

Small Meeting for Production Print and Industrial Print Business

September 24, 2024

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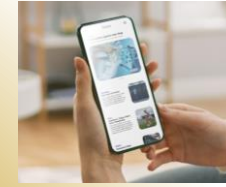




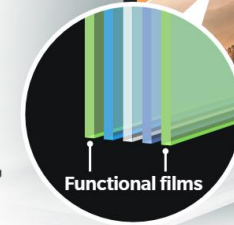
9%

Imaging Solutions

- Healthcare
- Imaging-IoT solutions, and others



11%



Industry

- Sensing
- Performance materials
- IJ components
- Optical components

Digital Workplace

- Office
- DW-DX



53%

Revenue composition ratio (FY2023)

Professional Print

- Production print
- Industrial print
- Marketing services

23%



Overview of Production Print and Industrial Print Businesses



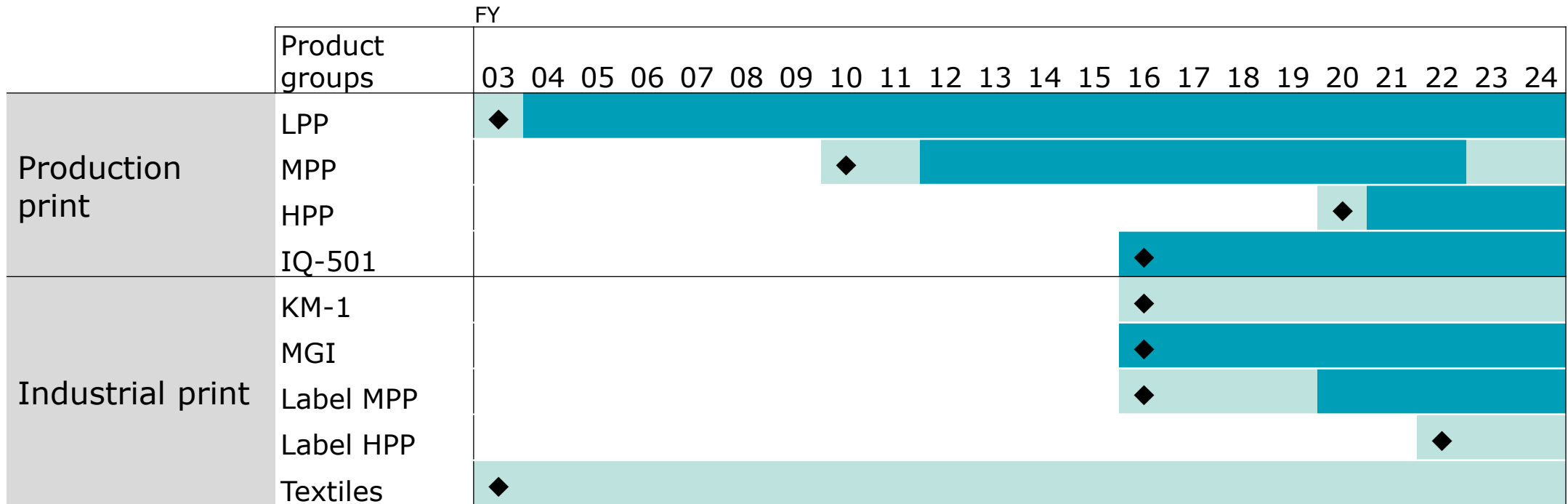
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Professional Print Business: Basic Guidelines

- Select **winning segments** in **growth fields** and expand business
- Devise **winning scenarios** (expanding customer base and applications, advance and expand the value provided) and **secure genre-top position** (expanding non-hard revenue)

Timing of business start for each product group and status of gaining genre-top positions



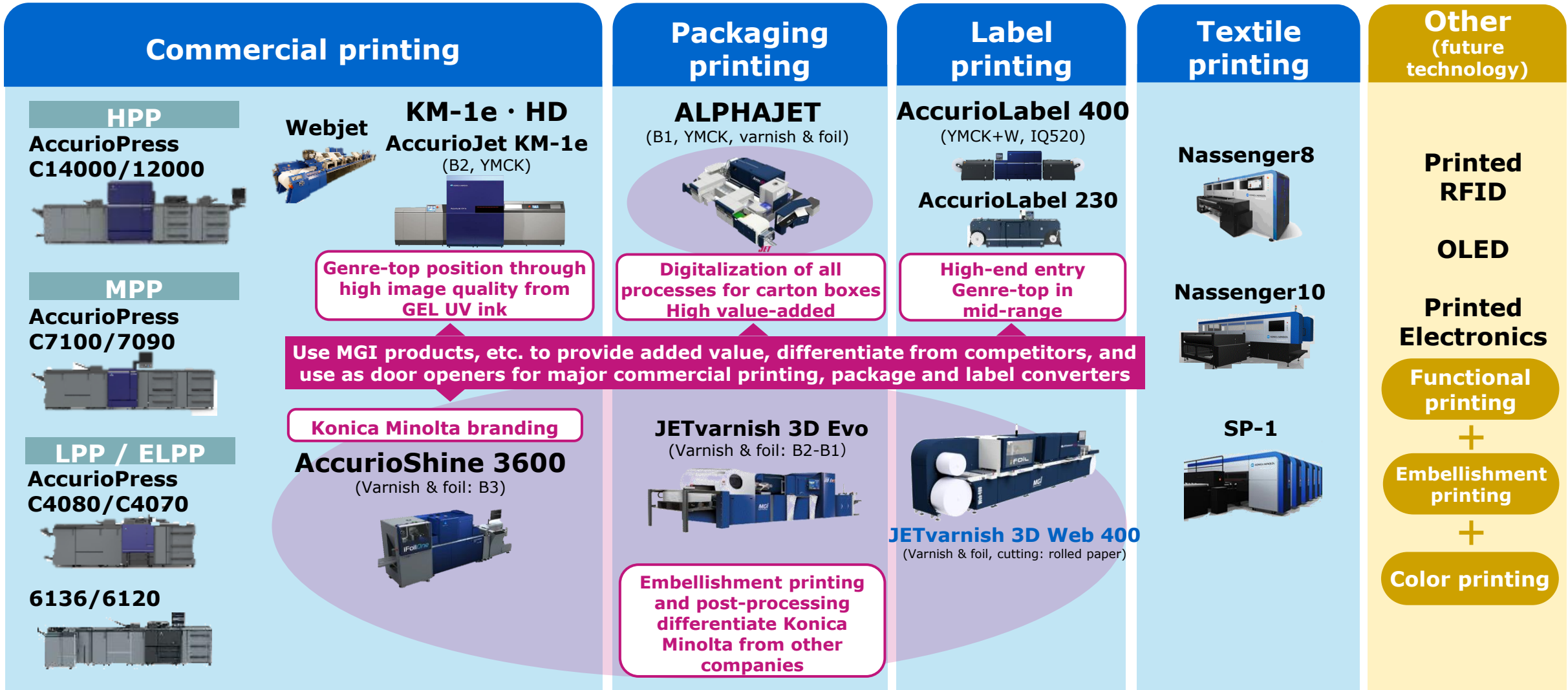
◆ Start of business

■ Year in which genre-top position gained

Business Domain: Production Print / Industrial Print



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Blue text:
New products

- High-quality printing at growing printing companies / Expansion of digital printing in a printing area that will not experience declines
- Process improvement through digitalization
- Business expansion that focuses on countries/markets where relevant industries exist

TAM and SAM in Target Areas (Competing in Growing Markets)

TAM: Analog printing equipment vendor + digital printing equipment vendor market size

SAM: Market size of digital printing equipment vendors

(¥ billions)

Market	Market trends/Growth strategies		2022	2025	2029	CAGR
Commercial printing	<ul style="list-style-type: none"> The overall market declined due to digital media. On the other hand, SAM expanded due to an increase in the proportion of digital printing. Overall, the number of units is declining, with ELPP and LPP expected to decrease in volume, while MPP and HPP are expected to increase. However, print volume is expected to increase overall. Focus on MPP and HPP 	TAM	10,280	9,800	9,040	-1.8%
		SAM	1,320	1,450	1,740	4.0%
Label printing	<ul style="list-style-type: none"> Both the overall market and the digital printing ratio are growing. Digital printing market is expected to grow 4% per year (CY22 to CY29). Market development with our unique electrophotographic method 	TAM	584.9	686.0	877.1	6.0%
		SAM	148.5	165.0	200.6	4.4%
Packaging printing	<ul style="list-style-type: none"> The overall market will grow significantly, but the digital printing ratio is very low. Streamlining not only the printing process, but also the entire process, including post-processing, is the key to accelerating the growth of digitalization. Developed Alphajet at MGI and introduced the first printer to a customer in France 	TAM	4,670	5,700	6,930	5.8%
		SAM	28.0	57.9	142.6	26%
Textile printing	<ul style="list-style-type: none"> Significant growth expected for both the overall market and digitalization The environmental problems of wastewater and disposal in the apparel industry have been getting a lot of attention, and digitization efforts are accelerating. Accelerate digitalization by developing dry ink that does not require back-end process such as steaming, washing, etc. (scheduled for 2024) 	TAM	4,730	5,200	5,698	2.7%
		SAM	88.9	103.6	120.3	4.4%

Growth Potential and Status of Competition in Each Market | Production Print

Focus areas in this Medium-term Business Plan

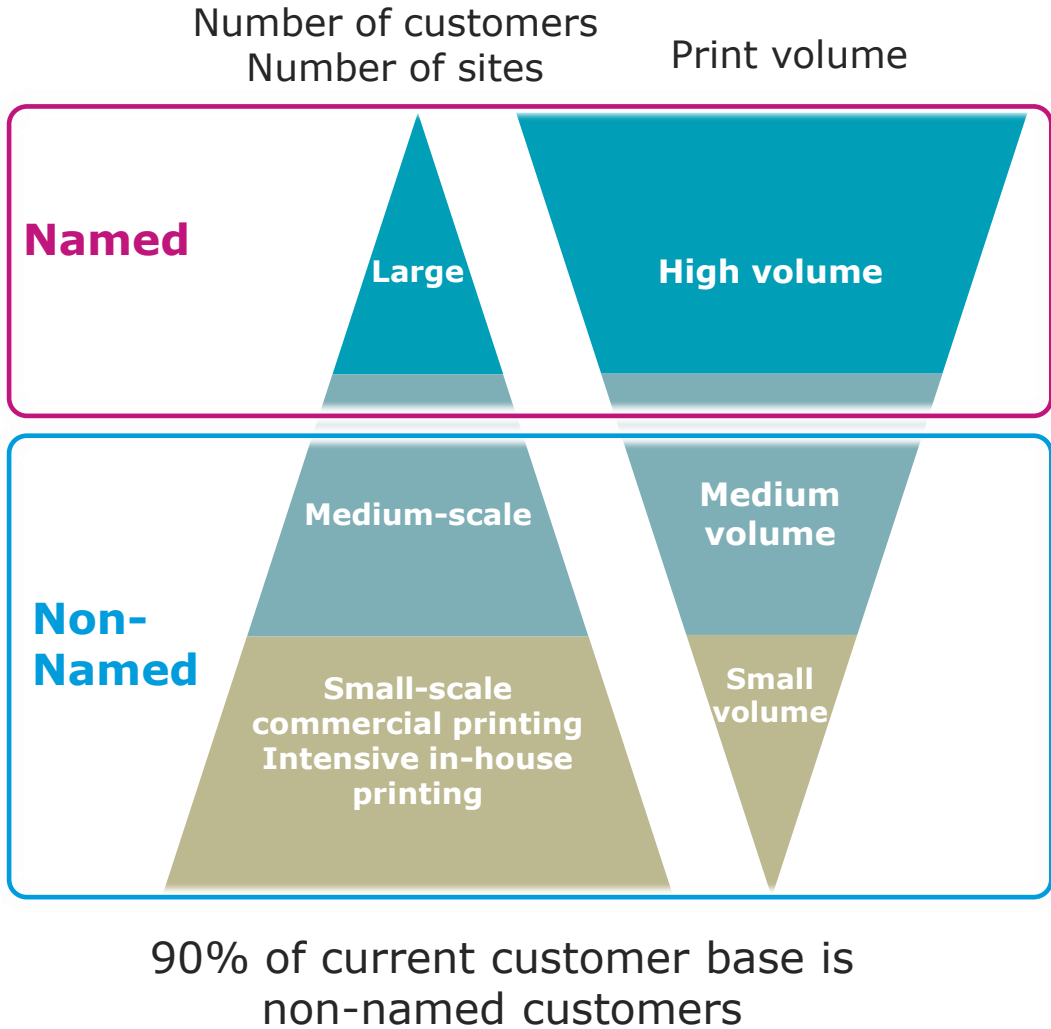
	Process	Type	Classification	Product name	Our market share	Number of major competitors	FY22 SAM	CAGR
Commercial printing (excluding magazines)	Printing process	Electrophotography	ELPP		-	3 companies	¥1,320 billion	4.0%
			LPP	AccurioPress C4080/4070	1st place	3 companies		
			MPP	AccurioPress C7100/7090	3rd place	3 companies		
			HPP	AccurioPress C14000/12000	1st place	3 companies		
		Electrophotography/ Inkjet	B2-IJ	Accuriojet KM-1e/KM-1e · HD	2nd place	3 companies		
		Inkjet	Continuous feed IJ	-	-	6 companies or more		
	Wide format IJ		-	-	10 companies or more			
	Back-end process	Inline plate inspection	Automatic quality optimization unit	IQ-501	1st place	3 companies		
		Embellishment	Embellishment printer	AccurioShine	1st place	2 companies		
		Cutter	Laser system	Motioncutter	Start of sales	3 companies		
Mechanical system			-	Scheduled to sell	0			

Growth Potential and Status of Competition in Each Market | Industrial Print

Focus areas in this Medium-term Business Plan

	Process	Type	Classification	Product name	Our market share (planned sales)	Number of major competitors	FY22 SAM	CAGR
Label printing	Printing process	Electrophotography	MPP	AccurioLabel 230	1st place	1 company	¥148.5 billion	4.4%
			HPP	AccurioLabel 400	New entry	2 companies		
		Inkjet	Water-based IJ	-	-	5 companies or more		
			UV IJ	-	-	10 companies or more		
	Back-end process	Inline plate inspection	Automatic quality optimization unit	IQ-520	1st place	1 company		
		Embellishment	Embellishment printer	MGI Jet vanish 3D	-	2 companies		
Cutter		Mechanical system	-	Scheduled to sell				
Packaging printing	Printing process	Inkjet	Water-based IJ	-	-	¥28.0 billion	26%	
	Back-end process	Embellishment	Embellishment printer	MGI Jet vanish 3D	1st place			2 companies
			Integrated system	Water-based IJ+ Embellishment printer	MGI Alphajet			Konica Minolta/MGI proprietary products
Textile printing	Printing process	Transcript		-	-	10 companies or more	¥88.9 billion	4.4%
		Inkjet		Nassenger/SP-1	-	10 companies or less		

Non-hard revenue growth due to upward shift in customer mix



Post-pandemic trends

Customer type	Customer base	Forecasted number of customers	Forecasted print volume (vs FY19)
Medium- to large-scale commercial printing	10% or less	Stable	120-150%
Small-scale commercial printing	50-60%	Decrease	100-120%
Intensive in-house printing	30-40%	Decrease	80-90%

Attracting medium- to large-scale commercial printing customers (named customers) and changing the customer mix is critical

Print volume by product category (assuming ELPP as 1)

- ELPP : 1
- LPP : 2
- MPP : 5
- HPP : 20

Reference: KM-1: 37

Konica Minolta's Competitive Advantages



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Competitive Advantages with the IQ-501 Automatic Quality Optimization Unit: Solving Customer Problems



Color-related problems

- Color matching
- Color condition check
- Color fluctuation
- Response to color anomalies

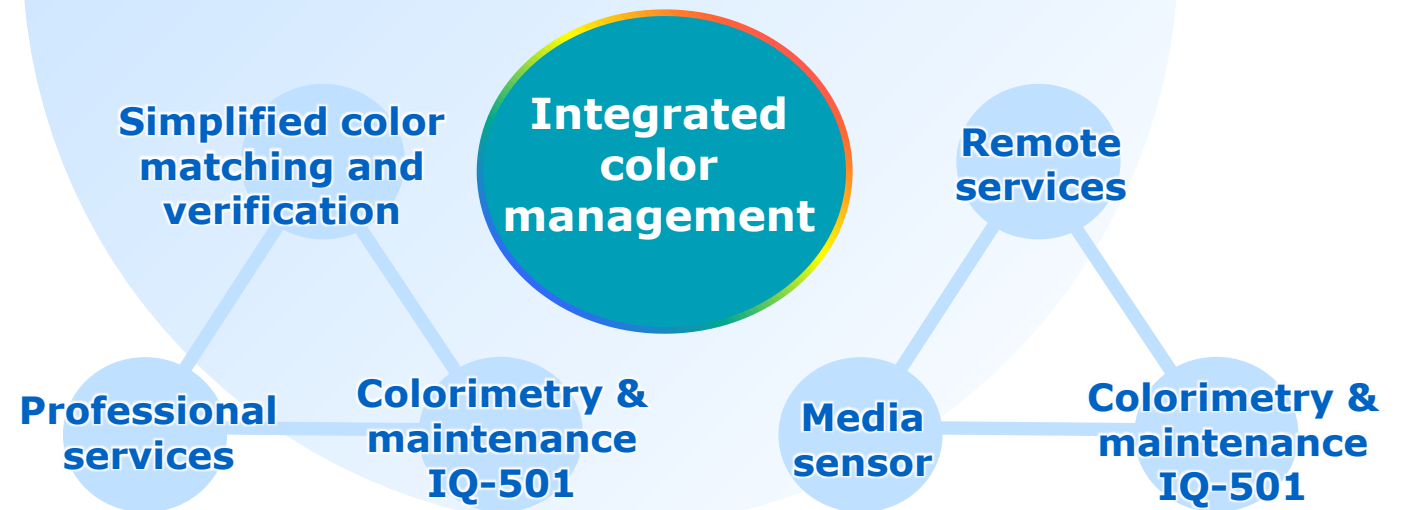
Other problems

- Front-to-back registration adjustment
- Inspection time
- Optimal settings for new paper
- Wasted paper due to errors or print failures



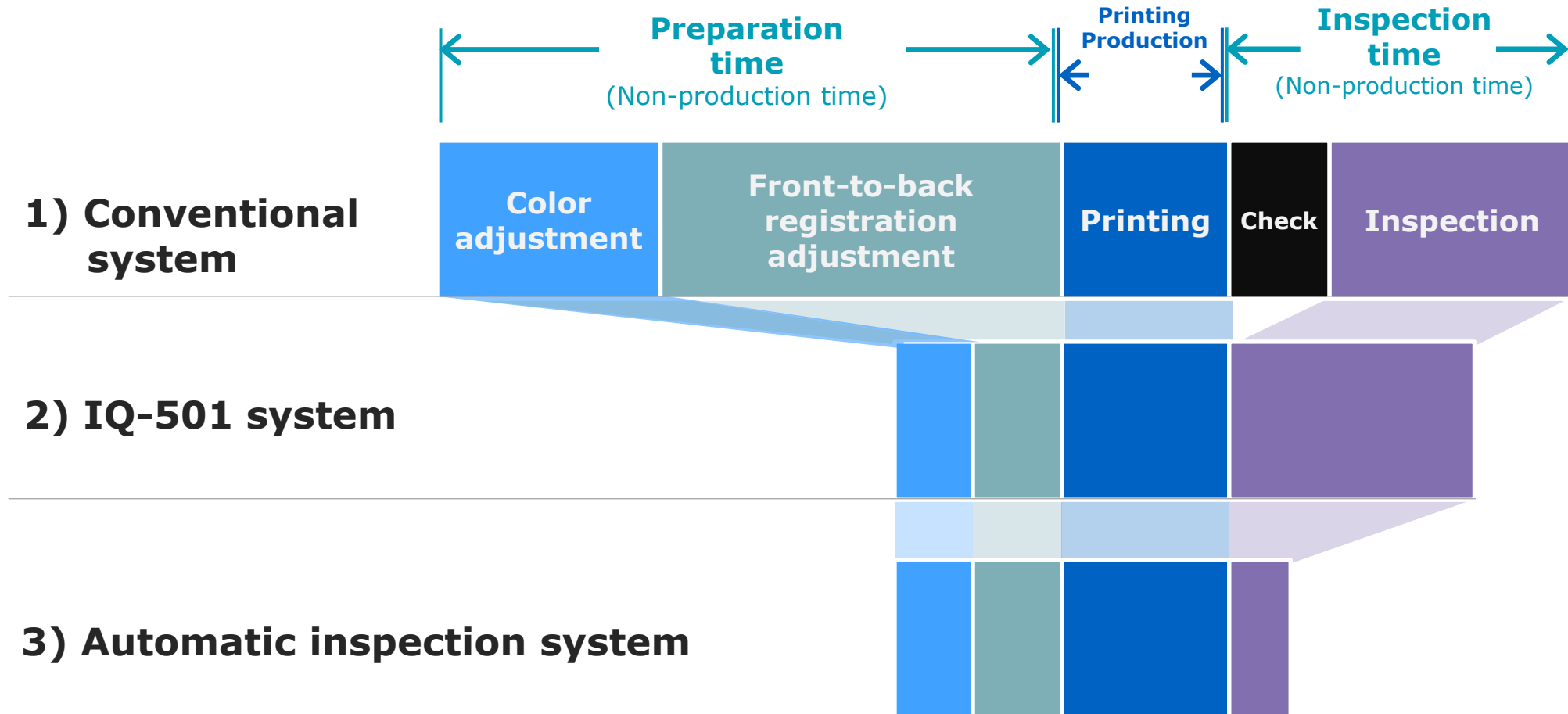
AccurioPress C14000

**Minimize printer downtime
and ancillary printing tasks**



Benefits of the IQ-501 and Automated Inspection System

Helps to significantly reduce the time required for processes other than print production, such as print preparation and verification/inspection time (**work that is not chargeable to clients**)





Competitive Advantages of the AccurioJet KM-1e

To switch from offset printing, the following features that are equivalent to offset printing are required.

1) Output size (B2)

2) Two-sided printing compatibility

3) Image quality

4) Ability to handle a variety of paper stocks



The above requirements are difficult to achieve with water-based inkjet printing and can only be achieved with UV inkjet printing. However, image quality is sacrificed with ordinary UV inkjet printing.

Breakthrough achieved by combining Konica Minolta's unique GEL UV inkjet with dedicated heads



High-quality photo book Art books

Direct mail Web to Print

Packaging printing

	Pre-processing	Image quality	Drying load	Paper stock compatibility
Liquid-toner-type electrophotography	Required	●	●	● ●
Water-based inkjet	Required	●	●	●
UV inkjet	Not required	●	●	● ●
GEL UV inkjet	Not required	●	●	●



AccurioJet KM-1e



AccurioJet 60000 Reference exhibition at drupa 2024



AccurioJet KM-1e Customer Feedbacks



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Provided “overwhelming image quality” in the fanzine printing business

Printing Journal (September 5, 2024 issue)

Osaka Printing Company’s aims on introducing the AccurioJet KM-1e

- In the midst of a serious labor shortage, how can we ensure sales efficiency with a small number of staff?
- We want to choose a model that can provide our customers with a moving experience.



Ms. Kita and the “AccurioJet KM-1e”



Osaka Printing Company’s evaluation after installing the first unit

High Image quality

“Overwhelming image quality”

“This is comparable to high-definition printing quality, surpassing the quality achieved with offset printing.”

“For at least the next three years, no other machine on the market will be able to achieve image quality surpassing that of the KM-1e.”

High productivity

“Prints 300,000 sheets per month, which is equivalent to the output of six existing HP Indigo printers.”

“No machine maintenance is required when changing print jobs, so continuous printing is possible, and **overtime work has been cut in half.**”

Reliability and stable quality

The machine is equipped with an in-line sensor that automatically detects image defects. “It is a very reliable machine when it comes to production, **with zero complaints about quality from our clients,**” “Before we adopted this printer, there were a few complaints every month from our clients **about color reproduction** when reprinting, but **now there are no complaints,**”

“In a business where there are no printing samples, **stable color reproduction** is a big attraction.”

After installing the first KM-1e machine, they installed another machine about six months later.

The machine has succeeded in **improving labor productivity** in creating an environment and management foundation where employees, who are an average of just under 30 years of age, can work for 40 years.



Competitive Advantages of Label Printing

In order to achieve the switch from analog printing, the following features are required.

- 1) Affordable prices
- 2) High image quality
- 3) Operability
- 4) Ability to handle a variety of paper types



Items 2 to 4 can be achieved using liquid or dry toner, but liquid toner is expensive.

Price competitiveness can be achieved by sharing engines with production print machines

Benefits of sharing engines

- A toner with a three-dimensional hybrid structure achieves high image quality and energy-saving performance.
- The IQ-520 automatic quality optimization unit measures color changes and plate misalignment caused by changes in the equipment’s internal temperature, and automatically adjusts image quality in real time.
- Integrating the service network with production printers ensures that a rapid response can be provided.

	Pre-processing	Image quality	Drying load	Paper stock compatibility	Price
Liquid toner-type electrophotography	Required	●	●	● ●	●
Water-based inkjet	Required	●	●	●	●
UV inkjet	Not required	●	●	●	●
Dry toner	Not required	●	●	● ●	●



AccurioLabel400

Konica Minolta at drupa 2024 Highlights (Video)

Click [here](#) to see the You Tube video.

Customers Feedback at International Printing and Media Industry Exhibition "drupa 2024"

Commercial printing

The AccurioJet 60000, which was just launched, can perform high-quality two-sided printing on a variety of paper types and has a small footprint, so it has received a great response from customers.

Label printing

Our electrophotographic system is highly regarded for its operability, high quality, wide range of paper types, and cost performance.

Packaging printing (printing & embellishment)

The AlphaJET, which can perform the entire process from printing to embellishment in a single pass, has been received enthusiastically by customers for its high-quality printing and technical capabilities.

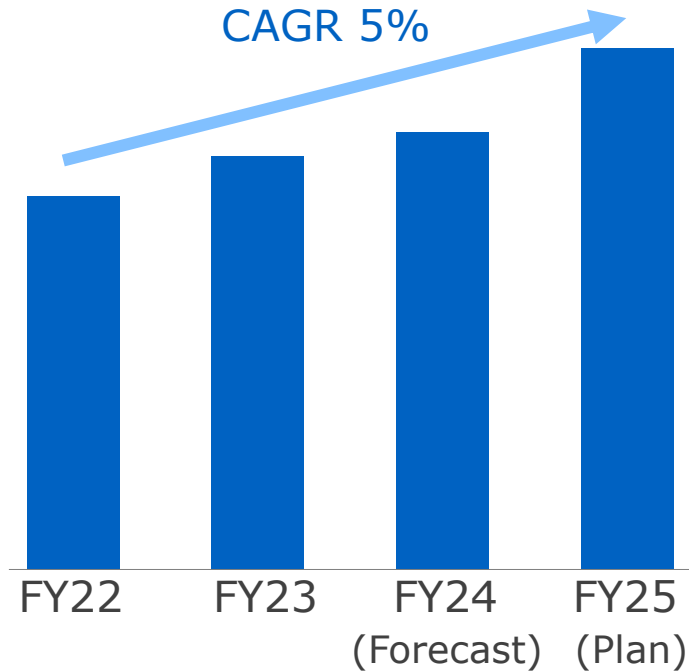




Business Expansion in Growing Markets

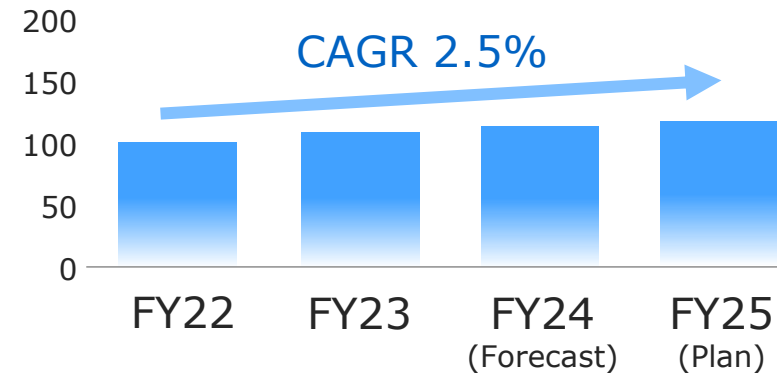
- **Production Print (PP)**: Expansion of non-hardware revenue by installing more HPPs, which are expected to generate high-volume demand for printing.
- **Industrial Print (IP)**: Continued investment for growth. Expansion of non-hardware revenue and return to profitability through an increase in the number of new hardware installations.

Professional print business: Revenue



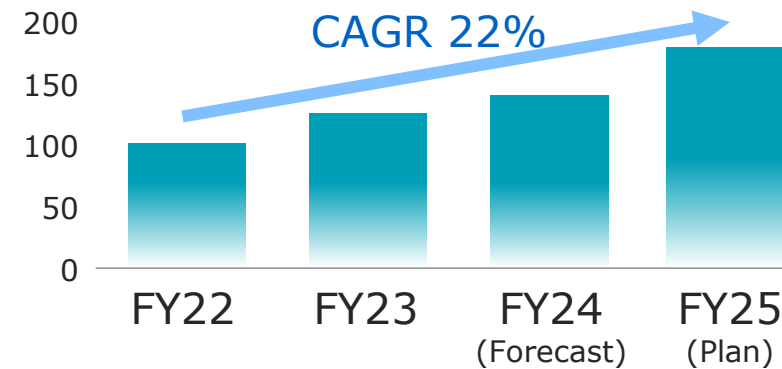
PP business's non-hardware revenue

FY22 : 100



IP business's non-hardware revenue

FY22 : 100



Contributing to the entire printing supply chain



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A Sustainable Printing Ecosystem Created through the Accelerated Shift from Analog to Digital Printing



AccurioDX



Contributing to society through the Professional Print Business

Focusing on the last mile by hindering the transition from analog to digital printing

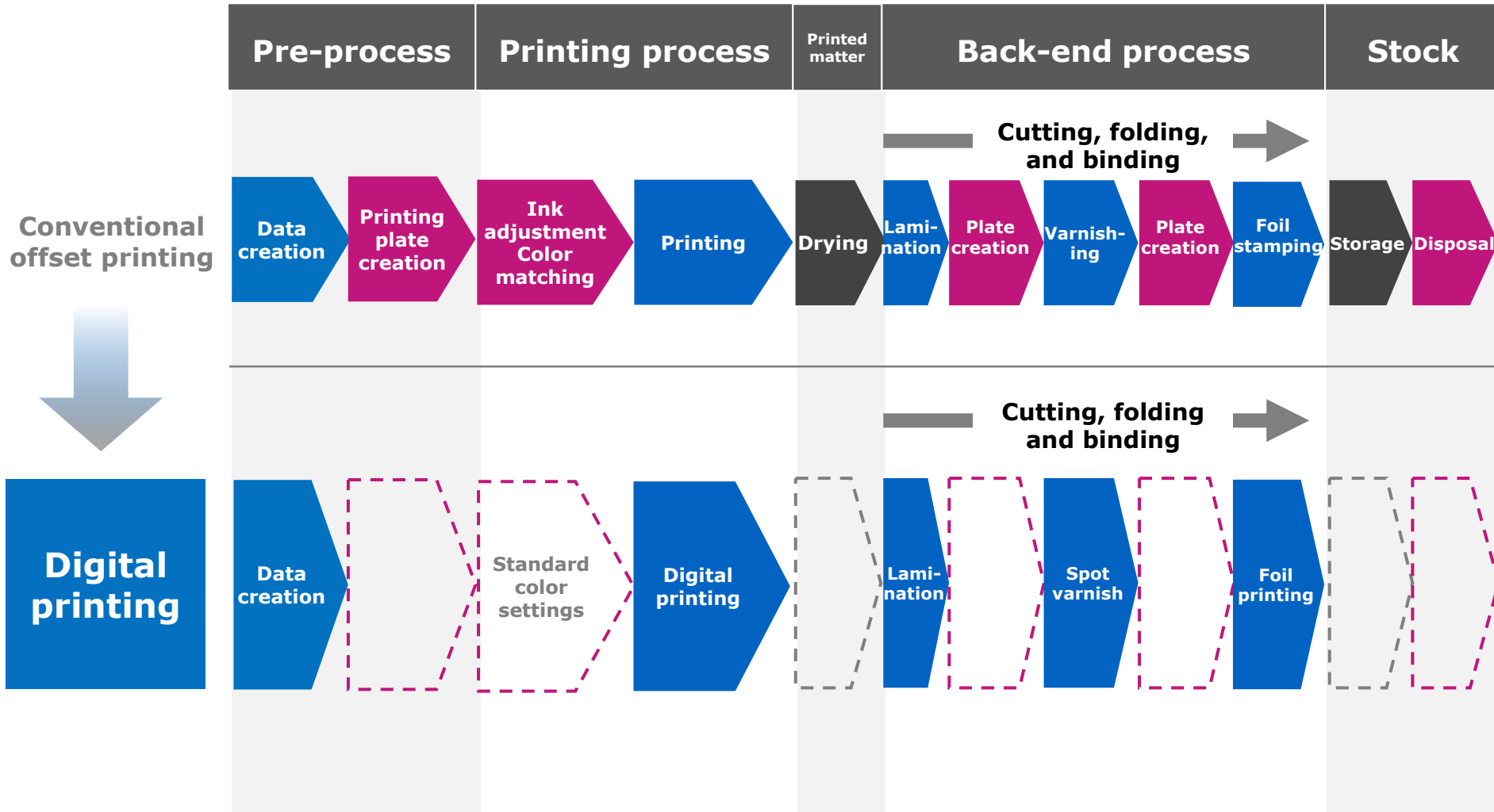
Until the printing is completed to the customer's satisfaction

1. Commitment to realizing offset quality
2. Commitment to printing and post-processing

Until it can be used by professionals

1. Attention to detail from the perspective of the printing operator
2. Attention to detail from the perspective of the brand owner



Contributing to the Environment through the Transition from Analog to Digital Printing in the Commercial Printing Industry



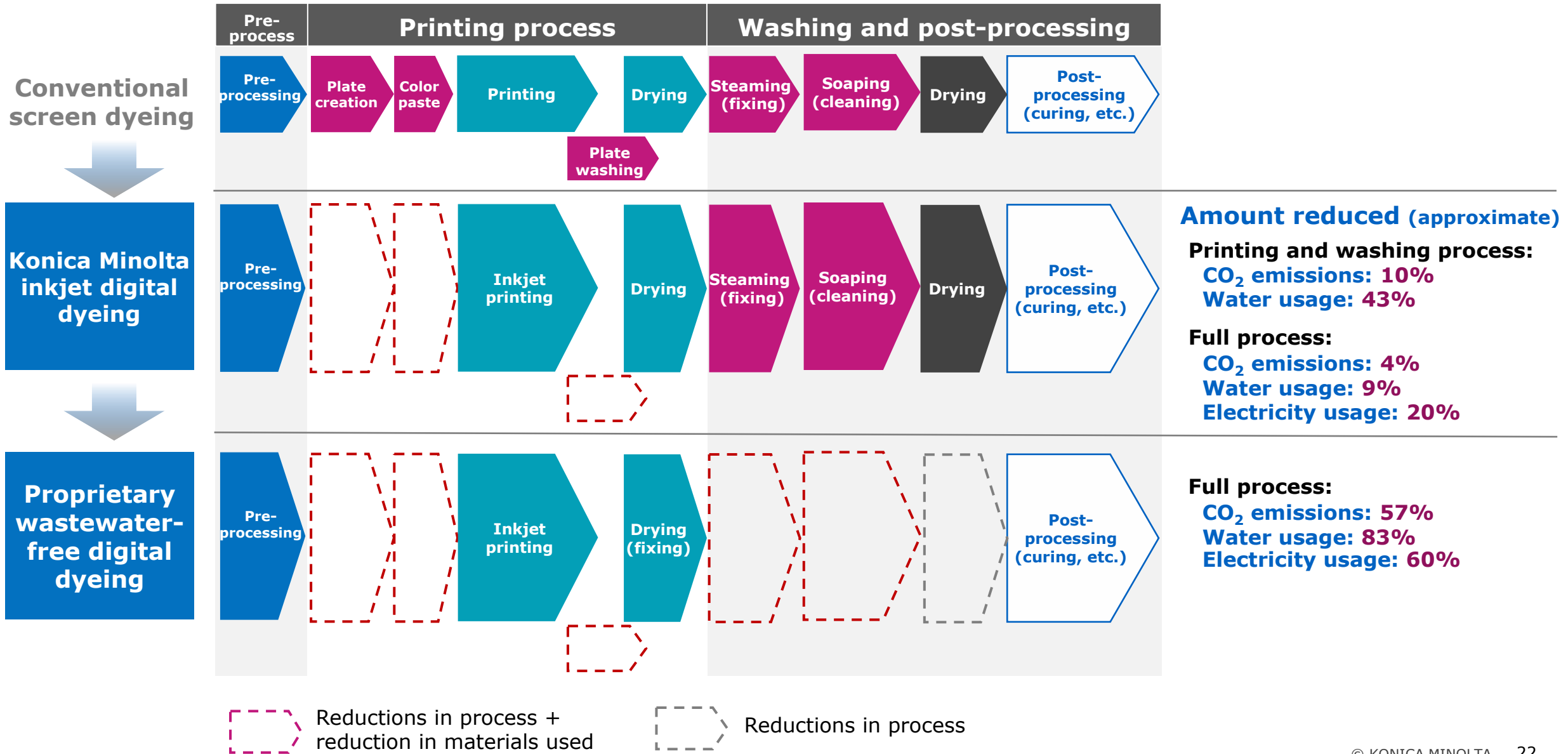
Waste and CO₂ emissions reduction:

- 1) Plate-less, reducing spare paper (print failures) and paper waste
- 2) Power saving (use of polymerized toner, etc.)

**Zero VOCs:
Clean working environment**

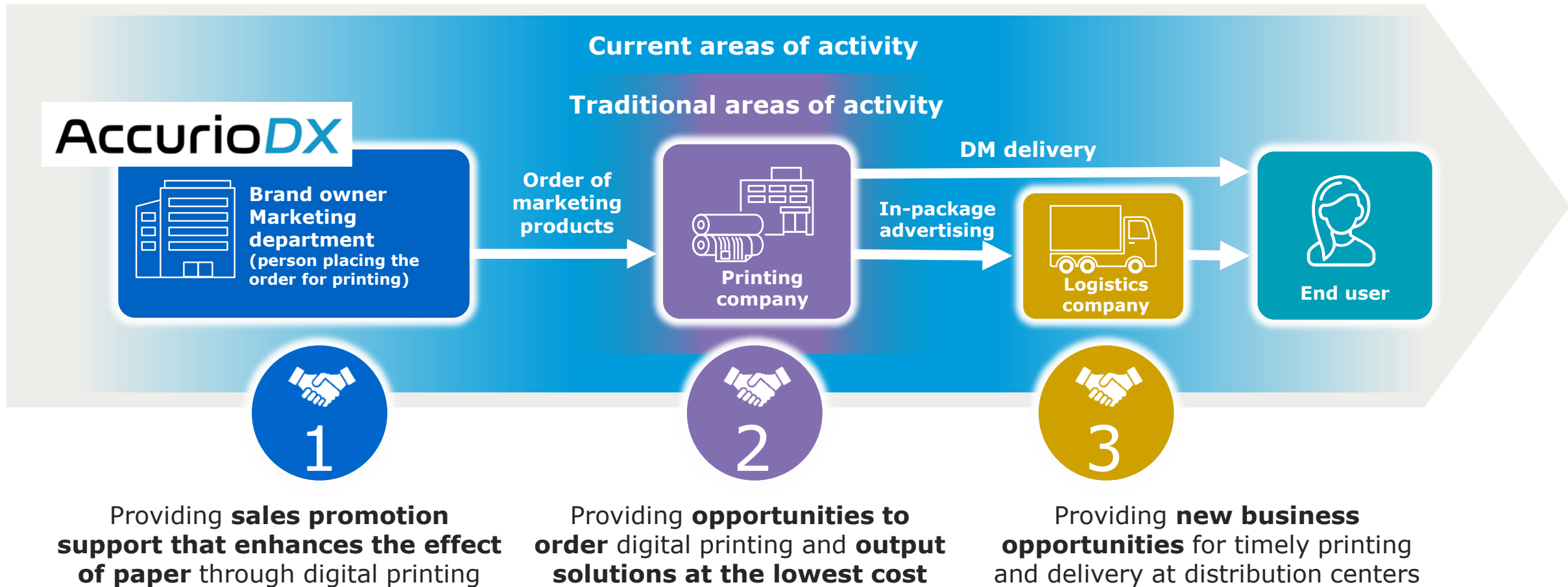
 Reductions in process + reduction in materials used
  Reductions in process

Contributing to the Environment through the Transition from Analog to Digital Printing in the Textile Industry



Expanding Demand for Digital Printing through Marketing Reform Support

We have supported communication through printed materials as a digital printing manufacturer. In addition to providing digital printing, we will maximize communication effects and work to expand demand by digitalizing the entire supply chain for printed materials, including brand owners, logistics companies, and end users.



AccurioDX: Making it Easy to Order Personalized Printed Promotional Materials and Measure Their Effectiveness



二村様

この度はご注文いただきましてありがとうございます!今回ご注文された7品からオススメのメニューをご紹介します。ご覧ください。

Customer name



Purchased items



Recommended items

Timely updates to reflect order details



Unique barcode (for warehouse inspection)

Order number

Unique QR code

<Case Study> Mitsuboshi Farm, a frozen side dish home delivery service

Planning: Inglewood, Logistics: Eyes

- They want to include promotional materials that match their customers' purchasing trends.
- They want to avoid complicating the work processes in their distribution warehouse.

AccurioDX

Sales promotion planning,
packaging logistics
Verifying the work process
and sales promotion
effects of both

Number of website visits from QR codes
1.67 times

Printing in sets for each customer to
reduce the workload when
packaging them together

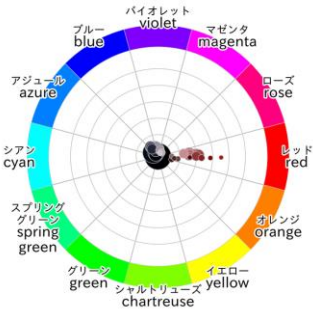


EXplainable KANSEI (EX-KANSEI) : Proposing "Designs that Sell" through Image Analysis Based on Brain Science

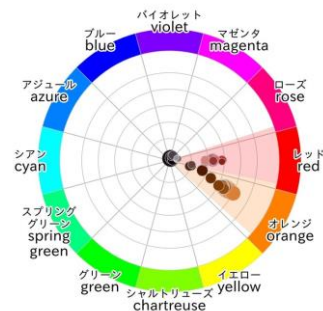
- Support for design production through image analysis based on cutting-edge emotional brain engineering
- Maximize the effects of printing product packaging, posters, etc.



Renewed the restaurant's website and menu, and increased the number of reservations by 172%



"classy" and "solemn"

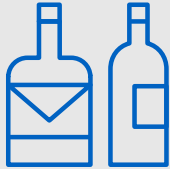

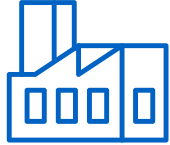





"relaxed" and "homely"

Improved the design of the posters to boost their attention-grabbing power by 3.1 points



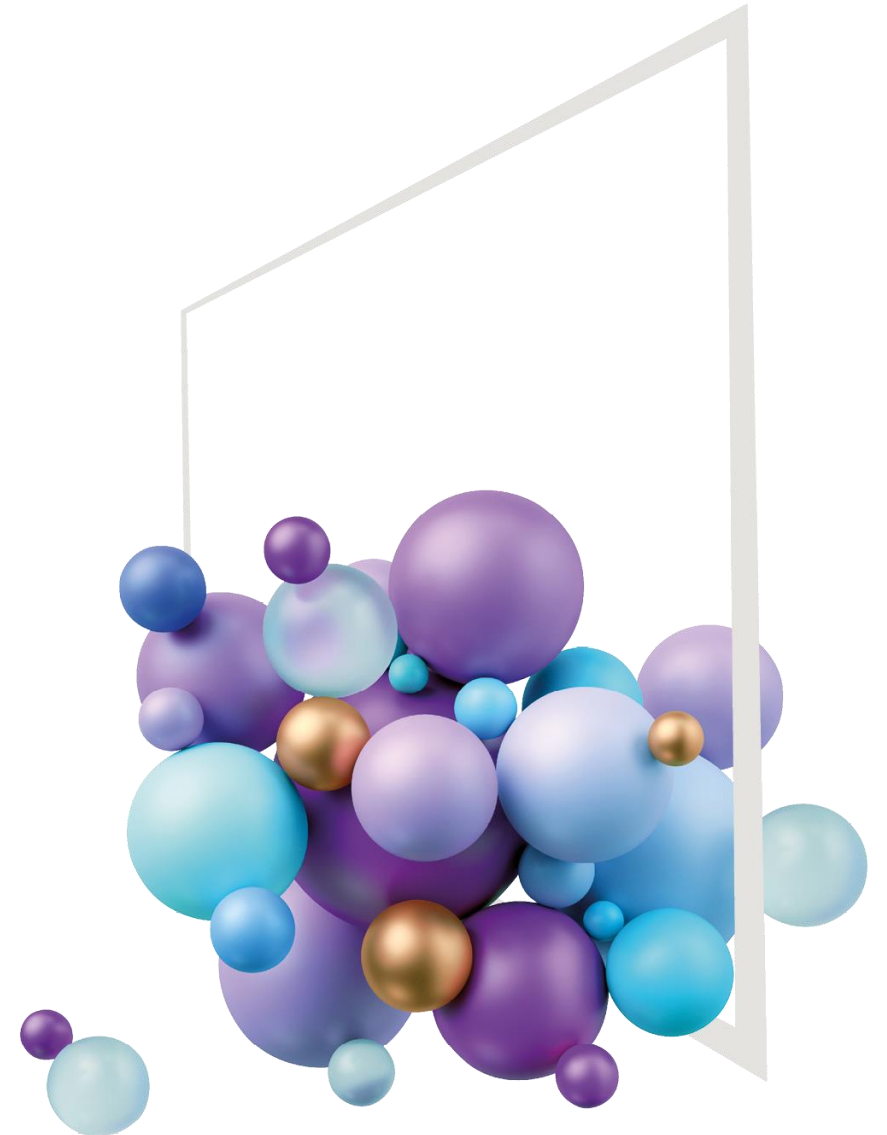
Building a Sustainable Printing Supply Chain (Putting the “Three way satisfaction” Principle into Practice)

	Society created by Konica Minolta	Material issues
Brand 	Achieving high impact with fewer printing materials through effective printing	Improving fulfillment in work and corporate dynamism 
Printing company 	Shifting from quantity to quality Creating a workplace full of creativity Optimizing people, materials, and money by not creating unnecessary printed materials	
Society 	Reducing delivery and waste through fewer printed materials	Addressing climate change  Using limited resources effectively 



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APPENDIX



- **Commercial · Industrial printing segment :**
 - **ELPP (Entry Light Production Printer)** : Monthly Print Volume (MPV) 100-300K pages, Low-pricing product range mainly for Central Reprographics Department at large company (CRD).
 - **LPP (Light Production Printer)** : MPV 100-300K pages, Commercial printing market
 - **MPP (Mid Production Printer)** : MPV 300-1,000K pages, Commercial printing market
 - **HPP (Heavy Production Printer)** : MPV 1,000K pages, Commercial printing market
 - **B2 sheet-fed** : Inkjet printing system for B2 size printing. Mainly a product for commercial printing market to replace offset printing machine.
- **Waste/ Wastepaper** : Paper which was wasted during printing workflow. Normally it occurs in color and registration matching process



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Cautionary Statement:

The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.

Remarks:

Yen amounts are rounded to the nearest 100 million.