



KONICA MINOLTA

News Release

Konica Minolta Announces the Group's Medium- to Long-term Management Strategy

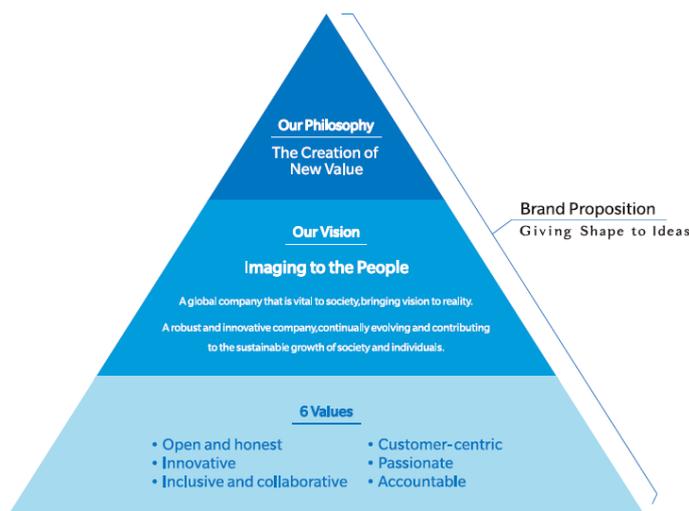
Sustainable Growth through Business Portfolio Transformation and Transition to High-value-added Businesses through DX

Tokyo (November 26, 2020) – Konica Minolta, Inc. (Konica Minolta) today announced its reorganized management vision and medium- to long-term management strategies.

Reorganization of Management Vision from Long-term Perspective

Konica Minolta will work on enhancing motivation and satisfaction through work and corporate vitalization, achieving healthy and high quality of life, ensuring social security and safety, effectively utilizing limited resources, thereby addressing future social challenges in 2030 and beyond. The company will enhance corporate value by enhancing the competitiveness of intangible assets and its businesses through Digital Transformation (DX) and by continuously delivering value to customers and society. Through this Konica Minolta way of value-creating process, the company aims to achieve a balance between "people-centric pursuit of motivation and satisfaction in life" and "realization of a sustainable society" at the highest level.

In addition, Konica Minolta has reorganized its management vision based on a long-term perspective. Since its founding, the company has focused on imaging, which changes with the times, and has formulated a new vision statement, "Imaging to the People," based on the DNA that has responded to various needs and requirements of the people.



Under Medium-term Business Strategy "DX2022," which was newly formulated for the three-year period from fiscal 2020 to fiscal 2022, Konica Minolta will transform into highly profitable businesses through DX transform and change itself into a truly social issue-solving company in order to realize the reorganized vision.

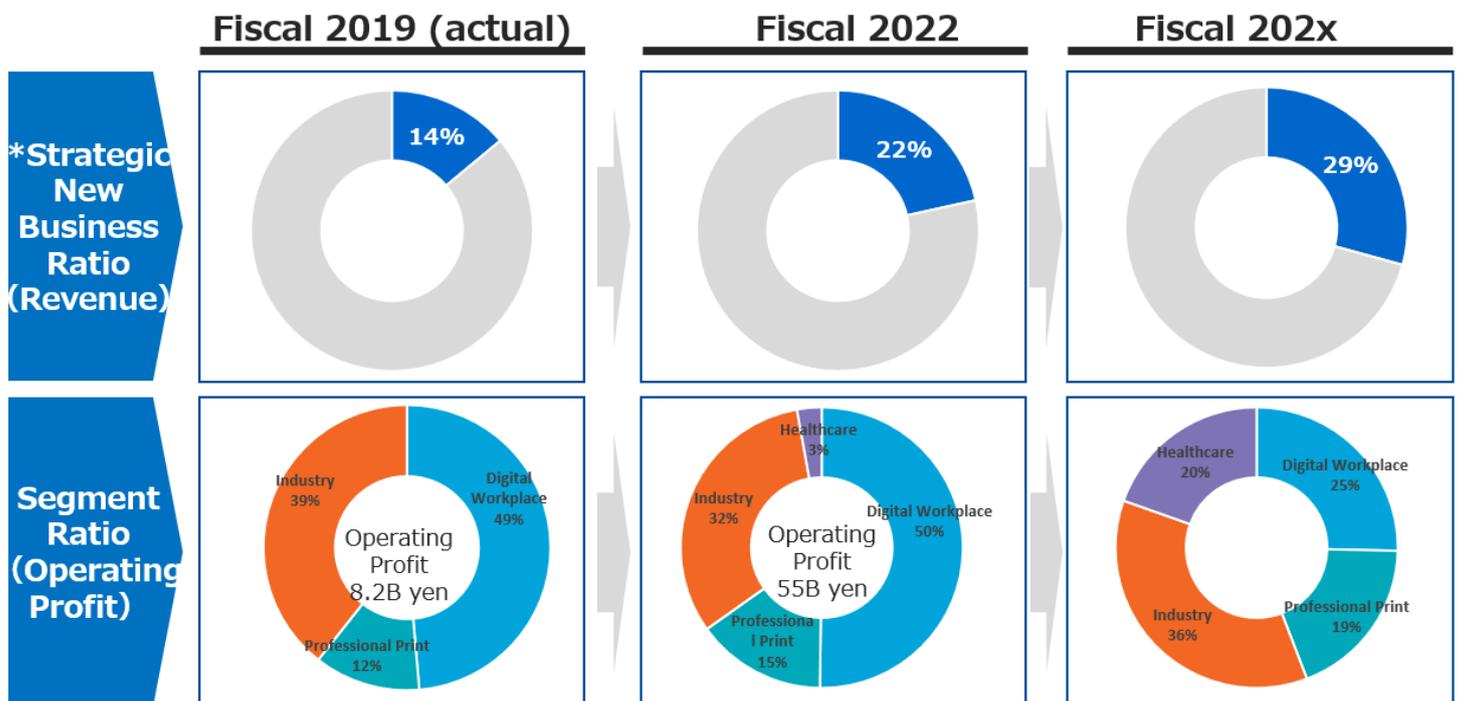
Formulation of growth strategy based on business portfolio transformation

■ Building up businesses to become pillars following Office Business

Konica Minolta will transform Office Business into a highly profitable business (digital workplace business) with a profit structure that continues to generate profits despite the increasingly challenging business environment due to the progress of the paperless business environment, and by using its customer base to provide digital solutions for different industries and sectors. In addition, Professional Print Business, Healthcare Business and Industries Business will together evolve, through proprietary imaging technologies, to establish a business foundation in the measurement, inspection, and diagnosis fields. By building this core business, Konica Minolta will reduce its dependency on office printing business to 25% or less in terms of operating profit over the medium- to long-term while expanding operating profit of the entire company.

■ Evolution of business model through DX

Based on the edge-cloud-based Imaging IoT Platform, focused on the fields of human behavior, testing, and advanced medical care, Konica Minolta will build an ecosystem that connects diverse customers and partners and evolve into businesses that continuously support customer workflows. The company positions the businesses that drive business model evolution (Precision Medicine, Imaging IoT Solutions, Workplace Hub (Workplace Hub)/IT Services, and Industrial Printing) as "Strategic New Business" on its portfolio. Konica Minolta will achieve rapid sales growth by continuously investing and allocating resources into Strategic New businesses. As a result, the company will increase the sales ratio of Strategic New Business to around 30% in the medium- and long-term, and will proceed with a company-wide conversion to high-profit businesses.



*Strategic New Business: Precision Medicine, Imaging IoT Solutions, Workplace Hub/IT Services and Industrial Printing

Continuous enhancement of intangible assets

As the foundation for sustainably improving corporate value, Konica Minolta will place importance on intangible assets (points of contact with customers, technologies, and human resources) and continuously strengthen them.

■ Increasing customer access

To realize the DX of its 2 million customers, Konica Minolta will build a framework for continuously providing value and enhance its relationships with customers. The company also realize continuous enhancements by visualizing and feedback on its customers' DX experience levels, its ability to deliver DX experiences to customers, and customer relationships through its proprietary DX promotion indicators.

■ Technological enhancement

Based on the four Core Technologies (Materials, Optics, Imaging, and Nano-fabrication), Konica Minolta builds the Imaging IoT Platform that creates high-quality, high-precision, real-time value that other companies cannot realize. The company will also realize sustainable improvement in the corporate value and competitive advantages by focusing research and development expense on technologies that support the growth of the core businesses.

■ Strengthening Human Resources

Konica Minolta will accelerate the development and acquisition of human resources to drive DX, and enhance its programs to this end. In particular, the company will double the number of Imaging IoT human resources, which support its competitive advantage and business model evolution, from the current 500 to 1000 in the medium term.

Correction: December 10, 2020

When the news release was first published, the last sentence in “Building up businesses to become pillars following Office Business” read: By building this core business, Konica Minolta will reduce its dependency on Office Business to 25% or less over the medium- to long-term while expanding operating profit of the entire company. For the purpose of clarification in the translation, the sentence is updated.

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