



KONICA MINOLTA



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To whom it may concern,

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Representative: Toshimitsu Taiko, President and CEO

Stock Exchange Listing: Tokyo Prime Market

Local Securities Code Number: 4902

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## **Notice Regarding Revisions to the Executive Compensation System for Executive Officers**

The Company announces that the Compensation Committee has resolved to revise the compensation framework for Executive Officers, effective from fiscal 2026, as described below.

These revisions were deliberated in parallel with the Board of Directors' discussion on the formulation of the Medium-term Business Plan starting in fiscal 2026. In accordance with the Company's policy on determining compensation, the Compensation Committee resolved to implement these revisions in order to further strengthen incentives for Executive Officers to achieve their targets.

### **Compensation Philosophy**

In accordance with management policies, compensation for Executive Officers is determined to incentivize them to continuously improve the Group's performance over the medium-to-long term and to contribute to increasing Group value, thereby meeting shareholder expectations. Compensation levels are set with the aim of attracting and retaining talented individuals that will take responsibility for the Company's development.

### **Revisions**

With respect to the component ratio of fixed compensation, annual performance-linked cash compensation, and stock compensation for Executive Officers, the ratio of fixed compensation will be reduced by 5 percentage points for all Executive Officers, while the ratio of stock compensation will be uniformly increased to 30%.

## Compensation breakdown by position

### After revision

Position	Base salary	Annual performance-linked cash bonus	Stock bonus
President and CEO, Representative Executive Officer	40%	30%	30%
Other Executive Officers	45%	25%	30%

### Before revision

Position	Base salary	Annual performance-linked cash bonus	Stock bonus
President and CEO, Representative Executive Officer	45%	30%	25%
Other Executive Officers	50%	30%	20%

As performance-linked indicators for measuring corporate value, the Company has adopted a single indicator for each component: the achievement rate against net profit for annual performance-linked cash bonus, and the achievement rate against the ROE target for the final fiscal year of the Medium-term Business Plan for performance-linked stock bonus.

Under this revision, non-financial indicators (CO<sub>2</sub> emissions reduction and engagement score) have been removed in order to clarify the Company's strong commitment to numerical targets aimed at reinforcing its financial base. In addition to performance-linked stock bonus, TSR-linked stock bonus\*<sup>1</sup> will also be introduced. Non-financial indicators will continue to be positioned as important management monitoring items essential to long-term value creation.

\*1 TSR: total shareholder return

The evaluation indicators and component ratios for annual performance-linked cash bonuses and stock bonuses are as follows:

### Annual performance-linked cash bonuses

#### After revision

Item	Ratio within total annual performance-linked cash bonus	Indicator	Weight within item
Portion according to performance level* <sup>2</sup>	70%	Net profit	100%
Portion according to personal appraisal* <sup>2</sup>	30%	Achievement rate against target of key strategic measures	100%

\*2: For the Representative Executive Officer, President and CEO, only the performance-linked portion applies.

### Before revision

Item	Ratio within total annual performance-linked cash bonus	Indicator	Weight within item
Bonus A	20%	Operating profit	100%
Bonus B	40%	Net profit	40%
		Total asset turnover ratio	30%
		KMCC-ROIC	30%
Personal appraisal	40%	Achievement rate against target of key strategic measures	100%

### Stock bonuses

#### After revision

Item	Ratio within total stock bonus	Indicator	Weight within component
Performance-linked stock bonus	60%	ROE	100%
TSR-linked stock bonus	40%	Relative TSR	100%

#### Before revision

Item	Ratio within total stock bonus	Indicator	Weight within component
Medium-term stock bonus (performance-linked)	60%	ROE	80%
Medium-term stock bonus (performance-linked)		CO <sub>2</sub> emissions reduction	10%
Medium-term stock bonus (performance-linked)		Engagement score	10%
Long-term stock bonus	40%	Position and length of service	100%

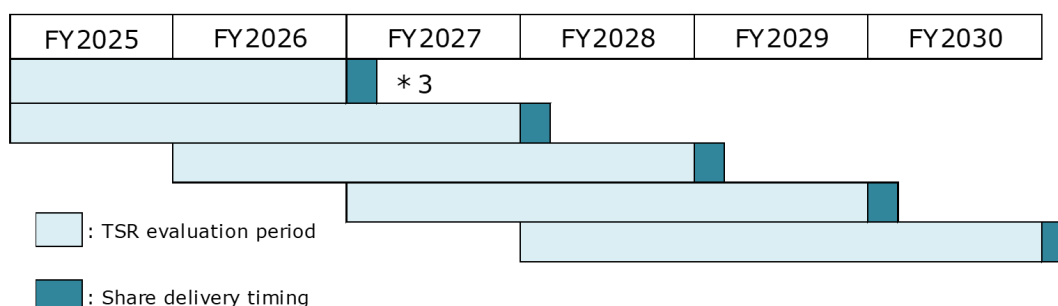
### Mechanism of TSR-linked stock bonus

With the aim of strengthening shareholder value, the Company will introduce TSR-linked stock bonus. The benchmark will be TOPIX growth including dividends. The evaluation period will be the latest three fiscal years. Shares will be delivered annually in order to enhance the immediacy of the incentive. Details are as follows:

Item	Details
Method	Overlap type
TSR evaluation period	Latest three fiscal years (latest two fiscal years for the inaugural delivery only)
Delivery of share timing	Every July

Number of shares delivered	Standard amount by position × payout rate								
Benchmark and performance metric	<ul style="list-style-type: none"> <li>Benchmark: TOPIX including dividends</li> <li>Performance metric: Relative TSR (Company TSR ÷ TOPIX growth including dividends)</li> </ul>								
Share price used for TSR evaluation	<ul style="list-style-type: none"> <li>At the start of the evaluation period: average closing price during the final three months of the fiscal year preceding the start of evaluation</li> <li>At the end of the evaluation period: average closing price during the final three months of the fiscal year in which the evaluation ends</li> </ul>								
Weight of TSR-linked portion	<ul style="list-style-type: none"> <li>Ratio within overall compensation: 12%</li> <li>Ratio within stock compensation: 40%</li> </ul>								
Payout rate calculation	<table border="1"> <thead> <tr> <th>Relative TSR</th> <th>Payout rate</th> </tr> </thead> <tbody> <tr> <td>Less than 50%</td> <td>0%</td> </tr> <tr> <td>50% or more and less than 200%</td> <td>Payout rate = Relative TSR</td> </tr> <tr> <td>200% or more</td> <td>200%</td> </tr> </tbody> </table>	Relative TSR	Payout rate	Less than 50%	0%	50% or more and less than 200%	Payout rate = Relative TSR	200% or more	200%
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#### Method, TSR evaluation period, and share delivery timing



\*3: As a transitional measure for the introduction of TSR, only for the inaugural delivery, the two fiscal years 2025 and 2026 will be used as the evaluation period.

Note: Performance-linked stock bonus and TSR-linked stock bonus will continue to adopt a structure called the Board Incentive Plan trust (hereinafter referred to as the "BIP Trust"). Through the BIP Trust, the Company will execute the delivery or payment of the Company shares and cash in the amount equivalent to the conversion value of the Company shares to Executive Officers.

Under the new compensation design resulting from this revision, Konica Minolta will enhance incentives for Executive Officers to increase corporate value over the long term, thereby contributing to the improvement of shareholder value.

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