVID-19 policy. In Japan, economic recovery was slow in the fourth quarter due to the application of Semi-emergency Spread Prevention Measures.

Under such a business environment, the Group’s revenue on a consolidated basis came in at ¥911.4 billion (up 5.6% year on year) for the current fiscal year. Revenue increased from the previous fiscal year due to a recovery trend from the second quarter. Looking by regions, an increase in revenue was seen in all areas as Europe, North America, China, and Japan recorded increases of approximately 4%, 2%, 12%, and 0.3% of year before levels, respectively. Looking by business units, supply of products and materials and logistics costs in the office unit in the Digital Workplace Business were affected by a shortage of semiconductors and other materials, production delays because of a plant shutdown following the spread of mutated strains of COVID-19 in Malaysia, the explosion accidents at Tatsuno Factory of Konica Minolta Supplies Manufacturing Co., Ltd., a Group company, occurred during the second quarter and the prolonged international shipping period. As a result, the Company was unable to supply products to satisfy the demand, resulting in a decrease in revenue by approximately 1% compared to the previous fiscal year. Meanwhile, revenue in the DW-DX unit went up by approximately 5% year-on-year due to growth in recurring businesses, capturing the increasing demand for IT services in the United States and Europe. The production print unit in the Professional Print Business was affected by a shortage of toner supply due to the toner factory accidents mentioned above; however, the demand for the equipment itself and consumables and services saw a recovery, resulting in an approximately 12% increase in revenue year-on-year. The industrial print unit saw an increase in revenue by approximately 46% year-on-year due to the strong demand. The healthcare unit in the Healthcare Business recorded an approximately 4% increase in revenue year-on-year as sales to hospitals in Japan remained strong. The precision medicine unit posted a year-on-year decline in revenue by approximately 8% due to reduction in accounts receivables (and revenue) through the reassessment of the recoverable amount of accounts receivables, and a decrease in the number of patients coming into hospitals and the number of clinical trial volunteers, caused by the rebound of COVID-19 in the United States. The Industry Business, which is one of the pillars of Company’s growth strategy, achieved an approximately 18 % increase in overall revenue compared to the previous fiscal year. Especially in the sensing field and the materials and components field, revenue increased by approximately 31% and 14%, respectively.

Looking toward the fiscal year ending March 31, 2023, which is the final year of our medium-term business plan “DX2022,” the Company conservatively and carefully reviewed its future business plans without postponing the recognition of potential risks associated with future growth. As a result, impairment losses of ¥10.9 billion on goodwill arising from past acquisitions in the marketing services unit in the Professional Print Business and the imaging-loT solutions unit in the Industry Business were recorded in the fourth quarter. Further, the Company reassessed the recoverable amount of accounts receivable in the precision medicine unit in the Healthcare Business, and as a result, accounts receivable (and revenue) went down by ¥9.2 billion in the fourth quarter. As a result, the office unit in the Digital Workplace Business, the marketing services unit in the Professional Print Business, the precision medicine unit in the Healthcare Business, and the imaging-IoT solutions unit in the Industry Business experienced decrease in profit compared to the previous fiscal year. On the other hand, revenue in the production print unit and industrial print unit in the Professional Print Business, the healthcare unit of the Healthcare Business, and the sensing field and materials and components field of the Industry Business, which are all categorized in the field of “measurement, inspections and diagnosis,” went up year-on-year.

As a result, the Group recorded consolidated operating loss of ¥22.2 billion in the current fiscal year (compared with operating loss of ¥16.2 billion in the previous fiscal year), which was an increased loss from the previous fiscal year. Loss before tax came in at ¥23.6 billion (loss before tax of ¥20.0 billion in the previous fiscal year), while loss for the year attributable to owners of the Company amounted to ¥26.1 billion (loss attributable to owners of the Company of ¥15.2 billion in the previous fiscal year).

The Company has promoted a long-term management vision that looks forward to 2030 and the three-year medium-term business plan “DX2022,” starting from the fiscal year ended March 31, 2021. Although the Industry Business progressed as originally planned, the Company as a whole is still in the process of transforming its portfolio. In line with the Company’s policy of not postponing the recognition of potential risks, the Company recorded impairment losses on goodwill associated with past acquisitions, resulting in operating losses in the last two years.

The Company aims to generate stable cash by quickly restoring profitability in its main businesses, such as the office printing business, in the short run, complete the transformation of its business portfolio by the fiscal year ending March 31, 2026 in the medium to long term, and create value in response to the five material issues, “Improving fulfillment in work and corporate dynamism,” “Supporting healthy, high-quality living,” “Ensuring social safety and security,” “Addressing climate change,” and “Using limited resources effectively,” toward 2030 in the long term.

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

(Hundred millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Increase (Decrease)	
Digital Workplace Business				
Revenue	4,654	4,652	2	0.0%
Operating profit	(62)	(27)	(34)	—
Professional Print Business				
Revenue	1,947	1,695	251	14.8%
Operating profit	10	(78)	89	—
Healthcare Business				
Revenue	1,099	1,090	8	0.8%
Operating profit	(203)	(64)	(139)	—
Industry Business				
Revenue	1,392	1,182	210	17.8%
Operating profit	185	156	29	18.7%
Subtotal				
Revenue	9,093	8,620	472	5.5%
Operating profit	(69)	(13)	(56)	—
Others and adjustments				
Revenue	21	12	8	64.1%
Operating profit	(153)	(148)	(4)	—
Total				
Revenue	9,114	8,633	480	5.6%
Operating profit	(222)	(162)	(60)	—

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 dividend at the end of the current fiscal year, we will pay ¥15 per share as initially planned. We will pay a full-year dividend of ¥30 per share, including the dividend distributed on September 30, 2021.

i. Digital Workplace Business

Business Details

Development, manufacture, and sale of multifunctional peripherals and related supplies, and provision of related service solutions and IT service solutions

Business report for the current fiscal year

In the office unit, although the demand for A3 multi-functional peripherals (MFPs) showed signs of recovery since the first quarter ended June 30, 2021, the backlog of orders increased to approximately ¥51.5 billion as of the end of the current fiscal year, and sales volumes of color models, monochrome models, and all models in the current fiscal year ended March 31, 2022 went down to 84%, 83%, and 84% of the year-before levels, respectively, due to the following: delays in production caused by the shortage of semiconductors and other materials, plant shutdown following the spread of mutated strains of COVID-19 in Malaysia, the increased impact of prolonged transport periods because of congestion at ports since the second quarter of the current fiscal year. The resurgence of COVID-19 cases has been alternating between spreading and leveling off across the globe, and the number of employees coming back into client companies' office sites has remained at a certain level, while it depends on the country and region. Though the increase in toner air freight costs due to the accidents at the toner factory and the restraint of sales activities impacted to some extent, this situation caused a calm recovery in non-hardware revenue, such as consumables and services; thus, the overall revenue surpassed year-before levels. The overall revenue in the office unit decreased year-on-year. In the DW-DX unit, composed of the former IT service solutions unit and the workplace hub unit, the office solutions field, which provides IT services along with sales of MFPs, saw a stagnated recovery in revenue due to a decrease in sales volume of MFPs. For Managed IT Services, which take care of the entire IT platform of customers, recurring revenue remained strong in the United States and Europe by successfully meeting the demand for security services in the United States. Digital workflow solution services, which contribute to the improvement of business process efficiency of the customers, saw an increase in sales to government-related customers in the United States. The workplace hub increased both the number of orders and the average sales price per customer. As a result, the revenue in the entire DW-DX unit went up year-on-year.

Based on the above, the Digital Workplace Business segment recorded a revenue of ¥465.4 billion in the current year, an increase of 0.0% year-on-year. Operating loss was ¥6.2 billion (operating loss of ¥2.7 billion for the previous fiscal year) due to the factors, such as ¥18.0 billion impact of aforementioned production delays caused by shortages of semiconductors and other materials.

ii. Professional Print Business

Business Details

Development, manufacture, 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 unit, the sales volume in the current fiscal year arrived at 91%, 93%, and 92% of the year-before levels for color models, monochrome models, and all models, respectively. The results are affected by temporarily suppress of sales of models in order to prioritize the toner supply to existing customers, corresponding to the undersupply of toner in the three-month period ended December 31, 2021 (hereafter “the third quarter”) due to the explosion accidents at Tatsuno Factory mentioned above. In terms of the non-hardware revenue, such as consumables and services, demand for commercial printing continued to be on a recovery track, especially among medium-and large-sized printing companies, and its revenue recovered to the level before the spread of COVID-19 in Europe and the United States. As a result, the production print unit showed a growth in revenue compared to the previous year. Further, an order backlog for the whole unit did not fluctuate significantly since the end of the third quarter. It continued to be approximately ¥8.0 billion at the end of the fourth quarter.

In the industrial print unit, sales volume increased in all areas: inkjet press, label press, textile press, and digital embellishment* press; due to the robust recovery of demand in daily necessities, recovery in apparel market in Europe in addition to the shift toward digital printing among industrial print companies. Non-hardware revenue improved in all areas, including inkjet press, resulting from an increase in the utilization rate of existing equipment by the recovery of demand, and an increase in the number of units in operation due to strong sales of models. As a result, the revenue of the whole industrial print unit increased year-on-year.

In the marketing services unit, revenue increased due to economic recovery in Europe, acquisition of new customers in Asia, and the gradual resumption of sales promotion activities by major customers. As a result, the unit showed growth in revenue compared to the previous year. On the other hand, an impairment loss on goodwill, which arose from the acquisition of Konica Minolta Marketing Services EMEA Limited in Europe, of ¥1.5 billion, was recorded as a result of the decline in demand for sales promotion printings and profitability due to prolonged COVID-19 pandemic.

Based on the above, the Professional Print Business segment recorded a revenue of ¥194.7 billion, an increase of 14.8% year-on-year. Operating profit was ¥1.0 billion (operating loss of ¥7.8 billion in the previous year).

(Company-business related glossary)

* Embellishment

This refers to a type of printing that adds values to printed materials, such as creating a 3D effect by partially varying the thickness of varnish or creating a sense of luxury by using gold or silver foil stamping.

iii. Healthcare Business

Business Details
<Healthcare>
Development, manufacture, 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.
<Precision medicine>
Genetic testing; provision of services related to primary care; and provision of drug discovery support services

Business report for the current fiscal year

The healthcare unit saw an uplift in sales volume of digital radiography (DR)*[1], responding to an improvement in sales particularly in the market of hospitals compared to the previous year in Japan, and meeting the increasing demand for DR to be used for COVID-19 detection overseas, especially in Indian and Asian markets. In addition, the Company launched the world's first mobile X-ray system, AeroDR TX m01, that enables dynamic digital radiography at the bedside. Sales volume of diagnostic ultrasound systems went up, supported by an increase in sales especially to orthopedics and obstetrics in Japan as well as in the markets of the Americas and China compared to the previous year. In addition, sales volume of pulse oximeters for local governments to be lent to people recuperating from COVID-19 at home increased in Japan. For medical IT, sales of "Informity," an IT service supporting medical image management and collaboration between medical institutions, continued to remain strong in Japan. The United States saw continuous signs of recovery in sales of the Picture Archiving and Communication System (PACS)*[2]. Based on the above, revenue in the healthcare unit went up year-on-year.

In the precision medicine unit, the number of genetic tests continued to recover, exceeding its level before the spread of COVID-19 ever since the three-month period ended December 31, 2020, despite the impact of the drop in the number of patients coming into hospitals due to the resurgence of COVID-19 cases in the United States. Furthermore, the testing numbers of ribonucleic acid (RNA) testing*[3], an assessment of germline mutations which represents one of the Company's focus areas among genetic tests, saw a steady increase. The number of tests offered by "CARE Program,"*[4] a full scale service for imaging centers, is negatively affected by the decreased opportunity of checkups due to the rebound of COVID-19 in the United States. The Company's pharmaceutical development support service experienced repetitive delays in the recommencement of clinical trials and progress due to the rebound of COVID-19 in the fourth quarter, despite that the clinical trials conducted by pharmaceutical companies were once recommenced in the second quarter when there was a movement toward the convergence of COVID-19 pandemic. However, sales volume has increased in pharmaceutical development research and preclinical studies. In addition, in the midst of preparation for listing REALM IDx Inc. (REALM IDx), a subsidiary of the Company, on the stock market in the United States, the recoverable amount of accounts receivable for Ambry Genetics Corporation, a subsidiary of REALM IDx, has been revised carefully since the current period based on the recent actual recoverable rate. As a result, the amounts of accounts receivable (and revenue) decreased by ¥9.2 billion at the end of the current fiscal year. As a result, revenue of the precision medicine unit went down year-on-year.

Based on the above, although the result of the healthcare unit remained strong, the Healthcare Business segment, impacted by the revision of the recoverable amount of accounts receivable in the precision medicine unit, recorded a revenue of ¥109.9 billion, an increase of 0.8% year-on-year. Operating loss was ¥20.3 billion (operating loss of ¥6.4 billion in the previous fiscal year).

(Company-business related glossary)

*[1] 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.

*[2] 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.

*[3] RNA testing

In genetic diagnosis, this test captures changes in messenger RNA (mRNA) structure, the primary transcript of DNA (deoxyribonucleic acid). For DNA variants that have been classified as unknown clinical significance by conventional DNA testing, analysis of mRNA transcripts can provide more accurate test results.

*[4] CARE Program

This program is designed to provide total support related to the effective pickup and genetic diagnosis of the high-risk group for hereditary breast cancer.

iv. Industry Business

Business Details

<Sensing>

Development, manufacture, and sale of measuring instruments

<Materials and components>

Development, manufacture and sale of products, such as functional films used for liquid-crystal displays, inkjet heads for industrial use, and lenses for industrial and professional uses

<Imaging-IoT Solutions>

Development, manufacture, and sale of instruments related to imaging-IoT and visual; provision of related solution services

Business report for the current fiscal year

In the measuring instruments unit of the sensing field, revenue of light source color measurement instruments went up by responding to the orders from major customers and demand for the displays in Asia. Revenue of object color measurement instruments remained strong across China and the United States, and the visual inspection enjoyed an increase in new orders for the automotive production line. In addition, the utilization of hyper spectral imaging (HSI)* technology, entered through acquisition of Specim, Spectral Imaging Oy Ltd. in the previous fiscal year, resulted in strong orders of recycle sorting solution from Europe. Based on the above, the unit revenue increased year-on-year.

In the materials and components field, the performance materials unit secured steady sales of high-value-added products for LCD TVs by capturing the strong demand in large screen TVs and IT applications. An increase in sales of high-value-added products such as phase difference film and ultra-thin film, including new resin film, resulted in the unit revenue growth year-on-year. The inkjet (IJ) components unit increased revenue year-on-year contributed by large orders for industrial applications and large format printing applications from the European market, which has seen a steady recovery since the previous fiscal year and increase in sales of industrial applications in Asia. In the optical components unit, revenue increased year-on-year as sales of lenses for projectors and interchangeable lenses showed a steady trend despite sluggish growth in sales of products for automobiles and others due to shortage of procured semiconductors among some customers.

In the imaging-IoT solutions field, imaging-IoT solutions unit saw a decrease in revenue year-on-year. Although sales of monitoring camera solutions in Europe were picking up, negotiations and acceptance of orders had delayed due to the rebound of COVID-19 in the third quarter and the geopolitical impact in Eastern Europe in the fourth quarter. In addition, delay in solution development and supply shortage of materials such as semiconductors led the recognition of an impairment loss on goodwill arose from the acquisition of MOBOTIX AG (“MOBOTIX”), of ¥9.4 billion (an impairment loss on goodwill allocated to MOBOTIX of ¥5.8 billion, and to the imagining-IoT solutions field of ¥3.5 billion) in the fourth quarter. On the other hand, for the acceleration of DX in society with the customers and partners, “FORXAI,” an imaging IoT platform which combines the latest IoT and AI technology with the base of the Company’s competitive imaging technology, is steadily gaining strategic partners of approximately 100 companies and accelerating the deployment of solutions. The visual solutions unit opened new planetariums in Nagoya and Yokohama, the first facilities with 8K LED domes in Japan. Also, the strong sales of digital equipment achieved the revenue growth year-on-year.

As a result, the Industry Business segment recorded a revenue of ¥139.2 billion, an increase of 17.8% from a year earlier. Operating profit was ¥18.5 billion, an increase of 18.7% year-on-year.

(Company-business related glossary)

* HSI (hyper spectral imaging)

HSI is a multi-wavelength measurement technology for the visible to non-visible light range. This technology makes it possible not only to inspect the color and appearance of an object’s surface, but also to inspect its internal composition.

(Reference) Business Activity Highlights of the fiscal year

April 2021
The Company was **selected as a DX-Certified Operator** by the Ministry of Economy, Trade and Industry, which, with the aim of promoting digital transformation (DX) in enterprises, certifies companies that support DX.

DX認定

September 2021
The Company developed **the world's first aspherical plastic lens for compact discs**, and this lens was **registered as a Essential Historical Materials for Science and Technology** by the National Museum of Nature and Science.

January 2022
In collaboration with NEC, the Company jointly developed a highly efficient automatic control system for automated guided vehicles (AGVs) using 5G. The Company will continue to enhance the synergy of collaboration toward the realization of the "Future Factory" initiative, in which diverse products can be manufactured using a common industrial robots for each process, and the transfer of goods between processes is also highly automated.

AGV detects and avoids obstacles

March 2022
The Company was **selected as one of the Clarivate Top 100 Global Innovators 2022 (the world's top 100 innovative companies and organizations)**, selected by Clarivate UK based on intellectual property data.

Top 100 Global Innovator 2022
Clarivate

2021 | 2022
Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.

April 2021
Together with Seirei Social Welfare Community, the Company has **launched the "CARE Program," Japan's first screening platform for pre-symptomatic diseases through genetic testing**. The Company will promote early detection of disease risk and expansion of opportunities for diagnosis, prevention and early treatment.

October 2021
March 2022
The Company **opened Planetarium Manten NAGOYA and Planetaria YOKOHAMA**, Japan's first planetarium dome theaters with LED dome systems.

Planetaria YOKOHAMA

January 2022
The Company was listed among **Global 100 Most Sustainable Corporations in the World 2022 (2022 Global 100)**, which were announced in conjunction with the annual meeting of the World Economic Forum, **for four consecutive years** (the fifth time). Including the Company, three Japanese companies were selected.

March 2022
The Company was **selected as a brand under the Health & Productivity Stock Selection** by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange **for five consecutive years** (the seventh time). By further promoting health and productivity, the Company aims to improve its employees' health and be a company in which each member can shine.

2022
健康経営銘柄

March 2022
The Company **jointly developed an ozone generator for the first time** with Tamura TECO, a leading company of ozone-related products. The generator went into mass production at the Company's DMC-MIKAWA (Shin Mikawa Factory).

BACTECTOR 2.0MD ozone generator

(2) Financing, etc.

a. Financing

Balance of bonds and borrowings at the end of the current fiscal year increased by ¥38.9 billion from the end of the previous fiscal year to ¥354.3 billion due to negative cash flows caused by tight supplies of semiconductors and other materials, the impact of the toner factory accidents and capital expenditures. The Company has commitment line contracts of ¥100.0 billion concluded with multiple financial institutions, with an unused balance of ¥65.0 billion at the end of the current fiscal year.

b. Capital expenditure

The capital expenditure of the Group during the current fiscal year totaled ¥42.4 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Digital Workplace Business, the Professional Print Business, and the Industrial Business.

(3) Business results

		115th Term Fiscal Year Ended March 31, 2019	116th Term Fiscal Year Ended March 31, 2020	117th Term Fiscal Year Ended March 31, 2021	118th Term Fiscal Year Ended March 31, 2022 (current fiscal year)
Revenue	(Hundred millions of yen)	10,591	9,961	8,633	9,114
Operating profit (loss)	(Hundred millions of yen)	624	82	(162)	(222)
Profit (loss) for the year attributable to owners of the Company	(Hundred millions of yen)	417	(30)	(152)	(261)
Basic earnings (loss) per share (Note 2)	(yen)	84.33	(6.21)	(30.75)	(52.93)
Equity attributable to owners of the Company	(Hundred millions of yen)	5,556	5,237	5,398	5,498
Total assets	(Hundred millions of yen)	12,189	12,767	12,997	13,381
Equity per share attributable to owners of the Company (Note 2)	(yen)	1,123.39	1,058.29	1,093.98	1,113.71
Dividend per share [of which, interim dividend per share]	(yen)	30 [15]	25 [15]	25 [10]	30 [15]
ROE (Note 3)	(%)	7.7	(0.6)	(2.9)	(4.8)

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

Under our philosophy of "The Creation of New Value," the Company has continued to deliver social value by using the technologies of image input/output, image processing and analysis, which center our strengths in 'Imaging' technology cultivated since its founding in 1873. Since the inauguration of Konica Minolta by business integration in 2003, we remain committed to enhance our strength of technology and have made a progress on transformation of our business portfolio, basing on genre-top strategy, which focuses the business resources on fields with growth potential and chances of winning. From now to 2030, with the corporate vision of 'Imaging to the People,' our desire of delivering values that help solving social issues with the foundation of imaging technology will remain the same.

The external environment surrounding the Company in the fiscal year ending March 31, 2023 (hereafter, "the next fiscal year") is expected to be severe continuously, which was not anticipated when the medium-term business plan "DX2022" was formulated, including tight semiconductor supplies, prolonged logistics transportation periods, lockdown due to the rebound of COVID-19 cases in China, and geopolitical impact in Eastern Europe, and the management index originally set for the fiscal year ending 2023 in "DX2022" will have to be revised. We take seriously the fact that we ended up with operating losses for two consecutive fiscal years, and under the management structure renewed in April 2022, we will steer management based on the setting of life-size targets, implementation of business selection, and strengthening of cash generation capabilities, and place top priority on stable cash generation through prompt restoration of profitability in our core businesses. Specifically, we will implement structural reforms centered on the office unit of the Digital Workplace Business. In parallel, we will review our manufacturing strategy in anticipation of market shrinkage over the medium-term, to fundamentally improve its profitability toward the fiscal year ending March 31, 2026.

Although uncertainty over the business environment is expected to continue after the next fiscal year, the Company accelerates the completion of two portfolio transformations by the fiscal year ending March 31, 2026 aiming to establish a business structure resilient to environmental changes and a management foundation capable of sustainable profit growth. The first transformation will be the shift toward Digital Workplace Business from traditional office business by expansion and high-value addition of business by providing solutions tailored to each type of industry and business category, using the business transformation support services of local government as a leading example. The second is a portfolio shift to less dependent on the office business and accelerate the growth in measurement, inspection, and diagnostic fields. For each segment, the necessary capital investments, M&A and strategic capital/business alliances will be made to further accelerate the Industry Business, which recorded significant profit growth in the current fiscal year. The capital investments for sales expansion in the growing markets of large displays and mobile displays, where we focus in the performance materials unit, M&A for expansion of applications subject to measurements in the sensing unit, and the promotion of monetarization in the enhanced imaging IoT platform, are planned to be made. In Healthcare Business, the healthcare unit (modalities and medical IT) will promote the expansion of high-value-added products and services such as the mobile dynamic digital radiography system and the AI that supports image diagnosis, and further achievements on strategic collaboration. The precision medicine unit will continue to work on a capital management strategy to acquire its own capital raising ability for future growth. The Professional Print Business will aim the industrial print unit for continuous growth for profit contribution, while the production print unit will expand the provision of customer value through highly competitive new product lines.

We have always placed "sustainability" at the core of our management. We believe that contributing to the realization of a sustainable society, or a society where everyone can live with a sense of purpose, is the very way to achieve the sustainable growth of the company. In other words, working for the sustainability of society can directly improve the sustainability of our own company. Based on this long-term perspective, the Company will create values in our five material issues, “Improving fulfillment in work and corporate dynamism,” “Supporting healthy, high-quality living,” “Ensuring social safety and security,” “Addressing climate change,” and “Using limited resources effectively” through our businesses, and recognize long-term returns to our shareholders and other stakeholders.

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

a. Main business offices, plants, etc.

The Group is comprised of the Company, 166 consolidated subsidiaries, and two affiliated companies accounted for by the equity method. 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.)
(6) Konica Minolta Sensing Europe B.V. (Netherlands)

Asia, etc.

(7) Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
(8) Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
(9) Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
(10) Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
(11) Konica Minolta Business Solutions Asia Pte. Ltd. (Singapore)
(12) Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)
(13) 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	1,772	19.5%
U.S.A.	2,301	25.3%
Europe	2,608	28.6%
China	959	10.5%
Asia	858	9.4%
Other	612	6.7%
Total	9,114	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
39,121	Decrease of 1,858

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, healthcare equipment, industrial measuring equipment and related supplies in Japan, and providing related service solutions and IT service solutions
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 200	100%	Manufacturing and sale of supplies for multi-functional peripherals and digital printing systems
Konica Minolta Mechatronics Co., Ltd.	Millions of yen 90	100%	Manufacturing and sale of supplies for multi-functional peripherals 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 and related supplies in the U.S., and providing related service solutions and IT service solutions
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 service solutions and IT service solutions
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Germany, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions France S.A.S.	Thousand euro 46,290	*100%	Sale of multi-functional peripherals, digital printing systems and related supplies in France, and providing related service solutions and IT service solutions
Konica Minolta Business Solutions (UK) Limited	Thousand British pound 21,000	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in the U.K., and providing related service solutions and IT service solutions
Konica Minolta Marketing Services EMEA Limited	Thousand British pound 440	*100%	Print management service providers in Europe, supporting sales promotion activities and providing consulting services

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 and related supplies in China, and providing related service solutions and IT service solutions
Konica Minolta Business Technologies Manufacturing (HK) Limited	Thousand HK dollar 195,800	100%	Manufacturing and sale of multi-functional peripherals 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 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 and related supplies
Konica Minolta Business Solutions Asia Pte. Ltd.	Thousand US dollar 56,064	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Southeast Asia, and providing related service solutions and IT service solutions
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Thousand Malaysian ringgit 135,000	*100%	Manufacturing and sale of multi-functional peripherals, digital printing systems and related supplies
Konica Minolta Business Solutions Australia Pty Ltd	Thousand Australian dollar 58,950	100%	Sale of multi-functional peripherals, digital printing systems and related supplies in Australia, and providing related service solutions and IT service solutions
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
Konica Minolta Sensing Europe B.V.	Thousand euro 41,960	100%	Sale of industrial measuring instruments and other products in Europe
Instrument Systems GmbH	Thousand euro 600	100%	Manufacturing of LED light sources, light measurement systems and other products, and sale of these products in Europe and Asia
Ambry Genetics Corporation	US dollar 102	*75.6%	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.	1,147
Sumitomo Mitsui Banking Corporation	514
Resona Bank, Limited.	380
Nippon Life Insurance Company	189
The Norinchukin Bank	154

(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, investments in growth fields and cash flows while striving to enhance shareholder returns based on the payment of dividends. With regard to acquisition of the treasury shares, the Company will make an appropriate decision as one of the measures to return profit to shareholders, taking into consideration the Company’s financial condition, stock price trends and other factors.

(9) Other significant matters of the Group

a. Significant events regarding premise of going concern

As a result of recording operating losses for the two consecutive fiscal years, as of the end of the current fiscal year, the Company breached financial covenants stipulated in some of the syndicated loan agreements and other agreements executed between the Company and multiple financial institutions. The Company has obtained the consent from all relevant financial institutions not to request the Company to forfeit the benefit of time due to this breach, thus, we believe there is no significant uncertainties regarding the premise of going concern.

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 6,231,826 shares)

(3) Number of shareholders ···································· 144,216

(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)	87,813	17.69
Custody Bank of Japan, Ltd. (Trust account)	32,463	6.54
MUFG Bank, Ltd.	12,000	2.42
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
Daido Life Insurance Company	9,040	1.82
Konica Minolta Employee Shareholding Association	6,823	1.37
STATE STREET BANK WEST CLIENT - TREATY 505234	5,551	1.12
DFA INTL SMALL CAP VALUE PORTFOLIO	4,981	1.00

Note: While the Company has 6,231,826 shares of treasury share in its possession, it is excluded from the shareholders in the above list. 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 (2,759,516 shares).

(5) Status of the shares distributed to Directors and Executive Officers of the Company as compensation for the execution of duties during the fiscal year under review

Name of shareholder	Number of shares distributed (shares)	Number of persons to whom shares are distributed
Directors (excluding Outside Directors) and Executive Officers	49,921	3
Outside Directors	0	0

(6) Other significant matters regarding shares

With regard to the "Matters regarding the determination policy for amount of Director or Executive Officer compensation or for method of calculating them," 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 (non-performance-based)" as well as "long-term stock bonus" and to Executive Officers as a "medium-term stock bonus (performance-based) as well as "long-term stock bonus." As of March 31, 2022, the trust accounts related to the BIP trust for compensation for Directors held 2,759,516 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.

<table>
<tr><th colspan="2"></th><th>First Series
Fiscal Year Ended March 31, 2006</th><th>Second Series
Fiscal Year Ended March 31, 2007</th><th>Third Series
Fiscal Year Ended March 31, 2008</th></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>389</td><td>211</td><td>226</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares 194,500 shares</td><td>Ordinary shares 105,500 shares</td><td>Ordinary shares 113,000 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 23, 2005 - June 30, 2025</td><td>September 2, 2006 - June 30, 2026</td><td>August 23, 2007 - June 30, 2027</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="3">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until five (5) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="3">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.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>2</td><td>2</td><td>2</td></tr>
<tr><td>Number of rights</td><td>25</td><td>20</td><td>20</td></tr>
<tr><td>Number of shares</td><td>12,500 shares</td><td>10,000 shares</td><td>10,000 shares</td></tr>
</table>

<table>
<tr><td colspan="2"></td><td>Fourth Series
Fiscal Year Ended
March 31, 2009</td><td>Fifth Series
Fiscal Year Ended
March 31, 2010</td><td>Sixth Series
Fiscal Year Ended
March 31, 2011</td></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>256</td><td>399</td><td>376</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares
128,000 shares</td><td>Ordinary shares
199,500 shares</td><td>Ordinary shares
188,000 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 19, 2008 -
June 30, 2028</td><td>August 20, 2009 -
June 30, 2029</td><td>August 28, 2010 -
June 30, 2030</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="3">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until five (5) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="3">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.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>2</td><td>2</td><td>2</td></tr>
<tr><td>Number of rights</td><td>22</td><td>53</td><td>53</td></tr>
<tr><td>Number of shares</td><td>11,000 shares</td><td>26,500 shares</td><td>26,500 shares</td></tr>
</table>

		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, Executive Officer and Corporate Vice President 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
	Number of rights	68	94
	Number of shares	34,000 shares	47,000 shares

<table>
<tr><td colspan="2"></td><td>Ninth Series
Fiscal Year Ended
March 31, 2014</td><td>Tenth Series
Fiscal Year Ended
March 31, 2015</td></tr>
<tr><td colspan="2">Number of share acquisition rights</td><td>515</td><td>1,596</td></tr>
<tr><td colspan="2">Type and number of shares under share acquisition rights</td><td>Ordinary shares
257,500 shares</td><td>Ordinary shares
159,600 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the share acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of share acquisition rights</td><td>August 23, 2013 -
June 30, 2043</td><td>September 12, 2014 -
June 30, 2044</td></tr>
<tr><td colspan="2">Primary condition for exercise of share acquisition rights</td><td colspan="2">The Optionee shall exercise share acquisition rights during the period from one (1) year after the date of retirement from the post of Director, Executive Officer and Corporate Vice President of the Company up until ten (10) years from that starting date.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of share acquisition rights</td><td colspan="2">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.</td></tr>
<tr><td rowspan="3">Holdings of Directors and Executive Officers</td><td>Number of holders</td><td>6</td><td>6</td></tr>
<tr><td>Number of rights</td><td>131</td><td>602</td></tr>
<tr><td>Number of shares</td><td>65,500 shares</td><td>60,200 shares</td></tr>
</table>

		11th Series Fiscal Year Ended March 31, 2016	12th 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, Executive Officer and Corporate Vice President 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	11
	Number of rights	485	960
	Number of shares	48,500 shares	96,000 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. One Executive Officer who was incumbent at the end of the current fiscal year acquired a total of 40 share acquisition rights when he was a Group Executive (defined in page54) as consideration for the exercise of his duty. 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.

		12th 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, Executive Officer and Corporate Vice President 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 the Group Executives	Number of holders	1
	Number of rights	40 (100 shares per right)
	Number of shares	4,000 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 LIXIL Corporation Outside Director of SmartHR, Inc.
Director	Shoei Yamana	(President & CEO, Representative Executive Officer)	
Outside Director	Taketsugu Fujiwara	Member of Nominating Committee (Chairperson) Member of Audit Committee	Special Advisor of Asahi Kasei Corporation Outside Director of KOKUYO Co., Ltd.
Outside Director	Chikatomo Kenneth Hodo	Member of Nominating Committee Member of Audit Committee	Representative Director of Bayhills Co., 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 of ORIX Corporation
Outside Director	Sakie Tachibana Fukushima	Member of Compensation Committee (Chairperson) Member of Nominating Committee	President & Representative Director of G&S Global Advisors Inc. Outside Director of USHIO INC. Outside Director of Kyushu Electric Power Company, Incorporated
Outside Director	Soichiro Sakuma	Member of Audit Committee (Chairperson) Member of Compensation Committee	Senior Advisor of Nippon Steel Corporation President of Japan International Dispute Resolution Center
Outside Director	Akira Ichikawa	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	Chairman of the Board and Representative Director of Sumitomo Forestry Co., Ltd Chairman of Wooden Home Builders Association of Japan
Director	Toyotsugu Itoh	Member of Audit Committee Member of Compensation Committee	
Director	Hiroyuki Suzuki	Member of Audit Committee Member of Compensation Committee	
Director	Toshimitsu Taiko	(Senior Executive Vice President & Executive Officer)	
Director	Seiji Hatano	(Executive Vice President & Executive Officer)	

Notes: 1. The five Directors Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Fukushima Tachibana, Mr. Soichiro Sakuma and Mr. Akira Ichikawa 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 117th Ordinary General Meeting of Shareholders held on June 17, 2021, the terms of office of all 12 Directors expired. The following ten Directors were reelected: Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima, Mr. Soichiro Sakuma, Mr. Toyotsugu Itoh, Mr. Hiroyuki Suzuki, Mr. Toshimitsu Taiko and Mr. Seiji Hatano and one Director: Mr. Akira Ichikawa was newly elected and assumed office the same day.

3. Upon the close of the 117th Ordinary General Meeting of Shareholders held on June 17, 2021, the terms of office of both Mr. Takashi Hatchoji and Mr. Masafumi Uchida expired and they retired from the office of Director.

4. 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 & CEO, Representative Executive Officer	Shoei Yamana	Responsible for Diversity Enhancement
Senior Executive Vice President & Executive Officer	Kiyotaka Fujii	Division President of Healthcare Business Headquarters and Chairman of REALM IDx, Inc.
* Senior Executive Vice President & Executive Officer	Toshimitsu Taiko	Lead Officer responsible for Business Technologies and Responsible for Corporate Planning
* Executive Vice President & Executive Officer	Seiji Hatano	Responsible for Business Management, Accounting, Finance and Risk Management
Executive Vice President & Executive Officer	Noriyasu Kuzuhara	Division President of Materials & Component Business Headquarters and General Manager, Corporate R&D Headquarters
Executive Vice President & Executive Officer	Yuji Ichimura	Responsible for Digital Transformation, DX Brand Communication and Public Relations
Executive Vice President & Executive Officer	Hajime Takei	Division President of Digital Workplace Business Headquarters and Responsible for BIC (Business Innovation Center)
Executive Vice President & Executive Officer	Toshiya Eguchi	Responsible for Technologies, IoT Service Platform Development, Imaging-IoT Solution Business and Visual Solutions Business
Executive Vice President & Executive Officer	Shinichiro Oka	Responsible for Human Resources

Notes: 1. Executive officers marked with * hold concurrent Director positions.
2. The above Executive Officers were, after the close of the 117th Ordinary General Meeting of Shareholders held on June 17, 2021, elected at the meeting of the board of Directors held the same day.
3. Mr. Yuji Ichimura and Mr. Hajime Takei resigned as Executive Vice Presidents & Executive Officers as of March 31, 2022. Mr. Hajime Takei took office of Corporate Senior Vice President since April 1, 2022.
4. Mr. Toshimitsu Taiko was promoted to President & CEO, Representative Executive Officer, Mr. Seiji Hatano was promoted to Senior Executive Vice President & Executive Officer, and Mr. Shoei Yamana took office of Executive Chairman & Executive Officer as of April 1, 2022. Executive Officers and their responsibilities changed as of April 1, 2022 as follows.

Executive Officer as of April 1, 2022

Position	Name	Responsibilities and important positions concurrently held
President & CEO, Representative Executive Officer	Toshimitsu Taiko	
Executive Chairman & Executive Officer	Shoei Yamana	
Senior Executive Vice President & Executive Officer	Kiyotaka Fujii	Responsible for Precision Medicine Business and Chairman of REALM IDx, Inc.
Senior Executive Vice President & Executive Officer	Seiji Hatano	Assistant to the CEO (Overall Management) and Lead Officer responsible for Accounting, Finance and Risk Management
Executive Vice President & Executive Officer	Noriyasu Kuzuhara	Responsible for Corporate Planning and Lead Officer responsible for Materials & Component Business
Executive Vice President & Executive Officer	Toshiya Eguchi	Responsible for Technologies, Imaging-IoT Solution Business and Visual Solutions Business
Executive Vice President & Executive Officer	Shinichiro Oka	Responsible for Human Resources and Diversity Enhancement

(2) Matters related to an indemnity agreement

The Company has entered into an indemnity agreement as provided for in Article 430-2, Paragraph 1 of the Companies Act with 11 Directors Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Fukushima Tachibana, Mr. Soichiro Sakuma, Mr. Akira Ichikawa, Mr. Toyotsugu Itoh, Mr. Hiroyuki Suzuki, Mr. Toshimitsu Taiko and Mr. Seiji Hatano and nine Executive Officers Mr. Shoei Yamana, Mr. Kiyotaka Fujii, Mr. Toshimitsu Taiko, Mr. Seiji Hatano, Mr. Noriyasu Kuzuhara, Mr. Yuji Ichimura, Mr. Hajime Takei, Mr. Toshiya Eguchi and Mr. Shinichiro Oka. Under this agreement, the Company provides indemnity for expenses under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by law. In order to ensure that such indemnity agreement does not impair the appropriateness of the execution of duties, the Company does not provide any indemnity such as in case when each Director and Executive Officer performs his/her duties despite being aware of violation of laws or regulations.

(3) Matters related to a directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract, in which the Directors, Executive Officers, Corporate Vice Presidents, Technology Fellows of the Company and officers of all subsidiaries except North America, etc. (hereinafter, “the Directors and Officers, etc.”) are the insured, with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The policy covers the insured for any litigation expenses, etc. or damages due to receiving claims for damages arising from action carried out in accordance with their position as the Directors and Officers, etc. and the Company bears the full amount of insurance premiums. In order to ensure that such insurance contract does not impair the appropriateness of the execution of duties, the policy does not cover the Directors and Officers, etc. for any expenses, etc. such as in case when the Director and Officer, etc. perform his/her duties despite being aware of violation of laws or regulations. The insurance period of this policy is one year.

(4) 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	64	6	64	-	-	-	-
	Inside	169	3	127	-	-	3	42
	Total	234	9	192	-	-	3	42
Executive Officers		391	10	280	10	29	10	81

Notes: 1. The number above includes one (1) Outside Director and one (1) Executive Officer who resigned at the date of the 117th Ordinary General Meeting of Shareholders held on June 17, 2021. At the end of the period (March 31, 2022), the Company has five (5) Outside Directors, three (3) Inside Directors (not concurrently holding Executive Officer posts) and nine (9) Executive Officers.

2. In addition to the three (3) 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.

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 estimated amount of stock bonus of the Company in the future according to estimated points to be allotted to Directors (excluding Outside Directors) and Executive Officers as part of their compensation.
The amount includes medium-term stock bonus (performance-based) to be distributed according to the target attainment rate in the period of the medium-term management plan.

(5) Matters related to performance-based compensation

a. Details of the performance indicators selected as the basis for calculating the amount or number of performance-based compensation and the reasons for selecting these indicators.

1) Annual performance-based cash bonus

<Detail of performance indicators>

<table>
<tr><td>Item</td><td>Portion according to performance level</td><td colspan="5">Portion according to attainment of performance targets</td><td>Portion according to personal appraisal</td></tr>
<tr><td rowspan="3">Assessment index and others</td><td rowspan="2">Operating profit</td><td colspan="4">Corporate divisions/core business divisions</td><td>New business divisions</td><td rowspan="3">Reflects progress of each Executive Officer’s key measures</td></tr>
<tr><td>Operating Profit 25%</td><td>Operating profit ratio 25%</td><td>Operating cash flow 25%</td><td>KMCC-ROIC 25%</td><td>Individual divisions targets</td></tr>
<tr><td>Linked with Group consolidated performance result level</td><td colspan="4">Linked with Annual performance target achievement rate</td><td>Linked with individual target attainment rate</td></tr>
</table>

Notes: 1. The corporate divisions include management affairs divisions of Konica Minolta, Inc. and those with group-wide horizontal functions.

2. KMCC-ROIC is the ROIC for calculating the performance-based cash bonus for the fiscal year, and the invested capital is the assets that can be individually controlled and improved by each business division.

<Reason for selection of these performance indicators>

The indicator for the portion according to performance level is the amount of Group consolidated operating profit. It was judged that operating profit is one of the most appropriate indicators for determining the responsibility for performance that should be taken on by Executive Officers with the aim of realizing sustainable growth and enhanced corporate value by achieving higher levels of operating profit.

For corporate departments and core business departments, operating profit, operating profit ratio, operating cash flows, and KMCC-ROIC are the indicators used to calculate the portion according to attainment of performance targets. These indicators attach strong significance to the Company’s sustainable growth and the enhancement of medium- to long-term corporate value. Operating profit amounts are determined with the goal of strengthening the earning power of the core business, operating profit ratio for realizing a shift to a highly profitable system, operating cash flows for allowing timely and appropriate development of strategies and procurement of underlying capital, and KMCC-ROIC for improving the efficiency of invested capital.

Each indicator is evenly weighted at 25%.

For new business departments, the indicators are individual targets set by each business unit in light of the business’s characteristics and fiscal key measures.

For the portion according to personal appraisal, factors such as progress of each Executive Officer’s key operational measures are used as indicators. Matters are evaluated from a different perspective from the portion according to performance level and the portion according to attainment of performance targets.

2) Medium-term stock bonus (performance-based)

<Detail of performance indicators>

<table>
<tr><td>Item</td><td colspan="3">Medium-term stock bonus (performance-based)</td></tr>
<tr><td rowspan="4">Assessment index</td><td>Group consolidated operating profit</td><td>Group consolidated operating cash flow</td><td>Group consolidated ROIC</td></tr>
<tr><td colspan="2">(Cumulative total for 3 years from FY2020 to FY2022)</td><td>(3-year average from FY2020 to FY2022)</td></tr>
<tr><td>40%</td><td>30%</td><td>30%</td></tr>
<tr><td colspan="3">Linked with attainment rate of medium-term business plan targets</td></tr>
</table>

<Reasons for the selection of these indicators>

Operating profit, operating cash flows, and ROIC are set as the indicators (all on a Group consolidated basis) with the aim of sustainable growth and enhancement of medium- to long-term corporate value.

Operating profit is determined with the goal of strengthening the earning power of the core business, operating cash flows for allowing timely and appropriate development of strategies and procuring the underlying capital, and ROIC for improving the efficiency of invested capital over the medium to long term.

These indicators have been weighted at 40%, 30% and 30%, respectively.

b. Method of calculating the amount or number of performance-based compensation.

1) Annual performance-based cash bonus

The amount paid for the portion according to performance level is calculated by multiplying a value determined according to the amount of Group consolidated operating profit in the fiscal year by a number of points set for each position. Said value is decided in accordance with a table formulated in advance.

For corporate departments and core business departments, the amount paid for the portion according to attainment of performance targets is calculated by multiplying the payment rate calculated from the annual performance target attainment rate (calculated based on the weighting of each indicator) by a set amount according to position. The respective business's consolidated performance is factored into the payment for Executive Officers responsible for the core business department, and the Group's consolidated performance is factored into the payment for those responsible for the corporate department.

In addition, payment for Executive Officers responsible for new business departments is calculated by multiplying the payment rate calculated from that business department's individual target attainment rate by a set amount according to position.

The payment rate varies from 0% to 200% depending on target attainment level.

The amount paid for the portion according to personal appraisal is calculated by multiplying the total of the standard amounts determined for the portion according to performance level and portion according to attainment of performance targets by an appraisal value (value in the range of -30% to +30%) for each Executive Officer stipulated in a proposal drafted by the President & CEO.

The payment amounts in the three items listed above are discussed and settled by the Compensation Committee.

2) Medium-term stock bonus (performance-based)

The number of stock to be distributed is determined by multiplying the payment rate calculated from the target attainment rate in the period of the medium-term management plan, reflected with the weighting of the indicator, by the number of points set for the position accumulated over the same period, with one point equaling one share that will be transferred as compensation.

The payment rate varies from 0% to 200% depending on target attainment rate.

Points set for the position is calculated by dividing the amount of resources allocated for the position by a reference stock price.

The reference stock price is the average price paid by the trustee entrusted by the Company, the trustor, when purchasing the number of shares of the Company required to pay the stock bonus on the stock market in the period of the medium-term management plan or at the time of start of the period of the medium-term management plan or medium-term strategy plan.

The number of shares transferred listed above are discussed and settled by the Compensation Committee.

c. Performance pertaining to the performance indicators in above paragraph a., used to calculate the amount or number of performance-based compensation.

1) Annual performance-based cash bonus

	Operating profit	Operating profit ratio	Operating cash flow	KMCC-ROIC
Attainment rate	24%	25%	59%	29%

* The attainment rate used for calculating “the performance-based cash bonus (the amounts to be recorded as expense in the period)” in “(2) Total compensation to Directors and Executive Officers” is stated.

2) Medium-term stock bonus (performance-based)

	Operating profit	Operating cash flow	ROIC
Attainment rate	―	―	―

* The attainment rate will be determined at the end of the period of medium-term management plan.

(6) Matters related to non-monetary compensation

The Company distributes stock bonus as non-monetary compensation.

Name	Type of shares	Method of calculating number of stock to distribute	Accessory conditions
Medium-term stock bonus (performance-based)	Ordinary shares of the Company	As described in (5) b 2) above.	The shares to be distributed shall be held in principle for one (1) year after the date of retirement
Medium-term stock bonus (non-performance-based)		The number of shares to be distributed is calculated at one share equals one point basis, based on the cumulative total of number of points set for the position accumulated over the period of the medium-term management plan. Other matters are as described in (5) b 2) above.	
Long-term stock bonus		The number of shares to be distributed is calculated as one share equals one point basis, by multiplying the points set for the position by the period they are in office. Other matters are as described in (5) b 2) above.	

(7) Matters regarding the determination policy for amount of Director or Executive Officer compensation or for method of calculating them

a. Method of determining the policy

These policies are resolved by the Compensation Committee.

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 enhancement of the value of the Group as a whole. 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 follows, and determines the amount of individual compensation entitlement of Directors and Executive Officers in line with this policy.

b. Summary of detail of the policy

1) Compensation system

a) Compensation packages for Directors (inside, not concurrently holding 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 "stock bonus." "Stock bonus" shall consist of "medium-term stock bonus (non-performance-based)" and "long-term stock bonus."
Outside Directors receive base salary only which includes remuneration based on their roles.

b) Compensation packages for Executive Officers consist of "base salary," "annual performance-based cash bonus" which reflects business performance, and "stock bonus." "Stock bonus" shall consist of "medium-term stock bonus (performance based)" and "long-term stock bonus."

2) 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.

3) 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 200% range of the standard amount of compensation. The targets are major consolidated performance indicators (operating profit, operating profit ratio, operating cash flow and KMCC-ROIC*) associated with results of operations. Executive Officers' key operational measures include those related to non-financial indicators, such as ESG (environmental, social and governance).

*KM-ROIC is ROIC for calculating "Annual performance-based cash bonus," defining invested capital as assets that can be separately managed and improved by each business segment.

4) Details of the stock bonus plan are as follows.

a) In the "medium-term stock bonus (non-performance-based)" plan to Directors (inside, not concurrently holding Executive Officer posts), 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 in medium term and promote holdings of the Company's own shares.

b) In the "medium-term stock bonus (performance-based)" 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 200% range, according to their attainment of performance target. 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, operating cash flow and ROIC) associated with the medium term management policy.

c) In the "long-term stock bonus" plan to Directors (inside, not concurrently holding Executive Officer posts) and Executive Officers, the Company's shares are distributed to Directors and Executive Officers after their retirement, according to their positions or roles and years they are in office. The plan is aimed to enhance their motivation toward contribution to improvement of the shareholder value in long term.

d) 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.

e) Certain portions of shares are distributed in cash on assumption that they are exchanged for cash.

f) 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.

5) 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 “stock bonus.” For the other Executive Officers, the “base salary” ratio is set higher than that for the President. “Stock bonus” is approximately a 60:40 mix of “medium-term stock bonus (performance-based)” and “long-term stock bonus.”
6) Compensation for non-Japan residents may be handled in different ways from the treatment said above according to legal and other circumstances.
7) 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.
8) The Company reviews levels, composition and others of compensation in a timely and proper manner in accordance with changes in the management environment. 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.

c. Reasons for the Compensation Committee’s determination that the individual compensation for the Directors and Executive Officers for the fiscal year under review is in line with the policy

The Compensation Committee determines the policy as described on pages 61 through 63, and the committee has confirmed that it follows such policy when it makes resolutions over the details of compensation for each individual Director and Executive Officer for the fiscal year.

d. Compensation structure

Director

Inside (Not concurrently holding Executive Officer posts)	Base salary	Medium-term stock bonus (non-performance-based)	Long-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 15%	Long-term stock bonus 10%
Senior Executive Vice President and Executive Officer Executive Vice President and Executive Officer Executive Officer	Base salary 51-55%	Annual performance-based cash bonus 29-25%	Medium term performance-based stock bonus 12%	Long-term stock bonus 8%

(8) Matters regarding Outside Directors

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

Name	Name of company, etc.	Position
Chikatomo Kenneth Hodo	Bayhills Co., Ltd.	Representative Director
Sakie Tachibana Fukushima	G&S Global Advisors Inc.	President and Representative Director
Soichiro Sakuma	Japan International Dispute Resolution Center	President
Akira Ichikawa	Sumitomo Forestry Co., Ltd.	Chairman of the Board and Representative Director
	Wooden Home Builders Association of Japan	Chairman

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
Taketsugu Fujiwara	KOKUYO Co., Ltd.	Outside Director
Chikatomo Kenneth Hodo	Sumitomo Mitsui DS Asset Management Company, Limited Mynavi Corporation Mitsubishi Chemical Holdings Corporation ORIX Corporation	Outside Director Outside Director Outside Director Outside Director
Sakie Tachibana Fukushima	USHIO INC. Kyushu Electric Power Company, Incorporated	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 and summary of duties performed with respect to the role they are expected to fulfill

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, Outside Directors attend internal presentations online on the latest R&D, business development and other themes, gather information and exchange opinions with human resources in the business sites, as well as provide advice where appropriate. In addition, Outside Directors attend roundtable meetings for the purpose of providing information and discussion from the executive team prior to the deliberations of the Board of Directors and for the exchange of opinions among Directors on such as the running of the Board of Directors meetings. Through these opportunities, Outside Directors contribute to improving the effectiveness of the governance of the Company. The principal activities of Outside Directors are as follows.

1) Mr. Taketsugu Fujiwara

Mr. Fujiwara attended all 14 meetings of the Board of Directors, all ten meetings of the Nominating Committee and all 13 meetings of the Audit Committee that were held during the fiscal year under review. At the Board of Directors, Mr. Fujiwara used his experience as a corporate executive to provide supervision and advice concerning new business strategies, technology strategies and business development, transformation of business portfolio and optimization of management resources, and other subjects. As Chairperson of the Nominating Committee, Mr. Fujiwara engaged in determining candidates for Directors based on discussions from various perspectives on the composition of the Board of Directors, supervising a plan pertaining to successor candidates of the President and CEO and determining candidates for the President, 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 integrity and efficiency of the Company's management.

2) Mr. Chikatomo Kenneth Hodo

Mr. Hodo attended all 14 meetings of the Board of Directors, all ten meetings of the Nominating Committee and all 13 meetings of the Audit Committee that were held during the fiscal year under review. At the Board of Directors, Mr. Hodo used his experience as a corporate executive, primarily from perspective of stakeholders, to provide supervision and advice concerning alliance strategies, digital transformation strategies, and other subjects. In addition, at the Audit Committee, Mr. Hodo used his experience and knowledge to make statements contributing to maintenance and enhancement of the integrity and efficiency of the Company's management.

3) Ms. Sakie Tachibana Fukushima

Ms. Fukushima attended all 14 meetings of the Board of Directors, all ten meetings of the Nominating Committee and all 12 meetings of the Compensation Committee that were held during the fiscal year under review. At the Board of Directors, Ms. Fukushima used her experience as a corporate executive to provide supervision and advice concerning human resources management strategies, promotion of diversity, risk management and other subjects. In addition, as Chairperson of the Compensation Committee, Ms. Fukushima made efforts for the management with objectivity and transparency in discussions of compensation system for Directors as well as in determining individual compensation amount.

4) Mr. Soichiro Sakuma

Mr. Sakuma attended all 14 meetings of the Board of Directors that were held during the fiscal year under review, one meeting of the Nominating Committee that was held when he was a committee member until June 2021, all 13 meetings of the Audit Committee and all 12 meetings of the Compensation Committee that were respectively held during the fiscal year under review. At the Board of Directors, Mr. Sakuma used his legal perspective and experience as a corporate executive to provide supervision and advice concerning internal control system including monitoring, alliance strategies and compliance based on management environment and market environment, and other subjects. In addition, at the Audit Committee, Mr. Sakuma used his experience and knowledge to make statements contributing to maintenance and enhancement of the integrity and efficiency of the Company's management. As Chairperson of the Audit Committee, Mr. Sakuma expressed opinions on internal control system including risk management and crisis management, and made efforts for the management contributing to improving the effectiveness of the committee.

5) Mr. Akira Ichikawa (elected at the Ordinary General Meeting of Shareholders held June 2021)

Mr. Ichikawa attended all ten meetings of the Board of Directors, all nine meetings of the Nominating Committee, all ten meetings of the Audit Committee and all ten meetings of the Compensation Committee that were respectively held after his appointment as Director during the fiscal year. At the Board of Directors, Mr. Ichikawa used his experience as a corporate executive to provide supervision and advice concerning transformation of business portfolio based on strategic thinking, site-oriented management, and other subjects. In addition, at the Audit Committee, Mr. Ichikawa used his experience and knowledge to make statements contributing to maintenance and enhancement of the integrity and efficiency of the Company's management.

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. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo, Ms. Sakie Tachibana Fukushima, Mr. Soichiro Sakuma and Mr. Akira Ichikawa 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	¥269 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Act	¥― million
Total	¥269 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 determined that the estimated amount of compensation was appropriate and 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

¥334 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, if the Accounting Auditor is deemed to have difficulty in properly conducting audits or if the Audit Committee determines that a more appropriate audit system needs to be developed. 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 Corporate Vice Presidents 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 or Corporate Vice Presidents 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 or Corporate Vice Presidents 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 and Corporate Vice President 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 or Corporate Vice President appointed 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 and Corporate Vice President shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each Executive Officer and Corporate Vice President. 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 or Corporate Vice President in charge of risk management appointed 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 or Corporate Vice President appointed 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. The Company shall also establish an organization, as necessary, which shall help share management issues as early as possible and support the implementation of measures as a group, to deal with these issues.

l. 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, Corporate Vice Presidents 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, Corporate Vice Presidents 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. The committee regularly monitored sanctions and new laws and regulations applicable to regions and countries that have a high impact on the Company’s business, in response to the global protectionist trend and the US-China high-tech cold war mostly stemming from the US-China trade frictions. The committee has systemically organized and shared information of the impact to risk management from COVID-19 infections, and checked the status of response to each risk item.

As represented in a fact that the Financial Services Agency selected the descriptions of business risks in the Company’s Securities Report, the Company is working actively on information disclosing.

Furthermore, 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, Corporate Vice Presidents, executives of subsidiaries and others. Based on these rules, the Corporate Vice President 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. In fiscal 2021, the Company established the Crisis Management Committee immediately, under the oversight of the Representative Executive Officer as chief executive and chaired by the Corporate Vice President in charge of crisis management, and took actions for the two explosion accidents that occurred at Tatsuno Factory of the Company’s subsidiary Konica Minolta Supplies Manufacturing Co., Ltd.

<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 and service quality, prevention of market outflow of defective products and services, prevention of fraud, and strengthening of governance in connection with quality such as responses to incidents. During the fiscal year under review, it continued to thoroughly comply 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 products and services, 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 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 2021, the Company performed internal audits in accordance with the mid-term and annual audit plans formulated based on a risk approach in conjunction with the company-wide medium-term business plan.

<Internal control over financial reporting>

To prevent fraudulent accounting activities, the Company prepares an internal controls report that is based on internal evaluations that cover the entire Group of 141 consolidated companies inside and outside Japan. 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 2021, the Company introduced its internal controls assessment at newly established or acquired 3 companies.

<Compliance>

The Corporate Vice President in charge of compliance (“the Compliance Vice President ”), 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 and Corporate Vice Presidents for a variety of business and corporate functions, serves as an advisory body to the Compliance Vice President. The Committee held one meeting in fiscal 2021. There are regional compliance coordinators for Europe, North America, China and Southeast Asia, who are appointed by the Compliance Vice President. 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 2021, for the purpose of enhancing the awareness of compliance, the Company obtained declarations of placing a top priority on compliance from all officers and employees at the Company and subsidiaries inside and outside Japan. The Company also conducted an employee awareness survey on the Charter of Corporate Behavior and the whistle blowing system in the United States and Europe, following Japan and China where the survey was conducted in fiscal 2020, to raise awareness of the system and to make improvements. In addition, in response to the results of the awareness survey in fiscal 2020, the Company made efforts once again to make the Compliance Manual and 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, Executive Officers, Corporate Vice Presidents and employees of the Group can use a telephone call, e-mail, letter or other method to contact general manager of the Corporate Legal Division or an external attorney about a compliance problem or for a consultation. Reported claim is considered for necessity of investigation in fair and sincere manner and the reporter is informed of the actions to be taken. The information obtained from the whistleblowing are shared only among the persons involved in the investigation so to ensure that there will be no negative consequences for the individual who submitted the whistleblowing report. The Compliance Vice President submits reports to the Audit Committee about these whistle blowings on a regular basis. The Group has established contacts for notification and consultation with the full regional coverage in North America, Europe, China and Southeast Asia. In fiscal 2021, the Company renewed its registration obtained in fiscal 2020 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. This system was suspended for the time being at the end of January 2022, but the Company will continue to work on a new certification system. In fiscal 2021, there were 21 notifications in Japan and 42 overseas, but there was no issue falling under a serious violation of laws and regulations.

<Administration of group companies>

The Company has established an organization dedicated to supporting internal controls at its subsidiaries in Japan and overseas. The organization supports the preparation and improvement of the internal controls system at each subsidiary in cooperation with related departments. In fiscal 2021, it continued initiative for each subsidiary to diagnose the situation and improve it on its own (the third time). As a result of the upgrading of control requirements and the strengthening of checks on self-diagnosis results from fiscal 2020, the company-wide average for all control items exceeded the fiscal 2020 level, confirming that the improvement is smoothly in progress. In addition, due to the discovery of an incident of improper acquisition of expenses at its overseas subsidiary, the Company took corrective measures and measures to prevent recurrence in cooperation with the local subsidiary.

8. Basic policy for the way of being of those who control the Company's financial and business policy decisions

Under the corporate philosophy "The Creation of New Value," the Company aims to be a global company that is vital to society, bringing vision to reality and to be a robust and innovative company, continually evolving and contributing to the sustainable growth of society and individuals, thereby working to meet shareholder expectations. The Company believes that the final decision as to whether or not to accept a proposal for a large-scale purchase, etc. of the Company's shares should ultimately be left to the shareholders.

Among large-scale purchases, etc., there may be cases where the shareholders are forced to sell their shares, where sufficient information necessary for the shareholders to make an appropriate decision is not provided or where there is a risk of infringement on corporate value and the common interests of the shareholders.

At present, the Company does not prescribe specific measures to defend against hostile takeover in advance in the event that a party attempts to make a large-scale purchase, etc. of the Company's shares. However, the Company will request such purchaser to provide necessary and sufficient information for the shareholders to make an appropriate decision as to whether the large-scale purchase is appropriate, and will endeavor to ensure that the shareholders have time and information to consider the large-scale purchase. If the Company reasonably determines that a large-scale purchase, etc. may damage corporate value and the common interests of the shareholders, the Company will promptly take appropriate measures to the extent permitted by relevant laws and regulations, and will continue to make its efforts to ensure and enhance corporate value and the common interests of the shareholders.

*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 77 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.

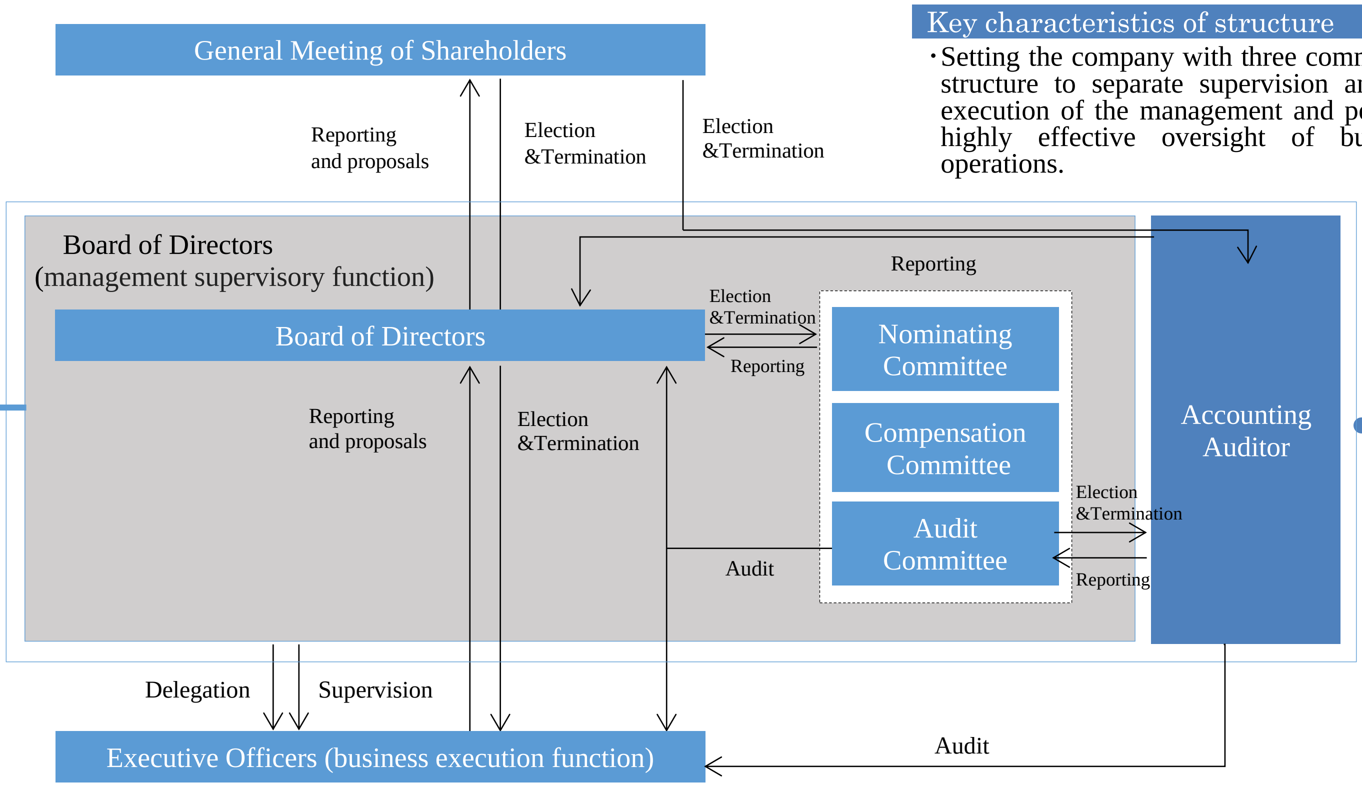
(7) Analysis and Assessment of Effectiveness of Governance

The Company has evaluated the effectiveness of the Board of Directors since 2004.

Each year, the Company reflects on the activities for the past one year and self-evaluate the effectiveness of the Board of Directors and three committees, with the aim of confirming whether the corporate governance system has been established and the system has been operated to contribute to 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

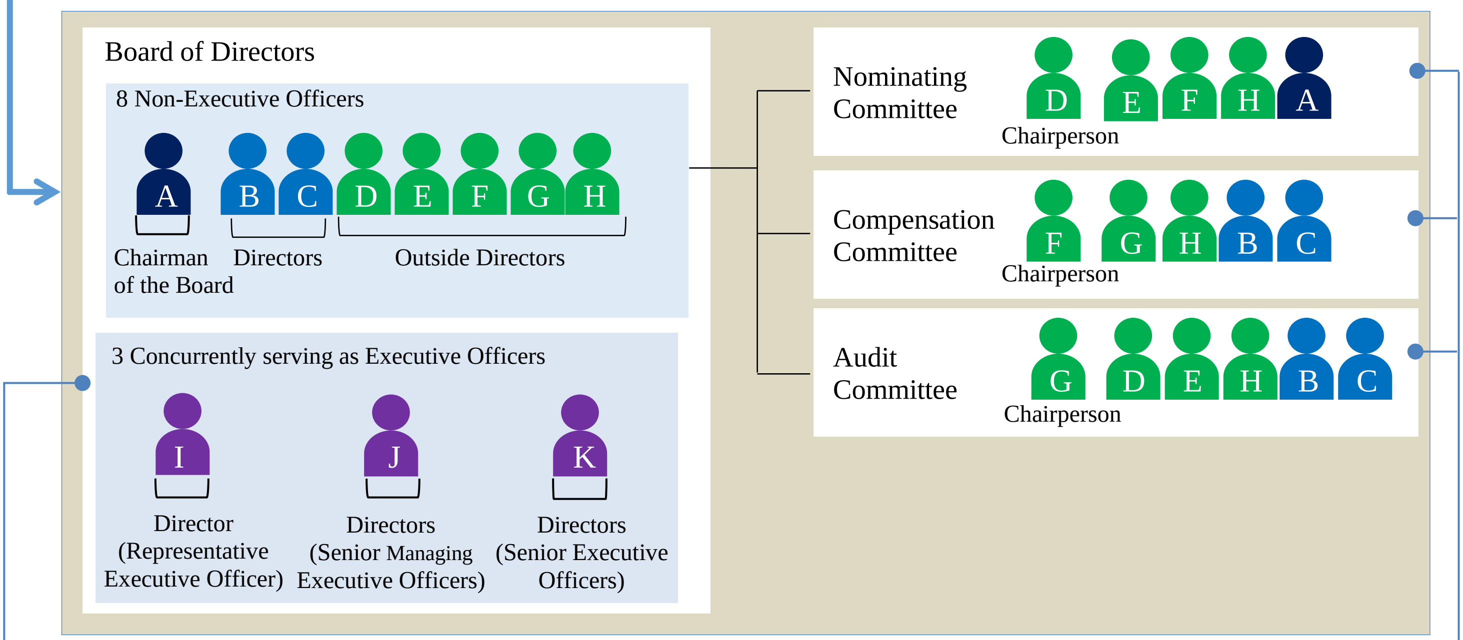
Structure of Corporate Governance Systems



Key characteristics of structure

・Setting the company with three committees structure to separate supervision and the execution of the management and perform highly effective oversight of business operations.

Board of Directors and three Committees (as of March 31, 2022)



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

・Chairpersons are Outside Directors
・Directors who are concurrently Chief Executive Officers are not allowed to be committee members

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

(As of March 31, 2022)

(Millions of yen)

Item	Amount
Assets	
Current assets	
Cash and cash equivalents	117,670
Trade and other receivables	280,214
Inventories	185,661
Income tax receivables	3,884
Other financial assets	970
Other current assets	30,449
Total current assets	**618,851**
Non-current assets	
Property, plant and equipment	287,749
Goodwill and intangible assets	354,094
Investments accounted for using the equity method	9
Other financial assets	28,320
Deferred tax assets	29,570
Other non-current assets	19,527
Total non-current assets	**719,272**
Total assets	**1,338,124**

(Millions of yen)

Item	Amount
Liabilities	
Current liabilities	
Trade and other payables	182,063
Bonds and borrowings	194,597
Lease liabilities	17,336
Income tax payables	4,389
Provisions	11,319
Other financial liabilities	45,095
Other current liabilities	56,192
Total current liabilities	**510,995**
Non-current liabilities	
Bonds and borrowings	159,709
Lease liabilities	77,012
Retirement benefit liabilities	10,603
Provisions	6,685
Other financial liabilities	4,076
Deferred tax liabilities	4,719
Other non-current liabilities	2,821
Total non-current liabilities	**265,628**
Total liabilities	**776,623**
Equity	
Share capital	37,519
Share premium	194,060
Retained earnings	269,461
Treasury shares	(9,517)
Share acquisition rights	464
Other components of equity	57,822
Equity attributable to owners of the Company	549,810
Non-controlling interests	11,690
Total equity	**561,500**
Total liabilities and equity	**1,338,124**

Consolidated Statement of Profit or Loss

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Item	Amount
Revenue	**911,426**
Cost of sales	518,689
Gross profit	**392,736**
Other income	10,274
Selling, general and administrative expenses	404,890
Other expenses	20,418
Operating profit (loss)	**(22,297)**
Finance income	6,892
Finance costs	8,211
Profit (loss) before tax	**(23,617)**
Income tax expense (income)	2,589
Profit (loss) for the year	**(26,206)**
Profit (loss) attributable to:	
Profit (loss) attributable to owners of the Company	(26,123)
Profit (loss) attributable to non-controlling interests	(83)

Consolidated Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Equity attributable to owners of the Company						
						Other components of equity	
	Share capital	Share premium	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit pension plans	Net gain (loss) on revaluation of financial assets measured at fair value
Balance as of April 1, 2021	37,519	203,753	294,283	(9,694)	551	-	2,769
Profit (loss) for the year	-	-	(26,123)	-	-	-	-
Other comprehensive income	-	-	-	-	-	14,140	1,571
Total comprehensive income (loss)	-	-	(26,123)	-	-	14,140	1,571
Dividends	-	-	(14,806)	-	-	-	-
Acquisition and disposal of treasury shares	-	-	(66)	177	-	-	-
Share-based payments	-	53	-	-	(87)	-	-
Changes in ownership interest in subsidiaries	-	(510)	-	-	-	-	-
Equity and other transactions with non-controlling shareholders	-	(84)	-	-	-	-	-
Put options written on non-controlling interests	-	(9,150)	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	16,173	-	-	(14,140)	(2,033)
Total transactions with owners	-	(9,692)	1,300	177	(87)	(14,140)	(2,033)
Balance as of March 31, 2022	37,519	194,060	269,461	(9,517)	464	-	2,308

(Millions of yen)

	Equity attributable to owners of the Company						
	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	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2021	(239)	10,944	(0)	13,475	539,888	10,814	550,703
Profit (loss) for the year	-	-	-	-	(26,123)	(83)	(26,206)
Other comprehensive income	408	44,400	0	60,520	60,520	471	60,992
Total comprehensive income (loss)	408	44,400	0	60,520	34,397	388	34,786
Dividends	-	-	-	-	(14,806)	(23)	(14,830)
Acquisition and disposal of treasury shares	-	-	-	-	111	-	111
Share-based payments	-	-	-	-	(34)	-	(34)
Changes in ownership interest in subsidiaries	-	-	-	-	(510)	510	-
Equity and other transactions with non-controlling shareholders	-	-	-	-	(84)	-	(84)
Put options written on non-controlling interests	-	-	-	-	(9,150)	-	(9,150)
Transfer from other components of equity to retained earnings	-	-	-	(16,173)	-	-	-
Total transactions with owners	-	-	-	(16,173)	(24,475)	486	(23,988)
Balance as of March 31, 2022	169	55,345	-	57,822	549,810	11,690	561,500

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: 166 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: 2 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 and holds 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 when related services are provided by employees.

(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.

<Note Concerning Changes in Accounting Policy>
Not applicable.

<Note Concerning Accounting Estimates>
Amounts that are reported as accounting estimates on consolidated financial statements for the fiscal year under review, and that have the potential for having a material impact on consolidated financial statements for the following fiscal year, are as follows.

1. Impairment of non-financial assets
Amount recorded in the consolidated financial statements for the fiscal year under review

Property, plant and equipment	¥287,749 million
Goodwill and intangible assets	¥354,094 million

The Group conducts impairment tests whenever there is any indication that the recoverable amount of a non-financial asset (excluding inventories, deferred tax assets and post-retirement benefit plan assets) may fall below its carrying amount. 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.
When conducting an impairment test, principal factors indicating that impairment may have occurred include a substantial worsening of business performance compared with past or estimated operating performance, significant changes in the uses of acquired assets or changes in overall strategy, or a substantial worsening of industry or economic trends.
Goodwill is allocated to an asset, CGU or group of CGUs based on the region where business is conducted and business category, and impairment tests are conducted on goodwill once each year or when there is an indication of impairment.
Calculations of recoverable amounts used in impairment tests are based on assumptions set using such factors as an asset’s useful life, future cash flows, the pre-tax discount rates that reflect the risks specific to the asset, and long-term growth rates. These assumptions are based on the best estimates and judgments made by management. However, these assumptions may be affected by changes in uncertain future economic conditions, which may have a material impact on the consolidated financial statements in the next fiscal year.

2. Provisions
Amount recorded in the consolidated financial statements for the fiscal year under review

Provisions	¥18,005 million

The Group records various provisions in the consolidated statement of financial position, including provision for product warranties and provision for restructuring.
These provisions are recognized based on the best estimates of the expenditures required to settle the obligations taking into consideration of risks and the uncertainty related to the obligations as of the fiscal year-end date. Expenditures required to settle the obligations are calculated by taking possible results into account comprehensively. However, they may be affected by the occurrence of unexpected events or changes in conditions which may have a material impact on the consolidated financial statements in the next fiscal year.

3. Post-retirement benefits
Amount recorded in the consolidated financial statements for the fiscal year under review

Retirement benefit liabilities	¥10,603 million

The Group has in place various post-retirement benefit plans, including defined benefits plans. The present value of defined benefit obligations on each of these plans and the service costs are calculated based on actuarial assumptions. These actuarial assumptions require estimates and judgments on variables, such as discount rates. The Group obtains advice from external pension actuaries with respect to the appropriateness of these actuarial assumptions including these variables.
The actuarial assumptions are determined based on the best estimates and judgments made by management. However, there is the possibility that these assumptions may be affected by changes in uncertain future economic conditions, or by the publication or the amendment of related laws, which may have a material impact on the consolidated financial statements in the next fiscal year.

4. Recoverability of deferred tax assets
Amount recorded in the consolidated financial statements for the fiscal year under review

Deferred tax assets	¥29,570 million

In recognizing deferred tax assets, when judging the possibility of the future taxable income, the Group estimates the timing and amount of future taxable income based on the business plan.
The timing when taxable income arises and the amount of such income may be affected by changes in uncertain future economic conditions. Therefore, this may have a material impact on the consolidated financial statements in the next fiscal year.

5. Fair value of financial instruments
Amount recorded in the consolidated financial statements for the fiscal year under review

Other financial assets	¥6,073 million
Other financial liabilities	¥42,121 million

To assess fair value of certain financial instruments, the Group uses valuation techniques using inputs that are not based on observable market data. Inputs that are not based on observable market data may be affected by the result of changes in uncertain future economic conditions, and may have significant impact on amounts reported in the consolidated financial statements when the inputs need to be reviewed.

<Notes to Consolidated Statement of Financial Position>
1. Allowances for doubtful accounts deducted directly from assets

Trade and other receivables	¥7,809 million
Other financial assets	¥499 million

2. Accumulated depreciation on assets (including accumulated impairment losses)

Accumulated depreciation on property, plant and equipment	¥610,067 million

3. Balance of guaranteed obligations

Guaranteed obligations	¥207 million

(The Group guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)

4. Debt covenant
Debt covenant applies to certain syndicated loan agreements, etc. with the Company as a borrower. The agreements and the major debt covenant related to the agreements are as follows.

a. One term loan agreement and four syndicated loan agreements
Balance of borrowings: ¥75,267 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

b. Revolving credit facility agreement
Aggregate borrowing limit: ¥50,000 million
Balance of borrowings: ¥35,000 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

c. Global credit facility agreement
Aggregate borrowing limit: ¥50,000 million
Balance of borrowings: ¥0 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

d. Revolving facility (multicurrency type) agreement
Aggregate borrowing limit: ¥50,000 million

Balance of borrowings: ¥0 million
Commitment not to record operating loss for two consecutive fiscal years with respect to operating profit (loss) in the consolidated statement of profit or loss

At the end of the fiscal year under review, the Company was in breach of the debt covenant under the aforementioned agreements. However, all financial institutions concerned have agreed not to demand acceleration on account of such breach as of the date of submission of this document.
In addition, the consent was obtained after the end of the fiscal year under review, the borrowings related to the breach is presented as current liabilities on the consolidated statement of financial position, including ¥45,679 million of borrowings with a repayment period exceeding one year.

<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)
Balance as of April 1, 2021	1,200,000,000	502,664,337	9,155,998
Increase	-	-	3,015
Decrease	-	-	167,671
Balance as of March 31, 2022	1,200,000,000	502,664,337	8,991,342

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 held by trust accounts related to the BIP trust for compensation for Directors included in each of the figures in the table are as follows: Balance as of April 1, 2021: 2,809,437 shares, Decrease: 49,921 shares, and Balance as of March 31, 2022: 2,759,516 shares.

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 14, 2021	Ordinary shares	7,444	15.00	March 31, 2021	May 28, 2021	Retained earnings
Board of Directors' meeting held on November 2, 2021	Ordinary shares	7,445	15.00	September 30, 2021	November 29, 2021	Retained earnings

Notes: 1. The total dividend payment according to the resolution at the Board of Directors' meeting held on May 14, 2021 includes dividends of ¥42 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 2, 2021 includes dividends of ¥41 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 12, 2022	Ordinary shares	7,446	15.00	March 31, 2022	May 27, 2022	Retained earnings

Note: The total dividend payment includes dividends of ¥41 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 FY2021

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	11,000 shares
Fifth issue of stock compensation-type stock options for 2009		Ordinary shares	26,500 shares
Sixth issue of stock compensation-type stock options for 2010		Ordinary shares	26,500 shares
Seventh issue of stock compensation-type stock options for 2011		Ordinary shares	41,000 shares
Eighth issue of stock compensation-type stock options for 2012		Ordinary shares	55,000 shares
Ninth issue of stock compensation-type stock options for 2013		Ordinary shares	96,500 shares
Tenth issue of stock compensation-type stock options for 2014		Ordinary shares	88,300 shares
11th issue of stock compensation-type stock options for 2015		Ordinary shares	68,300 shares
12th issue of stock compensation-type stock options for 2016		Ordinary shares	139,600 shares
Total			585,200 shares

<Notes on Revenue Recognition>

1. Disaggregation of revenue

Operating segments of the Group are the constituent business units of the Group for which separate financial data is available and that are examined on a regular basis for the purpose of enabling the Group's management to decide on the allocation of resources and evaluate results of operations. The Group establishes business segments by product and service category and formulates comprehensive strategies and conducts business activities in Japan and overseas for the products and services of each business category. Since the Group comprises segments organized by product and service category, the Group has established four reportable segments as the "Digital Workplace Business", "Professional Print Business", "Healthcare Business", and "Industry Business" after taking into account the primary usage of products of the respective businesses in the markets and their similarities.

The Group presents revenue recognized from contracts with customers and other sources as revenue.

Disaggregated revenue is as follows.

(Millions of yen)

Digital Workplace Business		465,421
Professional Print Business		194,729
Healthcare Business	Healthcare	86,312
	Precision medicine	23,618
	Subtotal	109,930
Industry Business	Sensing	42,350
	Materials and components	84,248
	Imaging-IoT solutions	12,641
	Subtotal	139,240
Others		2,103
Total		911,426
Revenue recognized from contracts with customers		869,636
Revenue recognized from other sources (Note)		41,790

Note: Revenue recognized from other sources includes lease income under IFRS 16.

2. Information that provides a basis for understanding revenue

(Digital Workplace Business and Professional Print Business)

The Digital Workplace Business and the Professional Printing Business principally engage in sales of multi-functional peripherals, digital printing systems and related supplies, provision of services incidental to them, and provision of solution services.

For sales of multi-functional peripherals, digital printing systems and related supplies, revenue is recognized at the time of shipment or delivery of products, which is when control of the products is considered to be transferred to customers. If acceptance inspection by customers is required for performance of products, revenue is recognized at the time of acceptance inspection by customers.

Because services incidental to sales of multi-functional peripherals and digital printing systems are mainly maintenance contracts based on pay-as-you-go fees in accordance with the usage of the products, and performance obligations are satisfied as the products are used, revenue is recognized based on the amount specified in the contract in accordance with the usage.

For solution services, revenue is recognized at the time of completion of the provision of services, which is when performance obligations are satisfied.

Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component. For services incidental to sales, charges are principally made and received on a monthly basis.

(Healthcare Business)

The Healthcare Business mainly engages in sales of medical equipment including diagnostic imaging systems and related supplies, provision of services incidental to them, and provision of medical IT services, genetic testing services, and drug discovery support services.

Control of products is considered to be transferred to customers at the time of acceptance inspection by customers for sales of medical equipment, and at the time of delivery of products for sales of supplies, and revenue is recognized at that time.
Since services incidental to sales of medical equipment mainly consist of maintenance contracts for products and performance obligations are satisfied over time, revenue is recognized equally over the contract period based on the amount specified in the contract.
For medical IT services, revenue is recognized at the time of completion of the provision of services, which is when performance obligations are satisfied.
For genetic testing services, revenue is recognized at the time of completion of report on the testing results, which is when performance obligations are satisfied.
For drug discovery support services, revenue is recognized in accordance with the progress in the provision of services.
Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component. For services incidental to sales, consideration is received in lump sum at the time of signing the contract or expiry of the contract period, or in installments monthly.

(Industry Business)
The Industry Business principally engages in sales of products, such as TAC films, lenses for industrial and professional use and measuring instruments. Revenue is recognized when control of products is transferred to customers, that is, at the time of shipment or delivery of products. Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component.

3. Information for understanding the amount of revenue in the fiscal year under review and the following fiscal years
(1) Contract balance
Balances of receivables arising from contracts with customers, contract assets and contract liabilities are as follows.

(Millions of yen)

Receivables arising from contracts with customers	235,296
Contract assets	359
Contract liabilities	18,599

Notes: 1. In the consolidated statement of financial position, receivables arising from contracts with customers and contract assets are included in trade and other receivables, and contract liabilities are included in other current liabilities. Contract liabilities are mainly related to advances received from customers.
2. Of revenue recognized, the amount included in the balance of contract liabilities at the beginning of the year is ¥6,609 million. The amount of revenue recognized from performance obligations that were satisfied (or partially satisfied) in prior periods is not significant.

(2) Transaction price allocated to the remaining performance obligations
The amount of transaction price allocated to the remaining performance obligations of which the original expected period exceeds one year by timing of satisfaction is as follows. The transaction price is mainly related to service contracts in the Digital Workplace Business and the Professional Print Business.
The Group has applied a practical expedient and does not provide information on the remaining performance obligations of which the original expected period is one year or less and that are based on pay-as-you-go fees.
In addition, among consideration arising from contracts with customers, there is no significant amount that is not included in transaction price.

(Millions of yen)

1 year or less	6,055
More than 1 year, 2 years or less	1,800
More than 2 years, 3 years or less	1,302
More than 3 years	1,722
Total	10,879

(3) Contract costs

Capitalized contract costs are as follows.

(Millions of yen)

Assets recognized from contract acquisition costs	253
Assets recognized from contract fulfillment costs	-
Total	253

Note: Amortization expenses arising from assets recognized from contract costs were ¥166 million.

<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

The classification of the Group's financial instruments and amounts stated in the consolidated statement of financial position at the end of FY2021 are as follows.

(Millions of yen)

	Book value
<Financial assets>	
Financial assets measured at amortized cost	
Cash and cash equivalents	117,670
Trade and other receivables	241,934
Other financial assets	12,744
Financial assets measured at fair value through other comprehensive income	
Other financial assets	12,268
Financial assets measured at fair value through profit or loss	
Other financial assets	4,278
<Financial liabilities>	
Financial liabilities measured at amortized cost	
Trade and other payables	182,063
Bonds and borrowings	354,307
Other financial liabilities	3,573
Financial liabilities measured at fair value through profit or loss	
Other financial liabilities	3,655

Other than the above, there are finance lease receivables worth ¥37,920 million, contract assets worth ¥359 million, and put options vested in non-controlling shareholders worth ¥41,943 million.

The fair value of financial assets and financial liabilities is calculated as described below. Information about defining the level of the hierarchy is described in "3. Matters regarding the breakdown of financial instruments by level of fair value."

(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, and both are classified in level 2.

Fair value of put options written on non-controlling interests is calculated by forecasting the future exercise price using Monte Carlo simulation with expected earnings of the acquired company group in the expected exercise period and other data used as inputs, and discounting the amount paid to the counterparty according to that forecast at an appropriate discount rate. The fair value is classified in level 3 because inputs that are not based on observable market data are used in the calculation. If expected earnings of the acquired company group increase (decrease), the fair value increases (decreases).

(2) Investment securities

Where market prices are available, fair value is based on market prices and classified in level 1. For financial instruments whose market prices are not available, fair value is calculated by discounting future cash flows or using other appropriate valuation methods and classified in level 3, 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 and classified in level 3. 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 and classified in level 2.

(5) Contingent consideration

Fair value is calculated based on estimation of amounts of possible additional payments in the future using a proper evaluation method and classified in level 3.

(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.

The book value and fair value of major financial instruments measured at amortized cost at the end of the fiscal year under review are as follows.

(Millions of yen)

	Book value	Fair value
Long-term borrowings	207,006	185,843
Bonds	29,925	29,932
Total	236,932	215,776

Notes: 1. Long-term borrowings and bonds include balances redeemable within one year.
2. Financial instruments that are to be settled in a short period of time are not included in the above table because their fair value is assumed to be equivalent to the book value.

3. Matters regarding the breakdown of financial instruments by level of fair value

Financial instruments which are measured at fair value are classified according to fair value hierarchy. The fair value hierarchy comprises levels 1 through 3, defined as follows.

Level 1: Fair value measured at the quoted price in the active market

Level 2: Fair value that is calculated using the observable market inputs other than quoted price directly or indirectly

Level 3: Fair value that is calculated based on valuation techniques which include inputs that are not based on observable market data

Transfers between fair value hierarchy levels are recognized on the date the event or condition prompting the transfer occurred.

Financial assets and financial liabilities measured at fair value in the fiscal year under review, by fair value hierarchy are as follows.

(Millions of yen)

	Level 1	Level 2	Level 3	Total
<Financial assets>				
Investment securities	9,312	-	4,213	13,525
Derivative financial assets	-	648	-	648
Others	513	-	1,860	2,373
Total	9,826	648	6,073	16,547
<Financial liabilities>				
Derivative financial liabilities	-	3,476	41,943	45,419
Others	-	-	178	178
Total	-	3,476	42,121	45,598

Note: No transfers between level 1, 2 and 3 occurred during the fiscal year under review.

Increases or decreases in financial instruments classified as level 3

Increases or decreases in financial instruments classified as level 3 in the fiscal year under review are as follows.

(Millions of yen)

	Financial assets	Financial liabilities
Balance as of April 1, 2021	5,855	32,961
Gains (losses) (Note 1)		
Profit for the year	1,013	-
Other comprehensive income	56	-
Acquisitions	1	-
Grant (Note 2)	-	51,908
Disposals and settlements (Note 2)	(302)	(32,792)
Others (Note 3)	(570)	(9,965)
Effects of changes in foreign exchange rates	19	9
Balance as of March 31, 2022	6,073	42,121

Notes: 1. Gains or losses recognized in profit for the year are presented in the consolidated statement of profit or loss as “finance income” or “finance costs.” Gains or losses recognized in other comprehensive income are presented in the consolidated statement of comprehensive income as “net gain (loss) on revaluation of financial assets measured at fair value.”

2. “Grant” and “disposals and settlements” in financial liabilities arose for having newly granted put options to non-controlling interests, as existing put options were expired following the restructuring of certain subsidiaries. The resulting difference was recorded as share premium.

3. “Others” in financial liabilities represent the difference in change arising from subsequently measuring fair value of put options written on non-controlling interests. The difference in change was recorded as share premium.

<Notes on Per-Share Information>

1. Equity per share attributable to owners of the company ¥1,113.71
2. Basic loss per share ¥52.93

Note: In calculating per-share information, 2,759,516 shares and 2,776,507 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 income

Other income is mainly insurance payment income of ¥2,473 million, subsidy income including compensation for sustaining businesses of ¥2,081 million, and gain on sale of businesses of ¥1,811 million.

2. Other expenses

Other expenses are mainly comprised of impairment loss of ¥10,951 million, toner supply countermeasures expenses of ¥1,990 million, and loss on disposal of property, plant and equipment and intangible assets of ¥1,881 million. The impairment loss was mainly due to a reduction in the carrying amount of CGU, including goodwill, to its recoverable amount, which was calculated based on its value in use.

Due to a decline in profitability caused by factors such as delays in solution development, supply restrictions on semiconductors and other materials, an impairment loss of ¥5,893 million was recognized for goodwill allocated to MOBOTIX AG, which arose from the acquisition of MOBOTIX AG related to the Industry Business. In addition, due to a decline in profitability caused by factors such as a delay in market development than expected, an impairment loss of ¥3,528 million was recognized for goodwill allocated to the Imaging-IoT Solutions Field, which arose from the acquisition of MOBOTIX AG related to the Industry Business.

Furthermore, due to a decline in profitability caused by a drop in demand for promotional printed materials and services amid the prolonged COVID-19 pandemic, an impairment loss of ¥1,487 million was recognized for goodwill, which arose from the acquisition of Konica Minolta Marketing Services EMEA Limited related to the Professional Print Business.

3. 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, 2022)

(Millions of yen)

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**274,966**	**Current liabilities**	**245,960**
Cash and deposits	37,122	Notes payable - trade	6,842
Notes receivable - trade	1,343	Accounts payable - trade	53,983
Accounts receivable – trade	73,665	Short-term borrowings	112,561
Inventories	42,224	Current portion of long-term borrowings	29,588
Prepaid expenses	3,482	Lease liabilities	112
Short-term loans receivable	93,383	Accounts payable - other	26,194
Current portion of long-term loans receivable	10,001	Accrued expenses	6,318
Accounts receivable – other	9,745	Income taxes payable	1,613
Other current assets	4,005	Advances received	1,172
Allowance for doubtful accounts	(6)	Provision for bonuses	4,377
		Provision for bonuses for directors (and other officers)	30
Non-current assets	**527,707**		
Property, plant and equipment	**108,130**	Provision for product warranties	204
Buildings, net	43,785	Other current liabilities	2,963
Structures, net	1,652	**Non-current liabilities**	**224,125**
Machinery and equipment, net	13,034	Bonds payable	30,000
Vehicles, net	26	Long-term borrowings	174,179
Tools, furniture and fixtures, net	6,394	Lease liabilities	113
Land	39,437	Deferred tax liabilities for land revaluation	3,019
Leased assets	320	Provision for retirement benefits	8,444
Construction in progress	3,479	Provision for stock bonuses	477
		Asset retirement obligations	5,372
Intangible assets	**21,243**	Other noncurrent liabilities	2,518
Software	11,312	**Total liabilities**	**470,085**
Other intangible assets	9,931		
		Net assets	
Investments and other assets	**398,332**	**Shareholders' equity**	**322,114**
Investment securities	11,131	**Share capital**	**37,519**
Shares of subsidiaries and associates	276,579	**Capital surplus**	**135,592**
Investments in capital of subsidiaries and associates	84,943	Legal capital surplus	135,592
		Retained earnings	**158,520**
Long-term loans receivable	3,475	Other retained earnings	158,520
Long-term prepaid expenses	2,246	Retained earnings brought forward	158,520
Deferred tax assets	12,416	**Treasury shares**	**(9,517)**
Other investment	7,556		
Allowance for doubtful accounts	(17)	**Valuation and translation adjustments**	**10,009**
		Valuation difference on available-for-sale securities	2,637
		Deferred gains or losses on hedges	540
		Revaluation reserve for land	6,830
		Share acquisition rights	**464**
		Total net assets	**332,587**
Total assets	**802,673**	**Total liabilities and net assets**	**802,673**

Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Item	Amount	
Revenue		**373,208**
Cost of sales		252,913
Gross profit		**120,294**
Selling, general and administrative expenses		115,017
Operating profit (loss)		**5,277**
Non-operating income		
Interest and dividend income	10,685	
Foreign exchange gain	2,323	
Miscellaneous revenue	3,974	16,982
Non-operating expenses		
Interest expenses	1,705	
Commission for syndicate loan	1,155	
Compensation expenses	1,125	
Miscellaneous expenses	1,936	5,922
Ordinary profit		**16,338**
Extraordinary income		
Gain on sales of non-current assets	13	
Gain on sales of investment securities	3,236	3,250
Extraordinary losses		
Loss on sales and retirement of non-current assets	808	
Loss on sales of investment securities	2	
Loss on valuation of investment securities	1,090	
Loss on sales of shares of subsidiaries and associates	776	
Impairment loss	36	2,713
Profit before income taxes		**16,874**
Income taxes-current	596	
Income taxes-deferred	1,801	2,397
Profit		**14,476**

Statement of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(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: Retained earnings brought forward	Total retained earnings		
Balance at April 1, 2021	37,519	135,592	135,592	158,999	158,999	(9,694)	322,417
Changes of items during period							
Dividends of surplus	-	-	-	(14,890)	(14,890)	-	(14,890)
Profit	-	-	-	14,476	14,476	-	14,476
Purchase of treasury shares	-	-	-	-	-	(1)	(1)
Disposal of treasury shares	-	-	-	(66)	(66)	178	112
Net changes of items other than shareholders' equity	-	-	-	-	-	-	-
Total changes of items during period	-	-	-	(479)	(479)	177	(302)
Balance at March 31, 2022	37,519	135,592	135,592	158,520	158,520	(9,517)	322,114

	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, 2021	3,011	1,127	6,830	10,969	551	333,938
Changes of items during period						
Dividends of surplus	-	-	-	-	-	(14,890)
Profit	-	-	-	-	-	14,476
Purchase of treasury shares	-	-	-	-	-	(1)
Disposal of treasury shares	-	-	-	-	-	112
Net changes of items other than shareholders' equity	(373)	(587)	-	(960)	(87)	(1,048)
Total changes of items during period	(373)	(587)	-	(960)	(87)	(1,350)
Balance at March 31, 2022	2,637	540	6,830	10,009	464	332,587

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 other than shares, etc. that do not have a market price are recorded using the mark-to-market method. (Valuation difference is directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)
   Shares, etc. that do not have a market price 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 standards for revenue and expenses

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

The Company engages mainly in manufacturing and sales of products and provision of IT services in the Digital Workplace Business, the Professional Print Business, the Healthcare Business and the Industry Business. Major performance obligations and an ordinary point in time to recognize revenue are as follows.

Revenue from sales of products is recognized at the time of delivery of the products, which is when control of the products is normally transferred to customers, and performance obligations are satisfied.

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.

7. 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.

8. Consumption tax

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.

9. Consolidated tax payment system

Consolidated tax payment system is adopted.

10. 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.

From the beginning of the following fiscal year, the Company is scheduled to apply the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force No. 42, August 12, 2021), which prescribes the accounting treatment and disclosure of income taxes, local income taxes and tax effect accounting when the group tax sharing system is applied.

<**Note Concerning Changes in Accounting Policy**>

(Application of "Accounting Standard for Revenue Recognition," etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021) from the beginning of the fiscal year under review.

The application of the standard has no impact on the financial statements.

(Application of "Accounting Standard for Fair Value Measurement," etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter, "Fair Value Measurement Accounting Standard") and others from the beginning of the fiscal year under review. New accounting policies set forth under the Fair Value Measurement Accounting Standard, etc. are applied into the future, in accordance with the transitional treatment provided for in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019).

The application of the standard has no impact on the financial statements.

<**Notes on Revenue Recognition**>

Information that provides a basis for understanding revenue arising from contracts with customers is as follows.

(Digital Workplace Business and Professional Print Business)

The Digital Workplace Business and the Professional Printing Business principally engage in sales of multi-functional peripherals, digital printing systems and related supplies.

For sales of multi-functional peripherals, digital printing systems and related supplies, revenue is recognized at the time of shipment or delivery of products, which is when control of the products is considered to be transferred to customers. If acceptance inspection by customers is required for performance of products, revenue is recognized at the time of acceptance inspection by customers.

Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component.

(Healthcare Business)

The Healthcare Business mainly engages in sales of medical equipment including diagnostic imaging systems and related supplies, provision of services incidental to them, and provision of medical IT services.

Control of products is considered to be transferred to customers at the time of acceptance inspection by customers for sales of medical equipment, and at the time of delivery of products for sales of supplies, and revenue is recognized at that time.

Since services incidental to sales of medical equipment mainly consist of maintenance contracts for products and performance obligations are satisfied over time, revenue is recognized equally over the contract period based on the amount specified in the contract.

For medical IT services, revenue is recognized at the time of completion of the provision of services, which is when performance obligations are satisfied.

Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component. For services incidental to sales, consideration is received in lump sum at the time of signing the contract or expiry of the contract period, or in installments monthly.

(Industry Business)

The Industry Business principally engages in sales of products, such as TAC films, lenses for industrial and professional use and measuring instruments. Revenue is recognized when control of products is transferred to customers, that is, at the time of shipment or delivery of products. Consideration for transactions is principally received within one year after satisfaction of performance obligations and does not include any significant financial component.

<Note Concerning Accounting Estimates>

1. Valuation of property, plant and equipment, and intangible assets

Amount recorded in the financial statements for the fiscal year under review

Property, plant and equipment	¥108,130 million
Intangible assets	¥21,243 million

The calculation methods and calculation assumptions for amounts reported on financial statements for the fiscal year under review, as well as the impact on financial statements for the following fiscal year, are given in “1. Impairment of non-financial assets” under Note Concerning Accounting Estimates, within Notes to Consolidated Financial Statements.

2. Valuation of shares of subsidiaries and associates, and investments in capital of subsidiaries and associates

Amount recorded in the financial statements for the fiscal year under review

Shares of subsidiaries and associates	¥276,579 million
Investments in capital of subsidiaries and associates	¥84,943 million

The Company recognizes impairment loss if the Company deems that the actual value of the shares of subsidiaries and associates that do not have market prices, or investments in capital of subsidiaries and associates, is markedly below their book value, and that the decline in the actual value is not temporary. The duration and degree of the decline, as well the financial position and the outlook for operating results, are included in criteria for judging whether or not the decline in actual value is temporary.
While the Company believes that its criteria for judging impairment loss are reasonable, there is the possibility of a significant impact on the valuation of shares of subsidiaries and associates, and investments in capital of subsidiaries and associates in the financial statements for the following fiscal year, if there have been changes to the circumstances surrounding individual investments due to market changes, or unforeseeable changes to the economic or business-related assumptions.
With respect to the shares of subsidiaries and associates with fair market value, the Company recognizes impairment loss when their fair market value decreases significantly.

3. Recoverability of deferred tax assets

Amount recorded in the financial statements for the fiscal year under review

Deferred tax assets	¥12,416 million

The Company has adopted a consolidated tax payment system. The recoverability of deferred tax assets is estimated based on the taxable income in accordance with future business plans of a company with a consolidated tax payment system. The Company estimates said taxable income, in particular, using our business plans as the basis for estimates. However, said plans entail uncertainty with regard to predictions of future revenue and we rely considerably on the estimates and judgments of managers. Said estimates may be impacted by factors including future fluctuations in uncertain economic conditions. If the periods and amounts of actual taxable income differ from estimates, there is the possibility of a material impact on the amount of deferred tax assets in the following fiscal year’s financial statements.

4. Provision for retirement benefits

Amount recorded in the financial statements for the fiscal year under review

Provision for retirement benefits	¥8,444 million

The calculation methods and calculation assumptions for amounts of provision for retirement benefits reported on financial statements for the fiscal year under review, as well as the impact on financial statements for the following fiscal year, are given in “3. Post-retirement benefits” under Note Concerning Accounting Estimates, within Notes to Consolidated Financial Statements, and in “(5) Provision for retirement benefits” under 5. Standards for allowances, under Notes to Basis of Significant Accounting Policies, within Notes to Financial Statements.

<**Notes to Balance Sheet**>

1. Accumulated depreciation of property, plant and equipment ¥306,392 million

2. Balance of guaranteed obligations

The Company guarantees obligations for lease contracts of affiliated companies.

Konica Minolta Business Solutions U.S.A., Inc.	¥8,493 million

The Company guarantees tariffs payable by affiliated companies.

Konica Minolta (Xiamen) Medical Products Co., Ltd.	¥963 million

The Company guarantees obligations for contributing to pension funds at affiliated companies.

Konica Minolta Business Solutions (UK) Limited	¥1,493 million

3. Receivables from and payables to subsidiaries and associates

Short-term receivables	¥159,206 million
Long-term receivables	¥3,475 million
Short-term payables	¥61,617 million

4. Inventories

Merchandise and finished goods	¥25,422 million
Work in process	¥10,831 million
Raw materials and supplies	¥5,970 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 ¥(6,650) million

6. Loan commitment

The Company has loan agreements with subsidiaries concerning financial matters for group companies and has established credit lines for sixteen 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	¥156,766 million
Disbursed loan balance	¥98,115 million
Available loan balance	¥58,651 million

7. Debt covenant

At the end of the fiscal year under review, the Company was in breach of the debt covenant stipulated under certain syndicated loan agreements, etc., which the Company has entered into with multiple financial institutions. However, all of the financial institutions have agreed not to demand acceleration on account of such breach as of the date of submission of this document. The details are as described in "4. Debt covenant" under Notes to Consolidated Statement of Financial Position, within Notes to Consolidated Financial Statements.

<Notes to Statement of Income>

Transactions with subsidiaries and associates

Operating revenue	¥264,060 million
Operating expense	¥195,494 million
Other operating transactions	¥31,812 million
Other non-operating transactions	¥11,428 million

<Notes to Statement of Changes in Equity>

Type and number of treasury shares at end of period

Ordinary shares	8,991,342 shares

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	¥17,641 million
Net operating tax loss carried forward	¥6,365 million
Provision for retirement benefits	¥4,623 million
Asset retirement obligations	¥1,448 million
Excess of depreciation and amortization over deductible limit	¥1,374 million
Provision for bonuses	¥1,367 million
Loss on valuation	¥1,174 million
Other	¥4,914 million
Deferred tax assets subtotal	¥38,910 million
Valuation allowance for operating loss carryforwards	¥(648) million
Valuation allowance for total of deductible temporary differences and others	¥(21,869) million
Subtotal of valuation allowances	¥(22,518) million
Total deferred tax assets	¥16,391 million
Deferred tax liabilities	
Loss (gain) on transfer of business	¥(1,390) million
Retirement costs corresponding to asset retirement obligations	¥(1,288) million
Valuation difference on available-for-sale securities	¥(972) million
Other	¥(324) million
Total deferred tax liabilities	¥(3,975) million
Net deferred tax assets	¥12,416 million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities for land revaluation	¥(3,019) million

<Notes on Related-Party Transactions>

Subsidiaries, etc.

(Millions of yen)

Attribute	Name of company, etc.	Equity ownership percentage	Relationship	Description of transactions	Transaction amount	Account item	Ending balance
Subsidiary	Konica Minolta Business Solutions Europe GmbH	(Ownership) Direct 100%	Sales of the Company’s products Lending of cash	Sales of products (Note 1)	74,081	Accounts receivable - trade	12,223
				Lending of funds (Note 2)	45,988	Short-term loans receivable	51,015
Subsidiary	Konica Minolta Business Solutions U.S.A., Inc.	(Ownership) Indirect 100%	Sales of the Company’s products Guarantees Concurrent director(s)	Sales of products (Note 1)	58,112	Accounts receivable - trade	10,880
				Guarantees (Note 3)	8,493	-	—
Subsidiary	Konica Minolta Japan, Inc.	(Ownership) Direct 100%	Sales of the Company’s products Concurrent director(s)	Sales of products (Note 1)	38,626	Accounts receivable - trade	13,863
				Guarantees of payments (Note 4)	836	Accounts payable - others	177
Subsidiary	Konica Minolta Business Technologies Manufacturing (HK) Ltd.	(Ownership) Direct 100%	Manufacturing of the Company’s products	Purchases of products (Note 1)	56,486	Accounts payable - trade	8,324
Subsidiary	Konica Minolta Business Technologies (WUXI) Co., Ltd.	(Ownership) Direct 15% Indirect 85%	Manufacturing of the Company’s products	Purchases of products (Note 1)	33,358	Accounts payable - trade	8,656
Subsidiary	Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	(Ownership) Indirect 100%	Manufacturing of the Company’s products	Purchases of products (Note 1)	27,028	Accounts payable - trade	3,778
Subsidiary	REALM IDx, Inc.	(Ownership) Indirect 75.6%	Lending of cash Concurrent director(s)	Lending of funds (Note 2)	17,079	Short-term loans receivable	23,464
						Long-term loans receivable	575
Subsidiary	Konica Minolta Holdings U.S.A., Inc.	(Ownership) Direct 100%	Lending and borrowing of cash Concurrent director(s)	Borrowing of funds (Note 2)	228	Short-term loans receivable	8,185

(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 and borrowing 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.
3. Guarantees have been provided with respect to lease contracts and the Company has received guarantee commissions calculated based on the amount guaranteed.
   Note that Transaction amount shows the balance of the guarantee as of the end of the fiscal year under review.
4. The Company provides for compensation costs arising from the toner supply issue.

<Notes on Per Share Information>

Net assets per share	¥672.76
Earnings per share	¥29.33

Note: In calculating per-share information, 2,759,516 shares and 2,776,507 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 stock bonus program linked with medium-term performance, which we call the BIP trust for compensation for Directors, was adopted from FY2017 to FY2019. We have decided to continue this program in FY2020 and beyond, with the trust period extending to August 31, 2023 (tentatively). Accompanying the continuation of the program, “stock bonus linked with medium-term performance” will now be described as “medium-term stock bonus (performance-linked),” and “medium-term stock bonus” will now be described as “medium-term stock bonus (non-performance linked).” Additionally, we have newly established a “long-term stock bonus” for executive officers and others, with this new program granting shares, etc. according to officers’ roles and number of years in service.
   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. 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 11, 2022

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato
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, 2022 and for the year from April 1, 2021 to March 31, 2022 in accordance with Article 444 (4) of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period in accordance with accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting.

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.

Other Statements

Other statements consist of the business report and accompanying schedules. Management is responsible for the preparation and disclosure of the other statements. The Audit Committee is

responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the reporting processes of the other statements.
The other statements are not included within the scope of our audit opinion on the consolidated financial statements, and we do not indicate our opinion on the other statements.
Our responsibility with regard to the auditing of the consolidated financial statements is to read through the other statements, and in the process of reading through them, consider if there are any material differences between the other statements and the consolidated financial statements or the knowledge that we have obtained through our auditing process, and pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.
When we determine that there are material errors in other statements based on the taskes we have performed, we are required to report such fact.
We have found no matters to report regarding the other statements.

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 in accordance with accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in 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 accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting, 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 accounting standards that omit certain items required to be disclosed by the International Financial Reporting Standards, as provided in the latter part of Article 120-1 of the Ordinance on Company Accounting. 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 11, 2022

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Otani Akihiro
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Michiaki Yamabe
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato
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, 2022 and for the 118th business year from April 1, 2021 to March 31, 2022 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.

Other Statements

Other statements consist of the business report and accompanying schedules. Management is responsible for the preparation and disclosure of the other statements. The Audit Committee is responsible for monitoring the exercise of duties of Executive Officers and Directors in the preparation and operation of the reporting processes of the other statements.
The other statements are not included within the scope of our audit opinion on the Financial

Statements, and we do not indicate our opinion on the other statements.
Our responsibility with regard to the auditing of the Financial Statements is to read through the other statements, and in the process of reading through them, consider if there are any material differences between the other statements and the Financial Statements or the knowledge that we have obtained through our auditing process, and pay attention to whether or not there are signs of material errors in other statements, in addition to such material differences.
When we determine that there are material errors in other statements based on the taskes we have performed, we are required to report such fact.
We have found no matters to report regarding the other statements.

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 118th business year from April 1, 2021 to March 31, 2022. 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 using web-based conferencing systems (as a countermeasure to COVID-19) in some audits and other related occasions, in cooperation with the internal audit division and other internal control divisions of the Company we verified the process and details of decision-making at important meetings, etc., the details of the primary decision documents and other important documents, etc. related to business execution, as well as the status of the performance of duties by 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.

With regard to the basic policy for the way of being of those who control the Company's financial and business policy decisions stated in the business report, we examined the contents based on factors such as the status of deliberations at the Board of Directors and other meetings.

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.

iv) We have determined that the basic policy for the way of being of those who control the Company's financial and business policy decisions stated in the business report is appropriate.

(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 12, 2022

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Soichiro Sakuma	(Seal)
Audit Committee Member	Taketsugu Fujiwara	(Seal)
Audit Committee Member	Chikatomo Kenneth Hodo	(Seal)
Audit Committee Member	Akira Ichikawa	(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. Soichiro Sakuma, Mr. Taketsugu Fujiwara, Mr. Chikatomo Kenneth Hodo and Mr. Akira Ichikawa are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.