

**Notice Regarding Revision of the Forecasts,
Revision of the Dividend Forecasts,
and Recording of Impairment Losses for
the Consolidated Financial Results
for the Fiscal Year ended March 31, 2023**

May 10, 2023

President & CEO, Representative Executive Officer

Toshimitsu Taiko

Background of Recording Impairment Losses

- Have focused on efforts to improve the profitability of strategic new businesses under the new management team.
- Set milestones of profits as of the end of the current fiscal year.
- Examined its investments, particularly past acquisitions. (technological assets; goodwill and intangible assets; property, plant and equipment; resource allocation; etc.)
- Performed impairment testing in accordance with International Financial Reporting Standards (IFRS). As a result, we expect to record impairment losses in the fourth quarter of fiscal 2022.

Policy for the Future

- Breaking away from the past, reviewing the positioning of strategic new businesses, and working on selection and concentration of businesses.
- Improving the balance sheet and cash generating capability as urgent tasks.
- As President, making every effort to get Konica Minolta back on a growth trajectory by maximumly applying reflection and learnings from the past to the management.

Revisions of the Earnings Forecast

- Revenue and operating profit excluding impairment losses exceeded the previous forecast.
- Earnings forecasts for operating profit and profit attributable to owners of the Company were revised on the grounds that impairment losses of goodwill and intangible assets, etc. are expected to be recognized and recorded in the precision medicine field and other areas.
- Due to the revision of the forecast for the consolidated financial results, it is expected that the Company will infringe on one of the clauses of financial covenants stipulated in syndicated loan agreements and other agreements executed between the Company and multiple financial institutions. However, 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 infringement.

[¥ billions]

	FY2022 Forecast (Current)	FY2022 Forecast (excl. impairment loss)	FY2022 Forecast (Previous)	FY2021 Result	Change rate
Revenue	1,130.0	1,130.0	1,120.0	911.4	+ 24%
Operating Profit	-95.0	21.0	15.0	-22.3	-
Profit attributable to owners of the Company	-105.0	10.0	5.5	-26.1	
FOREX [Yen]					
USD	135.5		135.0	112.4	
EUR	141.0		140.0	130.6	
RMB	19.8		20.5	17.5	

Impairment losses of assets of ¥116.6 billion including goodwill are expected to be recorded due to deviation from the initial plan in the following cash-generating unit groups.

- | | |
|-------------------------------|-------------------|
| ● Precision medicine field | 103.6 billion yen |
| ● MOBOTIX related | 8.1 billion yen |
| MOBOTIX (non-consolidated) | 3.7 billion yen |
| Imaging-IoT solutions synergy | 3.2 billion yen |
| QOL solutions synergy | 1.2 billion yen |
| ● Others | 5 billion yen |

Dividend Policy

The Company's basic policy regarding the determination of dividends of surplus, etc., is to endeavor to enhance shareholder returns, with dividends as the foundation, while comprehensively taking into consideration consolidated results, investment in growth areas, cash flows, and other factors.

Dividend Forecast for the Year Ended March 31, 2023

As a result of the comprehensive consideration of the forementioned forecasts and business environment, with great regret, the Company announces that as for the year-end dividend forecast, no dividend will be paid for the fiscal year ended March 31, 2023, and that the annual dividend forecast is 10 yen per share (10 yen per share for interim, none for year-end).

	Interim	Year end	Total
Previous forecast	10 yen	10 yen	20 yen
Revised forecast	10 yen	0 yen	10 yen

The following executives will voluntarily return part of their remuneration, considering the fact that the forecast of financial results was significantly revised downward and that the Company is not providing the year-end dividend.

Amount of returned remuneration and term

- President & CEO, Representative Executive Officer: 30% of fixed monthly remuneration, 12 months from April 2023
- Executive Chairman and Executive Officer : 30% of fixed monthly remuneration, 3 months from April 2023
- Senior Executive Vice Presidents and Executive Officers, and Executive Vice Presidents and Executive Officers*: 10% of fixed monthly remuneration, 3 months from April 2023

*as of April 1, 2023

Precision Medicine Field

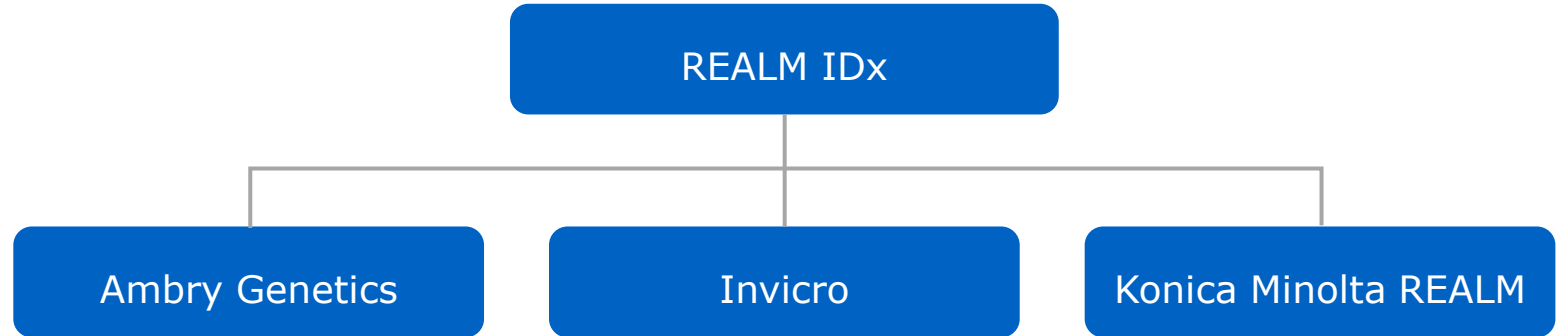


KONICA MINOLTA

150

YEARS

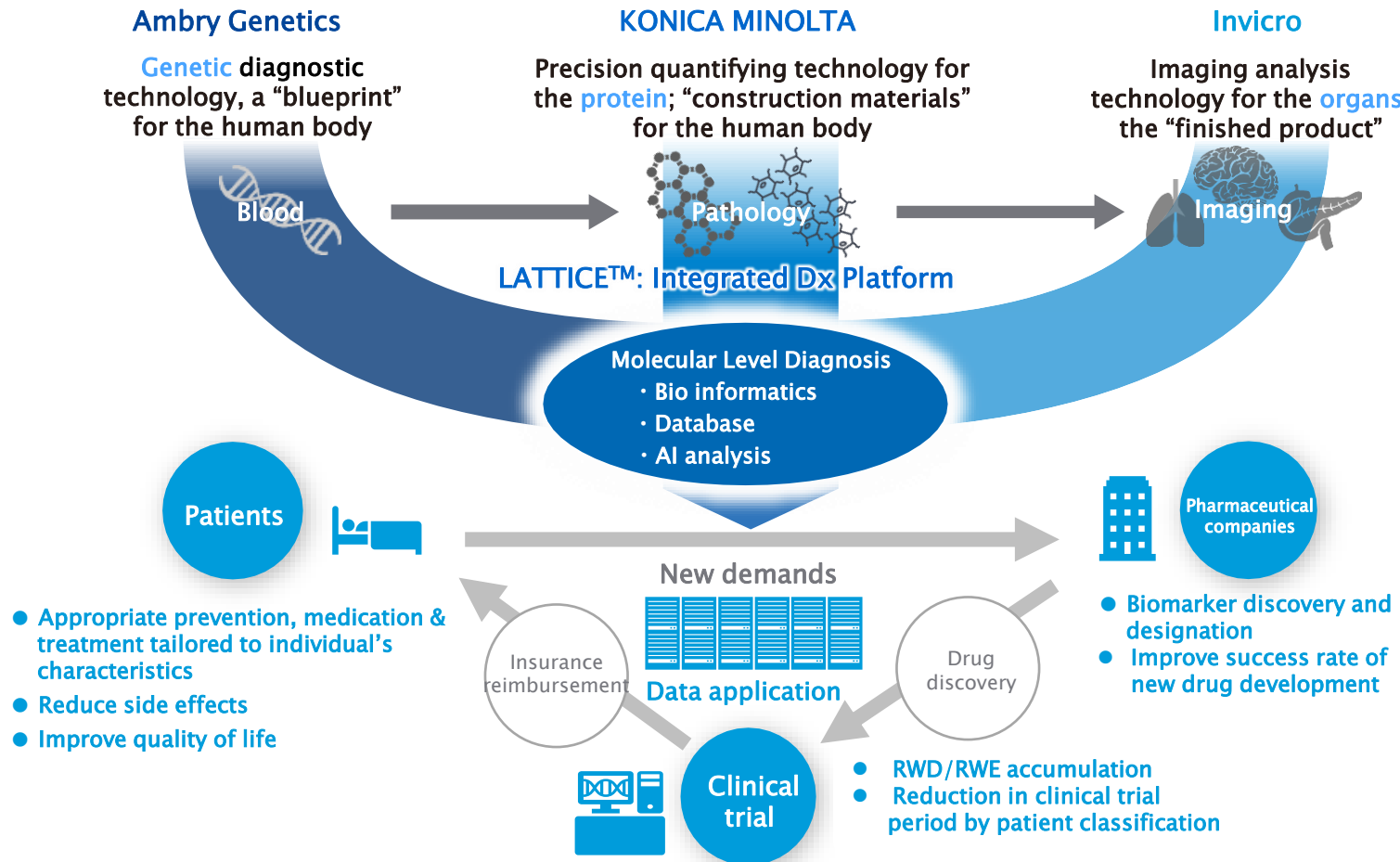
- The business contributes to supporting healthy, high-quality living, one of our material issues.
- Recently, the business growth has fallen below the initial forecast due to changes in the competitive environment in the U.S. genetic testing market, the impact of COVID-19 expansion, and the cancellation or delay of clinical trials. In the fiscal year, we changed our focus to profitability and implemented structural reform, resulting in profitability at Ambry Genetics and Invicro in the fourth quarter.
- In spite of having begun preparations for listing on the U.S. stock market, in response to environmental changes in the securities market caused by rising interest rates and other factors, we have been weighing the right time for the IPO.
- We developed a GenMineTOP cancer genome profiling system in Japan, in collaboration with the University of Tokyo and the National Cancer Center Research Institute, and obtained manufacturing and marketing approval for it.
- We have reviewed the business plan in light of changes in the competitive environment, the impact of COVID-19 expansion in the U.S., and delays in proceeding with corporate strategies, such as alliance with 3rd party. In addition, an increase in the discount rate following the recent rise in interest rates resulted in a significant decrease in the recoverable amount. As a result, we expect to record 103.6 billion yen of an impairment loss on goodwill and other assets in the fourth quarter of the current fiscal year.



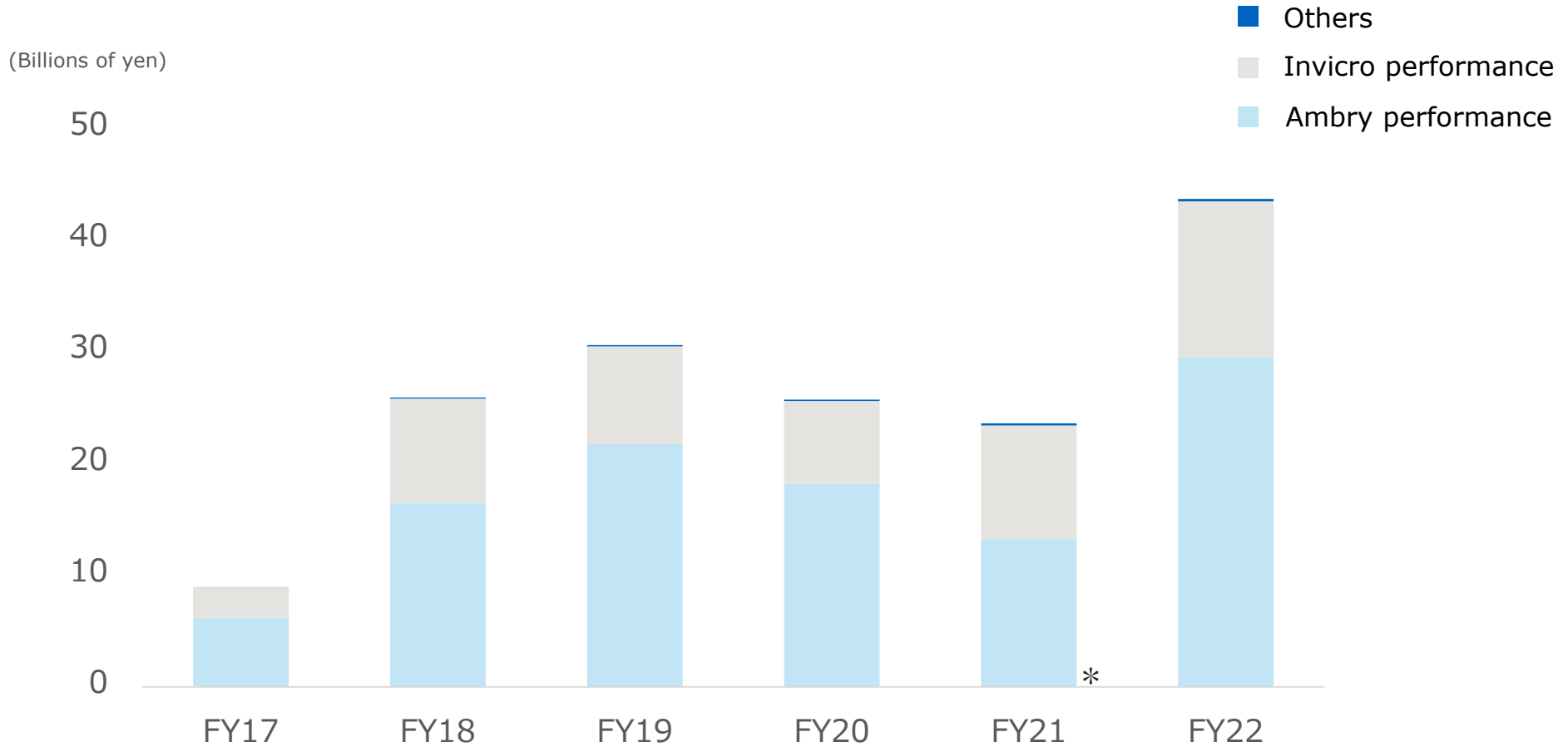
	Ambry Genetics	Invicro	Konica Minolta REALM
Business lineup	Genetic testing	Imaging CRO	Cancer genome profiling test
Acquisition timing	October 2017	November 2017	(Established in July 2018)
Strengths	High-precision testing by RNA testing	Efficacy detection technology in the central nerve area	Detecting variations of cancer-related DNA and RNA
Bases	California, USA	Massachusetts, USA	Tokyo, Japan
Revenue (FY2022)	Approx. 30 billion yen	Approx. 14 billion yen	Approx. 200 million yen

Purpose of Acquisition in the Precision Medicine Field

- Full-scale entry into the Precision Medicine field.
- Value provision combining imaging technology, genetic analysis technology, and protein analysis technology (HSTT/Quanticell) .
- Building a highly profitable business in the healthcare field, targeting patients and pharmaceutical companies.



Revenue in Precision Medicine



*At the end of 4th quarter of FY21, Ambry Genetics booked decrease of revenue as a result of revision in the estimated amounts of accounts receivable.

COVID-19 impact
Genetic testing growth delayed due to shortage of healthcare professionals and delay in the CARE Program deployment

Delay in alliances with 3rd party

Ambry Genetics	Accomplishments in the genetic testing domain ✓ Expanded presence in the RNA testing area ✓ Deployment of CARE Program Contribution to pharmaceutical R&D in the genetic testing domain
Invicro	Contribution to the launch of Alzheimer's disease drugs by a large number of excellent medical engineering experts
Konica Minolta REALM	Development in a GenMineTOP cancer genome profiling system in collaboration with the University of Tokyo and the National Cancer Center Research Institute., and obtention of Japanese regulatory approval for manufacturing and marketing

- We value the business with the high market growth rates, contributing to the development of medical care.
- It is necessary to continually secure capital resources for growth investments while pursuing a highly profitable business model.
- REALM Idx has substantial social value and the potential for long-term growth. Meanwhile, we will proceed with the examination of strategic options, including the transfer of business to a third party as well as listing on the U.S. stock market.

- Announcement of financial results briefing session for the year ended March 31, 2023 and the medium-term business plan toward 2025
 - Date and time: Monday, May 15, 2023, 16:00-17:30 (JST)
 - Form: Online



KONICA MINOLTA

150

YEARS

Cautionary Statement:

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

Remarks:

Yen amounts are rounded to the nearest 100 million.