

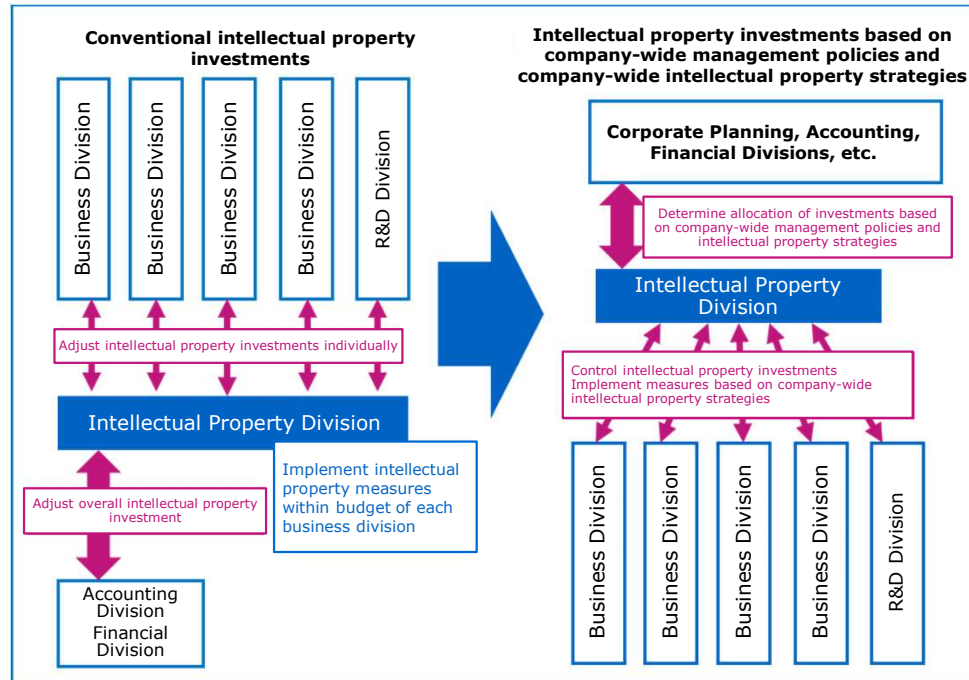
IMPLEMENT INTELLECTUAL PROPERTY STRATEGIES CONTRIBUTING TO “STRENGTHENING OF BUSINESS PROFITABILITY” (1)

Strengthen Intellectual Property Investment Management

I Optimize Intellectual Property Investments Toward Strengthening of Business Profitability

We are promoting intellectual property activities under the recognition that the creation of intellectual property and acquisition of intellectual property rights are investments toward the growth of business and strengthening of profitability. However, intellectual property investments were determined through adjustment with each business for each fiscal year.

To promote the strengthening of the business profitability from the intellectual property aspect by the selection and concentration of business under the new Medium-term Business Plan, we will optimally allocate overall intellectual property investments of Konica Minolta Group in accordance with the Group-wide strategies.

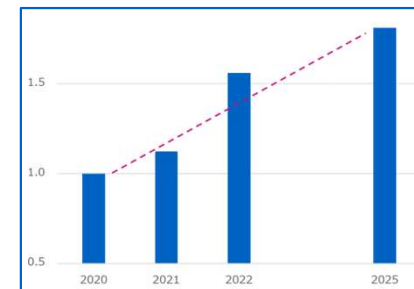


Conceptual diagram of intellectual property investment allocation

I ROI for Measuring Appropriateness of Intellectual Property Investment

Whether intellectual property investments are made appropriately cannot be measured by the investment amount only. The evaluation of whether return has been successfully obtained as expected by an intellectual property investment, i.e., intellectual property ROI (Return On Investment) is required.

However, the evaluation of intellectual property ROI must be made individually in accordance with the positioning of each business and the purpose of its intellectual property activities. For example, in the case of business in which there are a lot of patents for a product and many competitors, if we do not own intellectual property rights including patents, large license fees will be required to pay to the competitors and our business profits will be worsened. Therefore, for such business, it is expected to calculate intellectual property ROI by regarding as “return” the difference between the assumed license fees which we would have paid to competitors without any intellectual property activities and actual royalty income and expenditure (so-called license exemption method). The following figure shows the trend from 2020 until 2022 and target in 2025 of intellectual property ROI for our Business Technologies Business, with 2020 as 1. Meanwhile, if products and business environments are different, it is difficult to measure intellectual property ROI with the same method. In this case, it is expected to analyze to what extent intellectual property contributes to business profits and to use as “return” the Business Contribution Profit (profit from intellectual property investment).



Trend of intellectual property ROI in Business Technologies Business

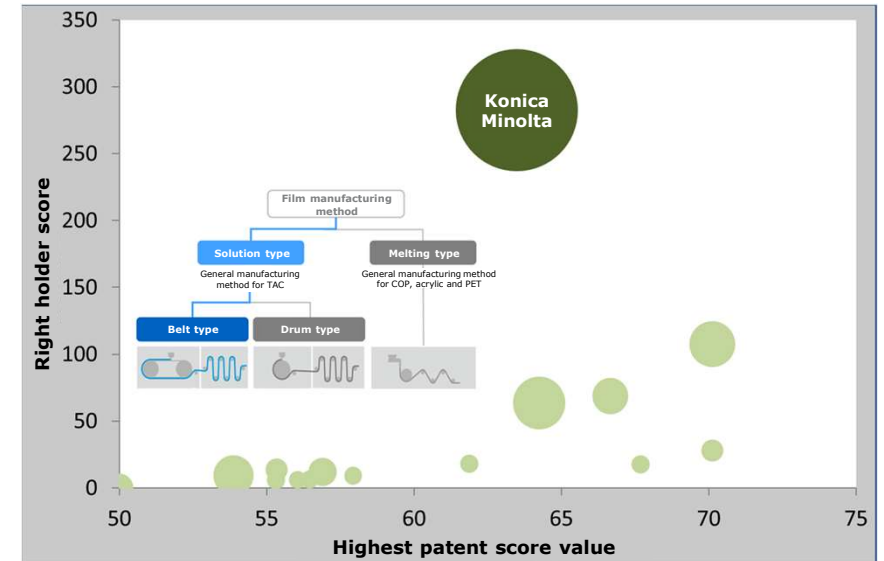
IMPLEMENT INTELLECTUAL PROPERTY STRATEGIES CONTRIBUTING TO “STRENGTHENING OF BUSINESS PROFITABILITY” (2)

Intellectual Property Activities Supporting Expansion of strengthening business

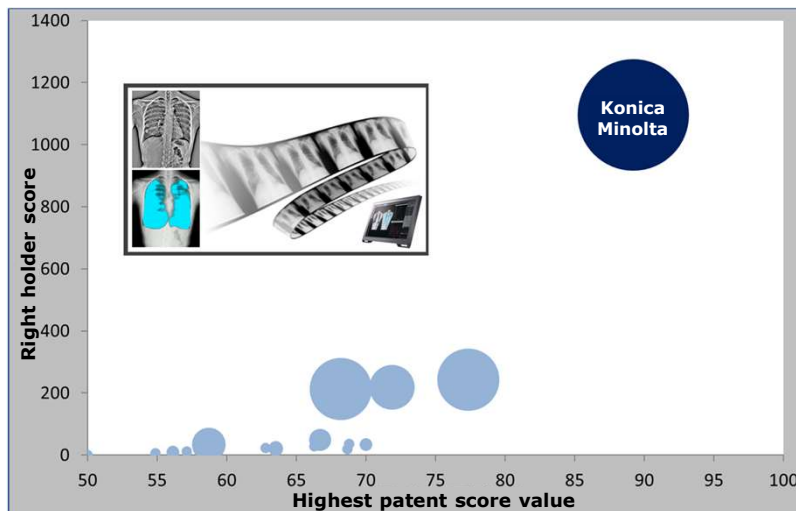
I Strengthen Intellectual Property Barriers Supporting Competitive Advantage of Strengthening Business

As for the “competitive advantage” which is a driver of the expansion of the strengthening business, strong barriers of intellectual property have been built by continuously implementing concentrative and proactive intellectual property investments and activities.

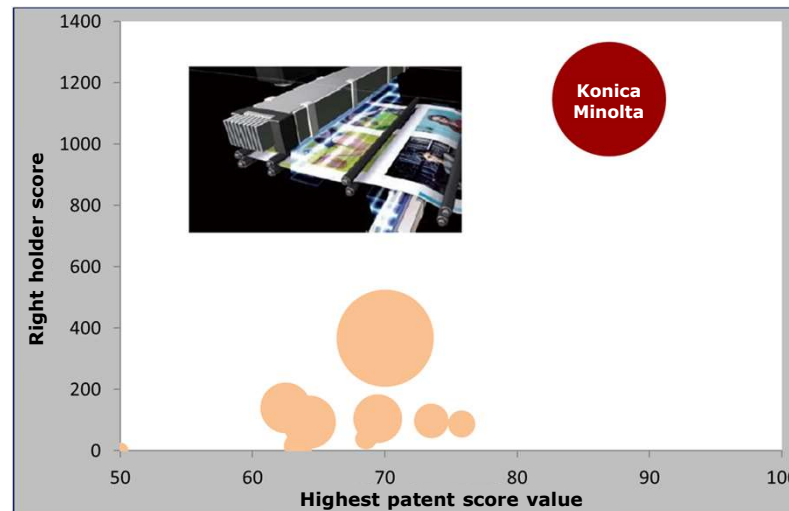
For example, as shown in score maps on this page, we have been building barriers to entry by patent portfolios which overwhelm other companies in three areas: (i) the Dynamic Digital Radiography and Dynamic Radiography Analysis which provide the high-value-added image diagnosis, the competitive advantage in medical imaging of the Healthcare Business, (ii) automatic quality optimization which realizes “automation, no skill required, and remote operation,” in the Professional Print Business, and (iii) the solvent-cast and belt type film manufacturing method which realizes the off-line stretched and super-wide “SANUQI” film in the Industry Business. By utilizing such intellectual property and promoting more concentrative intellectual property investments, we will further strengthen the “competitive advantage” of the strengthening business.



Score map of “SANUQI” area



Score map of “Dynamic Digital Radiography” area



Score map of automatic quality optimization area

Score map of Japanese patents related to specific areas

Created using Patent Result Co., Ltd.’s “Biz Cruncher.” The size of the circle indicates the number of patents of each competitor, the horizontal axis indicates the evaluation value of the patent with the highest score, and the vertical axis indicates the evaluation value of the entire patent portfolio.

IMPLEMENT INTELLECTUAL PROPERTY STRATEGIES CONTRIBUTING TO “STRENGTHENING OF BUSINESS PROFITABILITY” (3)

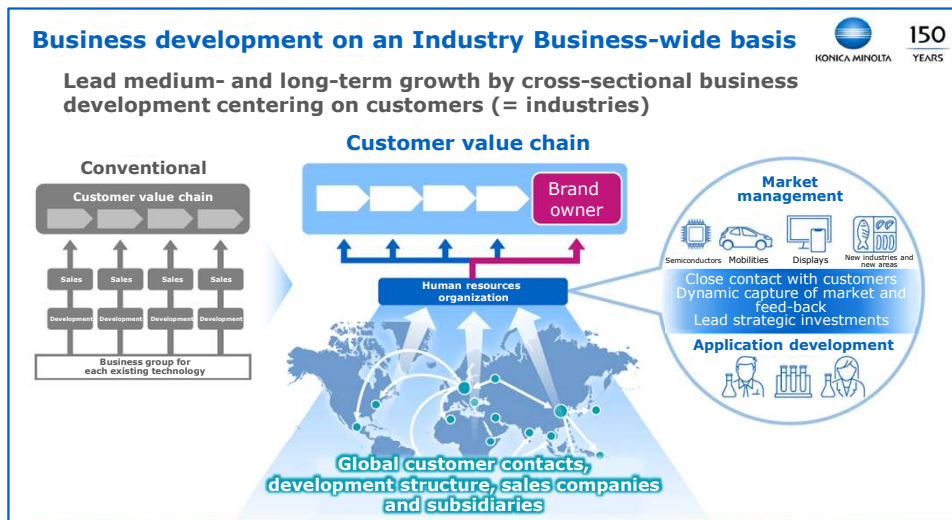
Intellectual Property Activities Supporting Expansion of Strengthening Business I Medium- and Long-term Growth Strategies for Industry Business

In the Industry Business, which is the center of the strengthening business, we have been growing businesses for sensing, performance materials, and inkjet (IJ) component. In addition, taking advantage of the core technologies such as the precision technology, and strong relationship with customers, we have laid out medium- and long-term growth strategies which are executed through enhancement of business development on an Industry Business-wide basis. To this end, we have newly established the “Industrial Business Development Center” which has human resources who can see from a higher view point the value chains and technology in the field of displays, mobilities and semiconductors. This Center will squarely address issues facing customers with full use of customer relationship and technological assets accumulated in the Industry Business and will increase trust from such customers. In this way, we will become the one and only solution provider in the manufacturing supply chain.

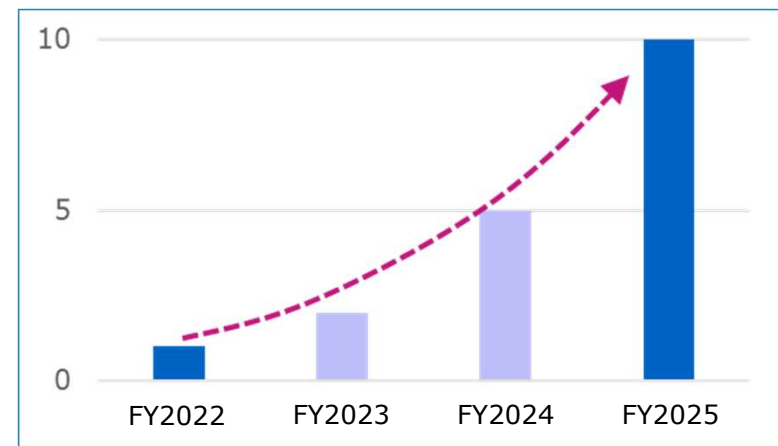
I New Intellectual Property Strategies in Industry Business

As stated above, as for the “competitive advantage” of each business, patent barriers are built by filing patent applications proactively. In the Industry Business, business development is strengthened utilizing the “competitive advantage” of existing businesses. For that reason, for the intellectual property strategies of the Industry Business, it is required to protect solutions consisting of the multiple “competitive advantage” of such businesses, focusing on customer values found in the value chain of each business.

Therefore, in collaboration with the Industrial Business Development Center, the Intellectual Property Division conducts intellectual property activities, staying in close touch with customers. Then, we protect new solution on an Industry Business-wide basis. As shown in the following figure, such new intellectual activities are expected to have 10 times more patent applications sometime between FY2023 and FY2025 than those in FY2022.



Excerpted from materials to explain Industry Business dated October 2023



Industry Business-wide patent application plan (with FY2022 as 1)