



KONICA MINOLTA

## News Release

# Konica Minolta to Reinforce its Domestic Manufacturing Process of Business Technologies Supplies to Facilitate Innovations in Production Technology and Enhance Productivity in the Field of Materials

## Merger of Subsidiary Manufacturers of Chemical Products for Business Technologies

Tokyo (January 22, 2018) – Konica Minolta, Inc. (Konica Minolta) today announced that the company will merge two of its domestic manufacturing subsidiaries of chemical products for business technologies: Konica Minolta Supplies Manufacturing Co., Ltd. (Konica Minolta Supplies), and Konica Minolta Supplies Manufacturing Kansai Co., Ltd. (Konica Minolta Supplies Kansai), on April 1, 2018.

### Purpose of Merger

Konica Minolta launched a Medium Term Business Plan, SHINKA 2019, in the current fiscal year to facilitate a shift to a highly profitable corporate structure. To improve the production and procurement process under this plan, the company is striving to strategically reorganize its domestic manufacturing subsidiaries, in order to better suit its production system. With the merger of the manufacturing subsidiaries, the company aims to create innovative chemical products and enhance productivity by integrating the human resources of the two subsidiaries and sharing their respective proprietary technologies and production know-how.

Both Konica Minolta Supplies and Konica Minolta Supplies Kansai are Konica Minolta's production bases of chemical products, such as toners for multi-functional peripherals (MFPs) and production print systems. Konica Minolta Supplies, with its polymerized toner factory, has strength in functional fine grain forming technology, while Konica Minolta Supplies Kansai boasts an advantage in blending/mixing technology. By integrating these technologies, Konica Minolta aims to expand its product mix by developing new functional chemical products not only for business technologies but also for new business areas.

Konica Minolta will accelerate a shift to a highly profitable corporate structure by continuing its ongoing efforts to promote next-generation manufacturing workflows, Digital Manufacturing, and by consolidating production operations to improve productivity, streamlining head office functions to enhance efficiency of indirect operations, and introducing an integrated manufacturing system for the entire process from production of materials to molding.

### Overview of Company Surviving the Merger

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|---------------|--|
| Company name  | Konica Minolta Supplies Manufacturing Co., Ltd.  |
| Head office   | Kofu City, Yamanashi Prefecture  |
| Main business | Production of components of MFPs, printers, and printing systems (e.g. photosensitive drums, toners) |
| Capital       | 200 million yen*   |
| Number of     | Approx. 350 (after merger)   |

|           |  |
|-----------|--|
| employees |  |
|-----------|--|

**Scheme of Merger**

Konica Minolta Supplies Manufacturing will absorb Konica Minolta Supplies Manufacturing Kansai and survive the merger.

\* This refers to the amount after capital reduction scheduled for February 28, 2018.

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