

Message from Officer in Charge of Technological Development

We will realize the new creation of value through the evolution and fusion of core technologies and achieve the resolution of social issues.

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We will aim to further improve our corporate value with the core technologies that we have continued to refine over 150 years as our foundation

Society at present is experiencing a major transformation said to be the fourth industrial revolution due to developments in digitalization. Technologies such as AI, IoT and robots are playing a big role in transforming social systems and onsite workflows of working individuals.

Amid such rapid change, we recognize that in order for us to continue being a company that is needed by greater society, it will become increasingly important for us to leverage the core technologies in our possession to the fullest, further evolve upon those technologies, create value that contributes to our society to come and enhance our corporate value.

The strengths that we hold at our foundation are the four core technologies pertaining to “images” (materials, optics, imaging and nanofabrication) that we have continued to highly emphasize over nearly 150 years and the “organizational capability” to pursue, research and develop those technologies until we make

them “unique technologies in the world.”

We will make full use of these strengths and continue our initiatives that strongly emphasize those technologies going forward so that we can continue to be a company that is chosen by our customers and partners for our “value creation that only Konica Minolta is capable of” and for our “trusted technological prowess.”

We will evolve upon our imaging-IoT technology under the “FORXAI” brand and accelerate new business creation through co-creation with our partners

Over time, we have focused on the development of “imaging-IoT technology” that combine the core technologies that we have continued to refine for years together with the latest IoT and AI technology. From fiscal 2014, we have been tackling new business creation and the development and acquisition of imaging-IoT human capital on a full-fledged basis. Imaging IoT technology is a comprehensive technology for swiftly providing services to accommodate customers’ desire to “see” by using unique AI

algorithms to apply image recognition to image-centric data gathered using network cameras and other sensing devices with high precision and speed.

Our first endeavor to use this technology was with nursing support services. With these services, we used sensors and AI to detect actions by tenants of nursing facilities, including whether they have fallen down, and provided a system to nursing staff to notify them of those actions. In doing so, we contributed to the improvement of workflows at those facilities. By continuing to refine the world-class “human behavior recognition” technology that we acquired through these development efforts, we achieved the simultaneous recognition of multiple individuals, the simultaneous recognition of individuals and objects, 3D pose recognition for individuals, understanding of the meaning of human actions and their verbalization, among other achievements. Moreover, in addition to its use at nursing facilities, we have also evolved this technology into that which can be applied to the resolution of various social issues, such as onsite safety and security measures through monitoring the operation status of manufacturing equipment, the promotion of sales through analyzing the flow of people at commercial facilities and the development of smart systems for hospital operations.

In these development efforts, we have developed a genuine sense of how more than anything else, technology that we have built up while directly engaging our customers and partner companies based on a deep understanding of the challenges that should be addressed on those customers’ respective frontlines leads to true value creation. At the same time, when we developed technologies while confronting those individual challenges, the challenge posed by how long it takes until businesses grow came into focus.

Given that, as a system for shortening that time, we developed “FORXAI,” a technology platform for accelerating service development conducted with partner companies through co-creation and swiftly providing the developed services to customers. Since we began supplying the FORXAI in November 2020, it has resonated with a large number of companies, and we are currently pursuing the provision of services to resolve various social issues with our worldwide partners, which already number over 100.

Message from Officer in Charge of Technological Development

Evolving manufacturing and the creation of new value through the fusion of core technologies and data-driven development

In manufacturing, which makes up our business foundation, we have linked the advancement of four core technologies to the evolution of products and services in each of our businesses. Moreover, in recent years, initiatives to create new value have also commenced through “fusions” of those technologies.

An example of such is the equipping of digital printers in our Professional Print Business with an intelligent quality optimizer (IQ-501). This combination of spectrophotometry based on “optics” and “nanofabrication” under our sensing business and color correction algorithms and other elements based on our “imaging” technology cultivated over years through our MFP products has realized a transformation in workflows that only Konica Minolta can offer through the automation of printing work.

Additionally, in our performance materials business as well, in order to accommodate antireflection, UV blocking, high durability and other needs with increasingly higher requirements in the display industry in particular, through a combination of “optics,” “materials” and “nanofabrication” technologies, we utilized a proprietary solvent-casting method to conduct the timely development of a new resin film sought by the market.

For materials development, we have been pursuing the transformation of our development efforts from a trial-and-error model based on repeated experiments to data-driven development through which we utilize data to develop target properties in a short timeframe (the utilization of material informatics and process informatics). Going forward, as we continue to promote the revision of our development methods and the enhancement of efficiency, we simultaneously intend to accelerate the evolution of our manufacturing efforts into “manufacturing that brings forth new value.”

We will shift research and development investment to growth domains in order to realize portfolio transformations

Our policy for research and development investment during the period of our “DX2022” Medium-term Business Plan is to continue investing approx. 6% to 7% of revenue based on our emphasis on investment efficiency and consideration of continued growth, simultaneously pursue the shift of our investments to domains anticipated to grow and, in doing so, realize two business portfolio transformations towards 2025.

As the first of those transformations, we will aim to make the

“shift from office printing to digital workplace,” and are boosting our development investment ratio for new service development for digital workplaces over that for MFP development in the office printing domain. In preparation for the second of those transformations, the “shift to growth in the measurement, inspection and diagnosis domains (Industry, Healthcare and Professional Print Businesses), we are planning on elevating our research and development investment in these growth businesses to 65% of the total for fiscal 2022.

Going forward, while also ascertaining growth phases in each business and changes in industry conditions, we will continue to flexibly and speedily shift our research and development investment to growth sectors and steadily push forward with our portfolio transformations.

We will rebuild the DNA of 150 years of technology as we aim to contribute to society through new value creation

With our “imaging” technology centered in image input, output and processing that we have cultivated largely through cameras and MFP products since our founding, we at Konica Minolta have answered the desire of customers around the world to “see,” and have helped realize people’s purpose in life. Today, I see my mission as pursuing fusions of our core technologies with AI and IoT technologies, which continue to rapidly evolve; rebuilding the DNA of the technologies that we have passed down over 150 years; and tying them into the further improvement of our corporate value.

In recent years, demographic shifts, greater social security costs, climate change, the depletion of resources and the like have been pressing social issues around the world. Based on such social and environmental circumstances, we at Konica Minolta will continue to tackle the challenge of resolving those issues by accommodating our customers’ need to “see” using technology that only we are capable while focusing on the five material issues that we set forth as “the things that we seek to address” with a view to the year 2030. We will continue to create new value “that has never been seen” and provide it to people around the world and greater society. That is what we aspire to with our technological development efforts here at Konica Minolta.

Breakdown of Research and Development Expenses

