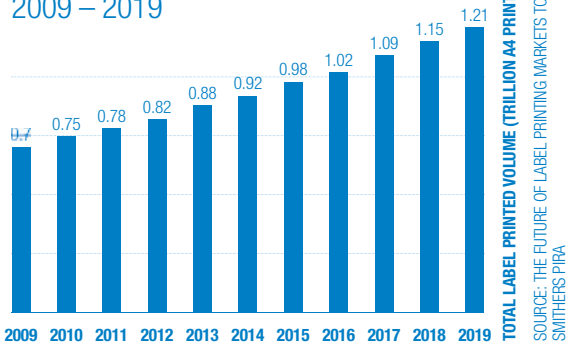


FACTS & FIGURES KONICA MINOLTA LABEL PRINTING



Konica Minolta is ranked NUMBER 1 in terms of market share for Production Printing (32.5%) in FY 2016 (infoSource). The company entered the industrial printing market with the digital label press **bizhub PRESS C71cf** in spring 2016.

GLOBAL PRINTED LABEL MARKET 2009 – 2019



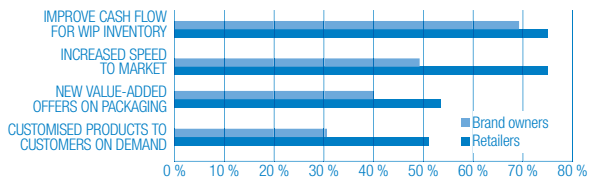
Labels play an important part in the marketing of a product, product identification, brand promotion and logistics, thereby representing the key element of the packaging in all industries. The design of the labels on a package reflects a brand's message and its identity.

KEY TRENDS AND MARKET DRIVERS:

- Changing buyer needs
- Greater acceptance of colour digital printing
- Demand for more personalised offerings

SOURCE: PREDICTIONS FROM THE LABEL AND PACKAGE PRINTING MARKET, LABELS AND LABELLING, 2016

BRAND OWNERS AND RETAILERS VIEW OF THE DIGITAL VALUE PROPOSITION



LABEL PRINTING MARKET CUSTOMERS & PLAYERS

CUSTOMER

REV. SCALE # OF ENTERPRISES
€ 15 M & over (large) 50 WW* (1,000 locations)

€ 5 – 15 M (mid) 2,700 WW* (3,700 locations)

€ 2 – 5 M (small) 8,300 WW*

€ 0 – 2 M (tiny) 8,300 WW*

TOTAL MARKET: 11,150 WW* (13,000 locations)

PLAYERS



AccurioLabel 190



WW* = worldwide

COMPETITORS: PRICE, PRODUCTIVITY, SPEED

“ We were aware of the good quality and reliability that Konica Minolta stands for in general. When we looked at the machine and analysed the combination of the print quality and the price, we were fully convinced: the print quality can definitely keep up with machines in the higher segment. And a couple of our customers without experience with digital were really blown away. Additionally, we value the personal relationship with the Konica Minolta representatives, it 'felt right' from the start. This acquisition surely paid off well for us. ”

PHIL ACHURCH, MANAGING DIRECTOR, SOABAR, GREAT BRITAIN, 2017

ADVANTAGES OF ACCURIOLABEL 190



- high quality
- shorter lead times
- ease of use (less human touch)
- shorter run lengths, down to a one-sample basis
- no set-up costs
- more flexibility
- reducing physical and chemical waste



AND THE INDUSTRY PROVES US RIGHT:
100TH
INSTALLATION*
WORLDWIDE IN
MID-SEPTEMBER

AMONGST THE MOST
SIGNIFICANT BUSINESS
"PAIN POINTS" OF
CONVERTERS ARE



- shorter lead times
- finding qualified press operators

*of the bizhubPRESS C71cf, the predecessor of the AccurioLabel 190

AVERAGE FINAT CONVERTER RUN LENGTHS CONVENTIONAL & DIGITAL

END-USE CATEGORY	%CHANGE IN CONVENTIONAL RUN LENGTH YEAR-OVER-YEAR (2016 VS. 2015)	CONVENTIONAL RUN LENGTH IN LINEAR METERS (2016)	%CHANGE IN DIGITAL RUN LENGTH YEAR-OVER-YEAR (2016 VS. 2015)	DIGITAL RUN LENGTH IN LINEAR METERS (2016)
Food	38% ↓	5,386	3% ↓	1,230
Health&Beauty/ Cosmetics	33% ↓	3,338	28% ↑	919
Retail	26% ↓	4,393	22% ↑	988
All Categories	11% ↓	4,598	7% ↑	821

SOURCE: LPC, INC. FINAT RADAR, 2017