

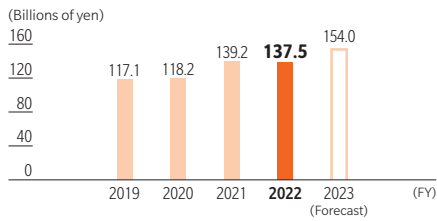
# Part 2

# Business Strategy

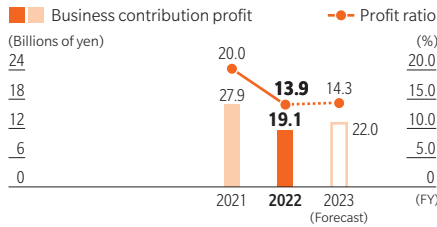
- 48 At a Glance
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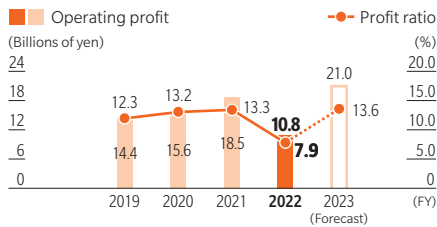
#### Revenue



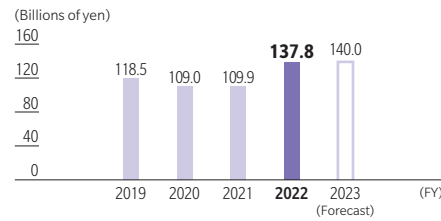
#### Business contribution profit\*



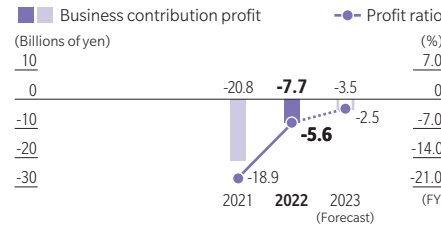
#### Operating profit



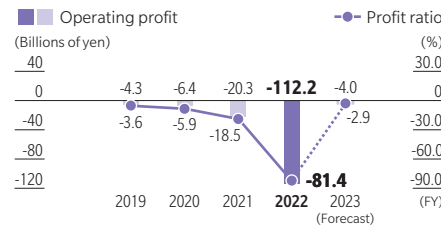
#### Revenue



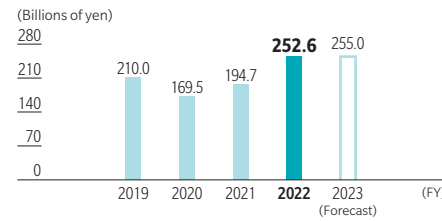
#### Business contribution profit\*



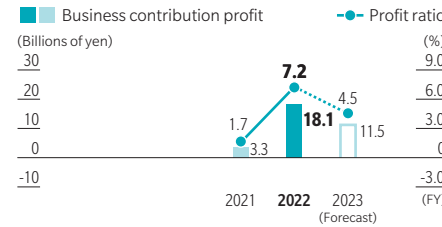
#### Operating profit



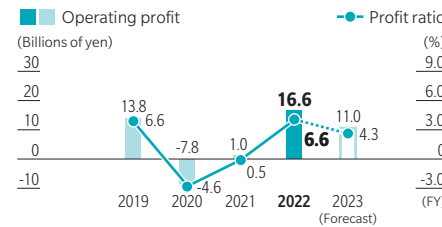
#### Revenue



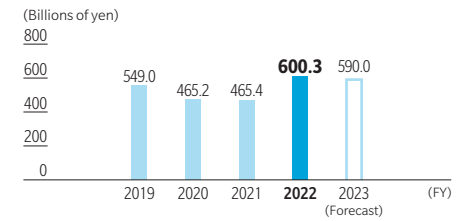
#### Business contribution profit\*



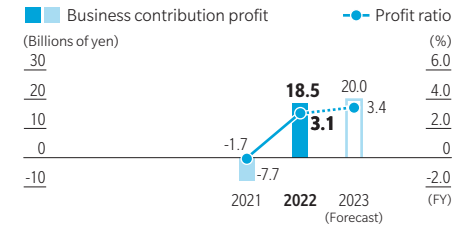
#### Operating profit



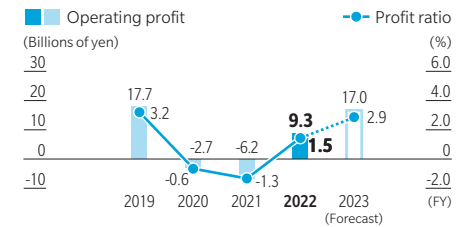
#### Revenue



#### Business contribution profit\*



#### Operating profit



\* Business contribution profit is a Konica Minolta-original index, defined as profit determined by subtracting sales cost and SG&A from revenue

# Industry Business



## Market Environment Awareness

### Opportunities

- Changes in development and manufacturing processes due to the evolution of next-generation displays, and the expansion of applications to a variety of devices.
- Requirements for process and labor saving at manufacturing sites, improvement of stability and productivity in quality and ingredient inspection, and reduction of environmental impact.
- Surge of demand for semiconductors and supply chain changes affected by fluctuations in the international situation.
- The renewal of manufacturing facilities due to the acceleration of technological innovation known as CASE in the automotive industry and changes in the ecosystem due to the entry of new players.
- Increasing demand for AI-powered detection, analysis, prediction, and forecasting, and the provision of data services that use these technologies in manufacturing sites and critical security management facilities, etc.

### Risks

- Risks of declining private consumption and limitation of capital investment due to geopolitical factors and economic recession.
- Substitution risk due to new technological development.

### Market growth rate

<b>Sensing</b>	Light source color / object color	+4%
	Automotive visual inspection	+15%
	Hyperspectral imaging (HSI)	+10 to 15%
<b>Performance materials</b>	Large TVs (LCD+OLED)	+4%
<b>IJ components</b>	Growth areas (industrial + print-on-demand applications)	+48%
<b>Imaging-IoT solutions</b>	Network cameras	+11%

\* Konica Minolta estimates. Performance materials are based on area, other businesses are based on monetary amount

## Review of the previous Medium-term Business Plan

The sensing business has steadily captured the demand for measurement for displays, increased sales of visual inspection and hyperspectral imaging (HSI) industrial applications, and comfortably achieved the goal of expanding profits. The performance materials business was affected by the inventory adjustment in the market, but phase difference films for large-sized TVs remained strong in both medium and large sizes. However, we did not reach our target ratio for large-size applications. The IJ components unit showed solid growth for industrial applications, but it was slightly short of its target due to the impact of COVID-19. Due to supply constraints for semiconductors and other components, and the economic downturn in Europe, which is a major market, the imaging-IoT solutions business did not grow as expected, and the target of increasing gross profit through sales expansion was not reached.

### KPIs set in the previous Medium-term Business Plan and results

	FY2022 Targets	FY2022 Results
<b>Sensing</b>	Visual inspection/HSI industrial applications sales ratio: 17%	12% *1
<b>Performance materials</b>	Large-sized TVs ratio of our phase difference films: 30% or more	21% *2
	Functionalization ratio for mobile devices: 50% or more	51% *2
<b>IJ components</b>	Sales growth ratio for industrial print and print-on-demand applications: 20-30% total	15%
<b>Imaging-IoT solutions</b>	Number of imaging-IoT platform partners: 125 companies	122

\*1 Sales increased YoY, but did not achieve target of 17% due to significant expansion of core business.

\*2 Konica Minolta sales ratio

# Strategy in the new Medium-term Business Plan

## Basic Strategy

In the Industry Business, we have achieved an operating margin of more than 20% by selecting medium-sized stable markets and maintaining a high share. With core technology as our strength, development, manufacturing, and customer support have come

together to create value by building strong relationships with customers. We will set the fields we will focus on in the future as “display”, “mobility”, and “semiconductor manufacturing”, strategically invest mainly in the strengthening businesses of

sensing, performance materials, IJ components, and optical components (industrial applications), and promote business development that is more closely linked to the customer’s manufacturing value chain.

## Sensing

Based on the light source color / object color measurement field, in which we have secured a share of more than 50% in display measurement, we have expanded the target areas of measurement through strategic acquisitions and alliances, and have gained an industry-leading share.

In light source color and object color measurement instruments, we aim to capture the evolving demand for next-generation displays and continue to hold a leading position by supporting customers comprehensively in order to expand profits.

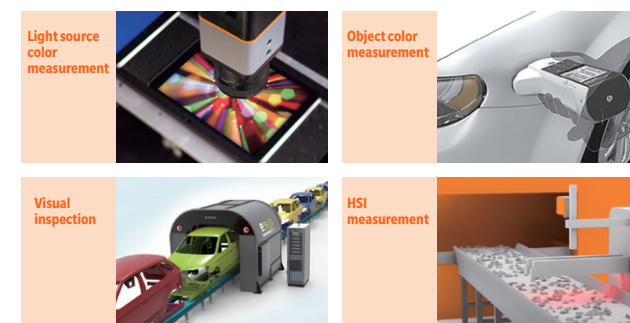
Visual inspection is an area in which we can differentiate, such as in automobiles, to meet the needs of industries and customers (see page 37 for details).

In measurement instruments that apply HSI technology, which measures not only visible light but also non-visible light, we

aim to expand the use of inspection and sorting applications in fields such as recycling, food, and pharmaceuticals, where market growth is expected.

Going forward, we will continue to capture inflection points in each industry and support manufacturing quality improvement, loss reduction, and circulation of resource as an essential partner of our customers.

### Business areas



### Strategic KPI (vs. FY2022)

	FY2025 Target
Sales growth rate of visual inspection and HSI industrial applications	22%

## Performance Materials

In performance materials, we will set phase difference films for large panels and thin films for small and medium-sizes as the main products, and support a wide range of applications for various displays such as large TVs, small and medium-sized mobile displays, and automotive displays, which are growing markets.

Konica Minolta’s film manufacturing technology uses solvent belt-casting method, which has the advantage of a high level of freedom in terms of materials and the ability to add additives that add functionality to the material. We will use this technology to build “genre top” fields.

We have gained a share of more than 40% in phase difference films, including the new resin “SANUQI Film”, which has excellent water resistance (see page 38 for details). In addition, we are developing products that capture changes in the market, such as being one of the first companies to develop thin

films that are even thinner than before, and gaining a “genre top” position in mobile applications.

The display market has matured, but with the evolution of large screens in TV, the demand for wider films has increased compared to the past. At Konica Minolta, we will continue to aim for business growth by capturing changes in the market, such as strengthening our production facilities to support 2.3 to 2.5m wide films.

### Long and ultra-wide display film



### Strategic KPI

	FY2025 Targets
Sales composition ratio in new resin for large TV panel areas	55% or more
Sales composition ratio in new resin for small and medium-sized TV panel area and new business area	10% or more

## IJ Components

Konica Minolta's IJ (inkjet) heads are used in a variety of fields, including sign graphics applications such as outdoor advertising, commercial printing applications such as the Konica Minolta product "Accurio Jet KM-1", industrial applications such as use in pattern formation in manufacturing processes such as printed circuit boards and displays, and print-on-demand applications such as flexible packaging printing.

Existing sign graphics applications and commercial printing applications, etc. are expected to continue to have a certain demand in the future as a core area that supports profits, and we expect a stable growth rate. We position areas where we will seek to replace conventional methods with IJ heads, such as industrial applications and print-on-demand applications as growth areas, and we expect growth of more than 10% annually and sales growth for Konica Minolta in these areas (see page 32 for details).

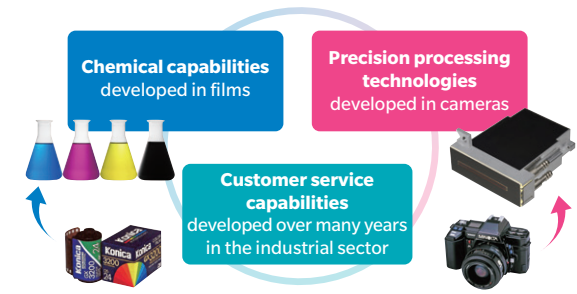
Konica Minolta's strengths are its chemical technology, precision processing technology, and customer service

capabilities. In particular, we have developed IJ heads that are highly compatible with various inks and chemicals, utilizing our capabilities in chemicals that we have developed through film technologies. We lead the market in industrial applications where there are many special inks and a high level of durability is required. In addition, in industrial applications that require advanced performance and where many customers request customization, we utilize our customer support capabilities to help with workflow reform through proposals including systems. Based on these strengths, we will promote the shift to the IJ process and aim to expand profits.

### Strategic KPI

	FY2022 Result	FY2025 Target
Sales composition ratio in growth areas (industrial + print-on-demand)	41%	60% or more

## Strengths of Konica Minolta



## Optical Components (Industrial Applications)

Within the optical component unit, we have set industrial applications such as mobility and semiconductor manufacturing equipment as areas of enhancement. Through our differentiated technologies that combine our core technology of materials, nano-fabrication, optical design, and precision assembly, we are expanding our business by "making the invisible visible" and increasing added value.

In particular, the market size of semiconductor manufacturing equipment is expanding year by year, and we will strengthen our proposals upstream of this market and shift to high-growth areas. In addition, utilizing the customer alliances that we have built so far, we will not only provide components, but also propose solutions that include optical design and simulation.

### Strategic KPI

	FY2025 Target
Sales composition ratio in industrial applications area	50% or more

## Imaging-IoT Solutions

The imaging-IoT solutions unit provides high-value-added image analysis services to a wide range of customers, mainly in the manufacturing industry.

The network surveillance cameras made by MOBOTIX AG of Germany have strengths in high durability, thermal technology, and edge AI processing. By connecting these cameras to Konica Minolta's unique imaging-IoT platform "FORXAI" that combines diverse sensor devices and imaging AI technology, it becomes possible to quickly detect and analyze abnormalities and signs that may lead to serious accidents or disasters in frontline

operations of various industries and contribute their prevention. In addition, VAXTOR Ltd. of Spain, which was acquired by MOBOTIX AG, has taken advantage of its strengths in automatic license plate recognition technology to successfully win projects mainly in the transportation infrastructure field. Going forward, we will continue to rapidly develop AI-powered solutions and strengthen cooperation with Konica Minolta's global sales system to promote high profitability in our businesses and contribute to the safety and security of society.

### Strategic KPI (vs. FY2022)

	FY2025 Target
Sales growth rate of MOBOTIX camera solution package for outdoor/thermal applications	16%

# Medium- to long-term growth strategy in strengthening areas for Industry, centered on the industrial value chain

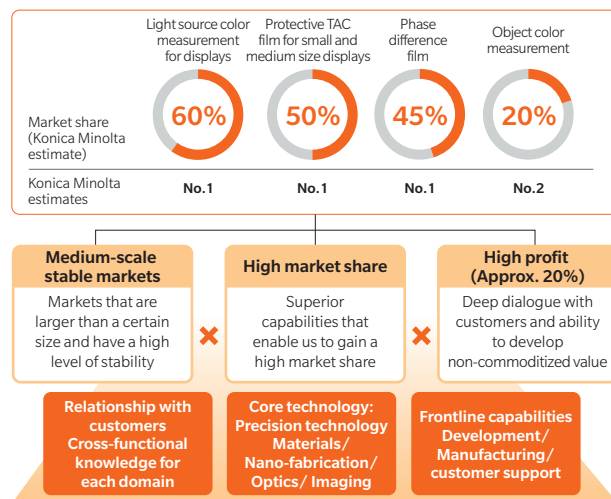
## Common “success requirements” for the high market share areas for Industry Business

The Industry Business is built on three common success requirements, based on "precision technology," which is our strength, and "frontline capabilities," which integrates development, manufacturing, and customer support. The first requirement is that market is larger than a certain size and stable, the second is that we can demonstrate superior capabilities and gain a high market share, and the third is that we can have a deep dialogue with customers in the manufacturing industry and maintain profitability by developing non-commoditized value.

The display market is large and growing steadily, and phase difference films and light source color measurement instruments are differentiated based on our core technology and frontline capabilities. In addition, we have deep and long-term cooperation with multiple customers and partners in the midstream of the industrial value chain (VC), which is a barrier against new entry to the market and an environment in which a decline in value is unlikely to occur. As a result, in the existing areas, we have maintained an operating profit ratio of about 20%.

In the sensing unit, in addition to organic growth that meets the above-mentioned success requirements, we have also used acquisitions to deepen our connections and increase our presence in VCs, which has led to a more than fourfold increase

## Success requirements of strengthening areas for Industry Business

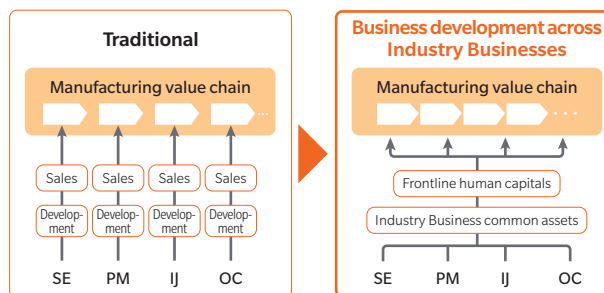


in revenue in the past 10 years while maintaining profit ratio. In the area of optical inspections for display, we have acquired two companies in the industry in Europe and the United States, and we currently hold a market share of more than 50%. In particular, the visual inspection and image processing technology for electronic devices of the company we acquired, Radiant (USA), has accelerated our inspection business for automobiles, leading to the acquisition of Eines (Spain), which has greatly increased our market share. Similarly, the acquisition of Specim (Finland), which possesses HSI technology that can realize non-visible light area imaging, has enabled us to provide higher analytical capabilities for safety, security, and hygiene areas such as recycling, food, and pharmaceuticals.

## Strengthening business development across Industry Businesses

In order to capture the rapid market changes surrounding the Industry Business and meet the needs of customers, it is necessary to identify the industries to be focused on, apply the core technology that are our strengths that we inherit from the founding businesses and further innovate them in order to connect them to value. For this reason, we have established a business development system that can respond quickly to market challenges by placing front-line human capitals in each market of each focus area in order to be closely connected to the market. We aim to enhance trust and become a preferred supplier by having our front-line human capitals, who move across traditional business units and can overlook the entire industry's VCs and related technologies, continuously work to solve customer challenges by utilizing the customer relationships and technical assets we have accumulated throughout the Industry Business.

## Promoting business development system across Industry Businesses



SE: Sensing PM: Performance materials IJ: IJ components OC: Optical components

## Areas of focus in the medium-to long-term

In the medium-to long-term, we will focus on three industries: display, mobility, and semiconductor manufacturing.

These markets have “fluctuations” due to unique changes and developments, and they are under the environments in which it is easy to create new business opportunities that meet the “success requirements.”

In response to these “fluctuations,” we are already progressing value co-creation with customers cultivated in existing areas, and we aim to demonstrate our superiority by combining and applying technologies, and become an indispensable presence in VCs.

### Display

#### Accelerated development of new display technologies as devices evolve

- Development and sales expansion of next-generation functional films that can withstand harsh use environments such as foldable types using materials with low-environmental load
- Development of manufacturing processes that combine IJ technology and material technology to achieve both high precision and process simplification that cannot be achieved by conventional methods

### Mobility

#### Acceleration of technological innovation through CASE

- Sales expansion of automated solutions for visual inspection processes for automobiles coating
- Expansion of optical technology to support ADAS (Advanced Driver Assistance Systems)
- Development of low environmental load coatings that extend digital coating technologies to apply only the amount of materials necessary to the location necessary, a feature of IJ technology

### Semiconductor manufacturing

#### Supply chain upheaval due to external factors

- Expansion through gradual strategic investment in the business of ultra-precision optical components for semiconductor manufacturing equipment, a area where we have been closely connected to customers for more than 10 years
- Entering the business of new process materials by utilizing our customer base, material technologies, and manufacturing knowledge

# Healthcare Business



## Market Environment Awareness

### Opportunities

- Against the backdrop of a shortage of medical personnel, there has been an increase in demand for healthcare DX that utilizes images, AI, and IT technologies to make healthcare more advanced and efficient.
- Due to declining birthrates and aging populations, mainly in developed countries, as well as higher medical expenses, the need for early diagnosis and minimally invasive medical treatment has increased.
- Rapid economic development, population growth, and increased longevity in emerging countries such as those in Asia have led to a greater need for healthcare and an expanded market for the digital healthcare.

### Risks

- Supply chain disruptions caused by unstable international conditions and geopolitical risks.
- The risk of a decline in the willingness of medical institutions to invest in capital against the backdrop of soaring energy, material, and labor costs.

### Market growth rate

General X-ray Diagnostic Systems	+4% *
Ultrasound Diagnostic Systems	+3% *

\* Konica Minolta estimates.

## Review of the previous Medium-term Business Plan

During the previous Medium-term Business Plan period, in the medical imaging (healthcare) business, we strengthened high-value-added imaging such as DR integrated X-ray systems and Dynamic Digital Radiography, aimed to expand medical IT services, and promoted our global digital business including in Asia. Within these efforts, although the COVID-19 pandemic and changes in the international situation have limited our procurement of electronic components and sales activities, we have seen robust demand focused on high-value-added imaging and medical IT services, and sales in the digital business have increased.

On the other hand, the precision medicine business realized an increase in the number of samples due to the expansion of RNA testing, which is a precision test, and completed the development of the “GenMineTOP Cancer Genome Profiling System” jointly developed by the University of Tokyo and the National Cancer Center Japan. It also contributed to the development of new drugs for Alzheimer’s disease. However, the shortage of healthcare workers due to the impact of the COVID-19 pandemic in the United States has delayed the recovery of sales.

### KPIs set in the previous Medium-term Business Plan and results

	FY2022 Targets	FY2022 Results
DR integrated X-ray system, Dynamic Digital Radiography, and Asia business revenue growth rate	+15% or more	+31%
Medical IT service revenue growth	+8% or more	+7%

# Strategy in the new Medium-term Business Plan

## Basic Strategy

The Healthcare Business aims to “support healthy, high-quality living,” which is one of our material issues, and provides products and services that contribute to early diagnosis, keeping medical costs low, and improving quality of life. It will focus on allocating management resources to medical imaging business, which is a

strengthening business, and aim to expand the business scale with a focus on high-value-added imaging and medical IT solutions that are expected to grow in the medium-to long-term. Since precision medicine business, which offers long-term growth potential, requires continuous growth investment, we will

continue to consider strategic options, including listing on the US stock market, which we have been preparing for, and transferring the business to a third party to accelerate the growth of our business.

## Medical Imaging

### Strengthening of high value-added imaging

In the field of X-ray imaging, Konica Minolta will promote the global development of Dynamic Digital Radiography, for which it is a pioneer in the world, expand clinical applications through collaboration with Key Opinion Leaders (KOLs), and increase sales of high-value-added integrated X-ray systems, including mobile X-ray systems with Dynamic Digital Radiography. In ultrasound diagnostic systems, we will utilize high image quality and auxiliary functions such as puncture enhancement processing, which are our strengths, and will strengthen anesthesiology, dialysis, and other genres in addition to orthopedics and obstetrics in which we already have a high market share.

### Strengthening of medical IT solutions

In medical IT solutions, we will expand sales of DX-enabled support services for clinics by adding a new “smart clinic service” that connects patients and medical institutions, centered on “infomity,” an ICT service platform for medical institutions that connects with approximately 20,000 clinics in Japan.

### Expanding our global presence

We will expand our global presence in high-value-added medical treatment solutions that combine modalities such as x-ray diagnostic systems and ultrasound diagnostic systems with AI-powered image diagnosis support, and strengthen the deployment of Picture Archiving and Communication System (PACS) to the ASEAN region to increase the profits of the digital business. In addition, we will promote open and strategic collaboration with global partner companies with strengths in their respective areas.

### [Strengths to support the strategy]

- Brand and customer base developed through 90 years of history since the X-ray film business.
- Relationships with KOLs which co-create new clinical value.
- Technologies related to high-value-added imaging and medical IT solutions including Dynamic Digital Radiography rooted in core technologies (see page 38 for details).
- Highly specialized human capital (imaging/AI technology, clinical development, IoT) who support value co-creation with KOLs.

### Strategic KPI (vs. FY2022)

Key KPIs	FY2025 Targets
Sales growth rate of DR integrated X-ray systems and Dynamic Digital Radiography	+140%
Sales growth rate of the Asian business	+155%
Sales growth rate of medical IT services	+145%

#### High-value-added imaging

- Dynamic Digital Radiography systems
- Treatment solutions based on ultrasound diagnostic systems

#### Medical IT solutions

- Imaging and dose management systems
- infomity and medical DX services



## Precision Medicine

In the field of genetic diagnosis, we will expand “RNA testing,” a proprietary technology with high inspection accuracy and our “CARE Program” designed for non-patients that contributes to preventive medicine. In addition, we will promote contributions to personalized medicine by launching medical services covered by the national insurance system in Japan through the “GenMineTOP Cancer Genome Profiling System” (jointly developed with the

University of Tokyo and the National Cancer Center Japan).

In the field of drug discovery support, we will expand assignment of the clinical trials for the central nervous system and cancer. In addition, by launching “LATTICE,” a platform that integrates genetic, pathological, and image data, and providing “state-of-the-art genetic testing, molecular pathology testing, and three-dimensional imaging” under the name of “REALM Pharma Services,” we will work

to expand drug discovery support, and contribute to improving the drug discovery success rate and process efficiency.

### [Strengths behind the strategy]

- Accumulation of human capital and technologies that enable competitive proprietary technologies such as RNA testing, exome testing, and visualization of drug efficacy using biomarkers.



# Professional Print Business



## Market Environment Awareness

### Opportunities

- The shift from analog printing to digital printing, such as offset printing, has accelerated.
- In commercial printing marketing methods have become more individualized and are based on shorter cycles, and in industrial printing, the demand for packaging/label printing has increased due to the shift to small lots with the increase in global population and the increase in private/local brands.
- There is a shortage of skilled workers in printing companies and increasing concern for the environment.

### Risk

- Reduced demand for printing due to geopolitical risks and economic fluctuations, reduced willingness to invest in capital and delayed decision-making among printing companies.

### Market growth rates

	<b>Commercial printing</b>	+4%
<b>Digital printing</b>	<b>Label printing</b>	+6%
	<b>Packaging printing</b>	+20%

\* Konica Minolta estimates

## Review of the previous Medium-term Business Plan

Production print business sales declined in fiscal 2020 and fiscal 2021 due to reduced demand caused by the spread of the COVID-19 pandemic and reduced toner supply capacity due to the impact of the toner factory explosion, but recovered to the level of fiscal 2019 in fiscal 2022. In addition, HPP (Heavy Production Printing machine), which was launched during the previous Medium-term Business Plan, significantly increased its market share in a short period of time, and the non-hardware sales growth rate also progressed as planned. In the industrial print business, we captured the wave of digitalization of printing in areas that are closely related to people's lives, such as labels and textiles, and sales have grown significantly, mainly in Accurio Jet KM-1 digital inkjet press and label printing machines. The marketing services unit has improved profitability due to structural reforms.

### KPIs set in the previous Medium-term Business Plan and results

	FY2022 Target	FY2022 Result
HPP market share	40%	36%
YoY sales non-hardware		
Production Print	+5%	+13%
Industrial Print	+12%	+25%

# Strategy in the new Medium-term Business Plan

## Basic Strategy

Positioning production print and industrial print businesses as strengthening areas we will aim to minimize the factors that inhibit the shift from analog printing to digital printing. In concrete terms, we will expand the scope to the entire printing process and the print supply chain, and accelerate the spread of

digital printing in each field. In this way, we will contribute to improving people's work satisfaction by transforming workstyles at printing sites and satisfying the needs of printing companies' customers. At the same time, we aim to reduce the losses in each process of the printing lifecycle and reduce the impact on the

environment (see page 31 for details).

Marketing services will be considered as a non-focused business, considering their compatibility with the Company's own strategy, and we will also consider the use of third-party capital to achieve growth.

## Production Print

By co-creating a mechanism and business model that contribute to maximizing the cost-effectiveness of printing and minimizing environmental impact with brand owners and printing companies, we will contribute to improving the business process efficiency of printing companies and saving labor at printing sites. Through these efforts, we will increase the willingness of printing companies to use digital printing, expand the number of HPP units installed in the market where large-scale printing demand is expected, and expand non-hardware profits with high sustainability.

We will also expand the installation of the Intelligent quality optimizer function and automatic inspection function "IQ-501" that was installed mainly in HPPs and MPPs (Mid Production Printing machines) in LPP (Light Production machines). We will

promote production efficiency and labor saving, and maintain the top market share among small and medium-sized printing companies in developed countries. Further, we will expand sales in growth markets (China and India) where we have an overwhelming top market share, and build a foundation for highly profitable non-hardware profit expansion.

### Print strategic KPI (vs. FY2022)

	FY2025 Target
HPP MIF*	+170%

\* MIF: Machines in the Field

### [Strengths that support our strategy]

- We are familiar with the image quality desired by the printing industry based on our history of selling prepress film and proof printing machines for analog printing.
- We have driven the formation of the digital printing market by bringing electrophotography methods developed for our office copiers to commercial printing.
- We have utilized object color measurement technology in the sensing business and were the first in the industry to introduce the Intelligent quality optimizer function and automatic inspection function to the market (see page 38 for details).
- We have also established barriers to entry by building up intellectual property in the digital printing field and maintained a leading position in the industry.

## Industrial Print

With our UV inkjet printing machine "KM-1", we will establish a customer base centered on new medium and large printing companies by strengthening the sales system and promoting productivity improvements at printing companies. In addition, we will aim to achieve a stable profit foundation by increasing the print volume through services that combine both work efficiency improvements, including before and after printing, and quality satisfaction. Further, we will expand sales by promoting total solutions that support the entire printing process that combines digital embellishment presses.

In addition, regarding our label printing machines, we will introduce models with improved image quality and productivity, and expand sales from traditional medium-sized companies to

large-scale companies. Regarding our textile presses, we will expand sales of models that can reduce the environmental impact of the printing process. Through these efforts, we will greatly expand non-hardware sales.

### Strategic KPI (vs. FY2022)

	FY2025 Target
Sales Non-hardware	+110%

### [Strengths that support our strategy]

- We have accumulated advanced adjusting technologies in various fields such as mechanics, electronics, software, chemistry, and physics.
- We have achieved high-quality printing on a variety of printing media using various printing methods.
- Our proprietary HS (High-definition, Single-pass) ink technology enables high-quality printing on a variety of printing media, including plastics, and enhances productivity (quick-drying/double-sided support, large formatting, high-speed) and color stability, which have been challenges for digital printing machines.
- The customer development capabilities that we have cultivated in commercial printing.

# Digital Workplace Business



## Market Environment Awareness

### Opportunities

- In the field of IT management services, while companies are shifting to the cloud, there is also a deep-rooted need for on-premises strengths, so the opportunity to provide managed services for both cloud and on-premises will continue in the future.
- In the field of operation optimizing services, in addition to market growth, there is an increase in demand for DX promotion from companies and local governments aiming to improve business efficiency. The need for digital workflow solutions to strengthen information security, optimize workflows related to office documents, and solve problems specific to industries and businesses that respond to regionality, as well as the need to digitize paper documents due to legal amendments, etc., have increased.
- Further expansion of demand for MFPs in emerging markets such as China and India, and the shift from monochrome MFPs to color MFPs.

### Risk

- Reduced scope for shifting from monochrome MFPs to color MFPs in developed markets, and decreased office printing due to the establishment of diverse working styles such as working from home.

### Market growth rate

<b>MFPs</b>	Hardware	-1%
	Non-hardware	-4%
<b>Operation optimizing Services</b>	ECM *1	5%
	ERP *2	10%

\* Konica Minolta estimates

\*1 ECM: Enterprise Content Management

\*2 ERP: Enterprise Resources Planning

## Review of the previous Medium-term Business Plan

In the office business, we aimed to recover to pre-COVID-19 profit levels. However, on the demand side, print volume decreased due to the progress of work style transformation as an external factor. On the supply side, in addition to external factors such as a shortage of materials including semiconductors, soaring logistics costs, and lockdowns due to the COVID-19 pandemic, internal factors such as a shortage of toner supply due to explosions at the toner plant had a significant impact on sales and profits. On the other hand, we were able to reduce the break-even point through the control of selling, general and administrative expenses and structural reform, and we were able to build a business structure that can generate profits even if the sales scale shrinks.

In the DW-DX business, we aimed to make a profit by increasing sales of managed IT services and Workplace Hubs, and reducing selling, general and administrative expenses by improving development efficiency. However, due to the rapid shift to cloud services, sales of the on-premises Workplace Hub were lower than expected, while the reduction of selling, general and administrative expenses and structural reform did not proceed as expected due to soaring labor costs.

### KPIs set in the previous Medium-term Business Plan and results

	FY2022 Targets	FY2022 Results
MRR* growth rate	+15% or more	+25%
Customer retention	+2pt	-3 pt
Service factory deployed countries	25	11

\* MRR: Monthly Recurring Revenue

# Strategy in the new Medium-term Business Plan

## Basic Strategy

The office business is positioned as a maintaining profit business, and we will promote cross-selling solutions and the transition to a fixed-price system for consumables in response to the risk of a decrease in print volume due to changes in people's work styles.

In addition, we will establish a structure that can generate profits by providing a stable supply of products by responding quickly to changes in the international situation.

The DW-DX business is positioned as a direction-changing

business. As well as clarifying and implementing quarterly goals, in some cases, we will organize the business on the two axes of region and service line, aiming for a profit that could not be achieved in the previous Medium-term Business Plan.

## Office

In terms of production and procurement, our top priorities are improving our ability to respond to the external environment and fostering and ensuring a safety culture, and we will thoroughly implement cost reduction activities for parts procurement that increased in cost during the previous Medium-term Business Plan. In addition, by further combining our frontline capabilities and digital manufacturing, we will achieve stable quality and stable supply of products (see page 39 or details). Further, we will promote waste reduction and minimization of resource use through resource circulation-oriented business development, and we will expand business opportunities by complying with strict European environmental standards for bidding.

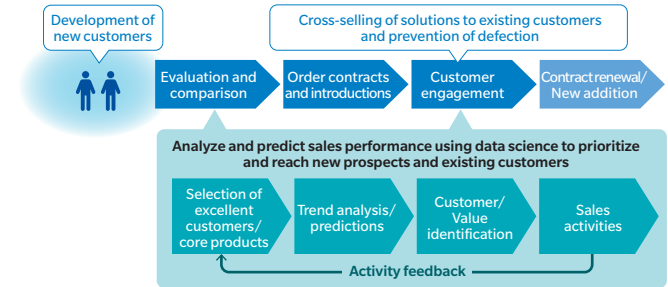
On the service side, by strengthening the functions of remote services and self-maintenance, we will shift to a service operation that maintains the operation of MFPs without requiring

customer visits. In addition, we will further improve reliability and reduce service costs by monitoring the condition of MFP main units and predicting and avoiding failures.

On the sales side, we will expand package sales of solutions in addition to non-hardware sales through a flat-rate program "One Rate" that does not depend on print volume fluctuations. In addition, we will increase the productivity of sales personnel and

promote more efficient sales activities by narrowing down high priority potential customers using AI (High Potential Prospects).

### The High Potential Prospect Concept



### Strategic KPI

	FY2022 Results	FY 2025 Targets
US One Rate MIF rate	22%	30%
Remote services execution rate	16%	35%

## DW-DX

### IT management services

Increase profitability by delivering IT management services while reducing costs for specific customers with on-premises needs.

### Work efficiency services

• Horizontal market \*1: We will expand the system integration model and packaging approach for sales companies that maintain high profits horizontally to countries around the world to improve service productivity and sales productivity. In addition, we will conduct cross-selling of products based on document management services to customers of MFPs and propose appealing high-value-added services to expand sales and establish a stable foundation as a highly profitable business.

• Vertical market \*2: We will acquire new sources of profit by capturing customer needs specific to each region's industry and business category, and developing our own businesses that continuously and rapidly update the value provided by AI and data utilization.

\*1 Horizontal market: Markets that are not specialized for industries, such as solutions for common operations regardless of industry

\*2 Vertical market: Markets that are specialized for industry and business category (for example, law firms or government agencies are assumed)

### Strategic KPI

	FY2022 Results	FY2025 Targets
<b>Orders per person</b>	\$61K/month	+2%
<b>Gross profit margin of Operation optimizing service</b>	36%	+1 pt