



KONICA MINOLTA

News Release

Konica Minolta Increases Stake in MGI Digital Technology Priority Initiatives in Digital Decoration Printing and Package Printing

Tokyo (October 2, 2020) – Konica Minolta, Inc. (Konica Minolta) today announced an additional investment in France-based MGI Digital Technology (MGI), an industry-leading manufacturer of digital-based high-value-added printing equipment*1. Konica Minolta and MGI formed an equity and business alliance in January 2014.

Background and Aims

1. Aggressive expansion into Industrial Printing business

In the previous Medium Term Business Plan, "SHINKA 2019," Konica Minolta positioned Industrial Printing business as growth business. During the Covid-19 pandemic, demand has temporarily stagnated in some areas of the industrial printing sector. Over the medium to long term, however, the company believes that demand for industrial printing will shift more to on-demand than ever before, and that the shift from analog to digital printing will increasingly accelerate in order to respond to this change in demand. Furthermore, the technologies cultivated in this area are expected to expand the scope of application from simple printing to goods to functional printing. Based on that, from a medium-to long-term perspective, Konica Minolta will continue to aggressively develop its business in the industrial printing domain.

2. Further deepening of digital decoration printing areas

In recent years, digital marketing has shifted into mass customization by changing contents aligned to target audience and customers. The company believes that this trend will spread to professional and industrial printing sectors, and that as demand increases for digital printing technologies toward personalized printing, the digitization of post-processing will become increasingly important. Particularly, it is essential to expand the lineup of digital embellishment machines that make printed materials more appealing, and it is crucial for Konica Minolta to deepen the alliance with MGI, the first company in the world to commercialize digital embellishment printing machines, steadily forming the market for digital decoration printing since then.

3. Increased value proposition to packaged printing market and strengthened presence

Konica Minolta is currently marketing the AccurioJet KM-1e, a 29-inch sheet-fed UV inkjet printing machine that can also print on cartons for packaging, in the packaging printing market. The packaging printing market is expected to grow by 15% annually from 2018 to 2028*2, and positioned as a key field for business expansion. At drupa exhibition held in Germany in 2016, MGI made a technological showcase of its ALPHAJET, a system that enables integrated printing, decoration, and post-processing that can also be printed on corrugated products. MGI is about to become



"ALPHAJET" exhibited on drupa2016

the industry's first high-value-added digital printing solution to meet the demands of the packaging printing industry for smaller lots and customization. In order to drive DX (digital transformation) at packaging printing sites, Konica Minolta will strive to provide increase the value and establish a strong position in the market by effectively launching ALPHAJET, taking advantage of the customer contact it has accumulated through its global sales network and capabilities. Furthermore, in the future, Konica Minolta aims to provide the ultimate digital system that can automatically complete all of the pre-process, printing, and post-process to the final product.

4. Aiming for early commercialization of printed electronics and chipless RFID

In addition to color printing and decoration printing, Konica Minolta has been considering the provision of value in the field of functional printing in the future, such as printed electronics and chipless RFID, positioning them as development of businesses that society needs. CERADROP, a subsidiary of MGI, is completing laboratory-level printed electronics, including cooperating in functional printing studies at several well-known universities with advanced material sciences. Through this increase of stakes in MGI, Konica Minolta will accelerate the development of material technologies and production technologies for the early commercialization of functional printing, in addition to the synergies of the results that both companies have accumulated to date.

Overview of additional investment

On September 30, 2020, Konica Minolta acquired an additional stake in MGI, bringing the stake together with the existing stake to 42.3%.

Overview of MGI

Company Name	MGI Digital Technology
Head Office	Fresnes, France
Foundation	1982
Number of employees	204 (Consolidated)
Business	Manufacture and sale of digital printers
Revenue	68.17 million Euros (FY2019)

MGI's digital decoration printing machines use 100% inkjet heads manufactured by Konica Minolta and respond to the need for high-value-added printing that highlights the appeal of products, such as foil stamping and embossing. MGI is also expanding into the field of printed electronics and aggressively expanding into electronic circuit and other industrial printing.



Konica Minolta's Industrial Printing

In 2016, Konica Minolta made a full-scale entry into industrial printing field. By maximizing printing value through digital printing technology, as well as transforming its printing production process improvement and printing supply chain, the company has created markets and expanded the scale and scope of its business. In particular, as the label and packaging market is experiencing an acceleration in high-mix, smaller-lot printing through digitization, Konica Minolta has positioned it as a market of significant importance in which demand will continue to increase going forward.

Label and packaging printing has a great deal of room for digitization in the post-printing processes of varnish coating, laminating, foil stamping, and die cutting. By adding MGI's partial varnishing, foil stamping, and other digital-output devices to its product lineup, Konica Minolta has increased its presence in the industrial printing market.

Over the past four years, Konica Minolta's industrial printing business has approximately doubled in size.

Konica Minolta will continue to invest in areas where future growth is anticipated and where it can build a competitive advantage even in new or "new-normal" business environment through and post-Covid-19 pandemics, thereby realizing business growth.

*1: In this context, it means equipment that performs decorative processing, such as spot thick varnish and foil stamping, as post-process of ordinary printing

*2: Forecasts by Konica Minolta based on research firm data

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