Konica Minolta
Corporate Profile

Giving Shape to Ideas
About Konica Minolta
## Company Overview

<table>
<thead>
<tr>
<th>Head office location</th>
<th>JP TOWER, 2–7–2 Marunouchi, Chiyoda-ku, Tokyo 100–7015, Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>President and CEO: Shoei Yamana</td>
</tr>
<tr>
<td>Establishment</td>
<td>December 22, 1936</td>
</tr>
<tr>
<td>Capital</td>
<td>37,519 million yen (As of March 31, 2018)</td>
</tr>
<tr>
<td>Fiscal year end</td>
<td>March 31</td>
</tr>
<tr>
<td>Number of employees</td>
<td>Non-consolidated: 5,282 (As of March 31, 2018)</td>
</tr>
<tr>
<td></td>
<td>Consolidated: 43,299 (As of March 31, 2018)</td>
</tr>
</tbody>
</table>

Shoei Yamana
President and CEO
History

August 2003
Integration
Konica: founded in 1873 on photographic and lithographic materials
Minolta: founded in 1928 on camera business

April 2013
The group management system is reorganized
Absorbed the seven operating companies and became Konica Minolta, Inc.

August 2006
Business exiting
Konica Minolta withdrew from their respective founding business, photo and camera

FY17
The new Medium Term Business Plan
SHINKA 2019
To become a digital company with insight into implicit challenges

Previous medium term business plan
Transform 2016 (FY14 to FY16)

Total Revenue ¥1,031.3 Billion

- 57% Office
- 21% Professional Print
- 9% Healthcare
- 10% Industry

FY17
"Transform 2016"
(FY14 to FY16)
**Business Performance Overview**

**Consolidated Revenue**

- (Billions of yen)
  - 2013: 935.2
  - 2014: 1,002.7
  - 2015: 1,031.7
  - 2016: 962.5
  - 2017 (FY): 1,031.3

**Consolidated operating profit / Operating profit ratio**

- (Billions of yen)
  - 2013: 39.8
  - 2014: 4.3
  - 2015: 6.6
  - 2016: 5.8
  - 2017 (FY): 5.2

**Profit attributable to owners of the company / ROE**

- (Billions of yen)
  - 2013: 28.3
  - 2014: 40.9
  - 2015: 31.9
  - 2016: 31.5
  - 2017 (FY): 32.2

**Composition of Revenue by Region**

- **Asia (excluding Japan) and other regions**
  - ¥238.5 billion
  - 23%

- **Japan**
  - ¥196.3 billion
  - 19%

- **Europe**
  - ¥324.7 billion
  - 32%

- **North America**
  - ¥271.5 billion
  - 26%

* Data is compiled on a consolidated basis (as of March 31, 2018)
The Creation of New Value

Through innovation which only Konica Minolta can provide, we create value and share it with society for the betterment of people's lives today and for the generations to come.

Our Philosophy

The Creation of New Value

Our Vision

- A global company that is vital to society
- An innovative company that is robust and constantly evolving

6 Values

- Open and honest
- Customer-centric
- Innovative
- Passionate
- Inclusive and collaborative
- Accountable

Brand Proposition

Giving Shape to Ideas
Konica Minolta’s strengths

Core Technology

- Functional organic material synthesis
- Functional organic material design
- Functional fine grain formation
- Film formation and coating
- Image processing
- Imaging mechanical processing
- Feeding
- Precision processing

Field of materials

Field of imaging

Fusion of Technology

Field of optics

Field of Nano-fabrication

Optical design
Optical measurement

Precision molding
Surface processing

Assets

Customer base
2 million companies

Sales service system
150 countries

Direct sales and support system

Global expansion capacity
Diverse business portfolio in five segments utilizing core technology

**Office Services**
Providing solutions that help customers improve workflow

**Commercial and Industrial Printing**
Delivering optimized solutions meeting the needs of digital printing

**Healthcare**
Supporting the digitization of healthcare and improving diagnostic services

**Optical Systems for Industrial Use**
Bringing innovations to manufacturing using optical technology

**Performance Materials**
Supplying new functional materials for industry that combine various technologies
<table>
<thead>
<tr>
<th>Global Network</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated Subsidiaries</strong></td>
<td><strong>164</strong></td>
</tr>
<tr>
<td><strong>In Sales and Service (countries)</strong></td>
<td><strong>Over 150</strong></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td><strong>43,299</strong></td>
</tr>
<tr>
<td><strong>Customer Base</strong></td>
<td><strong>Over 2 Million companies</strong></td>
</tr>
</tbody>
</table>

(As of the end of March 2018)
Network in Japan

Kobe second site
Kobe site
Seishin site
Sakai site
Itami site
Takatsuki site
Kansai Office
Mikawa site
Mizuho site
Kofu site
Osaka Sayama site
Toyokawa site
Tokyo site Hino
Head Office
Hamamatsu-cho building
Tokyo site Hachioji

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Konica Minolta’s Vision
Vision: A digital company with insight into implicit challenges

Be the first to predict potential issues for customers and contribute to the evolution of their business and society by finding solutions together

The entire company works together to support the transformation of client companies by sector and industry

- Predict potential issues for client companies and create solutions together

A company that continues to create new value to SHINKA (evolve) business and human societies
Business model: Edge IoT platform

Support workflow innovations on the edge of business by using image processing technology and digital technology.

Cloud

<Deep Learning>

Input

Recognition

Analysis

Prediction

Output

Data digitization

- People’s movements
- Objects’ movements
- People’s vital signs
- Environmental change, etc.

Input devices
( cameras, sensors, diagnostic imaging systems, etc.)

Customer value proposition

- Productivity improvement
- Automation
- Prediction and forecasting
- Creativity improvement
- Decision making support
- Optimization
- Decision making support

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Solutions by Sector and Industry

Konica Minolta–Style Edge IoT Platform Offering Solutions for Problems Our Customers Confront

Office Services
- Work style reform
- Promote collaboration
- Speed up decision making, etc.

Manufacturing industry
- Improve product quality
- Improve production efficiency
- Work style reform, etc.

Healthcare business
- Improve medical services
- Improve accuracy of diagnoses
- Streamline hospital administration, etc.

Security
- Safety and security of society
- Safety and security of workers
- Safety and security of drivers, etc.

Nursing care
- Improve quality of nursing care
- Reduce burden on nursing care staff
- Provide peace of mind to people receiving nursing care

Retail sales and distribution
- Improve quality of sales promotion tools
- Improve ROI in marketing activities, etc.
Example 1: Solutions for offices

One-stop provision of IT services

We will help build secure IT networks for offices and reduce the administrative workload of IT managers by collectively managing IT assets such as devices and applications, etc.

Work style reform

We will visualize workflow issues in the office by digitizing documents as well as data on the movements of people and objects to propose efficient, highly productive work styles.

Examples of the use of Workplace Hub

- Email
- People’s movement
- Business documents

- Home:
  - Balance work and child care
- Offices:
  - More efficient operations
  - Quicker decision making
  - Reduced labor for form entry operations
- Overseas partners:
  - Promote collaboration
- Cloud:
  - Storage of important data
- Business travel destinations:
  - Reduce transportation time and cost

value proposition
Example 2: Solutions for the manufacturing industry

**Value proposition**

**Improve product quality**
We will manage quality in a highly accurate fashion by automating inspection processes and tie-ups with data, which helps improve the quality of manufactured goods.

**Increase productivity**
We will help customers increase productivity by using combinations of 3-D LiDAR, cameras and sensors to monitor the production floor and optimizing manufacturing processes using real time analysis.

- **Automated visual surface inspection**
  Automation of the automobile visual surface inspection process, such as for scratch detection

- **Collaboration with robots**
  Instructions for picking on wearable device

**Input**
- Inspection data
- Process data
- Operational data
- Forms and drawings

**Output**
- Inspection data
- Process data
- Operational data
- Forms and drawings

**workplacehub**
Visualization of the operational status of equipment and workers
Data on inspections and related IoT data analysis

**Process**

**Value proposition**

**Giving Shape to Ideas**

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Example 3: Security solutions

We will visualize the difficult to see or invisible by utilizing optical and image processing technology and contribute to the safety and security of society by using this solution for security operations and driving assistance.

Ensure the safety and security of society

Make facility maintenance more efficient

Our progressive image processing technologies can provide information for quickly detecting abnormalities and streamlining maintenance work.

Monitoring solutions

Sensor fusion
- 3-D LiDAR
- Infrared
- Visual image

Value proposition

Monitoring of people and objects

Behavior analysis and object identification

Prevent accidents and injuries before they happen

Check abnormalities using video footage

Notification of video

WARNING!

Process

Input

Output
Example 4: Solutions for healthcare

- **Improve diagnostics value**
  We will visualize objects that were difficult to see before using new technologies such as kinetic analysis and higher performance ultrasound and help increase the value of diagnostics.

- **Streamline medical care**
  We will integrate diagnostic imaging such as X-ray and ultrasound and medical document data to reduce the administrative workload and streamline medical care, for the purpose of securing the time for important diagnostics and treatment.

- **Contribution to precision medicine**
  We will use molecular imaging technology for precision medicine that improves patient quality of life and reduces medical spending.
Example 5: Solutions for nursing care

Movement detection / sleep analysis

Reduce burden on nursing care staff
We will reduce the workload of nursing care staff on their rounds by 24-hour monitoring of the condition of patients using sensors.

Improve quality of care
We will make it possible to provide more in-depth care by reducing workload so that the time saved can be reallocated to other work.

Care Support Solutions Framework

- Detects activity in the room
  A hidden sensor box that monitors the entire room night and day without being seen by residents so as not to cause stress

- Detects activity and situational changes
  Sensor box waking up, getting out of bed, falling down, and body motion

- Calls for assistance when necessary

- Nursing care provider can monitor the situation with a smartphone

Value proposition

Input
- Sensor box
- Vital equipment

Process
Output

Giving Shape to Ideas
Example 6: Solutions for retail sales and distribution (digital marketing)

### Data accumulation and analysis

- **Process**
  - Inputs: Stores, Web
  - Outputs: Value proposition

- **Value proposition**
  - Stores: Purchase records, Action information (camera)
  - Web: Access log, SNS history
  - Related big data

### Streamline sales activities

We will accumulate and analyze data and create approaches tailored to each customer to promote purchases and enable efficient sales activities.

### Optimization of sales promotion tool production

We will help customers increase sales by producing high value added promotional materials that appeal to target consumers in the right combination and at the right cost.

#### Digital marketing service

<table>
<thead>
<tr>
<th>Consumer purchasing behavior</th>
<th>Take an interest</th>
<th>Compare, consider, then look at in-store</th>
<th>Purchase</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness: products are learned about through SNS and the Web</td>
<td>Campaign planning and execution</td>
<td>Data accumulation/analysis</td>
<td>Personalization</td>
<td>Delivery</td>
</tr>
</tbody>
</table>

- Input: Basic customer information, Company website, Advertisement viewing data, Social media, Purchasing Information
- Output: DM/Catalogs/Other printed materials, E-mail, Website, SNS
Foundation underpinning business activities (CSR activities/Governance)
Key themes of CSR initiatives

Create social value and improve corporate value at the same time

- Long-term vision aiming to reduce CO₂ emission by 80%
- Support business partners to achieve “Carbon Minus” by 2050
- Development of businesses that solve social issues from perspective of SDGs (Sustainable Development Goals)
- Deepen debates on strategy at Board of Directors meetings
- Taking a proactive approach to governance
- Executive compensation system linked to the Company’s medium-term performance
Environmental management

Long-term environmental vision to become “Carbon Minus” by 2050
New Eco Vision 2050

1. Reduce CO₂ emissions throughout the product lifecycle by 80% by 2050, compared to fiscal 2005 levels. Also through cooperation with stakeholders, achieve CO₂ emission reductions that are greater than product lifecycle emissions, and realize Carbon Minus status.

2. Promote recycling and effective use of Earth’s limited resources.

3. Work to promote restoration and preservation of biodiversity.

CO₂ Emissions Reduction and Carbon Minus Targets

- **2,067 thousand tons**
- **Medium-Term Environmental Plan 2019**
- **Science Based Targets (SBT)**
- **Eco Vision 2050**

**Business activities**
- Procurement
- Production
- Distribution
- Sales and service
- Product use

**CO₂ emissions reduction by customers, suppliers, and society**

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2016</th>
<th>2019</th>
<th>2030</th>
<th>2050</th>
</tr>
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Environmental management

Promoting 3 green activities to realize Eco Vision

Reduce customers’ environmental impacts by developing and supplying products that clear proprietary environmental standards

Reduce environmental impacts at the production sites of Konica Minolta and its suppliers

Number of own production sites that cleared proprietary green factory standards

100%

Help customers resolve environmental issues by providing Konica Minolta’s environmental know-how

Toward a balance of environmental solutions and company growth

Green Products

Green Factory

Green Marketing

3 green activities

Ratio of green product revenue

64%

Service example

biz-Library environmental management support service
Human resource management

Create a work environment where a diverse pool of human resources can play an active role as the driver behind new value creation

Help customers solve social issues

Develop human resources that can create value

Develop human resources who can be leaders of reform

Work style reform
Balance improvements in employee intellectual productivity and better work–life balance

Promote diversity
Develop the next generation of human resources
Create a workplace where a diverse pool of human resources can engage in friendly competition to display and enhance their individual skills mutually

Health and productivity management

Fostering of corporate culture where health comes first
Mental health care
Health promotion activities
Pursue governance that eliminates dependency on individuals as a company with the three committees structure

Structure of Corporate Governance Systems (As of June 19, 2018)

Key characteristics of structure
- Setting the company with three committees structure to separate supervision and the execution of the management and perform highly effective oversight of business operations
- All of Outside Directors are Independent Directors

Key characteristics of the Board of Directors
- Chairman is not an Executive Officer
- Outside Directors are at least one-third of the Board of Directors
- Directors who are not concurrently Executive Officers are the majority of the Board of Directors

Key characteristics of the three committees
- Chairmen are Outside Directors
- Directors who are concurrently Executive Officers are not allowed to be committee members
# Independent Valuation of Konica Minolta's Management

## Inclusion in socially responsible investment (SRI) index

- Maintained inclusion in the Dow Jones Sustainability World Index
- Maintained inclusion in the FTSE4Good Index
- Inclusion in the MSCI ESG Leaders Indexes 2018

## Recognitions from international CSR rating agencies

- Ranked Gold Class CSR by RobecoSAM, a world-leading research and rating company in the SRI field
- Selected a Climate A List company, the highest rating, by CDP
- Selected for inclusion in the investment universe of Ethibel Pioneer and Ethibel Excellence by Forum Ethibel, an SRI specialist group
Delivering immersive footage for experiencing the beautiful starry sky

Building on reliable technologies and expertise amassed over close to 60 years, Konica Minolta engages in every aspect of planetarium production, from projector development and manufacture to content production and facilities construction and management.

Business Outline

- Produce planetarium shows
- Develop and manufacture projection equipment
- Design and build facilities
- Operate and support facilities

Theaters

- Konica Minolta Planetarium "MANTEN" in Sunshine City
- Konica Minolta Planetarium "TENKU" in TOKYO SKYTREE TOWN®
Position in the market

Establish presence in high value added areas using the “genre top” strategy

**Office Service**
- **Color MFPs**
  - Color MFPs had a large market share, particularly in the U.S. and Europe
  - *Unit basis, Konica Minolta estimate using external CY2016 data*

**Commercial and Industrial Printing**
- **Digital color printers**
  - Digital color printers had a large market share in the world
  - *Unit basis, Konica Minolta estimate using external CY2016 data*

**Healthcare**
- **Cassette–type DRs**
  - Cassette–type DRs had a large market share among medical clinics in Japan
  - *Konica Minolta estimate using CY2017 data*

**Healthcare**
- **Diagnostic ultrasound systems**
  - Diagnostic ultrasound systems had a large market share in orthopedics in Japan
  - *Konica Minolta estimate using CY2017 data*

**Optical Systems for Industrial Use**
- **Display color analyzers**
  - Display color analyzers had a large market share in the world
  - *Konica Minolta estimate using CY2017 data*

**Performance Materials**
- **Thin–film TAC products**
  - Thin–film TAC products had a large market share in the world
  - *Konica Minolta estimate using CY2017 data*