

Business Strategy

Boosting the earning potential of core businesses while further expanding growth businesses and new businesses

Business Strategy 1

Boosting Business Technologies Business Profitability

● Core ● Growth

Hitoshi Kamezawa

Executive Officer
General Manager,
Sensing Business unit,
Industrial Optical System
Business Headquarters

Utilizing technologies for measuring light and color, Konica Minolta pursues genre-top strategies for the ICT and automotive industries.



Douglas Kreysar

Chief Solutions Officer,
Radiant Vision Systems

Leveraging the assets of the Konica Minolta Group, we will continue to provide high quality, innovative solutions.



Business Strategy 3

Growth Strategies for the Bio-Healthcare Business

● New

Toshimitsu Taiko

Senior Executive Officer
Lead officer responsible for
Business Technologies Business

We will boost the earning potential
of core businesses, with a focus on
developing stronger long-term
relationships with customers.



Roman Tihelka

Managing Director,
Cluster East,
Konica Minolta
Business Solutions Europe GmbH

Ramping up our IT services
for a greater presence
in Eastern Europe.

Business Strategy 2

Growth Strategies for the Measuring Instruments Business

● Core ● Growth

Kiyotaka Fujii

Senior Managing Executive Officer
General Manager,
Healthcare Business Headquarters

We will build a global business
management system and
accelerate business strategies
for the precision medicine field.



Jack Hoppin

CEO, Invicro LLC

As a member of the
Konica Minolta Group,
we aim to become a
globally peerless
pharmaceutical
services company.

Boosting Business Technologies Business Profitability

Konica Minolta is pursuing a strategy focused on growth in both the Office and Professional Print Businesses. The entire Group will focus on expanding earnings by providing added value in sales efforts and reforming the global cost structure.

Interview with the Executive Officer responsible for this business

We will boost the earning potential of this business as a core businesses, with a focus on developing stronger, long-term relationships with customers.

Toshimitsu Taiko

Senior Executive Officer

Lead officer responsible for Business Technologies Business



Steadily generate profits by providing added value in sales efforts and reforming the cost structure

Konica Minolta operates the Office Business which provides solutions through a combination of MFPs and IT services, as well as the Professional Print Business, which focuses on providing digital printing equipment. The Business Technologies Business encompasses these two business segments and accounts for more than 70% of the company's consolidated revenue. Its customer base of roughly two million companies and global sales and service system that it has built up through years of business are major assets that enable Konica Minolta's growth strategies. Amid difficult market conditions owing to intensifying competition and stagnant demand for color printers in developed countries, Konica Minolta is looking to strengthen its sales capabilities and cut costs while boosting profits for the entire Group.

To improve our sales capabilities, we are aiming to strengthen the solutions we offer to help solve our customers' business issues, while at the same time improving sales efficiency. In the U.S. and other countries, we are beginning to undertake efforts to improve the efficiency of our sales activities. We are doing this by analyzing past business negotiations, identifying commonalities in negotiations involving high contract rate and profit ratios, and comparing our figures with potential customer data. Through highly effective approaches to proposing high added-value products and services to customers and through efforts to build greater trust with these customers, we are looking to secure profits for the long-term.

Production costs and service costs are the areas we are particularly focused on in reducing costs. Examples of measures to cut production costs include automating the machining, assembly, and inspection processes and reducing downtime by using data to perform predictive maintenance. We are also cutting service costs through measures that

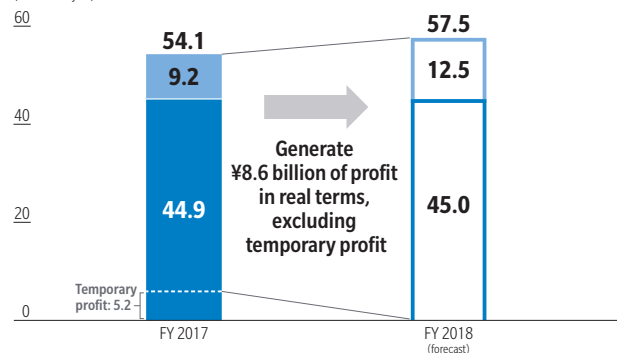
include optimizing the frequency with which our service engineers visit customers by offering longer-life replacement parts for MFPs, and building in sensors that collect data on how these parts are functioning.

Through efforts such as this, the Business Technologies Business is aiming to achieve continued revenue and profit growth in fiscal 2018 through a dual focus on raising the added-value sales and cutting costs.

Business Technologies Business operating profit

■ Office ■ Professional Print

(Billions of yen)



Profit generating measures

Production cost reduction	¥2.5 billion
Service cost reduction	¥2.6 billion
Impact of structural reform	¥3.1 billion



Office Business: Expanding market share in growth markets and conducting hybrid sales

Since the 2003 business merger between Konica and Minolta, we have consistently pursued genre-top strategies in the color MFP segment. This has seen us expand market share in potentially growth markets for color MFPs in primarily emerging nations. In terms of units shipped, we are number one in China and the Central/Eastern Europe region and number two in India (Konica Minolta estimate). This makes us primary driver of market growth in these countries.

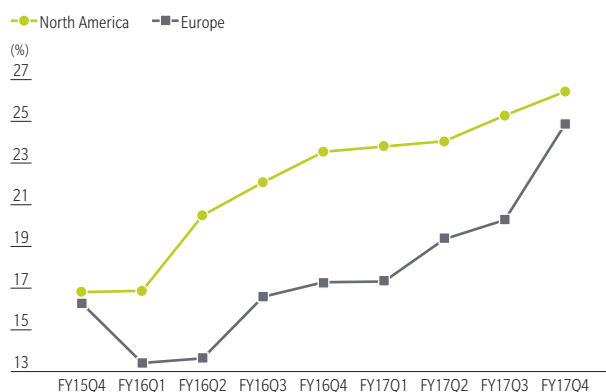
As a strategy for providing high added value in the Office Business, we are conducting hybrid sales that involve proposing solutions that incorporate both MFPs and IT services. We not only provide single products in the form of MFPs, we also provide solutions that help solve our customers' business issues. Whether by improving business processes, comprehensively managing IT environments and content, or strengthening security, we aim to build long-term relationships with customers.

The customers we mainly target for hybrid sales are small and medium-sized enterprises around the world. Since our 2011 acquisition of U.S.-based managed IT service company All Covered, we have conducted M&A for multiple IT service companies primarily in the U.S. and Europe, have worked to expand our system for conducting hybrid sales and providing

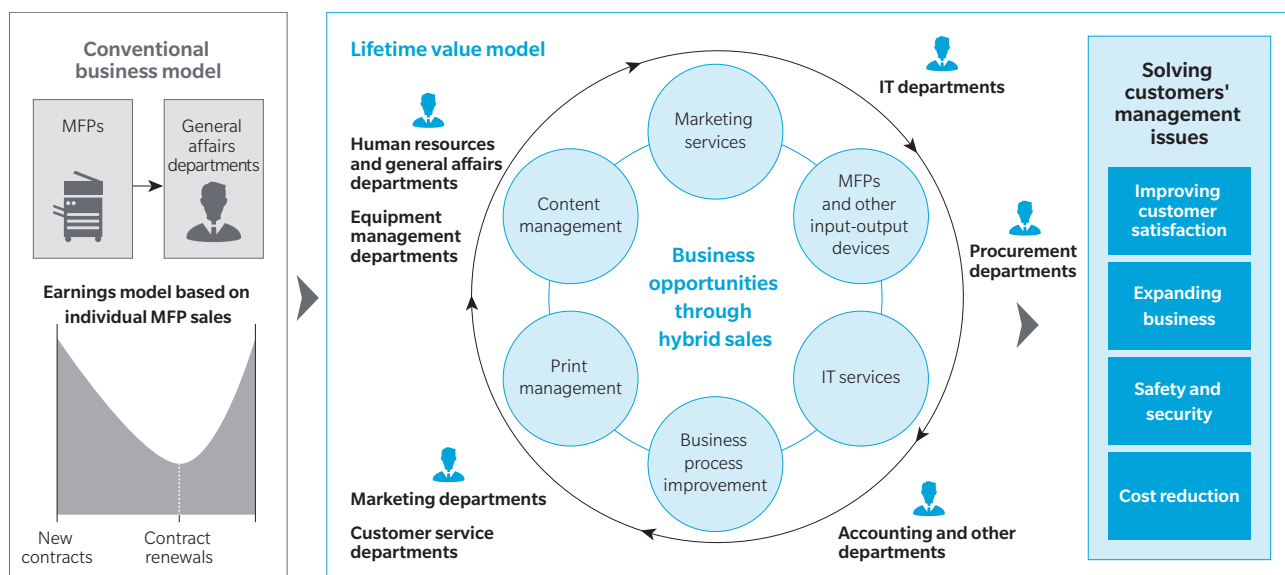
services, and have provided fine-grained support for the issues faced by each of our customers.

As a result of these efforts, hybrid sales are growing as a percentage of total sales around the world while contract renewal rates are rising alongside revenue and profits per customer.

Hybrid sales ratios in the U.S. and Europe markets



Developing stronger relationships with customers through hybrid sales



Business Strategy 1 | Boosting Business Technologies Business Profitability

Achieving further business growth by enhancing value-added solutions in the Professional Print Business

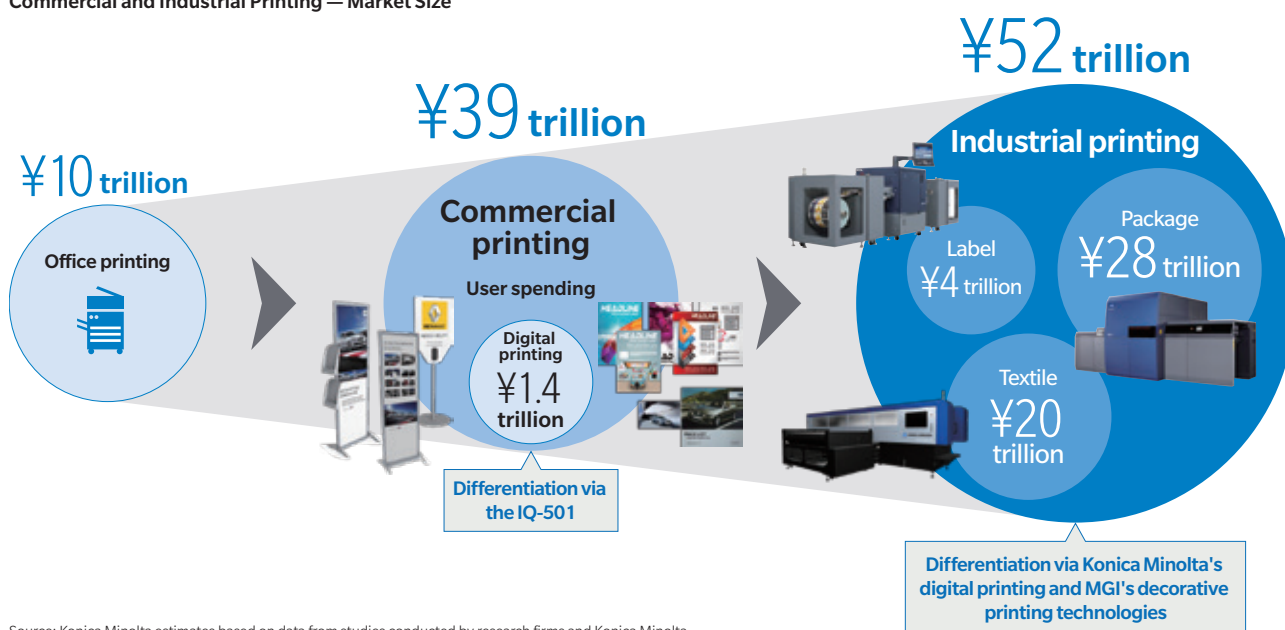
The commercial and industrial printing markets are much bigger than the office printing market, and the demand for digital printing that can accommodate small lot, high-mix jobs with quick turnaround still has plenty of room to grow. To further boost growth in these markets, we are differentiating ourselves from competitors by enhancing our value-added solutions with a focus on solving customer issues.

In the commercial printing area, for example, many companies use in-house operators to handle the calibration of things such as density, color tone, and front-to-back registration. This leads to major quality control and business efficiency issues. This prompted us to begin offering the automated Intelligent Quality Optimizer (IQ-501) unit in June 2017 for digital printers. A solution for automating work done by operators, the IQ-501 keeps quality high while shortening job times (see page 33). And by helping to improve customer uptime, it can be counted on to increase the print volume of Konica Minolta products. This added value of the IQ-501 has been well received by our customers and has begun to make an

undeniable contribution to earnings as well.

In the industrial printing area, we are focusing on a sales approach tailored to marketing needs. Marketing departments around the world are being compelled to come up with more fine-tuned approaches. These approaches include developing products that are only available in certain regions or during certain times of the year or that are customized to individual consumers, creating small numbers of labels and packaging, and fostering feelings of exclusivity by printing names and dates via gold foil stamping on the labels of wines given as gifts. To accommodate the sophisticated printing needs of these industrial printing area, Konica Minolta is making a number of efforts to improve its product lineup. These include launching the AccurioJet KM-1 inkjet digital printer, which excels in a wide range of printing applications spanning general commercial printing to small-sized packages, and the AccurioLabel 190 digital label printer, as well as acquiring a stake in France-based MGI for its varnishing, foil stamping, and other high value-added decorative printing technologies.

Commercial and Industrial Printing — Market Size



Strengthening value added solutions through new platform business

To further enhance our ability to provide the IT services we have developed in the course of conducting our conventional businesses, we began rolling out the Workplace Hub (WPH)* in the summer of 2018 as a new business. WPH is a platform that helps customers utilize and analyze their corporate data and thereby improve productivity at their places of business while supporting workflow reform. To the roughly two million customers that own Konica Minolta MFPs, we will continue to offer value-added solutions by leveraging the WPH to provide a full range of IT services, including those related to IT system management and security.



* More information about WPH is provided in Konica Minolta's Integrated Report 2017.
https://www.konicaminolta.com/about/investors/ir_library/ar/ar2017/special01/index.html

Interview with Cluster East Managing Director

Ramping Up Our IT Services for a Greater Presence in Eastern Europe.

Roman Tihelka

Managing Director, Cluster East, Konica Minolta Business Solutions Europe GmbH



The market leader for A3 color and monochrome MFPs in Eastern Europe

We are focused on expanding hybrid sales in Eastern Europe as well. 70% of our business goes through direct sales channels, and we build customer-oriented sales systems to provide solution services according to changing needs.

Having direct connections with so many customers is a major advantage for us. We get feedback from many of our customers and then develop and improve on our products and services within a short timeframe. The more companies that use our products and services, the faster this cycle becomes.

In terms of units shipped, we are currently the market leader in Eastern Europe for A3 color and monochrome MFPs (color MFPs: about 36%, monochrome MFPs: about 23%). Currently 40-50% of MFPs marketed in Eastern Europe are color models, and this is expected to grow to 80-90%, the current level in Western Europe. Given our strength in color MFPs, we will steadily capture demand and further expand our share in Eastern Europe to further enhance our presence in the market.

A focus on providing customers with more value propositions and developing talent

Our strategy in Eastern Europe is based on two pillars. The first pillar involves making value propositions to the customer through our products, solutions, and services. Key to this strategy is developing and providing IT services, and things are going very well in the MCS (Managed Content Services), which involves managing our customers' massive quantity of documents as digital data information and integrating it into a variety of business processes. We are also providing IT infrastructure services involving things such as storage, networks, and monitoring, while at the same time offering business process consulting services that include deploying ERP (core systems).

The second pillar involves finding talent and helping them grow. Along with actively hiring highly-

capable talent and putting together training programs tailored to individual employees' careers, we are building work environments that will allow these employees to compete with each other. We have a talent exchange program in which 10 or more people have taken part every year.

Carrying out team selling activities

Recent years have seen a growing need for services to help digitize entire business processes. To capitalize on our opportunity to answer this need, develop business prospects through communication with customers, and thereby bring in signatures, we are conducting team selling activities. Our sales personnel identify sales opportunities and strengthen relations with customers, while internal consultants develop solutions that leverage specialized expertise in things such as content and video management. Through these efforts, we strive to provide customers with high-value services.

At a time when many enterprises are seeking to achieve sustainable growth by restructuring their business using digital technologies, we believe expectations are growing for our company. Rather than simply meeting our customers' needs, we strive to better understand each customer's business activities, identify potential issues that not even the customer was aware of, and propose solutions. While these are not easy things to do, we commit ourselves to identifying market changes, improving all necessary abilities and skills, and boosting our speed in order to continue to satisfy our customers' expectations and beyond.

Growth Strategies for the Measuring Instruments Business

Konica Minolta offers consumers a diversity of high added-value products and solutions that enable precision measurement of light and color in the continually growing ICT and automotive industries. We are seeking growth for the Measuring Instruments Business as a market leader in this domain.

Interview with the Executive Officer responsible for this business

Utilizing technologies for measuring light and color, Konica Minolta pursues genre-top strategies for the ICT and automotive industries.

Hitoshi Kamezawa

Executive Officer

General Manager, Sensing Business unit, Industrial Optical System Business Headquarters



Establishing an Overwhelming Market Position through M&A

Utilizing optical technologies developed through our camera business, Konica Minolta provides a diversity of products and solutions in the light source color measuring and object color measuring fields, helping to ensure quality and improve productivity at our customers' production sites. Konica Minolta has many products that have become de facto standards in the color measuring fields. This is especially true for the display quality testing solutions market, where we have established ourselves as a market leader with a market share higher than 50% (Konica Minolta estimate). We have also made bold business investments with an eye to making these businesses more competitive. In 2012 we acquired Germany-based Instrument Systems ("InS"), a company with high-end light measurement device development capability and a genre-top

track record in high performance measurement for displays and LED lighting. In 2015 we acquired U.S.-based Radiant Vision Systems ("Radiant"), which excels in high-resolution two-dimensional measuring devices and image processing software for displays, as well as in automated visual inspection systems.

These efforts have seen the business grow into a high-profit segment: fiscal 2017 revenue represented a threefold increase over fiscal 2011. Demand for precision measuring instruments is growing rapidly in the ICT and automotive industries, which are industries of focus for Konica Minolta. Through genre-top strategies that leverage the characteristics of each Group company, we hope to expand the Measuring Instruments Business into a ¥50 billion business.

Revenue by segment

Light source color measuring: About 70%

Object color measuring: About 30%

Mobile devices, consumer electronics, lighting

- Color adjustment for display products
- Color unevenness testing for display products
- Performance assessment and quality control for LED lighting



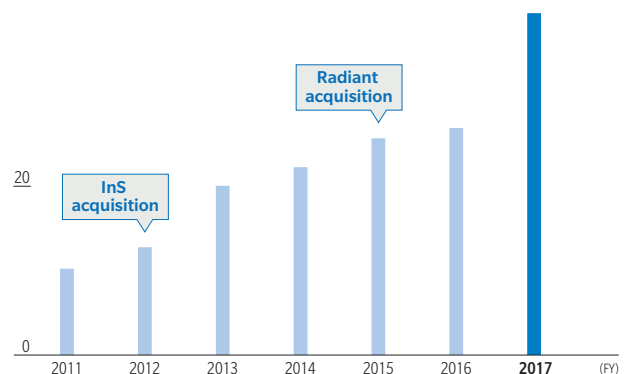
Automobiles, food, printing, construction, textiles

- Color quality control for automotive exterior trim and interior parts
- Grade classification based on food colors
- Color matching for printed materials



Measuring Instruments Business performance

■ Revenue
(Billions of yen)



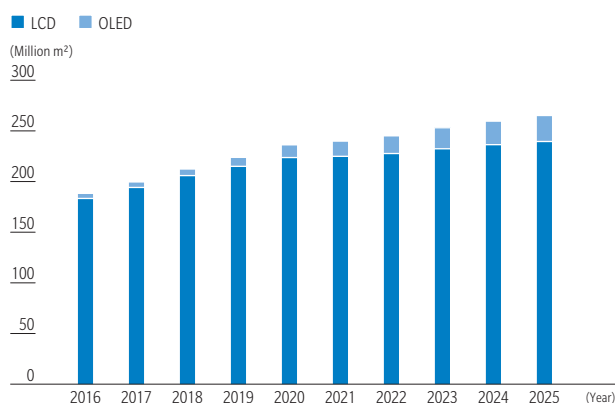


Thoroughly capture ICT industry demand and expand the business base

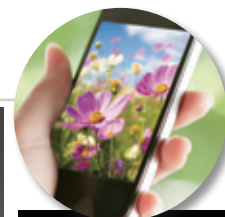
The ICT industry, which consists of products such as LCD displays and OLED displays, is a priority segment for achieving Measuring Instruments Business growth. Based on the trend towards LCD screens of higher resolutions such as 4K and 8K, the increasing prevalence of smartphones and tablets with OLED screens, and the growing number of applications for smart watches and similar devices, the global display market is expected to see strong continued growth.

In these circumstances our customers — display panel manufacturers, module manufacturers, and final product manufacturers — are stepping up efforts to upgrade and expand on existing equipment while deploying new

Global display market forecasts (area basis)



Source: IHS Markit



equipment. By covering the entire supply chain for this display market and providing wide-ranging products and solutions for the high-level measurement of display color and brightness, we are working to achieve further business expansion. In fiscal 2017, along with signing major business deal with a large mobile device manufacturer, we significantly increased contracts with display manufacturers in China and South Korea.

For the past few years we have been developing a facial recognition system as a more secure means of personal authentication than fingerprints. While continuing to focus on the LCD and OLED display market, we are also developing solutions for optical devices used in new security systems as a means to effectively capture ICT segment demand.

Promoting the development of technologies to meet automation needs in the automotive segment

We will be focusing even more on the automotive segment, where we already have a strong customer base through our color measurement solutions for automotive exterior and interior trim. The automotive industry encompasses many development and production sites around the world and is an industry that covers a wide range of fields, including with respect to suppliers. Konica Minolta helps to maintain and improve automotive safety, usability, and design by providing products and solutions used for the inspection of various automotive interior and exterior equipment, including

headlights, instrument panels, and car navigation displays.

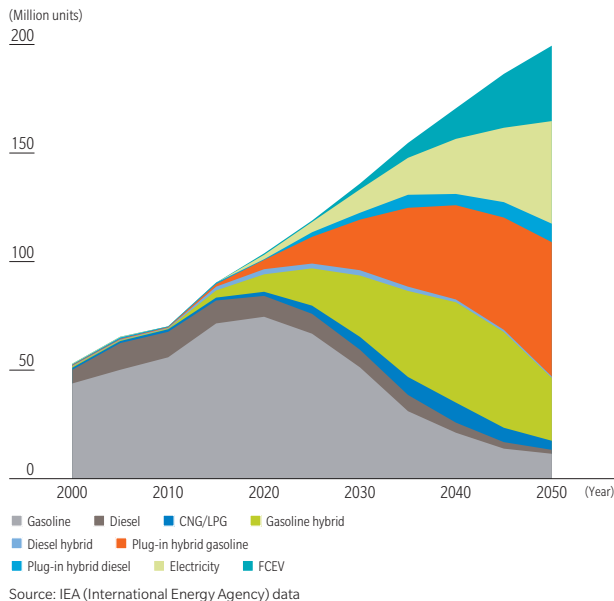
The automotive industry is also working to automate the final inspection process for finished vehicles with the goal of further enhancing productivity and efficiency while improving working environments. To this end, we are making more compelling business proposals to automakers by leveraging Radiant's automated visual inspection technologies, and are currently working with multiple companies to develop an automated inspection process.

In the future, we anticipate further technological

Business Strategy2 | Growth Strategies for the Measuring Instruments Business

development with regard to displays, indicators, and optical sensors for safety applications as society shifts to electric cars and more companies develop autonomous driving technologies. By further improving communication with our customers' product development and production sites, we will continue to support innovation in these new fields and thereby grow the Measuring Instruments Business.

Future forecast for global unit sales of automobiles by model (excluding commercial vehicles)



Use Cases of Measuring Instruments for Automobiles

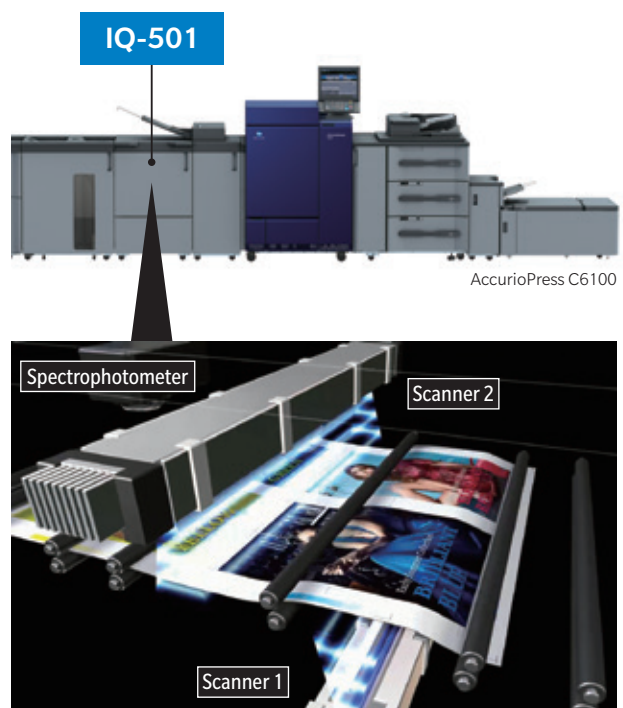


Bringing together measurement and printing technologies to achieve new services under One Konica Minolta

By leveraging its technologies for measuring light and color, the Measuring Instruments Business is developing new added-value products through collaboration with other business units. One such representative product is the Intelligent Quality Optimizer (IQ-501) unit launched in June 2017 for automatically optimizing the printing quality of digital printers.

A component of the AccurioPress digital printing system, the IQ-501 automates darkness level management, color tone management, and double-sided print position calibration — jobs that printing site operators have traditionally spent considerable time doing. In addition to dramatically shortening job times, this prevents job variance and uneven printed material quality that can arise from differences in operator skill levels.

Many customers have given the IQ-501 high marks since its launch, saying that it has decreased downtime and that it revolutionizes business processes in the printing industry. As One Konica Minolta, we will continue to develop high added-value products that help solve our customers' problems.





Interview with the CSO of Radiant

Leveraging the assets of the Konica Minolta Group, we will continue to provide high quality, innovative solutions.

Douglas Kreysar

Chief Solutions Officer, Radiant Vision Systems



In August 2015, Konica Minolta acquired Radiant Vision Systems to become part of its Sensing Business Unit (Sensing). With the addition of Radiant, Konica Minolta cemented its position as the global leader in the field of light and display test and measurement and secured a new growth platform in the field of advanced automated visual inspection.

Radiant's strength in the automated visual inspection field is founded on three core elements:

1. High performance measurement hardware. Radiant's imaging measurement systems provide high-resolution, industry leading signal-to-noise image (2D) measurements.
2. Powerful analysis software that can detect and analyze multiple kinds of hard-to-find defects for displays and surfaces. Radiant's proprietary software analysis features enable manufacturers to perform new in-line quality tests that improve quality and yield, and reduce costs and variability by replacing human inspectors from the production line.
3. An experienced engineering team that creates custom solutions to meet unique customer requirements. Radiant's global support team ensures that customers get a solution that's optimized for their specific needs, maximizing their return on investment.

With increasing worldwide labor costs, and the inherent variability of human inspection, demand for automated visual inspection solutions continues to rise. Radiant's display measurement systems not only find defects during the manufacturing and QA process—to ensure that only high-quality products reach the end consumer—Radiant systems also actively correct and calibrate displays—to transform a lower quality display into a high quality, defect-free, brilliant display that differentiates our customers' cellphone, tablet, or laptop products from their competitors. For OLED displays, where manufacturing yield concerns run paramount, the cost savings customers experience due to Radiant's measurement and calibration solutions are extremely significant.

Radiant is also creating breakthrough "Advanced Vision" technology in the field of visual surface inspection. Radiant's products identify subtle appearance defects in surfaces, such as scratches, dents, and blemishes that would degrade the end consumer's experience with a manufacturer's product. Our customers have been able to replace costly, unreliable human inspectors with repeatable, reliable

Radiant vision inspection systems that increase quality and provide real-time, quantitative data that can be used to improve manufacturing processes and further drive down production costs. Manufacturers see an improved end customer experience and rapid return on investment due to lower expenses and increased yield.

Radiant augments Konica Minolta's Sensing Business Unit by providing additional expertise in high-performance imaging system design and manufacture, and by expanding its competencies in developing software for measurement analysis and production integration. Radiant possesses an extensive tool set of software analysis libraries it has developed, and an experienced staff of application engineers to deploy solutions at customer locations in the field. Radiant brings to Sensing its experience as a full solution provider for some of the world's leading consumer electronics, automotive, and display brands. Radiant can effortlessly incorporate Sensing's products into system configurations, providing a full solution to the customer for any type of light and color measurement need.

The combination of Konica Minolta and Radiant creates multiple synergies to the advantage of both organizations:

- Radiant is now capable of providing more complete solutions by incorporating Sensing products into its solutions for customers.
- Konica Minolta's long history of expertise in appearance measurement complements Radiant's knowledgebase and experience, allowing new business expansion into the surface inspection market.
- The global reach of Konica Minolta's established distribution network maximizes the potential customer base for Radiant's light and color measurement solutions. We've seen dramatic improvements in sales as Radiant has integrated into Sensing's experienced and established go-to-market channels.
- As Radiant adds to its Advanced Vision technology, partnering with Konica Minolta provides access to a vast untapped market for vision inspection solutions.

Radiant's executive team, managers, engineers, and employees appreciate the benefits of being a member of the KM family of companies, being part of a dynamic global enterprise yet maintaining the freedom to continue creating and selling the best and most innovative visual inspection solutions in the market, while having a strong and stable parent company in the lead.

Growth Strategies for the Bio-Healthcare Business

Konica Minolta is accelerating business strategies for the precision medicine field, which supports drug discovery efficiency and ensures patients get the right dosage and treatment. We are strengthening the Healthcare Business with sights set on building synergy among Group companies.

Interview with the Executive Officer responsible for this business

We will build a global business management system and accelerate business strategies for the precision medicine field.

Kiyotaka Fujii

Senior Managing Executive Officer
General Manager, Healthcare Business Headquarters



Shifting business resources to the higher value-added field of precision medicine

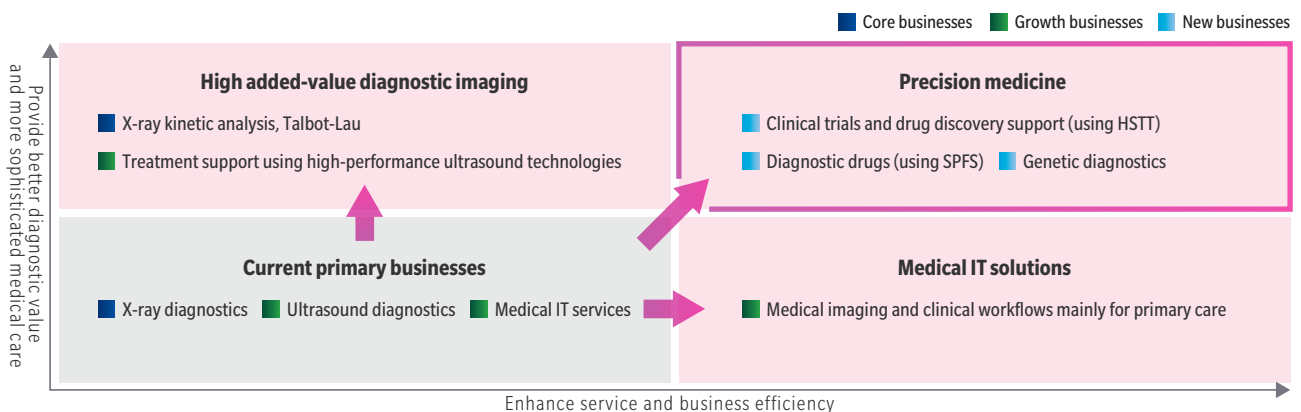
The Healthcare Business is one of the core pillars of the Company, and we are now focused on getting into the precision medicine field in order to further grow the business.

Precision medicine seeks to provide a more advanced initial diagnosis and appropriate doses and treatments by distinguishing each individuals' physical constitution at the molecular level, their genes and proteins, and using these to group patients precisely. Konica Minolta is currently shifting business resources from its traditional businesses, which have involved developing and providing X-ray diagnostic equipment, ultrasound diagnostic systems, and medical IT solutions, to the field of precision medicine, where we can provide greater added value.

One such initiative has been the acquisition of Ambry Genetics (AG)*, a leader in genetic diagnostics business in the U.S in October 2017. And in November of the same year we added U.S.-based Invicro, which has extensive experience in support services for pharmaceutical development in the U.S. We also established a global headquarters in the U.S. in January 2018 to carry out precision medicine business initiatives. Through such efforts to ramp up business that contributes to medical development and maintaining and improving health, we are planning to achieve revenue of at least ¥100 billion by fiscal 2021.

* More information about AG is provided in Konica Minolta's Integrated Report 2017.
https://www.konicaminolta.com/about/investors/ir_library/ar/ar2017/special02/index.html

Trajectory for the Healthcare Business





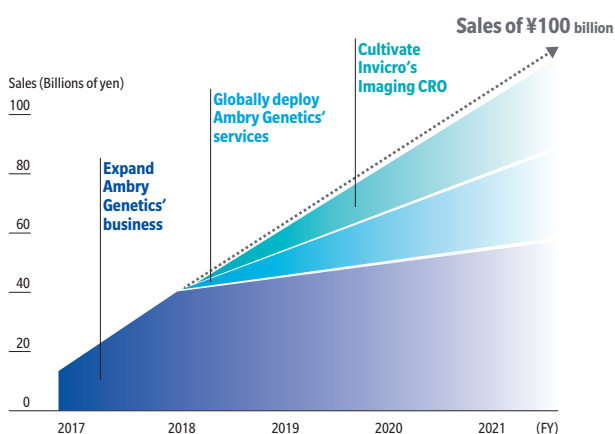
Offering full-scale support services for pharmaceutical development with the acquisition of Invicro

Invicro is a pharmaceutical development support services organization. The company excels in searching for and establishing central nervous system biomarkers* for cancer and Alzheimer's, in particular, and provides services to roughly 140 enterprises, mainly pharmaceutical companies.

The global pharmaceutical industry makes considerable R&D investments every year, to the tune of about ¥15 trillion annually. A corner of the industry where investment is expanding greatly is biopharmaceuticals, which involve the use of techniques such as gene recombination and cell culture. Because they work directly on diseases, biopharmaceuticals offer a host of benefits that include having fewer side effects and being potentially very effective for combating conditions such as cancer and Alzheimer's. However, due to the large amounts of time and costs involved in developing biopharmaceutical products, pharmaceutical companies often outsource R&D operations to outside specialist companies.

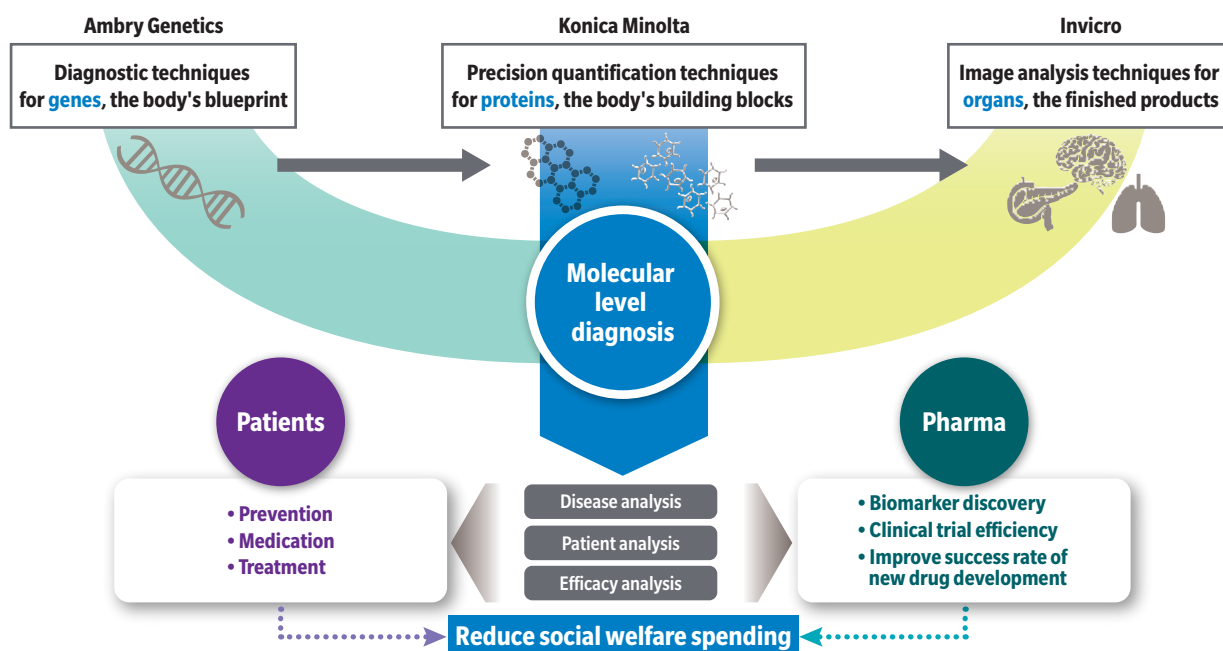
Konica Minolta is carrying out strategies to expand its bio-healthcare business with an eye to thoroughly satisfying the needs of this pharmaceutical industry. By combining our precision protein quantification technologies (HSTT), developed by utilizing material technologies developed in our silver halide film business, with Invicro's proprietary techniques

Bio-healthcare business sales forecast



and AG's proprietary genetic diagnostics techniques, we will provide high value-added support services for pharmaceutical development that will bring greater precision to searching and establishing biomarkers.

* Markers that express biological conditions related to things such as genes and proteins found in blood, urine, etc.





Interview with the CEO of Invicro

As a member of the Konica Minolta Group, we aim to become a globally peerless pharmaceutical services company.

Jack Hoppin

CEO, Invicro LLC



Please tell us why Invicro decided to join the Konica Minolta Group.

The Konica Minolta Group and Invicro shared a similar business philosophy and strategic vision, which I believe is the core reason we joined forces. Though we weren't seeking a buyer, we had received a few offers; however, none of them seemed to align with our mission until Konica Minolta approached us. I knew Konica Minolta would be the strategic partner that would reinforce Invicro's core objectives, customer values and corporate culture, all while supporting our positive growth trajectory.

"Quality" was another instrumental reason we agreed to join the Konica Minolta family. Konica Minolta puts quality first, and for a company such as Invicro that puts science and engineering knowledge and expertise at the center of its business, quality is an essential ingredient to remain competitive, but most importantly to ensure 100% customer satisfaction.

I first met President Yamana in May 2017, and since then we have seamlessly aligned and integrated with Konica Minolta, resulting in an immediate impact to the enhancements of our service offerings and market positioning. Konica Minolta has been the ideal business partner in advancing our precision medicine capabilities, and developing new technologies across all therapeutic areas in the most efficient and cost-effective way, which has validated our decision on this unity. The combination of Konica Minolta's robust precision medicine platform with Invicro's strong track record with the world's top twenty pharmaceutical and biotech companies, as well as leading research universities, will accelerate our mission by a couple of years to go beyond just the medical imaging and software sectors. Together we will offer customers a comprehensive solution that will include our best-in-class quantitative imaging biomarkers, advanced genomics services and digital pathology solutions.

What are Invicro's strengths?

Companies who achieve international growth are those

that excel at utilizing and analyzing data, and Invicro exemplifies this. The way we process medical imaging data for our pharmaceutical sponsors, provides a consultative, streamlined approach allowing us to expand beyond the typical role of a preclinical discovery imaging company.

Invicro's infrastructure was built from a software and data analytics platform, VivoQuant™ and iPACS®, and has evolved into an industry leading service provider of quantitative imaging biomarker assays. This comprehensive mix of solutions offers translational capabilities across all drug discovery and development phases, from pre-clinical research to administering first in-human studies to late-phase global multi-site clinical trials.

However, I believe Invicro's core strength lies within its employees. We started from an apartment in 2009 evolving into a company that now employs more than 330 people, including over 200 research scientists assisting with R&D for drug discovery and development, of which more than 60 have a M.D. or Ph.D. The team's overarching specialties run the gamut, which includes biology, chemistry, chemical engineering, biomedical engineering, and electrical engineering. Our innovation comes from interdisciplinary collaboration, and no other Contracted Research Organization (CRO) providing pharmaceutical research and development support can offer this unique breadth of specialization, that is uniquely combined with our high-caliber research capabilities.

What synergies do you anticipate with Konica Minolta?

Becoming part of the Konica Minolta's precision medicine vision seemed ideal, as it complements perfectly with our ever-evolving imaging and data analytics platform. Invicro has made great strides in the medical imaging and software services sector, and now with access to Konica Minolta's precision protein quantification technologies (High Sensitive Tissue Testing (HSTT)), and the advanced genetic diagnostics technologies from Ambry Genetics, who was also recently acquired by Konica Minolta, the synergies among the three companies are endless. Collectively, we

can provide our customers a holistic offering by adding state-of-the-art genomics and digital pathology services to our already full suite of imaging and software capabilities.

Combining Invicro's revolutionary 3D digital pathological diagnosis systems that digitize and separates tissue images with Konica Minolta's advanced HSTT technologies that quantifies biomarkers, will no doubt evolve into new value-added innovations to support our research sponsors and customers. Tie in Ambry's best in class genomics sequencing and bioinformatics capabilities into the mix, and I am fully confident that we can provide pharmaceutical and biotech companies, as well as CROs with an untouchable quality and capabilities in the clinical trial and biomarker services space.

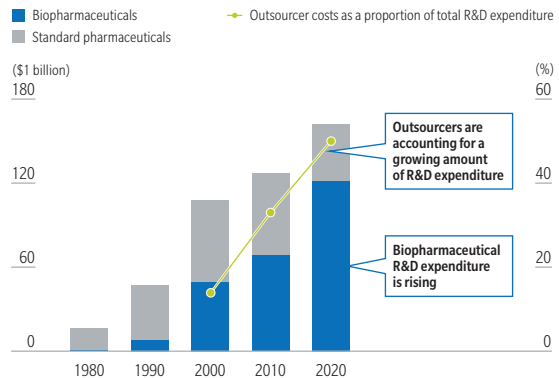
Collectively our three organizations present a force of over 500 researchers that is an unstoppable competitive advantage, which underscores the overall value of this unique merger. It's exciting to see the immediate impacts from these synergies, in fact Konica Minolta's R&D team has spent eight weeks in Boston on joint research initiatives with the Invicro team, resulting in productive innovations, aligned processes and most importantly collaborative cultures.

Please talk about your goals and vision going forward.

We want to build an integrated precision medicine platform that will offer advanced technologies, industry leading expertise, and comprehensive research data that covers everything from genes to proteins, to cells, and organs. Such a platform that leverages the core strengths of Konica Minolta, Invicro and Ambry Genetics will be a competitive advantage no other will have in the marketplace.

As part of the Konica Minolta Group and with headquarters in Boston, Invicro's current global footprint of

Pharmaceutical R&D costs



Source: Konica Minolta estimates

offices and laboratories from coast to coast within the United States to Europe, recently expanded into Asia based out of Tokyo. Being a part of a forward thinking global organization, has already presented fresh innovative ideas, and we are excited to see them evolve into value-added solutions within the drug discovery and development market.

