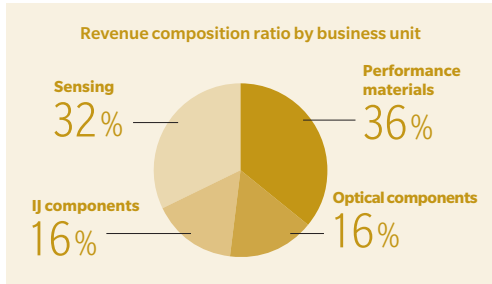


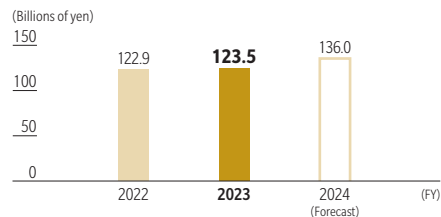
At a Glance

Industry Business Revenue composition ratio 11%

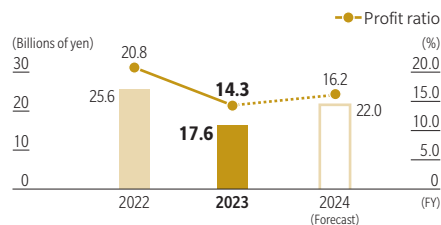


In sensing, demand for light source color measurement instruments remained sluggish due to restrained investment by customers in display equipment, etc. In performance materials, sales of phase difference films for VA panels for TVs were steady. In IJ components, sales of heads for sign graphics printers were strong. In optical components, sales of lenses for projectors were weak due to market conditions.

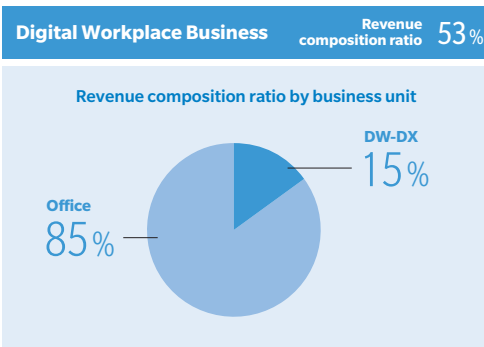
Revenue



Business contribution profit*

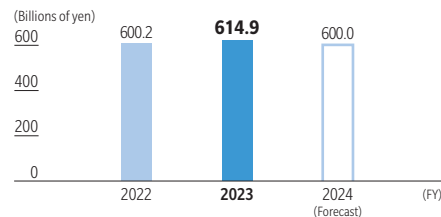


Business Technologies Business Revenue composition ratio 53%

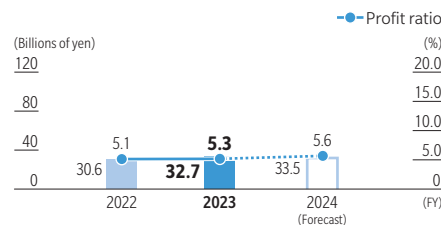


In the office unit, sales volume of A3 MFPs suffered from the backlash of a temporary increase in sales due to the elimination of order backlogs caused by the semiconductor shortage, but in non-hardware such as consumables and services, the decline in color print volume eased and sales of MFP-linked applications and services also grew. DW-DX saw sales growth in business process management services and solutions we developed using AI.

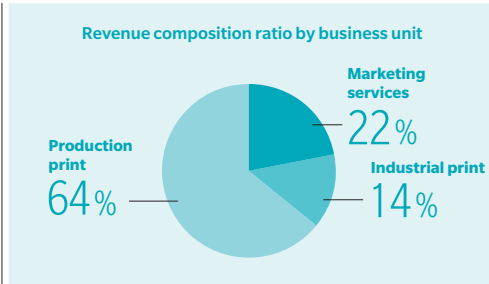
Revenue



Business contribution profit*

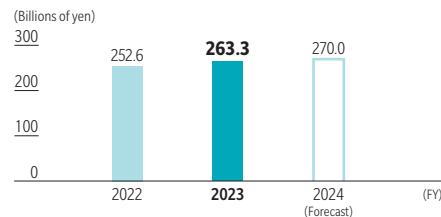


Professional Print Business Revenue composition ratio 23%

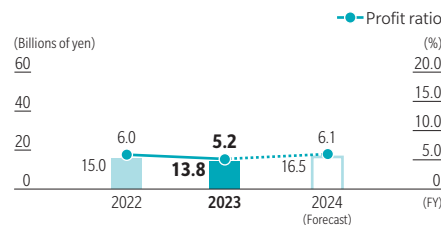


In production print, there were increased sales of Heavy Production Printing presses with the highest printing speed, which is a focus of the Company. Non-hardware sales grew due to increased demand for printing in India and China. In industrial print, unit sales of digital printing presses increased, and non-hardware also grew due to an increase in the number of presses in operation in the market and an increase in the ratio of digital printing among customers.

Revenue

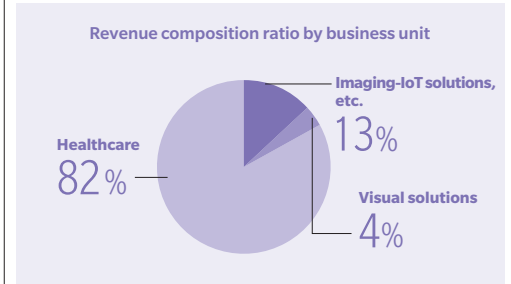


Business contribution profit*



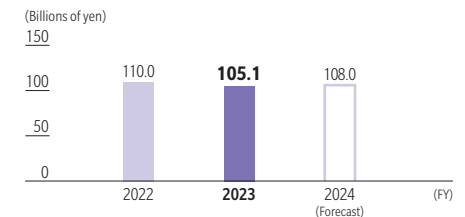
The segment Revenue composition excludes the 5% from precision medicine.

Imaging Solutions Business Revenue composition ratio 9%

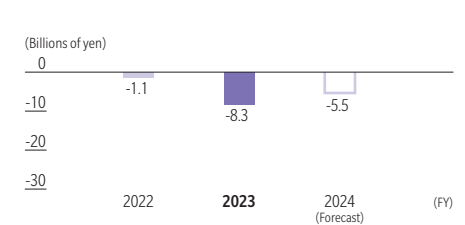


In healthcare, sales of DR (Digital Radiography) used for X-ray diagnostics declined due to the slowdown of growth in the hospital market in Japan and the U.S. On the other hand, sales of Dynamic Digital Radiography grew steadily, especially in the U.S. hospital market. As for imaging-IoT solutions, sales were strong in monitoring camera solutions.

Revenue



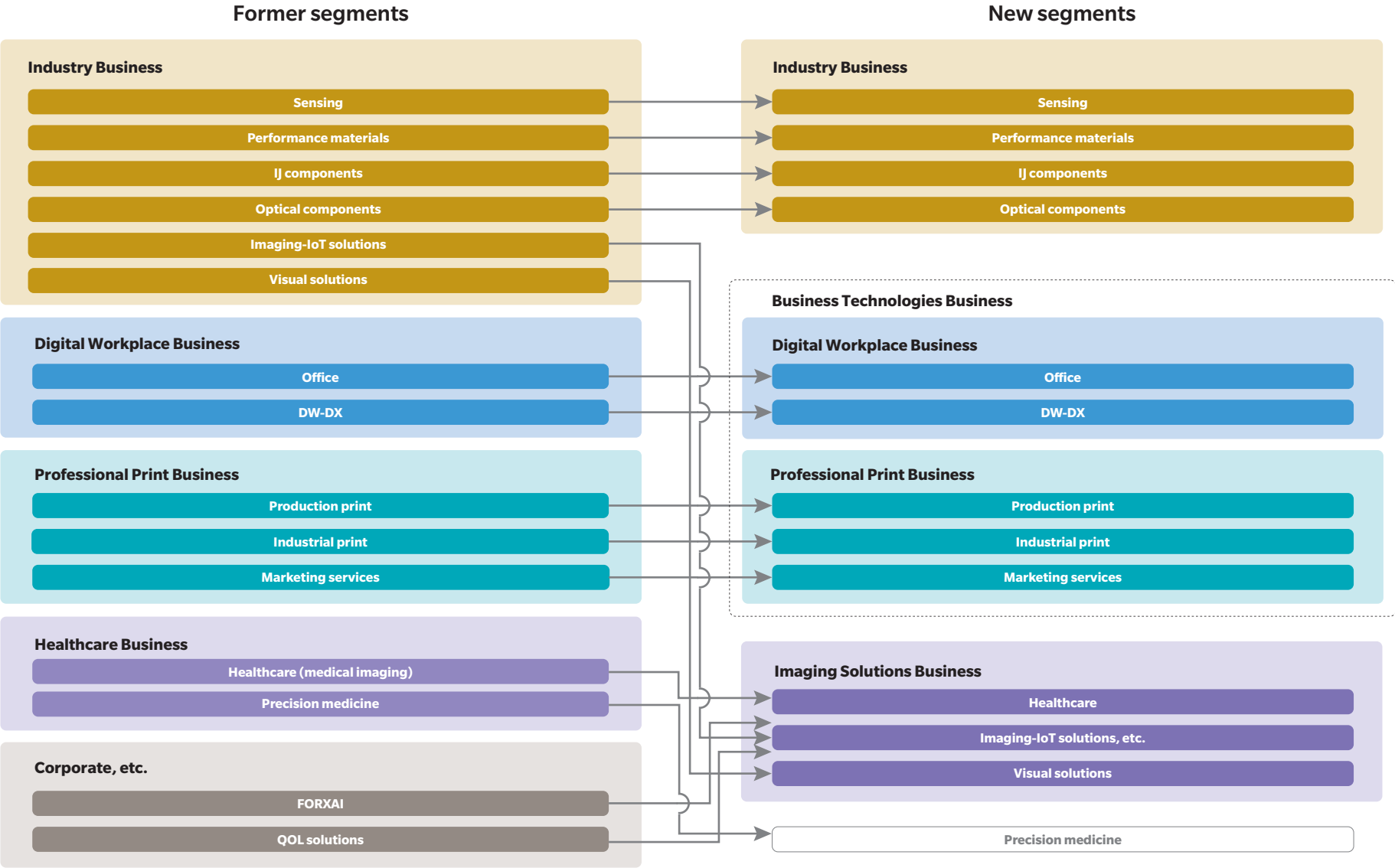
Business contribution profit*



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

Segment Changes Due to Organizational Reforms

From fiscal 2024, the business is divided into three main areas: Business Technologies Business, Industry Business, and Imaging Solutions Business to reinforce the structure that will accelerate the implementation of the Medium-term Business Plan.



Industry Business

Message from the Lead Officer



Noriyasu Kuzuhara
Director, Executive Vice President &
Executive Officer
Industry Business

In the Industry Business, we provide leading products and services based on the technologies refined through our history of innovation and co-creation activities based on the trust of our customers, which we have won through the earnest engagement.

The technologies that form the basis of the value we provide are a combination of the optical, material, nano-fabrication, and other core technologies that we have continued to refine over the years as we have evolved from our original business, plus the addition of AI and other technologies. While the technologies are important to our business, what makes our business unique is the process of converting the technologies into value. We believe value lies in “stories that are realized through applying the technologies” rather than the technologies themselves, and by providing that value, we aim to consistently be partner of our customers in driving their innovation.

This value provision is supported by our “customer-centricity”, that exists in development, manufacturing, and customer support, driven by dedicated and skilled human capitals. We will expand the Industry Business by increasing the number of stories that can be realized through value creation activities with customers across business units that combine our technologies and customer-centricity based on each customer’s business domain. The Industry Business Development Center, which was established last year as the vanguard of this effort, is approaching each of our customers’ business domains by utilizing our assets, such as global customer relationships, development functions, sales functions, and group companies, in addition to our technologies, in a cross-functional and multi-layered manner. In the display industry, one of our focus domains, we have already begun to see results in the expansion of new applications, and we intend to further expand going forward.

Our Medium- to long-term Growth Strategy

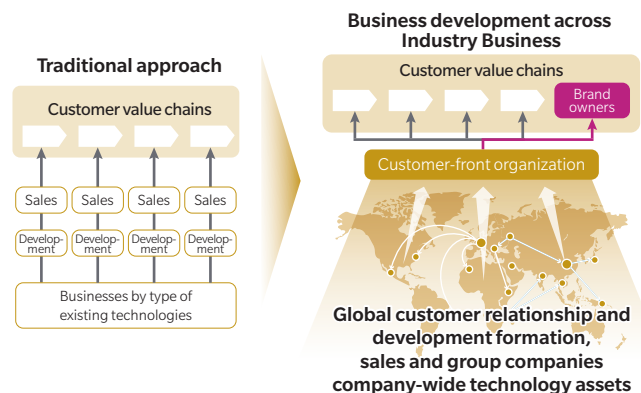
Achievement of material issues and development through co-creation with customers

In the Industry Business, based on our strengths in core technologies, we provide parts, materials, measurement, and inspection essential for customers through co-creation with our customers using our “customer-centricity”, thereby contributing to the realization of social value, which we raise as material issues. For example, we are promoting initiatives to address such material issues as improving fulfillment in work and corporate dynamism through automating and labor saving in manufacturing and inspection processes, “using limited resources effectively” and “addressing climate change” by reducing losses through digitalization and developing new materials, and by advanced measurement and identification. In the Medium-term Business Plan, we have positioned the Industry Business as a strengthening business that will drive our medium- to long-term growth, and have prioritized allocating management resources to it.

Three common “success requirements” for the Industry Businesses

The four business units that make up this business (sensing, performance materials, IJ components, and optical components) share three common success requirements. First, a certain size and stability of market; second, the ability to demonstrate superior capabilities and gain a high market share; and third, the ability to have a deep dialogue with customers in the manufacturing industry and maintain profitability by creating

Strengthening business development through a cross-business approach



non-commoditized value. In addition, we have a deep and long-term cooperation with multiple customers and partners in the midstream of the value chain, which works as an entry barrier to minimize value deterioration. By meeting these requirements, our existing domains keep high profitability.

Enhance business development across businesses

For business development in the medium- to long-term, we are focusing on three domains that meet our success requirements, and in which new business opportunities are likely to emerge: displays, mobility, and semiconductor manufacturing. We aim to grasp changes in the markets of these domains and quickly respond to the issues and needs of customers operating in these domains. In each focused domain, we assign customer-front human capital who can look at the value chain and technology from the perspective of the market and customers beyond the conventional product-specific business units. In addition, our customer-front capabilities gain advantages to quickly identify demand and develop new solutions by staying in close contact with the industry’s leading brand owners. We are promoting new business development through co-creation with customers while leveraging our technological assets and customer relationships around the globe.

Achievements in business development through co-creation with customers

Display



External environment: Acceleration of development of new panel type in line with device evolution

- Through implementing a cross-business approach toward ICT brand owners, we received orders for functional films for next-generation small- and medium-sized displays non-polarizing plate applications

Mobility



External environment: Acceleration of technological innovation through CASE

- First installation in Japan of automotive visual inspection equipment at Suzuki’s Sagara Plant, expanding the global pipeline including other Suzuki plants

Semiconductor manufacturing



External environment: Supply chain upheaval due to external factors

- Acquired new model projects in the visible light area in the business of ultra-precision optical components for semiconductor manufacturing equipment

Sensing

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
- Renewal and installation of new automotive plant facilities in line with automation and DX trends in the manufacturing industry, process and labor saving in quality inspections
- Demand for efficient use of limited resources and response to climate change

Risks

- Decline in demand due to customers' capital investment cycles

Market growth rate (2023-2025)

Light source color / object color	+4%
Automotive visual inspection	+15%
Hyperspectral imaging (HSI)	+10-15%

Strategy and progress

In the sensing business, we have been providing light and color measurement to various industries based on our technology for quantifying color. Based on light source color measurement, in which we have secured a share of more than 50% in display measurement, and object color measurement, which is used in a wide range of industries, we have expanded the scale of our business while also making strategic acquisitions. Aiming for further business growth, we are building a new earnings pillar in the areas of automotive visual inspection and hyperspectral imaging (HSI) technology, which measures wavelengths invisible to the human eye.

In the light source color / object color measurement field, we aim to expand our earnings by embracing technological innovations in display technology as an opportunity. We expect long-term growth in light source color measurement and stable growth in object color measurement and a recovery in demand as we move toward fiscal 2025.

In the area of automotive visual inspection, we expect to expand our pipeline by contributing to the automation of quality inspections on production lines with our strength in AI-powered image analysis technology, and we anticipate sales growth over the medium term. In measuring instruments based on HSI technology, we aim to expand the use of inspection and sorting applications in a wide range of areas including the recycling field, where market growth is anticipated.

Going forward, we will continue to capture inflection points in each industry and support manufacturing quality improvement, loss reduction, and resource recycling.

Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Target
Revenue growth rate of visual inspection and HSI industrial applications	+5%	+22%

Performance Materials

Market Environment Awareness

Opportunities

- Demand for new functions and expansion of applications for various devices due to the evolution of next-generation displays
- Increased demand for films due to larger display sizes
- New production line construction and widening at polarizer manufacturers

Risks

- Declined demand in display market due to economic slowdown
- Shrinking market for existing products due to changes in display technology
- Rising costs due to soaring energy and raw material prices

Market growth rate (2023-2025)

Large TVs (LCD+OLED)	+4%
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Strategy and progress

Our business develops films for a variety of displays, including large TVs, small and medium-sized mobile displays, and automotive displays. Konica Minolta's strength in film-casting technology lies in the high level of freedom in terms of materials and the ability to add additives that add functionality to the material. By taking advantage of this technology, Konica Minolta has built a genre-top position in long, wide, and thin films.

In the large TV market, polarizer manufacturers are accelerating the shift to wider lines. In this business, we aim to capture this demand with two new resins, SANUQI film and SAZMA film, to expand our market share. In addition, while utilizing existing lines, we are adding a widened line capable of producing larger widths, thereby increasing production capacity while meeting demand for wider films.

In the area of small and medium displays, we have built a genre-top position in thin protective film for LCD polarizers. In addition, we will strive for growth by capturing needs downstream in the supply chain and developing new products based on two key elements: direct co-creation with customers and material formulation technology, which is one of our strengths.

In addition to growth in these two areas, we will also work to solve social issues by improving the efficiency of manufacturing throughout the supply chain, such as by helping to reduce end materials and manufacturing losses when changing rolls by increasing film lengths.

Strategic KPI

	FY2023 Results	FY2025 Targets
Revenue composition ratio in new resin for large display panel areas	8%	20% or more
Revenue composition ratio in new resin for small and medium-sized display panel areas and new business area	1%	10% or more

IJ Components

Market Environment Awareness

Opportunities

- Growing demand for inkjet printing as the shift from analog printing to digital printing accelerates
- Changes in manufacturing processes and process and labor saving at manufacturing sites
- Demand for effective use of limited resources and reduction of environmental impact
- Changes in development and manufacturing processes due to the evolution of next-generation displays

Risks

- Decrease in demand from customers due to economic recession

Market growth rate (2023-2025)

Growth areas (industrial + print-on-demand applications)	+48%
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Strategy and progress

The strength of this business's IJ (inkjet) printheads lies in its ability to provide heads that are highly compatible with various inks by leveraging our chemical technologies that we have developed through our photographic film business, which is our founding business.

Sign graphics applications, such as outdoor advertising, and commercial printing applications are expected to continue to be in demand as a core field that supports profits. In particular, demand for large-size signage printers is increasing in Southeast Asia, India, and other regions where economic growth continues. Konica Minolta's inkjet heads are highly regarded for their durability and high productivity, and we expect stable growth in this area in the future.

In industrial fields such as pattern-formation applications in the manufacturing process of printed circuit boards and displays, IJ systems are replacing conventional methods to save labor and reduce material loss. This market is expected to grow at an annual rate of 10% or more and is positioned as a growth area. Industrial applications, where special inks are frequently used, require highly durable heads, and we are leading the market with our chemical technology, which is one of the strengths of this business.

This business has been deeply involved in customers' development sites to provide fine-tuned support. Going forward, we will continue to promote IJ by not only providing support for the head and optimal ink matching, but also promoting workflow innovation in collaboration with our customers to help them enhance the value of their products.

Strategic KPI

	FY2023 Results	FY2025 Target
Revenue composition ratio in growth areas (industrial + print-on-demand)	39%	60%

Optical Components

Market Environment Awareness

Opportunities

- Rapid increase in semiconductor needs, changes in manufacturing processes, and higher precision requirements affected by fluctuations in the international situation
- Decrease in the number of lens manufacturers that can stably supply lenses in the middle range (UV to visible) of semiconductor manufacturing

Risks

- Decrease in customer demand due to economic recession
- Temporary slowdown in semiconductor industry growth
- Substitution risk due to new technological development

Market growth rate (2023-2025)

Semiconductor manufacturing equipment	+11%
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Strategy and progress

Based on the optical technologies that we have cultivated in photographic-related businesses since our founding, this business offers a wide range of optical products, including pickup lenses for optical discs and optical units for high-luminance projectors used in movie theaters. In this context, we aim to shift to high-growth areas by focusing on industrial applications with higher required precision, with our strengths in precision processing technologies including polishing, material technologies that are rare among optical manufacturers, and high-end optical design technologies ranging from geometrical optics to wave optics.

Semiconductors, for which demand is expected to increase over the long term, use many optical components within the manufacturing process. This business already supplies leading semiconductor manufacturing equipment companies with products in the middle range of wavelengths from visible light to ultraviolet light. We have also been building collaborative relationships with equipment and glass manufacturers for more than ten years and will continue to promote product development in response to their needs. For medium- to long-term business expansion, we have expanded into the area of DUV/VUV, which are ultraviolet rays with shorter wavelengths, and have begun capital investment, including the introduction of next-generation technologies, to capture market share in this area as well.

We will continue to proactively gain capabilities to reinforce our foundation for creating new value and develop ultra-high-precision products, thereby contributing to corporate vitality and higher quality of life by solving social issues.

Strategic KPI

	FY2023 Results	FY2025 Target
Revenue composition ratio in industrial applications area	17%	50% or more

Value Co-creation with Customers – Case 1

Performance Materials

Contributing to the industry's challenges in the face of increasing display sizes by applying our cultivated technologies to develop longer and wider products

Related material issues



Improving fulfillment in work and corporate dynamism



Addressing climate change



Using limited resources effectively



Display industry facing increased losses and costs as displays continue to grow in size

In protective film for LCD polarizers, we offer “long films,” which are more than double the conventional roll length, and “wide films,” which are much wider than the current mainstream films at widths of up to 2.6m.

In recent years, polarizer manufacturers have been faced with loss due to decreased efficiency in the use of protective polarizer films for LCDs and with increased costs for transportation, materials, etc., as displays have become larger. With the aim of minimizing losses, costs, and environmental impact throughout the supply chain, we sought to increase the length and width of our films. Initially, however, customers had concerns about switching from a product with a proven track record in terms of quality and processability, and proposals for longer lengths and wider widths were not readily accepted. However, persistent dialogue directly relevant to customer value led to co-creation, we were able to achieve the adoption of our long and wide films.

Contributing to customers' productivity improvement through problem-solving and appeal to value with our cultivated technologies

In lengthening films, we have succeeded in reducing deformation defects during rolling by utilizing our solvent flow film-casting technologies cultivated from TAC films to produce films with slip properties. In expanding widths, we have achieved flexibility in width selection without major equipment changes by using a new production method of original film formation and post-process stretching based on our core technologies of film formation and optical design.

Long and wide films are products that contribute to the reduction of various losses and costs by promoting workflow efficiency, such as in logistics and storage until products are delivered to customers and the reduction of task-switching during production for both the Company and its customers. We will continue to be a trusted partner to our customers and help them meet their challenges in the display industry.

Voice



Tomohiro Yamamoto (right)
Quality Assurance Department

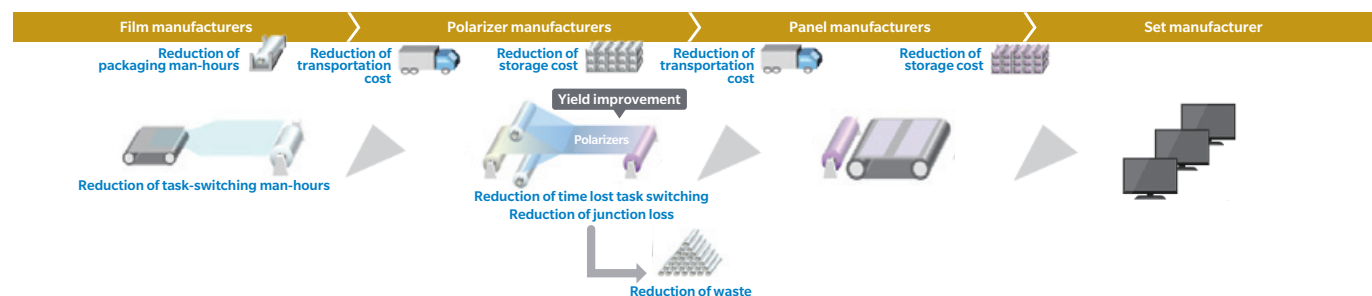
Tomomasa Furuyama (left)
Product Development Department, R&D Division

Performance Materials Business Unit

Building relationships with customers is the first step in providing value

In the process of transitioning to longer and wider products, we identified and effectively approached our customers' key personnel in their various departments and continued to talk about the ideal supply chain, which ultimately led to recognition of the benefits of our longer and wider products. Since then, we have received comments from customers such as, “We expect to reduce logistics and process losses by up to 30% by using longer films,” and “We hope that Konica Minolta will lead to a smarter supply chain overall.” We feel that our strength lies in the fact that we can instantly grasp the problems of our customers and build relationships that allow us to work together to find solutions to those problems. We intend to continue to devote ourselves to being a company that sincerely addresses the problems of our customers and provides true value.

Longer films minimize losses, cost, and environmental impact throughout the supply chain



Value Co-creation with Customers – Case 2

Sensing

Related material issues



Improving fulfillment
in work and
corporate dynamism



Ensuring social safety
and security

Contributing to the improvement of the efficiency and quality of automotive manufacturing processes with automated visual inspection solutions

Co-creation of a quality inspection solution for automotive production lines with Ford Motor Company

Eines is a leading manufacturer of visual inspection for the automotive industry, founded in 1992 and located near Ford's plant in Spain, a key location in Ford's European production, and has developed and implemented solutions in close contact with its customers.

The automotive industry has been facing a labor shortage since that time, and there is a growing need for automation of production lines. In particular, vehicle quality inspections at the end of the production line are highly dependent on human visual inspections, which place a heavy physical burden on inspectors, and the subjective visual inspection results in inconsistencies in accuracy, which can pose a risk of damaging brand value.

Eines co-created with Ford Motor Company an All-in-One In-line Quality Control System that integrates and

automates multiple quality inspections in the automotive production line. They have presented one solution to the challenges faced by the industry.

Contributing to solving issues in the automotive industry and expanding business globally in the Konica Minolta Group

This system automates three types of inspections: gap step measurement, spec check, and surface damage inspection, achieving objectivity without variation in inspection accuracy due to differences in inspectors. The system frees inspectors from simple tasks and harsh environments where they spend long hours doing visually inspections. In addition, the integration into a single system not only reduces a plant's occupation area and energy consumption, but also ensures worker safety with tunnel-type equipment that has no moving parts. In addition, the three inspection functions can be updated individually to suit customer requests or changes in target vehicle models, allowing for long-term use. We have improved quality while minimizing our customers' environmental impact and costs, giving them a competitive advantage.

Eines expanded the solutions it built in Spain to the European region and became part of Konica Minolta in 2019, adding Konica Minolta's optical and imaging AI technologies to Eines' development capabilities to further add value to its solutions and expand its business globally. Konica Minolta will continue to provide diverse inspection know-how and technologies to automotive production processes, contributing to further development and efficiency in the industry.

Eines Systems Company history

Founding period

Customer-focused value development in Valencia, Spain

1992



Startup with 5 founders

Growth period

Leveraging success in Spain to attract large European client companies

2000s



Expansion period

Global expansion under the umbrella of Konica Minolta

2019



Joined the Konica Minolta Group



Voice



Antoni Perera i Vernetta

Eines Vision Systems
Engineering Manager &
Business Unit Leader

Increasing the level of trust with our customers and striving to further improve quality control processes

I lead a dedicated team focused on research and development, leveraging my engineering expertise and in-depth knowledge of the market. I find it very rewarding to be involved in evaluating new technologies and developing prototypes, from which more competitive and innovative products are created, pushing our company to the forefront of the field.

We have been working with Ford for over 30 years to implement solutions and deliver results in our customers' production environments based on our trustful business relationship. We will continue to work closely with our customers to develop innovative solutions to further improve their quality control processes.

Business Technologies Business

Message from the Lead Officer



Norihisa Takayama
Senior Vice President & Executive Officer
Business Technologies Business

The Business Technologies Business has created many products and services on the strength of the diverse technologies it has cultivated in the development of hardware, IT solutions, and production technology that integrate machinery, electricity, optics, chemical products, and control software. And now, supported by our global supply chain, sales and service network, and quality assurance, we generate more than 70% of the Company's sales.

While this business has traditionally improved customers' intellectual productivity by providing high value-added documents and services, from now on we will aim to make further contributions to society from the perspective of DX innovation. For example, in the office and DW-DX businesses, we will continue to provide products and services that contribute to improving fulfillment in work, and in the Professional Print Business, we will contribute to addressing climate change and the effective use of limited resources by transitioning from analog to digital printing.

In the future, we intend to support the Company's growth by leveraging the intangible assets we developed and evolving our business portfolio by creating added value in response to customer needs, thereby meeting their expectations and further strengthening our profitability and cash generation capabilities. At the same time, over the medium- to long-term, we will proactively incorporate technological advancements, as typified by generative AI, to further contribute to solving social issues.

It is my role to define and indicate a concrete path toward such evolution and resolution of issues. We will continue to leverage our corporate culture, symbolized by our 6 Values, and mobilize the strengths of our diverse human capital to achieve solid growth.

Digital Workplace

Office

Market Environment Awareness

Opportunities

- Increased need for workflow optimization related to office documents and digitization of paper, and demand to strengthen information security
- Growing demand for color MFPs in China, India, and other growth markets
- Stricter environmental standards in bidding requirements for MFPs

Risks

- Decreased office printing due to the establishment of diverse working styles
- Shrinking demand for A3 color MFPs in developed countries
- Risks in the supply chain such as procurement and manufacturing (logistics) due to various environmental changes

Market growth rate (2023-2025)

MFPs	Hardware	-1%
	Non-hardware	-5%

Strategy and progress

Our business has built a direct sales structure in major markets such as Europe and the U.S. from an early stage, and the solid customer base we have built through our genre-top strategy in the area of color is the source of our earnings power. Today, by combining MFPs with IT services, we provide solutions that help optimize and solve issues in the office environment. We enable our customers' employees to engage in more creative work and improve their fulfillment in work, which supports the further development of their businesses and enhancement of their corporate value.

The office business is a maintaining profit business that contributes to the Company's overall profit and cash generation. Although print volume has been declining in recent years, gross profit has been maintained thanks to initiatives such as "One Rate*," our unique flat-rate billing program that does not depend on print volume fluctuations. To reduce SG&A expenses, we have been promoting operational innovations, such as remote services that maintain the operation of MFPs without requiring customer visits, to improve reliability and service efficiency. In addition, the Company has been a pioneer in the use of AI to identify priority customers, thereby promoting improved efficiency in sales activities. Furthermore, in fiscal 2023, we achieved a thorough reduction of production costs, and our profitability is improving at a pace exceeding our initial plan.

In response to the long-term market contraction trend, we

are pursuing the possibility of manufacturing alliances. In April 2024, we began discussions with FUJIFILM Business Innovation Corp. toward a business alliance in the areas of raw materials and parts procurement, toner development and production, and others (see page 17). In July, we decided to establish a joint venture to collaborate in the procurement of raw materials and parts and signed a shareholders' agreement. By utilizing the extensive supplier networks of both companies, we aim to reinforce our business foundation through this joint venture by establishing a robust supply system for products and increasing the efficiency of our business processes.

In contributing to a decarbonized society, we are promoting the use of recycled materials in the exteriors of MFPs (see page 46) and the reduction of greenhouse gas emissions throughout the product life cycle. In Europe, where we have a large market share, we will expand business opportunities by complying with strict environmental standards that are requirements for bidding.

* One Rate: Our unique flat-rate billing model, as opposed to the traditional monthly variable billing method

Strategic KPI

	FY2023 Results	FY 2025 Targets
U.S. One Rate MIF penetration rate	25%	30%
Remote services execution rate	23%	35%

Digital Workplace

DW-DX

Market Environment Awareness

Opportunity

- In addition to market growth, demand for DX promotion is increasing among companies and local governments seeking to improve operational efficiency. In addition, opportunities for value creation by using new technologies such as generative AI to solve problems will increase.

Risk

- Soaring labor costs for IT personnel

Market growth rate (2023-2025)

Operation optimizing services	Enterprise Content Management	+5%
	Enterprise Resources Planning	+10%

* Konica Minolta estimates

Strategy and progress

This business's strengths lie in its strong customer base and multifaceted customer contacts built through the office business, as well as in its human capital and organizations who gain deep insight into workplace issues and work with customers to formulate and implement solutions. However, there is a mixture of various services, some of which are not profitable. Considering these circumstances, we have positioned this business as a direction-changing business and are narrowing down regions and countries of operation, and service products. At the same time, we will meet customer needs specific to the industries and business sectors in each region and promote the development of our own unique services that continuously and progressively update the value provided through the use of AI and data in order to expand our customer base and improve profitability.

Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Target
Sales per employee	\$50,000/month	+2%
Gross profit margin of operation optimizing service	32%	+1pt

Professional Print

Production Print / Industrial Print

Market Environment Awareness

Opportunities

- The shift from analog printing, such as offset printing, to digital 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 (2019-2029)

Digital printing	Commercial printing	+4%
	Label printing	+6%
	Packaging printing	+20%

* Konica Minolta estimates

Strategy and progress

In this business, we are accelerating the spread of digital printing while expanding the scope of our business based on our strengths in technological capabilities to achieve high-quality printing on a variety of printing media using various printing methods and our customer development capabilities. This contributes to the improvement of fulfillment in work in the printing field and to the reduction of losses in each process of the printing lifecycle and impact on the environment.

In production print, we will work with brand owners and others to co-create a system that helps maximize the cost-effectiveness of printing while minimizing environmental impact, aiming to increase the willingness of printing companies to use digital printing. In addition, we will expand the number of Heavy Production Printing machines installed in the market,

Strategic KPI (vs. FY2022) Production print

	FY2023 Results	FY2025 Target
HPP machines in the field	+52%	+170%

which is expected to meet large-scale printing demand, to capture demand in growing markets while increasing non-hardware revenues.

In industrial print, we will accelerate the introduction of the AccurioJet KM-1e digital inkjet printing press and promote the digitalization of commercial printing by achieving both high quality and productivity. In addition, the Company will promote total solutions combining digital embellishment presses to add value to printed materials and expand sales.

Regarding our label presses, we will introduce models with improved image quality and productivity to expand the target customer base. Regarding our textile presses, we will promote the digitalization of analog textile printing through a broad product lineup. Through these efforts, we aim to greatly expand non-hardware sales.

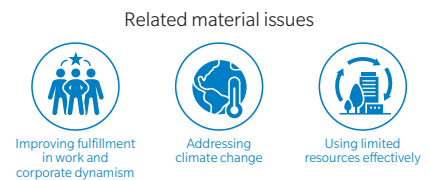
Strategic KPI (vs. FY2022) Industrial print

	FY2023 Results	FY2025 Target
Revenue growth rate of non-hardware	+24%	+101%

Value Co-creation with Customers – Case 3

Professional Print

Supporting DX in the printing business by diving deep into our customers' production processes



Leftover analog production processes in the digital printing field are a challenge

Analog printing, which is the current mainstream in the printing industry, is suitable for mass production and mass delivery because it produces the same prints at a low cost, but it also tends to lead to mass waste. Digital printing, on the other hand, enables printing what is needed, when needed, and in the amount needed, minimizing paper loss generated in the printing process and reducing the production and distribution of unnecessary printed materials, thereby contributing to a reduction in environmental impact. For these reasons, the digital printing market is expected to grow at an annual rate of 4% while the commercial printing market shrinks.

However, even with the introduction of digital printing presses, analog production processes such as paper-based printing instructions may still remain. Paper-based instructions have limitations even when making production plans for small lots of multiple products in order to print what is needed, when needed, and in the amount needed. Although our customers are aware of the need to digitalize the production process and make detailed production plans, they are unable to take action because we do not have the capacity to invest in a large-scale system, nor frontline human capital with IT skills to start a small-scale production process from the workplace. Therefore, they remain dependent on frontline labor.

Digitalizing the production process through co-creation with customers

To address this issue, Konica Minolta has launched "Workflow DX," an initiative to support the digitalization of the production process through co-creation with customers by delving deep into the customer's print production site.

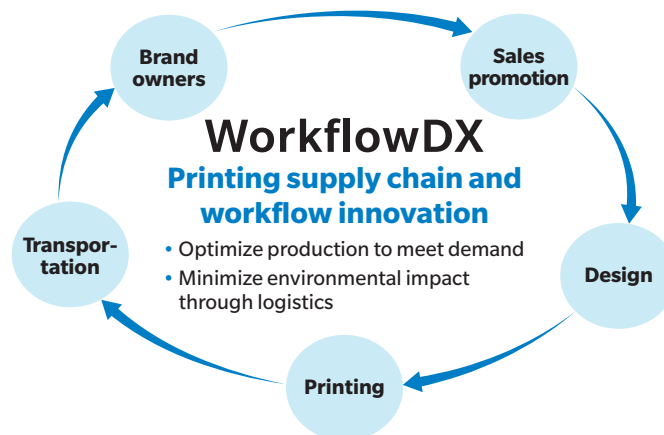
We consult with management on the direction of business

transformation they are aiming for, and at the same time, we listen to the challenges they face on the frontline, and together we consider and propose how we can assist in digitalization to bridge the gap.

There are three key points in proposing the digitalization of production processes: (1) Can we reduce the number of steps in the production process and put more time into creative rather than simple tasks? (2) Can we make work progress visible and measure the effects of improvements? (3) Can we make the investment? To achieve this, our ICT specialists consider and propose how best to combine the customer's existing system with various means, including our own products, other companies' products, and customized products.

Workflow DX aims to improve the value of printing and revitalize the printing industry by building a recycling-oriented supply chain suitable for digital printing, starting from co-creation with customers. In addition, by reforming the supply chain, including logistics, we will contribute to further reduction of environmental impact.

Circular supply chain for digital printing



Voice



Hidetaka "Henry" Yoshida

System Control Development Center, R&D strategy and Operation, Professional Print Business Headquarters

I want to pursue real value by working closely with those who work in the field of printing

When we proposed workflow digitalization to one of our customers, we proposed a plan that would maximize our strengths in automation and efficiency in the printing process. However, the customer pointed out, "This alone won't let us visualize improvements, so it won't convince management and it won't lead to job satisfaction for the employees." We realized that selling our products had become our objective and that we were not imagining the people on the frontlines who would use them.

In the end, we suggested a new proposal, which the client adopted, to link our system with another company's management information system which the customer was already using to achieve both automation, efficiency, and visualization of the positive effects of the system. The frontline workers said, "Printing work has become easier since we linked the systems." This experience taught me that being close to the people on the frontlines is the key to real value.

Imaging Solutions Business

Message from the Lead Officer



Yusuke Yoshimura
Senior Vice President & Executive Officer
Imaging Solutions Business

To continue to meet our customers' desires to "see", which is our Company's DNA, we have integrated five businesses (healthcare, imaging-IoT solutions, visual solutions, QOL solutions, and FORXAI) that provide value through "imaging data x AI", starting from our core technologies, as the Imaging Solutions Business. Under our long-term vision "Imaging to the People," we have been developing our business by utilizing a common fundamental technology named "FORXAI," but I believe that we can promote our business more powerfully by integrating our business and technology.

In this business, our customers come from a wide range of industries, including medical and nursing care, manufacturing, plants, and social infrastructure. We will focus on areas where our strengths can be leveraged, such as medical and nursing care, safety and security, and manufacturing, and build and deploy customer-oriented solutions.

We will also establish a competitive advantage by integrating hardware and AI, evolving our business model to increase customer value through data accumulation and analysis. Since the scope of such a model is limited to our Company alone, we will enhance its value through co-creation with our variety of partners and link it to solutions to social issues.

I also take pride in what we have cultivated over the past 150 years and be willing to incorporate new elements to lead our business to maximize our contribution to the growth of Konica Minolta and the future of society.

Our Medium- to long-term Growth Strategy

Fiscal 2023 review

In fiscal 2023, we promoted our business to put our growth areas that cross AI with our proprietary hardware, such as Dynamic Digital Radiography, on a full-scale track, resulting in a significant increase in revenue. In addition, services utilizing data accumulated in each of our businesses continued to expand, and allowing us to enhance added value and identify a path for evolving our business model over this fiscal year.

On the other hand, the healthcare unit faced a difficult environment due to the sluggish Japanese and U.S. hospital markets caused by restrained investment, and the imaging-IoT solutions unit faced intensifying competition due to the commoditization of stand-alone cameras.

In this environment, the Group reviewed the priorities of FORXAI's business areas and development themes, concentrated resources in areas where Konica Minolta can leverage its strengths, and transformed its business structure to one that can generate profits by efficiently and continuously introducing high value-added AI and solutions to the market.

Imaging Solutions Business strategy

To date, we have developed our businesses in the areas of medical care, safety and security, planetariums, and nursing care. Going forward, we will create new growth opportunities by utilizing common imaging technologies across these areas. With FORXAI, this business will accelerate the company-wide application of AI, data utilization, and knowledge accumulation, contributing to the enhancement of added value across all businesses.

In addition to our strength in hardware, we will promote the development of advanced AI specializing in inspection, diagnosis, and human behavior analysis. We aim to evolve it into a "multimodal AI" by utilizing large-scale language models and fusing complex data such as images, language, and voice. We will then accelerate this transformation into a highly profitable business model by leveraging customer relationships and accumulated data. This will be achieved by adding value through systemization, integrating hardware, networks, servers/clouds, and applications, and through cross-selling, combining data and app services.

Furthermore, this fiscal year, we will continue to improve productivity and review our cost structure, aiming to establish a stable profit foundation.

Directions in each area

In medical care, we will realize simple and advanced medical care through diagnostic imaging systems such as Dynamic Digital Radiography and diagnostic ultrasound systems, and medical IT solutions such as ICT and AI-based medical support services, thereby accelerating overseas expansion and medical DX within Japan. In the area of nursing care, we will reduce the burden on nursing care personnel and improve quality of care by supporting its process with data.

In safety and security, we will develop new products and expand our menu of solutions, focusing on network cameras, which have strengths in high durability, thermal technology, and edge AI processing. Furthermore, we will expand our business globally as an integrated solution by increasing customer value in line with the workflow of each industry, in the form of occupational safety, quality improvement (inspection), and work efficiency for the manufacturing industry, and gas monitoring and maintenance DX for the manufacturing industry.

Imaging technologies and focus areas



Imaging Solutions Business

Healthcare

Market Environment Awareness

Opportunities

- Against the backdrop of medical personnel shortages, there is an increasing demand for healthcare DX that utilizes imaging, 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 needs for early diagnosis and minimally invasive medical treatment are increasing.
- Rapid economic development, population growth, and increased longevity in emerging countries, particularly in Asia are leading to a greater need for healthcare and an expanded market for digital healthcare.

Risks

- Limited capital investment by medical institutions against the backdrop of soaring energy, labor costs, and interest rates
- Supply chain disruptions caused by unstable international conditions and geopolitical risks.

Market growth rate (2023-2025)

General X-ray diagnostic systems	+5%
Ultrasound diagnostic systems	+4%

* Konica Minolta estimates

Strategy and progress

This business leverages the strength of its brand and customer base developed through 90 years of history since the X-ray film business, as well as its advanced technologies and expert human capital related to imaging/AI technology, clinical development, and IoT, to provide products and services that contribute to early diagnosis, minimizing medical expenses, and QOL improvement.

In the field of X-ray imaging, we aim to expand global revenue of value-added X-ray systems, centering on Dynamic Digital Radiography, which we were the first company in the world to provide. In diagnostic ultrasound systems, we will leverage our strengths in high imaging quality and auxiliary functions, such as puncture needle visualization processing, to strengthen anesthesia, dialysis, and other genres in addition to orthopedics and obstetrics.

In medical IT solutions, we will expand sales of DX-enabled support services for clinics based on the “infomity” medical ICT service platform, which connects with approximately 20,000 clinics in Japan.

We will expand modalities of X-ray systems and high-value-added medical treatment solutions that combine AI-powered imaging diagnostic support, and strengthen the expansion of our Picture Archiving and Communication System (PACS) to the ASEAN region to increase revenue of our global digital business. In addition, we will promote strategic collaboration with global partner companies with strengths in their respective areas.

Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Targets
DR integrated X-ray system, Dynamic Digital Radiography	+1%	+40%
Asia business revenue growth rate	-20%	+55%
Medical IT service revenue growth	+7%	+45%

Imaging-IoT Solutions, etc.

Market Environment Awareness

Opportunities

- Increasing demand for data utilization services for stable operation and more efficient monitoring in manufacturing sites and critical security management facilities, etc.
- Switching to alternatives through the development of new technologies
- Tighter regulations to combat climate change

Risks

- Limited capital investment from customers due to economic recession

Market growth rate (2023-2025)

Network cameras	+11%
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* Konica Minolta estimates

Strategy and progress

The imaging-IoT solutions business' strength is in imaging-IoT technology, which integrates information from image input devices and sensor data for advanced AI processing. FORXAI is a key driver to accelerate on-site DX with the power of imaging-IoT. By combining the components of FORXAI - IoT platforms, devices, and AI - we are creating new solutions with partners who have strengths in technology and channels, including food manufacturing and warehousing and logistics. At the same time, by entering a wide range of customer workplaces, we solve workplace issues and contribute to the safety and security of society.

The network surveillance cameras owned by Group company MOBOTIX AG (Germany) have strengths in high durability, thermal technology, and edge AI processing. By linking these cameras to FORXAI, it becomes possible to quickly detect and analyze abnormalities and signs that may lead to serious accidents in frontline operations of various industries and contribute to their prevention. Sales of these cameras are growing through the sales channels of the Business Technologies Business in Europe and the U.S., as well as through Force Security (U.S.), which was acquired in fiscal 2023.

In addition, as oil and gas operators are required to comply with stricter methane emission regulations in the U.S, our gas leak inspection systems utilize advanced optical and image processing technologies to help visualize leaks of methane gas and other gases and are creating a market while shaping regulations and industry standards.

This business is positioned as a direction-changing business. In fiscal 2024, the business will transform itself into a solution provider and narrow down the countries in which it operates and will also review its strategic KPIs to transform itself into a business that can generate profits as soon as possible.

Strategic KPI (vs. FY2022)

	FY2023 Results	FY2025 Targets
Imaging AI software revenue growth rate	+51%	+100%

Value Co-creation with Customers – Case 4

Healthcare

The world's first Dynamic Digital Radiography to become a global standard in X-ray diagnostics



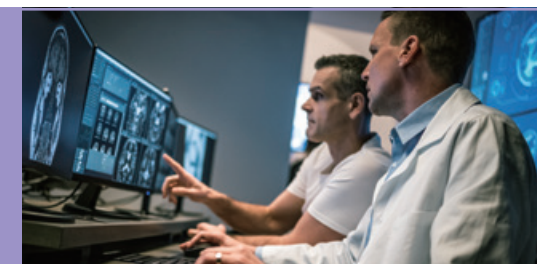
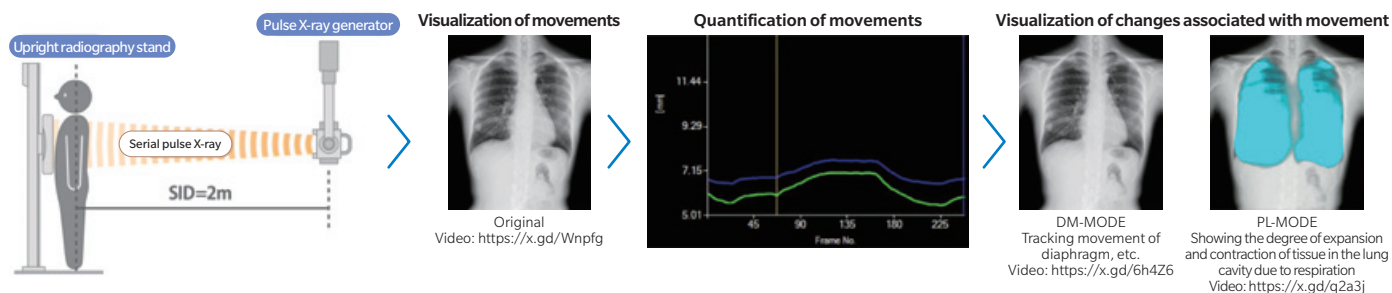
Contributing to the optimization of healthcare through the Dynamic Digital Radiography that visualizes organ movements to lessen patient burden

In 2018, Konica Minolta commercialized a groundbreaking technology that allows the observation of organ 'movements' through simple X-ray imaging, leading the world with the release of the 'Dynamic Digital Radiography (DDR)' system. Traditionally, obtaining functional information such as ventilation and blood flow, influenced by organ movements, required contrast-enhanced CT scans or PET scans. However, these tests involve significant X-ray exposure and the risk of side effects from contrast agents, posing a substantial burden on patients. In contrast, research suggests that Konica Minolta's DDR does not require contrast agents and has the potential to acquire functional information such as movement of each organ and blood flow information in a low-exposure examination. Therefore, the future expansion of DDR usage is expected to contribute appropriate test selection and reduce the physical and economic burden on patients, thereby optimize overall medical care. In addition, the AeroDR TX m01, a mobile X-ray imaging system that was launched in 2022, enables the acquisition of DDR images at the bedside, such as in intensive care units, and is further expanding the scope of applications.

Working with Key Opinion Leaders (KOLs) to deliver DDR's value to the world

Since DDR is a product pioneered by Konica Minolta, the testing and diagnostic methods have not yet been established, making it challenging to use in medical practice. To address this issue, Konica Minolta is working to spread awareness of DDR by (1) co-creating value through clinical research with medical institutions and (2) developing a guidebook for diagnostic imaging. Regarding (1), more than 80 academic papers have been published to date, contributing significantly to the expansion of DDR awareness. For (2), four KOLs in the fields of diagnostic imaging and respiratory medicine were invited to supervise the work, resulting in a guidebook that outlines examination methods and image interpretation, which is already being widely utilized.

DDR is currently in clinical use at more than 300 facilities in Japan, the United States, Asia, and Europe, primarily in the fields of pulmonary circulation, respiratory surgery, and orthopedics, and its use is expanding. In the future, we will accelerate clinical use of our products and establish even more robust evidence-based testing and interpretation to deliver the value of our products more widely.



Voice



Akinori Tsunomori

Clinical Development Group
Medical Imaging R&D Center,
Healthcare Business
Headquarters

I would like to make DDR-based inspection and diagnosis the worldwide "norm"

When we first developed DDR, even physicians had no knowledge of these new dynamic radiography images, so it was necessary to define their clinical value and promote their use. First, we communicated our desire to make DDR a commonplace test to KOLs in related fields and gained their support. Since then, we have persistently engaged in discussions, shared our concerns, and co-created clinical value while fostering technological development. KOLs had a strong desire to provide optimal medical care to patients, and as we deepened our discussions, we became convinced that DDR could transform medical care and contribute to society. We will continue to work with KOLs to transform healthcare around the world based on imaging technology that embodies value, which is one of our strengths.