

## Medium- to long-term growth drivers

# Growth strategies for imaging-IoT solutions business



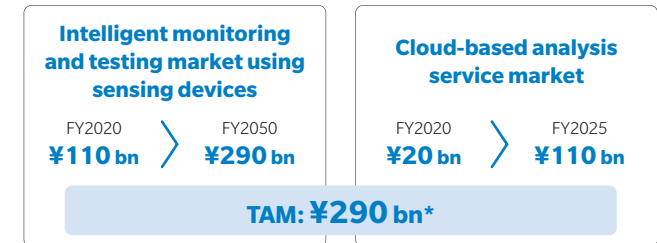
### Imaging-IoT solutions business strengths and market forecast

The image analysis services market is expected to see demand growth as a result of recent AI technology advances and social needs that have been made clear by COVID-19, including solutions that are safe, secure, remote, contactless, personalized, and distributed. Within this market, Konica Minolta is targeting the cloud-based analysis service market and the intelligent monitoring and testing market using sensing devices. These are estimated to grow to a combined ¥290 billion by FY2025.

Key to cultivating both of these markets will be FORXAI, a proprietary imaging-IoT platform. FORXAI consists of an IoT platform that can provide remote support for connected devices, as well as high-speed, high precision imaging AI and sensor devices that leverage sensing technologies, an area of strength for Konica Minolta. Through this platform, we will identify problems by using imaging AI to analyze mostly image data that is constantly collected by sensor devices. We will also work with

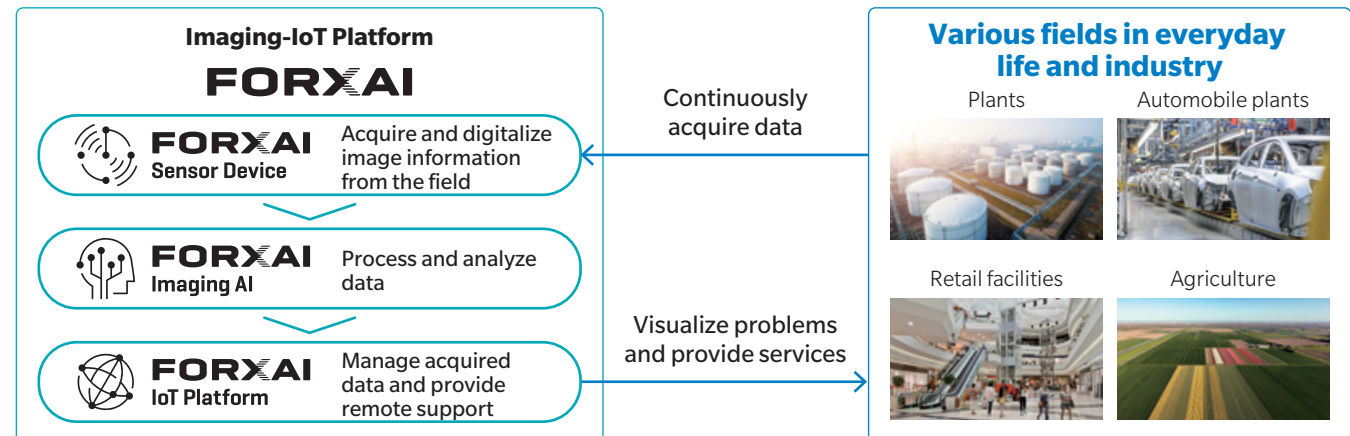
partners to quickly create a variety of services and accelerate DX with a view toward making society safer and more secure.

#### Estimated image analysis services market size



\* Market for image analysis services that use sensing systems such as CPU-equipped network cameras with AI processing functions and links to the cloud (Konica Minolta estimates)

#### Konica Minolta's proprietary imaging-IoT solutions



## Medium- to long-term growth drivers

### Strengthening sensor device and imaging AI technologies

#### Developing world-class AI technologies in three domains: human behavior, advanced healthcare, and inspection

The rapid advance of AI technologies in recent years has seen many companies focusing on product or service development. Konica Minolta has improved and built upon a sensor device lineup that includes gas monitoring cameras and MOBOTIX network cameras. At the same time, in order to use image data taken from these devices to solve our customers' problems, we have developed an image analysis-based proprietary AI algorithm that is powered by state-of-the-art deep learning technologies.

Konica Minolta's imaging AI technologies are at the top of their class worldwide in three areas: human behavior, advanced healthcare, and inspection. For example, we have an extensive track record in the monitoring domain for recognition accuracy and processing speed for an algorithm capable of recognizing human behavior and objects at the same time. With regard to inspection, our solutions provide high accuracy when determining product acceptability through visual inspections.



World-class recognition accuracy and processing speed for human behavior and object recognition (results compared to top companies in the International Conference on Computer Vision)

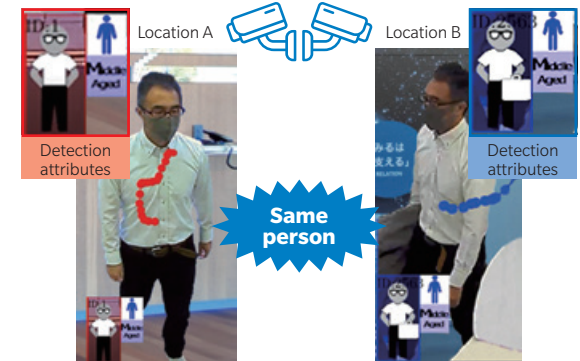
### Deploying our IoT platform

#### Deploying solutions using our IoT platform

Our IoT platform technologies bring together sensor devices and imaging AI technologies to provide a group of technologies that allow for the simple and secure building of solution services. The three core technologies that make up FORXAI are already being used in settings that include healthcare, nursing, plants, factories, retail facilities, and agriculture. For example, we have collaborated with Marubeni Group companies such as the Marubeni Corporation to codevelop "people flow marketing" solutions, which involve analyzing the behavior of visitors to retail facilities from camera footage and identifying marketing data from it that includes numbers of shoppers, numbers of mutual shoppers of different stores in a facility, shopper time attributes, and routes taken by shoppers. We then provide this data to help stores develop efficient sales strategies.

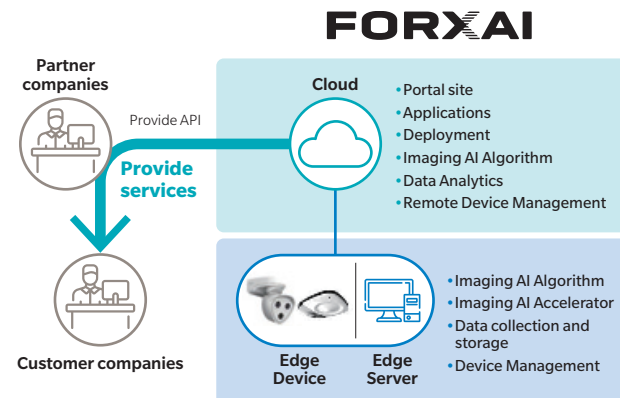
Going forward, we will provide such solutions through a subscription model as a means to forge ongoing relationships with partner companies and ensure consistent earnings. Konica

Minolta has already rolled out the FORXAI Partner Program and is now working to create value by having numerous companies participate in the program by developing various technologies and solutions that include AI algorithms.



"People flow marketing" concept

#### Building FORXAI



#### Message from a partner company

Solutions that identify individuals based on various attribute data and that track their movements are not new to the world. However, clothing color estimation as used in attribute identification has been a challenge, so the benefit of FORXAI is being able to use FORXAI's precision color calibration technologies to identify colors as being the same by calibrating for changes caused by the effects of lighting. Along with using this technology for traffic DX (parking lot congestion prediction) at retail facilities, we are considering implementing this solution in other lines of business, as well.



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