

Industry Business Foundation and Toward Growth

October 10, 2023

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**Executive Vice President and
Executive Officer**

Overview of Strengthening areas for Industry

Sensing



Spectrophotometers



FPD/LED evaluation instruments



Automotive Visual Inspection



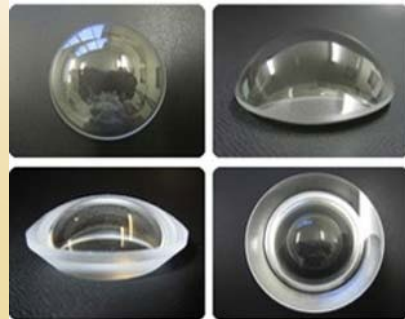
Hyper Spectral Imaging

Performance materials

Functional films for displays



Optical components



Ultra-precision polished lenses for semiconductor manufacturing equipment and others



Lenses for vehicle-mounted cameras

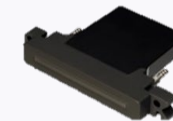


Pickup lenses for optical disks



Optical units for projectors

Inkjet components



Inkjet printheads



Sign graphics



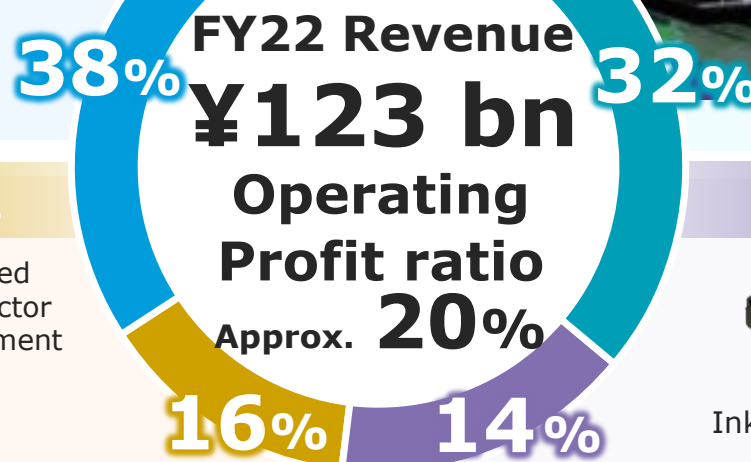
Label packages



Industrial applications (circuit boards, displays)




Water-based/functional/industrial specialty inks



Strengths and Success Factors in Strengthening areas for Industry

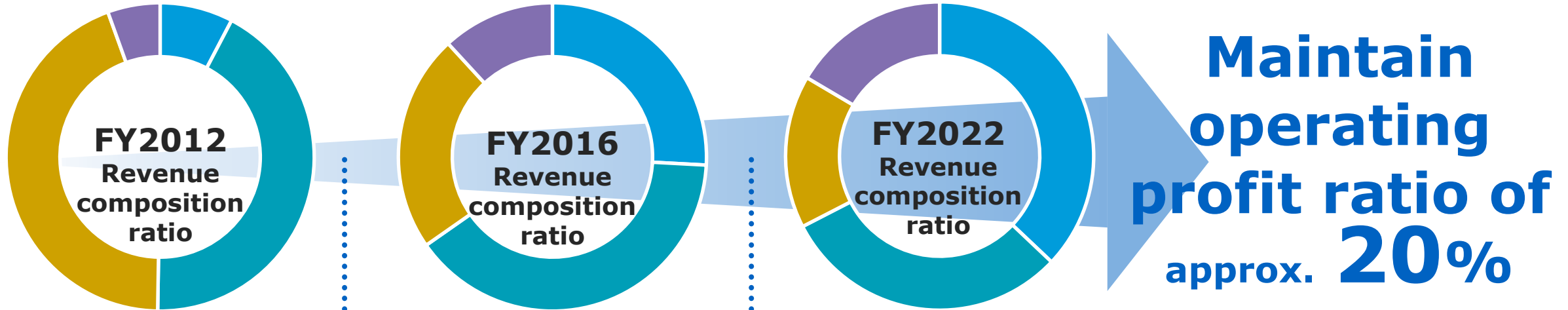
- Build genre-top products in manufacturing supply chains based on core technology inherited from the founding businesses
- Success factors include medium-scale stable markets, high market share, and high profit(above 20%)



	Performance materials	Sensing	IJ components
 Genre-top domains	<ul style="list-style-type: none"> ● Phase difference film ● Protective TAC film for small- and medium-size displays 	<ul style="list-style-type: none"> ● Light source color measurement (for displays) 	<ul style="list-style-type: none"> ● IJ printheads for industrial applications
Customer/partner	<ul style="list-style-type: none"> • Polarizer manufacturers • Display panel manufacturers 	<ul style="list-style-type: none"> • Display panel manufacturers • ICT device brand owners • EMS* • Major mobility manufacturers 	<ul style="list-style-type: none"> • Manufacturing equipment manufacturers • Display panel manufacturers • ICT device brand owners

*Electronics manufacturing services (EMS) companies

Maintain High Profitability through Portfolio Management



- Acquired display measurement teams (Instrument Systems, Radiant)
- Transferred the glass substrate business for HDDs to other company
- Licensed optical lens technology for cell phones to other company

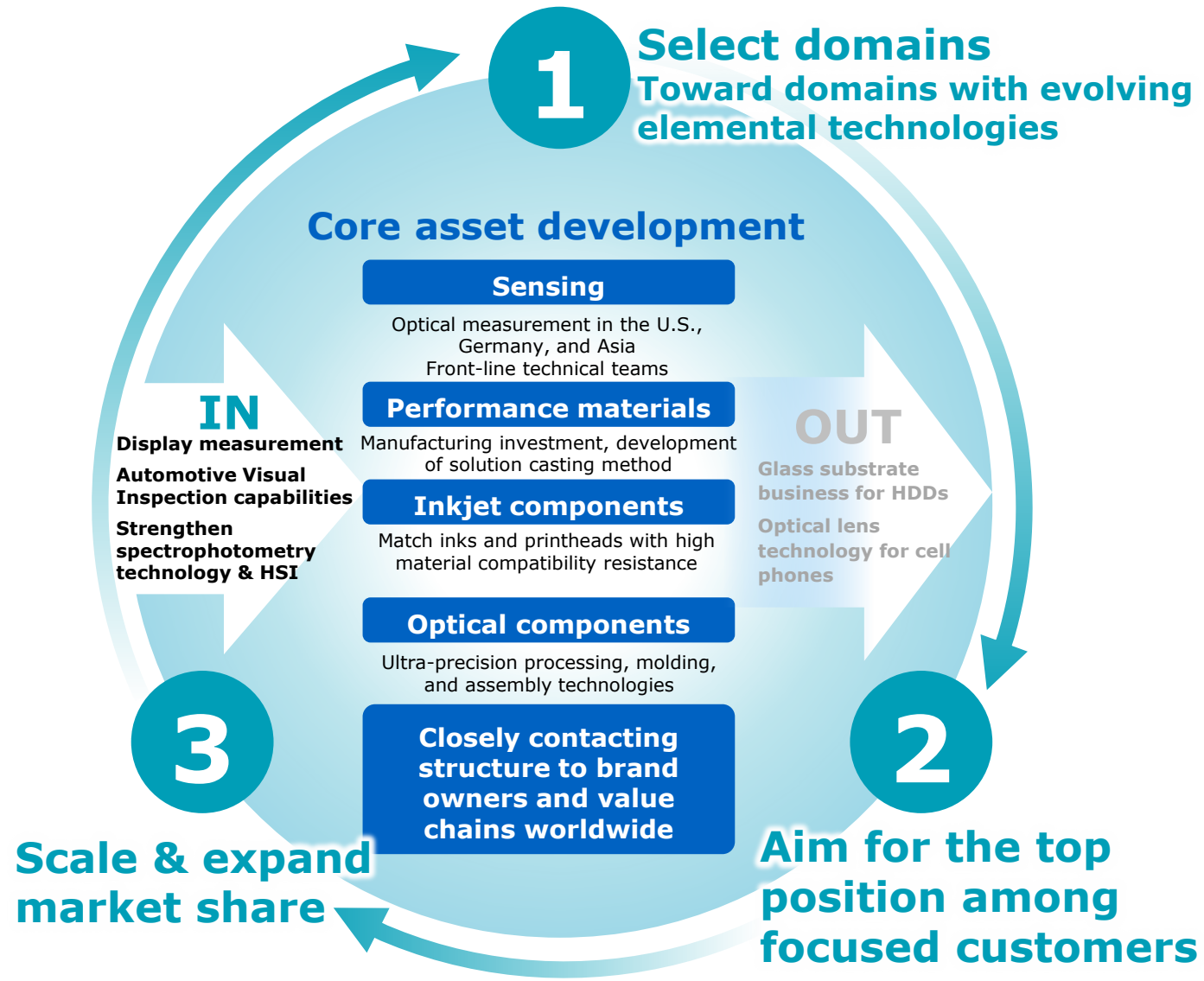
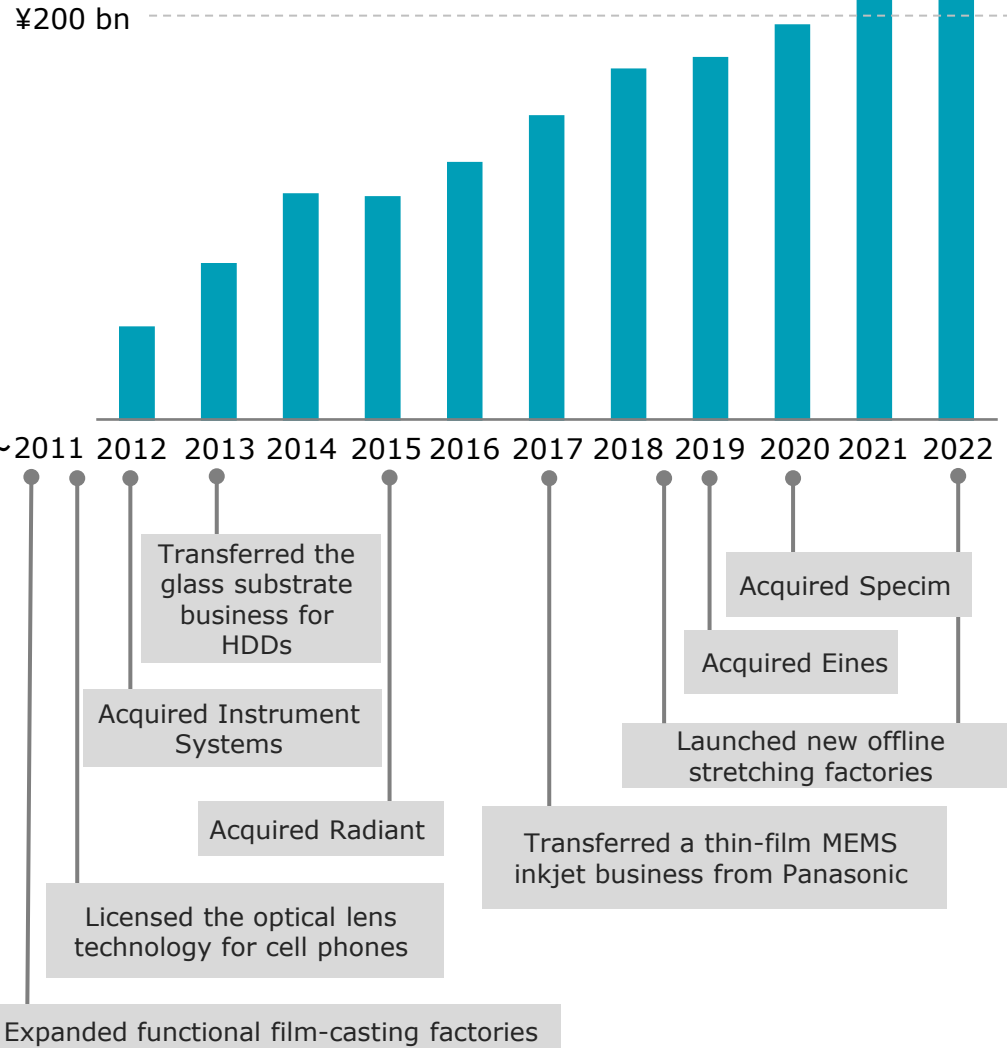
- Acquired Eines of Automotive Visual Inspection
- Acquired Specim to expand the spectrophotometer business
- Launched new offline stretching factories of functional films
- Transferred a thin-film MEMS inkjet business from Panasonic

Revenue

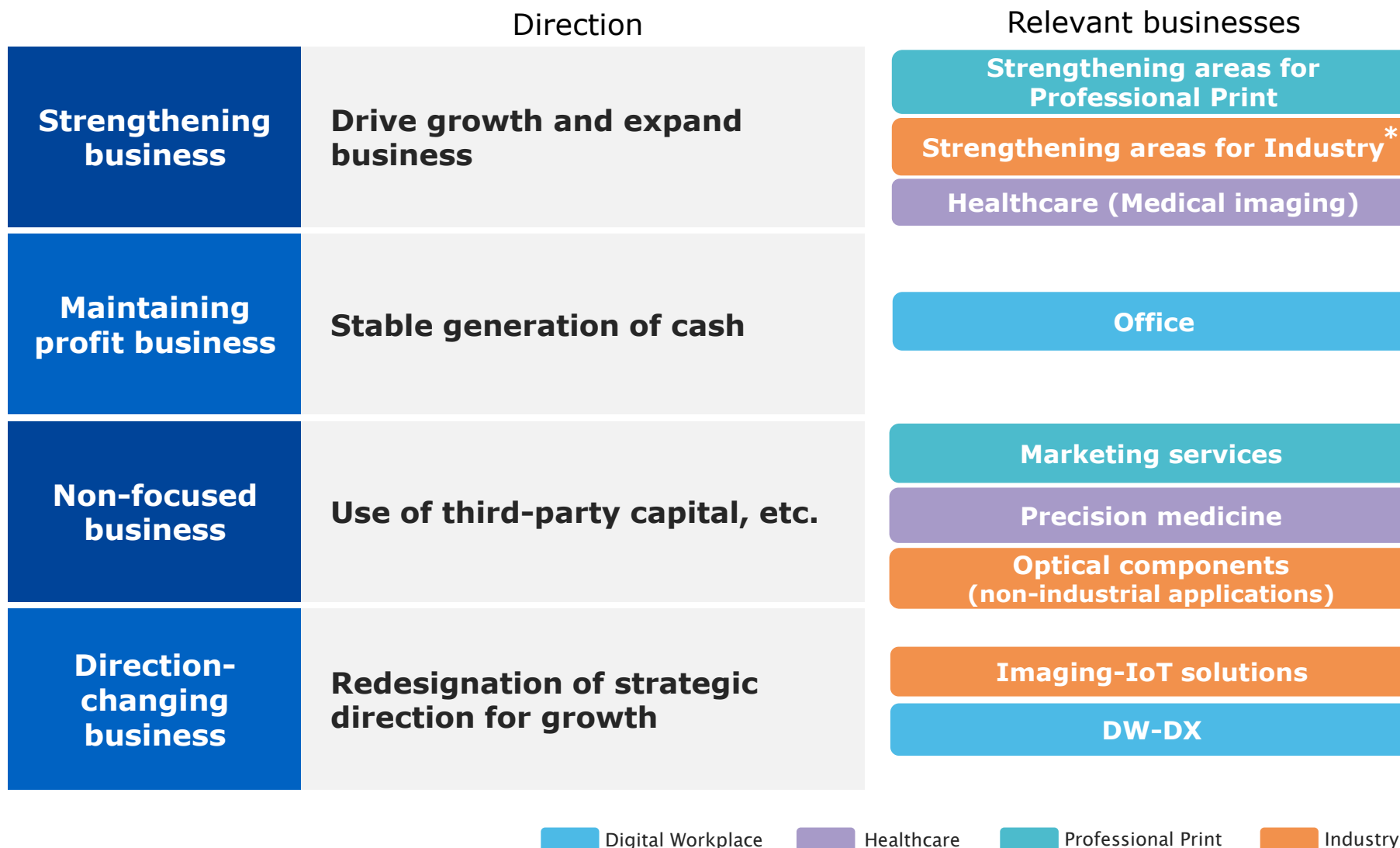
- Sensing
- Performance materials
- Optical components
- Inkjet components

Cycle of Cash Generation and Asset Acquisition

Cumulative FCF in Strengthening areas for Industry



Role of Strengthening areas for Industry in Medium-term Business Plan



*Strengthening areas for Industry: performance materials, IJ components, sensing, and optical components (industrial applications)

Be the first call to be approached as a precision solution provider in the upper to midstream of manufacturing supply chains

Industry Business so far

- Built businesses with success factors including **medium-scale stable markets, high market share, and high profit**
- Business operation **based on "Products"**

Sensing

Performance materials

Optical components

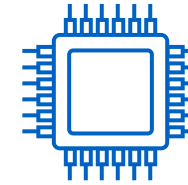
Inkjet components

Industry Business from now

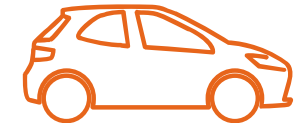
- Enter and strengthen **domains that meet success factors and lead the global economy in the future**
- **Shift from a traditional product-based to customer-based organization**



Display



Semiconductor manufacturing



Mobility

2023



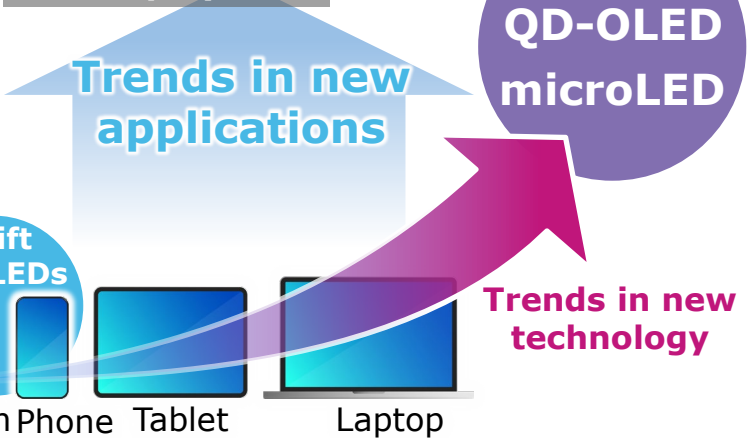
Prioritize allocation of management capitals (personnel and cash) to focused areas for growth

Three Domains Leading the Global Economy in the Future

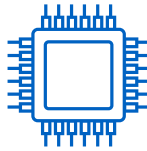
Display



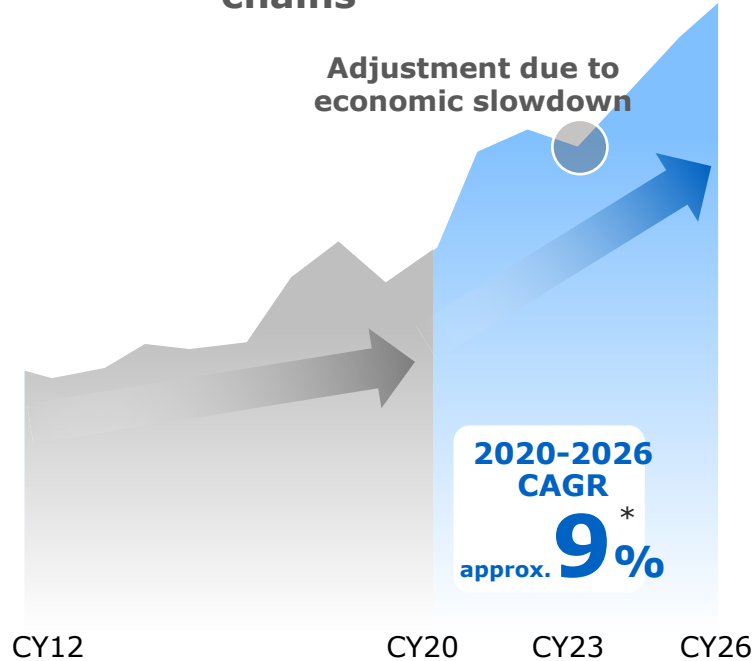
- Advancing application of display technologies to AR/VR and other new devices
- Accelerated development of OLED and next-gen display technologies



Semiconductor manufacturing



- Rapidly growing semiconductor industry as digitalization accelerates
- Fluctuations in the supply-demand balance due to changes in supply chains



Mobility



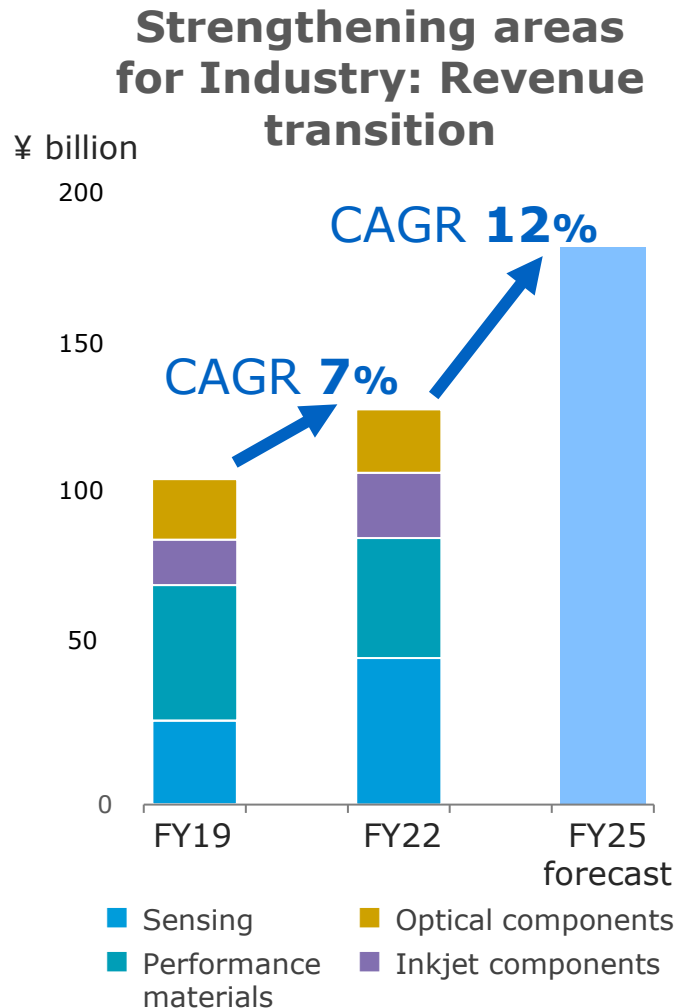
- Improving production efficiency is an eternal issue in the automotive industry.
- CASE revolutionizes the entire industry



*Estimated by Konica Minolta

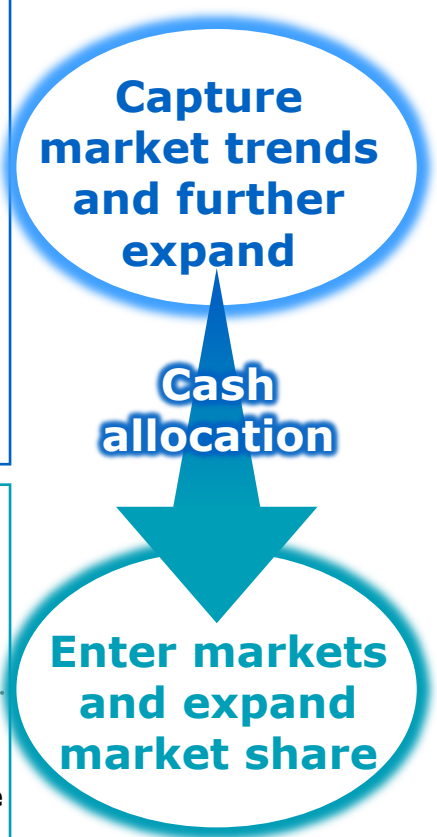
Medium-term Growth and Cash Allocation to Focus Areas

Accelerating mid-to-long-term growth by investing in focus areas using cash generated from existing high market share areas supporting mid-term growth



¥ billion

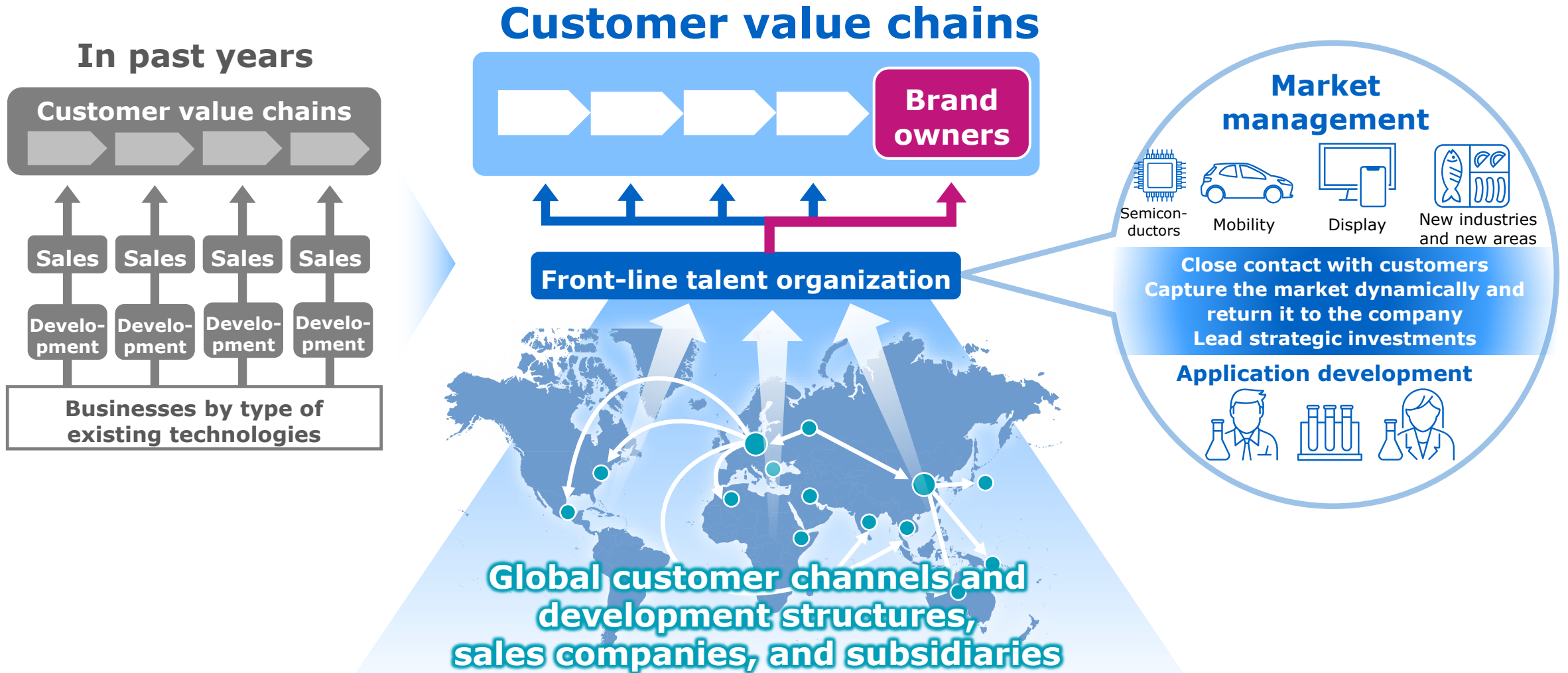
	Market scale (SAM)	CAGR	Share	
Existing high market share	Object color measurement	56	4%	Medium
	Inkjet for non-industrial use	Approx. 50-60	6%	Medium
	Inkjet for industrial use (incl. for display manufacturing)	Approx. 30-40	8%	High
	Displays			
	<ul style="list-style-type: none"> Phase difference and Protective TAC film for small-and medium-size displays Light source color measurement 	130	2%	High
	55	4%	High	
Mid-to long-term focus	Semiconductor manufacturing			
	<ul style="list-style-type: none"> Optical components 	100	10%	Low Focus area
	Mobility			
<ul style="list-style-type: none"> Automotive Visual Inspection 	15	15%	Market creation pahse Focus area	



*Estimated by Konica Minolta

Business development across Industry Businesses

Drive medium- to long-term growth through business development across Industry Businesses centered on customers



Progress

Accelerated proposals to ICT brand owners by utilizing film and inkjet technologies

Action

Offered value across industry businesses to areas with high market shares for measuring instruments

Change 1

Progress was made in customizing functional films for ICT, and led to proposals for new device development that the industry faces

Change 2

Clues to material coating by inkjet and glass molding technology of optical component unit into practical use also.

Next aim

Accelerating proposals to brand owners of mobility where we have limited businesses such as measurement and vehicle-mounted optical systems

Action

Start to offer products exceeding the existing business scope by utilizing global sales sites and customer channels of Eines



KONICA MINOLTA

150

YEARS