

2. PENDING ISSUES

In recent years, the advance of digital technology has caused upheaval in all kinds of industries, and the speed of these changes is accelerating.

Konica Minolta has special strengths in the field of inputting, processing and outputting digital images, as well as specific know-how in the accumulation, analysis, and use of diverse data types, and it also possesses a valuable asset in the form of its “connections” with some two million corporate customers around the world.

Guided by the Medium Term Business Plan SHINKA 2019 that began in April 2017, we are consolidating these strengths and assets and working actively to resolve our customers’ operational issues, as well as those faced by society as a whole.

In FY2018, the interim year of SHINKA 2019, we will focus in particular on the following two areas.

1. Fundamental strengthening of profitability in core businesses
 - Bringing products to market, based on ideas originating with the customer, that are tightly focused on usability and appealing levels of quality
 - Extracting results from manufacturing innovation, such as by involving suppliers in labor-saving initiatives
 - Reducing service costs through expanded use of predictive maintenance and remote support
 - Enhancing productivity by utilizing digital technology in all kinds of fields
2. Steady business growth in new fields
 - Ramping the Workplace Hub business, which connects to working style reforms
 - Expanding the business in the fields of industrial printing and optics
 - Moving forward with the commercialization of precision medicine, for which we made major acquisitions in FY2017

Further, it is vital for the sustainable growth of companies to resolve the challenges faced by business and human society, and contribute to the evolution of that society by offering insights to customers. We believe that the source of our competitiveness is human capital, and we will continue to discover and nurture diverse human resources from a global perspective, with everyone in the Group striving together as one, and continuing to rise to the challenge of “The Creation of New Value.”

As a result of initiatives such as those described above, by the final year of the Medium Term Business Plan in FY2019, we will ensure that we have paved the way to our management targets of ¥75.0 billion in operating profit, ¥50.0 billion in profit for the period, and ROE of 9.5%.