

News Release

Konica Minolta Selected Under the DX Stock 2020 Program Konica Minolta Highly Evaluated for Its New Business Model and Proprietary Imaging IoT Technologies

Tokyo (August 25, 2020) - Konica Minolta, Inc. (Konica Minolta) today announced that it has been selected under the Digital Transformation Stock Selection (DX Stock) 2020 program which selects companies that make strategic use of IT.

The Ministry of Economy, Trade and Industry (METI) jointly organized the Competitive IT Strategy Company Stock Selection program five times with the Tokyo Stock Exchange (TSE) to publicize companies that are attractive for investors who prioritize improving corporate value over the medium to long term.

Due to the growing global trend of digital transformation (DX), the program was renamed DX Stock 2020 this year to focus on DX. Thirty-five companies, including Konica Minolta, have been selected from companies listed on the TSE.



Konica Minolta has been highly evaluated for the future potential of its new business model, including DX support services for small and medium-sized enterprises (SMEs) under its Intelligent Connected Workplace initiative and efforts to reform nursing care services using proprietary imaging IoT technologies.

Konica Minolta proposes a workplace free from restrictions in terms of time and place by connecting people, places, and devices, and helps customers improve their productivity and creativity. The company will evolve into a "digital company with insight into implicit challenges," which identifies issues by analyzing customers' data and solves their issues as their partner.

DX Stock

METI organized the Competitive IT Strategy Company Stock Selection program jointly with the TSE five times as part of the initiative to promote strategic IT investments for improving corporate value and enhancing competitiveness over the medium to long term.

Recently, there has been a global trend of DX to drastically change business models by using digital technologies and thereby boost growth and competitiveness. This year, METI conducted a questionnaire survey on companies listed in Japan (First Section, Second Section, Mothers, and JASDAQ) focusing on DX (DX Stocks). It then selected companies and publicized the results.

Why Konica Minolta Was Selected

Konica Minolta was highly evaluated for its business model of offering services that help overcome the shortage of workers at SMEs, which are Konica Minolta's main customers. Specifically, the company offers DX support services, including assessment of the workplace maturity level, DX consulting, provision of IT infrastructure and applications, security measures, and maintenance services, to SMEs under its Intelligent Connected Workplace initiative.

Konica Minolta was also highly evaluated for its efforts to reform nursing care services through systematization and digitalization using proprietary imaging IoT technologies developed exclusively for nursing care services.

Konica Minolta is considered promising in view of its profitability, future potential, and impact thanks to the major shift of its business model from a manufacturer of multi-functional peripherals (MFPs) to a DX supplier and initiatives to take advantage of its proprietary imaging IoT technologies.



Konica Minolta's DX Management

Konica Minolta creates value for customers by helping them make judgments and take action by sensing and inputting various things including those that are invisible to the human eye, converting them into digital data and then annotating such data, turning it into usable information (visualization of the invisible and what customers wish to see), and conducting various analyses based on the four core technologies of materials, optics, nano-fabrication, and imaging.

Konica Minolta will help improve the business of customers as well as the lives of end users and consumers by using its proprietary imaging IoT technologies and will continuously improve its corporate value by concurrently offering new values to human society (social value) and achieving business growth (economic value).

Konica Minolta believes that the manufacturing industry must evolve by integrating digital solutions into actual operations. As corporate operations have become increasingly globalized, the company has been accelerating coordinated initiatives across regions through information sharing and cooperation by connecting data between distant sites using ICT- and IoT-based digital solutions, in order to offer products and services of the same quality around the world.

Main DX Initiatives

Commercialization of the Intelligent Connected Workplace to Help Customers Achieve DX

Konica Minolta offers new services while operating existing businesses to support various customers, including SMEs, in DX to improve and increase operational efficiency.

Specifically, the company assesses the DX maturity level of customers' workplace and offers a comprehensive package of workplace DX services, such as DX consulting, IT infrastructure, application, security measures/maintenance services, and BPO* services including data analysis, depending on their maturity level.

To help customers succeed, Konica Minolta offers a digital workplace that interconnects the necessary internal and external people and knowledge at any time and anywhere, thereby improving productivity per person. The company visualizes data, including customers' internal data and external data, and optimizes their workplace based on such data.

* BPO stands for Business Process Outsourcing, in which companies commission part of their business processes other than the core business to external specialized contractors.

Offering services depending on the maturity level of customers' workplace and supporting value creation



Workflow Reform at Nursing Care Facilities by Integrating Imaging IoT into the Operation in Japan

The operation of nursing care facilities depends on individual know-how. Konica Minolta aims to carry out reform and achieve scientific operation based on data using imaging IoT. The company has established services to help staff members become familiar with the operation, in addition to offering IoT systems.

Konica Minolta works closely with nursing care facilities, which are its customers, by offering education-based services, including identification of issues by conducting a preliminary analysis of the operation, proposal of a new job category of care director, who serves as an operational leader based on data, and provision of the training process, and ongoing remote support based on data, in order to improve the job satisfaction of nursing care staff and satisfaction of facility users and maximize the lifetime value for customers.

Related link: <u>https://www.konicaminolta.com/jp-ja/care-support/</u> (in Japanese)



Initiatives Amid Covid-19

Konica Minolta embarked on office digitalization at an early stage. Before a state of emergency was declared in April 2020 in Japan, the company smoothly shifted to remote working. At Konica Minolta Japan, Inc., which is the sales company in Japan, 80% of employees maintained or improved their productivity. Based on this in-house practice, the company offers various services to help customers introduce remote working to cope with the Covid-19 pandemic. It also offers advanced services, including a non-contact real-time body surface temperature measurement system using a thermal camera, which is an imaging IoT device, as well as a highly portable digital radiography system, ultrasound diagnostic equipment, and a pulse oximeter for hospitals.

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