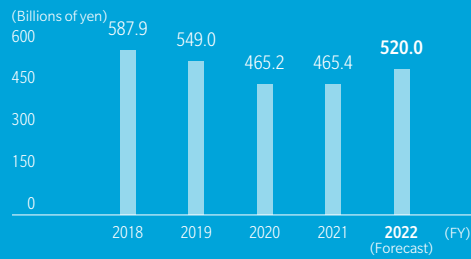


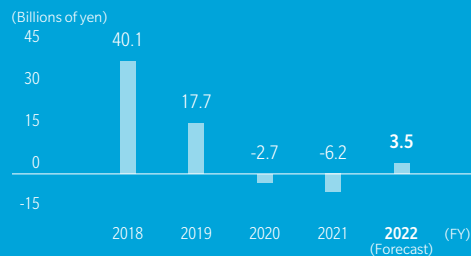
# Growth Strategies in Each Business



## Revenue



## Operating profit



## Market Environment Awareness

### Opportunities

- Increased need for IT services (including cloud) from small and medium size companies, which tend to lack IT departments and specialists.
- Increased demand for DX promotion aimed at improving operational efficiency in enterprises and local governments. Increased need for enhanced information security, workflow optimization related to office documents, and camera- and image-based solutions.

### Risks

- Maturity of Multi Function Peripheral (MFP) markets in developed countries and establishment of office workstyles that do not involve printing.
- Higher cost of sales and supply delays to customers due to tight supply and price hikes of semiconductors and other components, and the COVID-19 pandemic affecting the entire supply chain and causing higher logistics costs.

### CAGR by market (FY2020-2022)

Market	Category	CAGR
MFP	Hardware	+2%
	Non-hardware	+3%
IT services		+8%

\* Konica Minolta estimates

## Growth Strategy

- Our DW-DX is to maintain the customer base we have developed in the office printing business, while also providing additional high value-added services in the form of digital workflow services tailored to different business types, as well as managed IT services and cyber security services, which also utilize cloud services, targeting all business types. We will also transform into the digital workplace business by offering further lifetime value to customers. Furthermore, we are expanding our camera and imaging technologies-based video solutions business. (→P28)
- In Europe and North America, we will expand business by establishing a stable revenue base through expansion of monthly recurring revenue model products, and by enhancing our service delivery system. We will improve profitability by adding high value through in-house developed products, standardizing operations, and narrowing down new themes. In Japan, we support DX promotion of local governments\*.
- Our Office Business will maximize supply volume through integrated efforts by development, production, and procurement departments, to procure semiconductors and other parts on schedule, thereby duplicating suppliers and updating designs, building mutually complementary relationships with production bases, etc. We will secure gross profit by raising retail prices in response to increased cost of raw materials and reducing cost of sales by switching to remote work for product services and outsourcing back office operations.
- We will improve sales productivity through the use of AI in customer targeting and proposal making, by continuing to expand inside sales and remote sales, which have seen success during the COVID-19 pandemic, and reduce R&D costs by narrowing development projects to improve operating profit. We will also increase customer satisfaction by improving customer experience.

### Strategic KPI

	FY2021 Targets/Results	FY2022 Targets
MRR* growth rate	+15% or more/yr → +16 or more/yr (Result)	+15% or more/yr
Customer retention	+1pt/yr → +4.9%/yr (Result)	+2pt/yr
Service factory countries	10 → 2 (Result)	25
Sales growth rate of products/ services developed by Konica Minolta	+15% or more/yr → +10% or more/yr (Result)	+15% or more/yr

\* MRR: Monthly Recurring Revenue

## Growth Strategies in Each Business: Digital Workplace Business

### Close Up | Expanding Managed IT services driven by DX acceleration

#### Improving MRR by providing integrated support for our clients' IT management operations

We provide an extensive suite of Managed IT (MIT) Services to help customers achieve greater productivity, efficiency, and security from technology investments. Our MIT services are uniquely flexible to accommodate our customer's industry and scale of business and include a wide range of services such as cloud, security, unified communications, infrastructure management, application development, and remote support. With an expansive presence across North America, our customers can easily access technology expertise whenever and wherever they need it, which no other MIT service provider can promise.

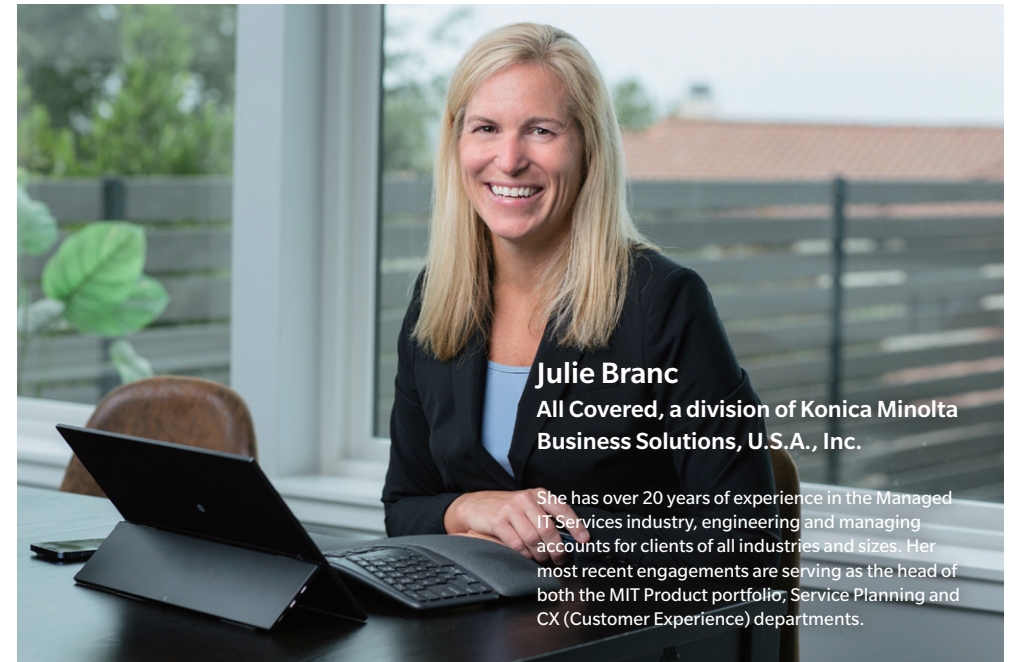
For example, some small to mid-size companies have difficulty carrying out IT administrative tasks due to a lack of specialists on their team. We recommend they take advantage of our unique all-in-one MIT Service package, which provides all necessary IT operational management without the high cost to hire internally. Additionally, as demand for remote work increases due to COVID-19,

more customers are needing to securely access data, collaboration tools, and applications from a cloud environment. Our MIT services help businesses migrate their IT infrastructure to the cloud and then optimize workflows. This includes supporting a hybrid workforce and providing services such as workstation management, device security, and user help desk services. Our Managed IT services enable customers to make a smooth and quick transition for this new hybrid workforce that may be working part time in an office or at home.

Providing MIT services to multi-function printer customers increases MRR (monthly recurring revenue) and more predictable revenues.

#### Becoming the leading MIT Service Provider in North America

In a rapidly changing digital market, we aim to be a leader in the MIT Services industry in North America by focusing on a high-quality Client Experience (CX). In May 2022 this focus helped us achieve an award from Cloudfango, a



**Julie Branc**  
All Covered, a division of Konica Minolta Business Solutions, U.S.A., Inc.

She has over 20 years of experience in the Managed IT Services industry, engineering and managing accounts for clients of all industries and sizes. Her most recent engagements are serving as the head of both the MIT Product portfolio, Service Planning and CX (Customer Experience) departments.

managed service provider search service, which named us the "Top Managed Service Provider" in the U.S.

Our department promotes a customer-first strategy to improve CX. This means building persona-based customer success teams, streamlining delivery, and simplifying the customer's buying process journey through service packages, and focusing on strategic

services that meet the individual needs of our customers. These strategic efforts have resulted in improved customer retention, Client Satisfaction, increased project profitability and up-selling cross-selling growth.

With a "customer-first" mindset, our focus remains on world-class service throughout the customer journey.