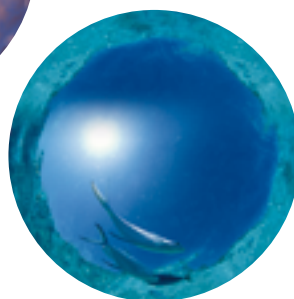




KONICA MINOLTA



KONICA MINOLTA
CSR REPORT
2011

Giving Shape to Ideas

Overview of the Konica Minolta Group

Business Companies

Companies entrusted with the authority necessary to execute business activities in their field of expertise

Konica Minolta Business Technologies, Inc.

Manufacturing and sale of multi-functional peripherals (MFPs), printers, and equipment for production print systems and graphic arts, and providing related solution services



Konica Minolta Opto, Inc.

Manufacturing and sale of optical products (pickup lenses, etc.) and electronic materials (TAC films, etc.)



Konica Minolta Medical & Graphic, Inc.

Manufacturing and sale of consumables and equipment for healthcare systems



Konica Minolta Sensing, Inc.

Manufacturing and sale of measuring instruments for industrial and healthcare applications



Common Function Companies

Companies that perform centralized Group-wide functions

Konica Minolta Technology Center, Inc.

Provides services to group companies including R&D, customized product design and management of intellectual property assets

Konica Minolta Business Expert, Inc.

Provides various shared services for the Group in the fields of engineering, logistics, environment, safety and others

Affiliates Managed by the Holding Company

Companies that strive to cultivate business with the support of the holding company

Konica Minolta IJ Technologies, Inc.

Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use



Konica Minolta Planetarium Co., Ltd.

Manufacturing and sale of planetarium systems, show contents production and sales, construction of planetariums and facility management services



Holding Company: Konica Minolta Holdings, Inc.

As a holding company, drafts and implements group management strategies, as well as supervising, managing and coordinating group management.

Company name

Konica Minolta Holdings, Inc.

Head office

1-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

President and CEO

Masatoshi Matsuzaki

Established

December 22, 1936

Paid-in capital

37,519 million yen

Fiscal year-end

March 31

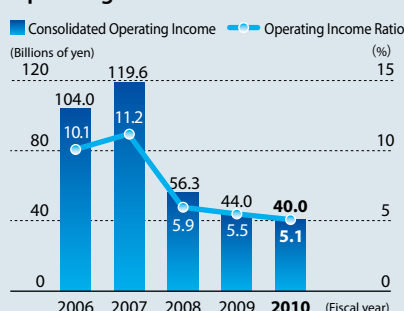
Overview of the Group

The Konica Minolta Group consists of Konica Minolta Holdings, 89 consolidated subsidiaries, 17 non-consolidated subsidiaries, and 5 affiliated companies. Group companies are located in 35 different countries. (As of March 31, 2011)

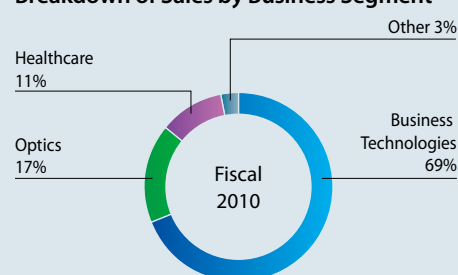
Consolidated Sales



Consolidated Operating Income/ Operating Income Ratio

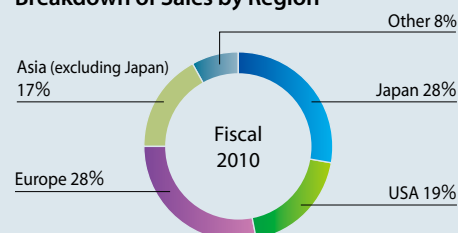


Breakdown of Sales by Business Segment



Note: Konica Minolta Medical & Graphic, Inc. transferred its graphic imaging business to Konica Minolta Business Technologies, Inc. on October 1, 2010. The results of the Healthcare Business for fiscal 2010 include those of the graphic imaging business for the first half.

Breakdown of Sales by Region



Editorial Policy

The Konica Minolta CSR Report is published to inform all its stakeholders of the Group's corporate social responsibility initiatives. This report focuses on topics of social significance and high priority to Konica Minolta and discusses the Group's basic concept, specific efforts and achievements with respect to those topics.

This year's Special Feature articles focus on the Green Products Certification System, which constitutes the heart of Konica Minolta's approach to environmental responsibility, and on healthcare, a field in which Konica Minolta leverages the collaboration of group companies. The reports on environmental initiatives and initiatives for different stakeholders describe issues that are addressed by regular topical meetings in areas such as environment and quality, primarily those that marked significant progress in fiscal 2010.

To promote communication with stakeholders around the world, this report is published in five languages: Japanese, English, Chinese, German, and French.

Report Boundary

This report covers the entire Konica Minolta Group, including Konica Minolta Holdings, Inc., the Group's business companies and common function companies, and its consolidated affiliates. When data is given on a specific subset of companies, the boundary is separately indicated. In this report, "Konica Minolta" refers to the Konica Minolta Group.

Reporting Period

In principle, the report covers activities from April 1, 2010 to March 31, 2011. Some sections may include information on earlier initiatives or more recent activities. In this report, "fiscal 2010" refers to the fiscal year starting April 1, 2010 and ending March 31, 2011.

Publication Date

September 2011

(Next report: scheduled for August 2012; previous report: August 2010)


Guidelines Observed in Preparation of the Report

The CSR Report, which consists of the booklet and website pages, was created with reference to the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines 2006*. The report meets application level B+.

About the Website

Konica Minolta maintains a website that provides detailed information on its CSR activities.

<http://konicaminolta.com/about/csr>

The  icon indicates that more information on a given topic is available on the website.

Disclaimer

In addition to facts about past or present circumstances, this report contains descriptions of the Group's current plans and projections for the future. These descriptions are based on information that is currently available and have been deemed reasonable based on the Group's current status. The Group's actual performance could differ from its predictions due to future changes in the business environment.

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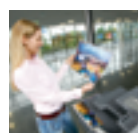
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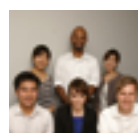
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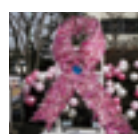
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Building a Company That is Valued by People around the World

Fulfilling a necessary role in a changing world

The world today is witnessing a transformation of attitudes and values in response to a variety of situations. Some examples are the growing severity of global environmental problems, the emergence of issues relating to energy, and changes in global markets accompanying the rapid growth of newly developing countries. Against this backdrop of change on a global scale, the role that companies are expected to play is also changing significantly. Corporations are required to predict the impact of these changes and respond promptly.

True to our management philosophy of the creation of new value, we aim to maintain strong growth to ensure that Konica Minolta is a company essential to society and worthy of its support. The Group has been undertaking a variety of challenges in order to transform social changes into opportunities for advancement.

Nonetheless, the Great East Japan Earthquake that occurred on March 11, 2011 was far beyond anything we had imagined. Many of Konica Minolta's customers and business partners suffered extensive damage. I would like to offer my sincere condolences to everyone who was affected by the earthquake. At Konica Minolta, we are acutely aware of our responsibility to do all we can to contribute to the recovery. It is especially at times like this that all of our professionals think about what we can do as a company, and act to achieve it. This will in turn strengthen our relationship with our customers, business partners and society as a whole, and earn greater trust.

Although direct damage to Konica Minolta Group facilities was minor, procurement of materials and the future of electricity supply remain uncertain. These factors will have an unavoidable impact. By anticipating future trends, we will seek ways to minimize the impact of these factors on business operations and take a range of measures to fulfill our responsibility to maintain the supply of our products.

New medium term business plan launched

While facing this unexpected situation, Konica Minolta's commitment to growth remains unchanged. To achieve

our goals for growth, in April 2011 we launched our new, three-year medium term business plan, called "G Plan 2013." This plan lays out three basic strategies: expanding the scale of operations by achieving growth, changing into a global company, and increasing the recognition of the Konica Minolta brand.

Konica Minolta is actively moving into sectors where it can meet the expectations of society using its core technologies. In order to achieve further growth and to continue to expand in size, the Group is entering the new businesses of energy saving and energy creation, while continuing to strengthen and expand its existing businesses.

Specifically, we aim to make a broad contribution to society by commercializing LED and organic light emitting diode (OLED) lighting. In response to changing market conditions, we are also striving to provide products and services to meet the challenges in various areas, including emerging markets.

G PLAN 2013 Policy

1. Expanding the scale of operations by achieving growth
2. Changing into a "Global Company"
3. Increasing the recognition of the Konica Minolta brand

Putting CSR activities on a business footing

To ensure that Konica Minolta remains a company essential to society and worthy of its support, it is imperative that, while achieving growth, we also fulfill our various social responsibilities and contribute to society.

Among the first of these responsibilities is responding to global environmental issues. Konica Minolta works to reduce the environmental impact of its business activities at every stage. In fiscal 2009, we established our long-term

environmental vision, "Eco Vision 2050," and the Medium-Term Environmental Plan 2015 to drive progress on it, setting targets to be met and priority measures. Then from fiscal 2011, we introduced the Green Products Certification System to promote the creation of environmentally responsible products as one of the mechanisms to support the achievement of our vision.

In addition to these environmental initiatives, ensuring product quality is indispensable for companies involved in manufacturing. Product quality is an important element in corporate reliability and social responsibility, as well as in customer satisfaction, so Konica Minolta does its utmost to prevent quality problems. Still, to be prepared for the unlikely event that a quality problem arises, we have established a system to ensure that top management can assess the situation quickly and respond appropriately in a timely manner.

Going beyond Konica Minolta itself, we have expanded our perspective to encompass our entire supply chain, and are undertaking "CSR procurement" initiatives with our business partners to address environmental and social issues.

Changing into a truly global company

Konica Minolta currently has operations in some 40 countries around the world, and 70% of our sales are outside Japan. Among the basic strategies set out by the G Plan 2013 is the goal of transition from a company that simply has operations in countries around the world to a truly global company that genuinely thinks and acts globally. To realize this, we are working to develop human resources who can play a role around the world with a global perspective. As part of this, the company began its Global Executive Program in fiscal 2010 to develop executives and young managers from Group companies worldwide.

Furthermore, the Group has put forward the worldwide action slogan "simply BOLD" to further promote a corporate culture that will encourage each employee to develop a confident and ambitious mindset.

Through these initiatives, we aim to reconcile global business development with the delegation of authority to local operations. In this way, Konica Minolta will achieve optimization as a single company that operates globally.

Through these and other efforts, we aim to make Konica

Minolta a truly global company that is valued by people around the world.



Masatoshi Matsuzaki
President and CEO
Konica Minolta Holdings, Inc.



Konica Minolta's Response to the Great East Japan Earthquake

We would like to offer our sincere condolences to everyone who was affected by the massive earthquake in eastern Japan. To support the fastest possible recovery, Konica Minolta is doing all it can to contribute through its corporate activities to reconstruction in areas affected by the disaster.

Konica Minolta's Response

On March 11, 2011, the day of the earthquake, Konica Minolta established a Disaster Response Headquarters [▶ P40](#) to monitor the situation, and has been providing cooperation and support to customers and others in the disaster areas. (The following describes the situation as of June 22, 2011.)

The Situation of the Konica Minolta Group

Employees of the Group in the disaster areas were unhurt. Konica Minolta has a number of production sites in the Kanto area, a region including Tokyo and nearby prefectures, but none suffered extensive damage.

There is a possibility that production will be affected by damage experienced by suppliers of parts and materials, as well as disruption of or limits on power supplies. However, the Group will gather information and take proactive steps to ensure a stable supply of products, and regular provision of services. While the Group's sales and distribution sites in the Tohoku area, the most affected region, were damaged, Konica Minolta is maintaining the operations of its service organization with support from other regions.

Response to Rolling Blackouts and Power Supply Restrictions

Konica Minolta is helping customers to save electricity and cope with planned power outages by providing information on its website and by other means.

Moreover, in addition to carrying out rigorous power conservation in its business activities, the Group is reducing the amount of power used for production at peak times in the summer when power demand is highest. The Group also plans to introduce additional measures to reduce electricity use, including closing sites on a rotating basis.

Assistance for Affected Areas

Konica Minolta Holdings, Inc. and other Group companies have donated 50 million yen to help people in the disaster areas through the Japanese Red Cross Society, while the employees of domestic and overseas Group companies have donated approximately 23 million yen through the Red Cross organizations of their respective countries. In addition, the company has donated 410 units of its pulse oximeter "PULSOX-1" medical instrument, among other aid in kind.

Konica Minolta Business Solutions Japan Co., Ltd. is also providing its IT support service, IT-Guardians, free of charge to companies and municipalities in the disaster area until the end of March 2012. Through remote support for PC operation and by providing antivirus security and data backup, the company

will continue to support the smooth restoration of various corporate and social functions.

The Group plans to use various Konica Minolta products and services to provide a range of ongoing support activities.



"PULSOX-1" pulse oximeter which measures oxygen saturation in the blood, without the need for blood collection

Impact on Group Companies and Customer Support

As described below, each of the business companies in the Group is gathering information while introducing reconstruction measures and offering appropriate support in the affected areas.

Konica Minolta Business Technologies, Inc. and its affiliates

Response to Customers

Some of the sites of the sales company Konica Minolta Business Solutions Japan Co., Ltd. were damaged, but the company is maintaining the operations of its service organization with support from other regions.

Immediately after the earthquake, the company's head office in Tokyo established a Disaster Response Headquarters and began to work in conjunction with the Tohoku branch in Sendai, the largest city hit by the earthquake.

First, the company confirmed the situation of its customers and distributors by checking Remote Care connection status and by phone when needed, and established a special customer help center for inquiries by phone and email. In addition, the company repaired equipment damaged in the earthquake at a special rate or provided substitutes for non-repairable machines to help businesses get back to work quickly in the areas affected.

Supply of Products

Most of Konica Minolta Business Technologies' equipment is manufactured in China, while consumable supplies are produced outside the affected areas, so there has been no significant impact at this time.

Konica Minolta Opto, Inc. and its affiliates

Production and sales sites were unaffected, and there has been no major impact on business continuity.

There is a possibility that production will be affected by disruptions experienced by suppliers of parts and so on, as well as disruption of or limits on power supplies. However, the company will ensure that any such impact on its business activities is kept to a minimum and will maintain a stable supply of products.

Konica Minolta IJ Technologies, Inc.

Production and sales sites were unaffected, and there has been no major impact on business continuity. Going forward, the company will work to ensure a stable supply of products and regular provision of services.

Konica Minolta Medical & Graphic, Inc. and its affiliates

Response to Customers

Konica Minolta Healthcare Inc., a sales company in Japan, continues to provide support for the early recovery of hospitals and clinics in the affected areas.

In the weeks following the earthquake, the company finished checking the situation of customers, and ensured that branches and sales offices in the affected areas were able to provide substitute equipment or replacement parts as necessary at any time.

In addition, in late March, personnel were added from other regions to provide technical service support. People from the localities who are familiar with the geography of the affected areas were selected, in order to ensure a rapid response.

Supply of Products

Konica Minolta Medical & Graphic's equipment and consumable supplies are produced outside the affected areas, so there has been no significant impact at this time.

Konica Minolta Sensing, Inc.

A sales site was damaged, but there has been no major impact on business continuity. The company will continue to monitor the situation of its customers and provide repairs, while working to ensure a stable supply of products and regular provision of services.

Konica Minolta Planetarium Co., Ltd.

The company checked the situation at 86 planetariums with the company's equipment that may have been affected by the earthquake. Two were in need of major repair, while 12 were found to require minor repairs or adjustment. The checks and investigations of facilities affected have been completed, and the company will provide repairs requested by its customers.

Konica Minolta's CSR Policy

Konica Minolta's CSR activities are based on its Management Philosophy of "The Creation of New Value," and upon its Charter of Corporate Behavior. The Group strives to live up to the trust and expectations of society by fulfilling its responsibilities to all of its stakeholders and to contribute to the realization of a sustainable society.

Konica Minolta is signatory to the United Nations Global Compact, the universally accepted principles covering human rights, labor, the environment and anti-corruption. The company also has joined the Global Compact Japan Network (GC-JN). The Group's policy to respect and comply with these and other universal principles is articulated in *Konica Minolta Group Guidance for Charter of Corporate Behavior*, which is shared globally, helping to ensure Konica Minolta's compliance with these universal principles [▶ P40](#).



Management Philosophy The Creation of New Value

Konica Minolta Group Charter of Corporate Behavior

Corporations, in addition to being economic entities engaged in the pursuit of profit through fair competition, should be beneficial to society at large. For this reason, Konica Minolta Group shall behave in a socially responsible manner and shall have all of its directors, officers and employees clearly acknowledge the spirit of this Charter of Corporate Behavior.

Senior management shall recognize that the fulfillment of

the spirit of this Charter is its own role and responsibility, and shall take the initiative to ensure that all directors, officers and employees fully understand the Charter. In addition, the management shall constantly pay attention to the opinions of internal and external parties and shall promote the implementation of effective systems to secure ethical corporate behavior.

1. Beneficial and safe products

We shall strive to earn the confidence of consumers and clients through the development and provision of socially beneficial products and services with the utmost consideration for safety.

2. Fair and transparent corporate activities

We shall, in the pursuit of fair and transparent corporate activities, comply with laws and social regulations and act in accordance with international rules and the articles of incorporation.

3. Communications with society and information disclosure

We shall communicate with society at large and disclose corporate information fairly and adequately.

4. Environmental protection

We shall acknowledge the seriousness of global environmental issues and shall act voluntarily and affirmatively to protect the environment.

5. Contribution to society

We shall, with a global perspective, affirmatively make contributions to society while respecting local customs and cultures.

6. Respect for employees

We shall endeavor to make the lives of employees comfortable and fulfilling, provide a safe work environment, and respect each employee's personality and individuality.

7. Responsible actions

In the event of a violation of the principles of this Charter, in order to solve the problem senior management shall investigate the cause of the violation and develop reforms to prevent its recurrence in accordance with corporate compliance procedures. Prompt public disclosure of precise information and an explanation regarding the violation shall be made and responsibility for the violation shall be clarified. Strict and fair disciplinary action shall be taken including with respect to senior management where necessary.

Konica Minolta Included in Various Indices as a Socially Responsible Investment

[Web](#)

About > Sustainability > CSR Activities > Investor Relations (IR) > Evaluation of Socially Responsible Investment (SRI)

Konica Minolta Holdings Inc. was ranked in the SAM Silver Class of the SAM Corporate Sustainability Assessment by SAM Group Holding AG, the internationally leading SRI assessment company, in February 2011 for the second year in a row.



Konica Minolta Holdings was also named by Canada-based Corporate Knights Inc. in January 2011 as one of the Global 100 Most Sustainable Corporations in the World. The company has also been included by Dow Jones & Company, Inc. and SAM Group in the Dow Jones Sustainability Asia Pacific Index, and by UK-based FTSE Group in the FTSE4Good Global Index. Moreover, Konica Minolta Holdings has been included in the Morningstar Socially Responsible Investment Index (MS-SRI) operated by Morningstar Japan K.K. in Japan. (Information as of June 22, 2011)

Konica Minolta's Responsibilities, by Stakeholder Group

Stakeholders	Responsibilities to stakeholders
<div data-bbox="151 421 319 772" data-label="Image"> </div> <div data-bbox="319 421 518 772" data-label="Image"> </div>	<p>Konica Minolta has operations throughout the world. It is comprised of separate group companies in charge of different lines of business to serve different clients. The group's clients in its key lines of business are as follows:</p> <ul style="list-style-type: none"> * Business technologies business: general enterprises, printing companies and government agencies * Optics business: Information technology and electronics enterprises * Healthcare business: Hospitals, clinics * Sensing business: Manufacturers and other general enterprises <ul style="list-style-type: none"> * Providing highly reliable products and services <ul style="list-style-type: none"> – Improve product quality, ensure product safety – Ensure stable operation of products – Ensure stable supply of products * Increasing customer satisfaction <ul style="list-style-type: none"> – Expand the solutions business – Strengthen service and support
<div data-bbox="151 824 319 1019" data-label="Image"> </div> <div data-bbox="319 824 518 1019" data-label="Image"> </div>	<p>Konica Minolta procures raw materials, parts, and components from different companies depending on the types of business. Over 90% of these suppliers are located in Japan, China, and elsewhere in Asia.</p> <ul style="list-style-type: none"> * Instituting transparent and fair business practices * Implementing CSR throughout the global supply chain (human rights, workplace safety and health, environmental protection, etc.)
<div data-bbox="151 1070 319 1303" data-label="Image"> </div> <div data-bbox="319 1070 518 1303" data-label="Image"> </div>	<p>Konica Minolta has 29,991 shareholders. The breakdown highlights relatively high ownership by institutional and foreign shareholders; foreign shareholders own a combined stake of 44.4%, while Japanese financial institutions own 39.6%. (As of the end of March 2011.)</p> <ul style="list-style-type: none"> * Ensuring fair and proper return of profit * Respecting shareholder voting rights * Implementing fair and proper disclosure of financial information * Implementing global IR activities
<div data-bbox="151 1355 319 1585" data-label="Image"> </div> <div data-bbox="319 1355 518 1585" data-label="Image"> </div>	<p>Konica Minolta employs 35,204 people worldwide, with 35% of the workforce located in Japan, 26% in China and elsewhere in the Asia-Pacific region, 21% in North and South America, and 18% in Europe. (Figures are based on total regular employees of consolidated companies, as of the end of March 2011.)</p> <ul style="list-style-type: none"> * Respecting human rights, eliminating discrimination * Respecting diversity * Fostering and making the most of personnel * Ensuring workplace safety and health
<div data-bbox="151 1637 319 1787" data-label="Image"> </div> <div data-bbox="319 1637 518 1787" data-label="Image"> </div>	<p>Konica Minolta has operations in some 40 countries across the globe, and acts as a responsible member of every community where it operates.</p> <ul style="list-style-type: none"> * Developing social contribution programs that make the most of the group's business expertise * Implementing activities to address local needs
<div data-bbox="151 1839 319 2067" data-label="Image"> </div> <div data-bbox="319 1839 518 2067" data-label="Image"> </div>	<p>As a manufacturer, Konica Minolta engages in various operations that impact the environment, for instance generating CO₂ emissions, which contribute to climate change, using materials derived from petroleum, which is a dwindling natural resource, and affecting ecosystems in various ways.</p> <ul style="list-style-type: none"> * Preventing global warming * Supporting a recycling-oriented society * Reducing the risk of chemical substances * Restoring and preserving biodiversity



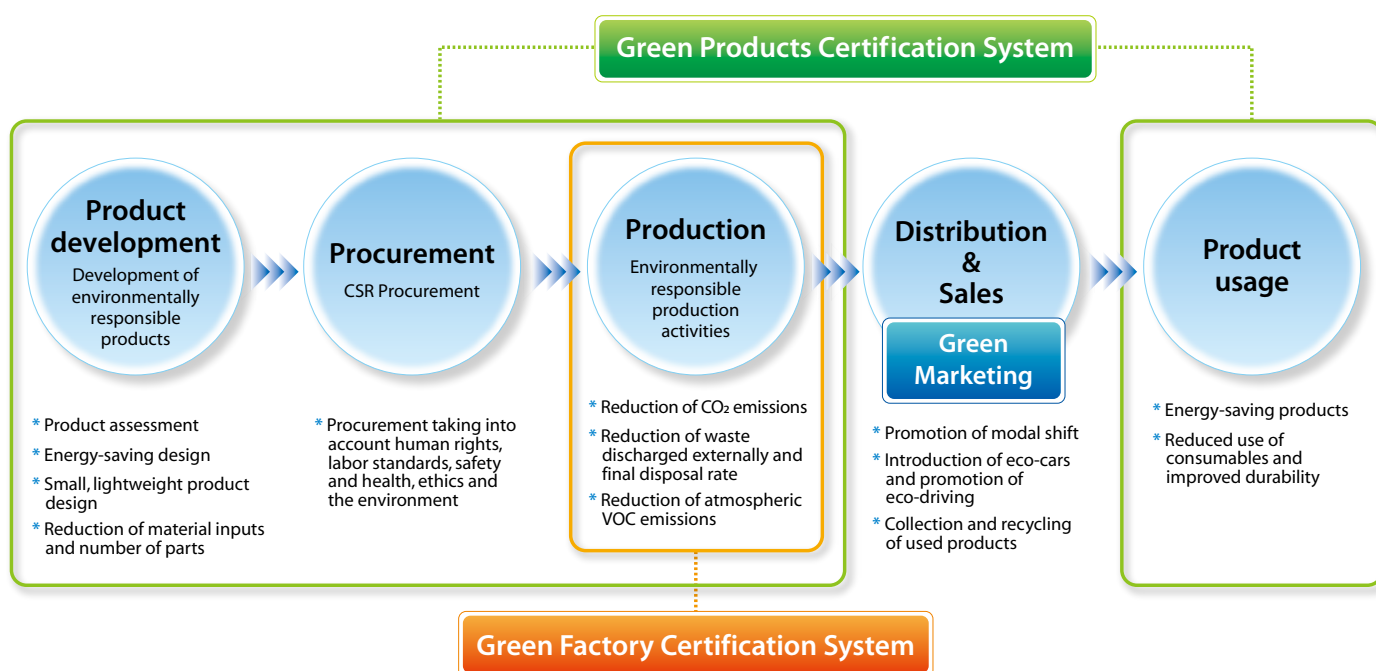
Special
Feature

1

Reducing Environmental Impact in Every Phase of the Business

Worldwide, steps are being taken to address today's increasingly serious environmental problems such as progressive global warming, the depletion of energy resources, and threats to biodiversity. Corporations are also expected to engage in environmental activities from a broader perspective.

Recognizing this, Konica Minolta does not limit its environmental efforts to the manufacturing process alone. At every level of its business activities, whether product development, procurement, production, distribution or sales, the Group works to reduce its impact on the environment.



[Web](#) About > Sustainability > Environmental Activities > Environment Plan: Objectives and Efforts > Green Products Certification System



“We are undertaking business-focused environmental initiatives with an emphasis on creating environmentally responsible products.”

Takenori Takahashi

Senior Manager
Environment & Safety Management Group
Corporation Social Responsibility Division
Konica Minolta Holdings, Inc.



Taking a Long-term Perspective on Environmental Initiatives

For companies involved in manufacturing, the challenge of minimizing the environmental impact of products is becoming more and more pressing. To fulfill its responsibilities, Konica Minolta established its Eco Vision 2050, and at the same time, set priority themes and specific targets in its Medium-Term Environmental Plan 2015 [▶P17](#). Furthermore, to achieve these targets, the Group is working to establish unique systems across the product life cycle, including product development, procurement, production, sales, and use.

Reducing Environmental Impact across the Entire Product Life Cycle

In January 2010, Konica Minolta introduced the Green Factory Certification System for comprehensive evaluation of the environmental activities of its production sites [▶P11](#). From the first year of its introduction, many sites met the targets ahead of schedule and are achieving steady gains.

In addition, the new Green Products Certification System was started in July 2011 [▶P12](#). This system represents the core of Konica Minolta's environmental activities. The system

has three levels based on the degree to which a product minimizes environmental impact, with “Sustainable Products” being the highest level. The certification standard for Sustainable Products requires that they not only embody superior environmental performance not typically achieved by earlier products, but that they also incorporate original technology. While we should seek to reduce the environmental impact of all our products as a matter of course, by setting a very challenging certification level, we seek to promote innovation and contribute more proactively to sustainability.

In sales and services, Konica Minolta is promoting Green Marketing. There is no certification system for this, but our business companies and sales companies around the world will plan their own community-based environmental activities, and start putting them into operation from July 2011.

At Konica Minolta, all employees—from product development, procurement, production and sales—are involved in business-based environmental activities. Through these efforts, the Group aims to reduce the environmental impact across the entire life cycle of its products.

Reducing Environmental Impact in Every Phase of the Business

Enhancing the Green Factory Certification System

Adding New Certification Criteria to Enhance Environmental Activities at Production Sites



In January 2010, Konica Minolta launched its unique Green Factory Certification System for comprehensive evaluation of the environmental activities of its production sites. This system has two levels of targets. The Level 1 targets for fiscal 2011 are preliminary goals representing milestones on the way to the Level 2 targets, which are to be achieved by fiscal 2015. In fiscal 2010, out of 23 business units,* 12 units achieved Level 1 (11 in Japan and one in China).

In order to further strengthen environmental activities, Konica Minolta added two new items to the Level 2 criteria in April 2011. One of these requires that sites implement measures to restore and preserve biodiversity, according to guidelines set for management of water resources and wastewater, and proper management of greenery at factory sites. The other

requires that sites follow the guidelines set for management of soil contamination risk as one aspect of reducing chemical risks.

* A single business unit is an organization engaged in the same production activities even across different locations. A single location may include several business units.

Guidelines for Biodiversity Preservation (Excerpt)

Category	Items for monitoring
Consideration of water resources	Reduction targets are set for total water intake, or for water used on site, and reduction measures are implemented.
Consideration of wastewater	Checks are in place to determine the impact of wastewater emitted into public water areas on ecosystems, such as aquatic habitats.
Proper management of greenery at factories	Invasive alien species that are likely to have a negative impact on ecosystems are not planted or sown on the plant's premises.

Green Factory Certification Standards

 Newly added items

Objectives	Management indicators		Level 1	Level 2
Preventing global warming	CO ₂ emissions (per unit of production ^{*1})		12% reduction ^{*2}	20% reduction ^{*2}
Supporting a recycling-oriented society	Zero waste activities	Waste discharged externally (per unit of sales)	30% reduction ^{*2}	50% reduction ^{*2}
		Final disposal rate of total waste	0.5% or less	0.5% or less
	Petroleum-based resource waste (per unit of sales)		30% reduction ^{*2}	50% reduction ^{*2}
Reducing the risks of chemical substances	Atmospheric emissions of volatile organic compounds (VOCs)		Achievement of fiscal 2011 targets for each site in accordance with Medium-Term Environmental Plan 2015	Achievement of fiscal 2015 targets for each site in accordance with Medium-Term Environmental Plan 2015
	Guidelines for managing soil contamination risk		—	Consistent with guidelines
Restoring and preserving biodiversity	Guidelines for biodiversity preservation (consideration of water resources and wastewater, and proper management of greenery at factories)		—	Consistent with guidelines
Guideline-based activities	Achievement rate of implemented items		70% or more	90% or more

^{*1} Per unit of production: Environmental impact in terms of production output or production volume.

^{*2} The base year is fiscal 2005. Based on this (base year) figure, standards tailored to factory characteristics are established.

Moving on toward Level 2 Certification

We succeeded with Level 1 because everyone got involved.

When it comes to environmental activities, I always say, "If we're going to do this, we should aim to be the best." With this mindset, we adopted the "3C" slogan for our activities, which stands for "Challenge, Create, and Continue." We focused our efforts on eliminating waste based on the 3Rs (reduce, reuse, and recycle). As a result, we became the first in the Group to achieve Green Factory Level 1. Everyone worked together to tackle some very difficult issues, and the recognition our team earned for its hard work was very gratifying.

As we aim for Level 2, in addition more intensive implementation of the 3Rs, we intend to introduce renewable energy and develop approaches to restoring and preserving biodiversity that honor the principle of harmony with nature.



Izumi Osawa
President
Konica Minolta Supplies
Manufacturing Co., Ltd.

Introducing the Green Products Certification System

Defining Evaluation Standards for the Environmental Performance of Products, and Promoting the Development of Environmentally Responsible Products



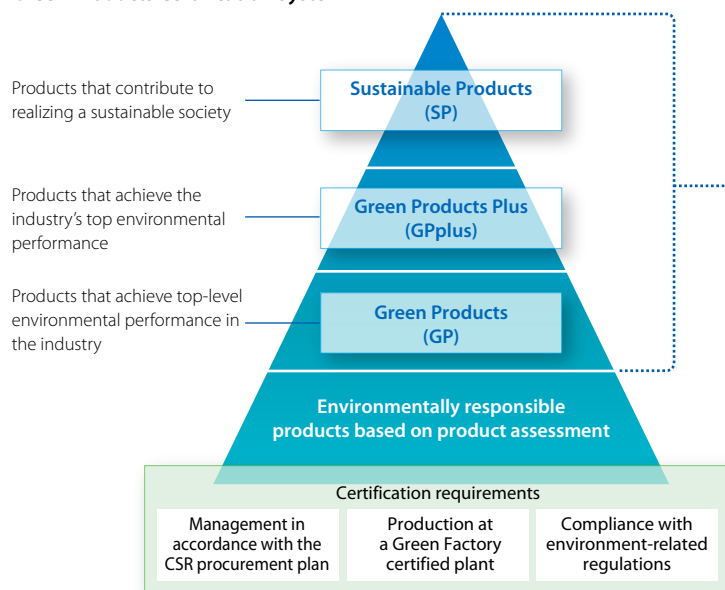
Konica Minolta introduced a product assessment system in 1992 in order to develop and provide environmentally responsible products. To further strengthen this effort, the Group has introduced the Green Products Certification System, a unique system for evaluating products with superior environmental performance that went into full operation in July 2011.

Under this system, standards are set for each of the different businesses and product characteristics, and products that meet these standards are certified at one of three levels.

The targets are basically set as early as the product planning stage. Not only must the product meet standards for environmental performance, it must also fulfill requirements such as being produced at a Green Factory certified plant, compliance with environment-related regulations, and management in accordance with the Group's CSR procurement plan [▶P32](#).

The environmental performance of certified products will be made public in product catalogs and websites.

Green Products Certification System



Certification standards (excerpts)

Preventing global warming

- * Reduce CO₂ emissions from product usage
- * Reduce CO₂ emissions throughout product life cycle

Supporting a recycling-oriented society

- * Reduce petroleum-based resource usage
- * Make products smaller and lighter
- * Increase the operating life of products
- * Promote the use of re-used and recycled materials
- * Promote the use of plant-based materials
- * Reduce rare metals usage

Reducing the risks from chemical substances

- * Restrict the use of hazardous chemical substances

Restoring and preserving biodiversity

- * Use biological resources in a sustainable manner

Manufacturing process innovation

Example of Certified Products

REGIUS Σ desktop CR Certified as the First Green Product Plus

The REGIUS Σ desktop CR (computed radiography) from Konica Minolta Medical & Graphic, Inc., and the AeroDR cassette digital radiography detector [▶P15](#) were recognized as the first Green Products Plus.



REGIUS Σ

Environmental performance features of REGIUS Σ

- * The world's lightest*¹ cassette CR system at 28 kg
- * Power consumption at 100VA, less than 1/10 that of a film processor
- * Compact, energy-saving design reduces CO₂ emissions by 64% over the product life cycle

*1 As of April 27, 2011



green products

Lowest Weight CR (approx. 28kg)

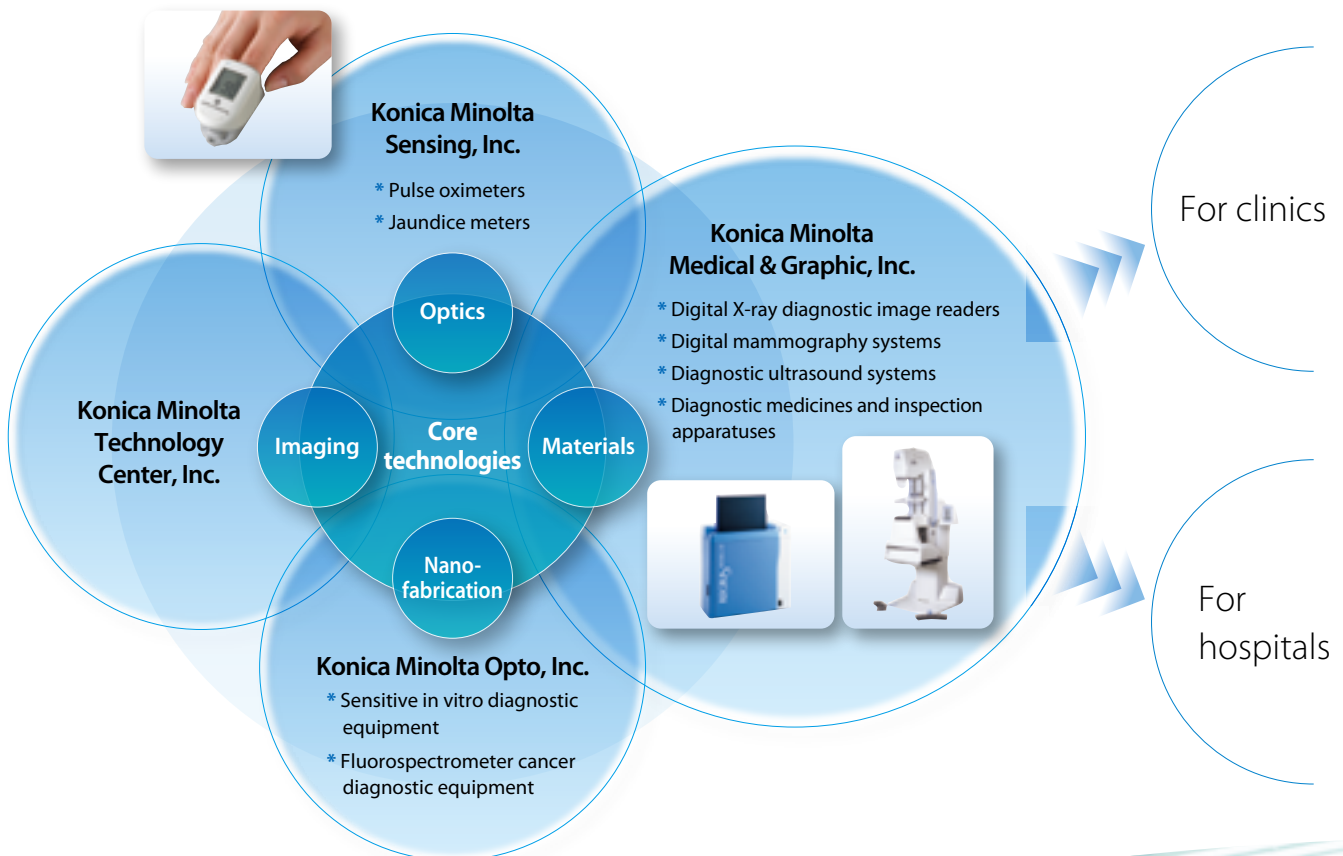
Power consumption is less than one tenth of prior models.

Smallest carbon footprint - CO₂ emissions reduced by more than 64%

(Calculated at lifecycle, compared to our conventional CR)

Leveraging Core Technologies to Contribute to the Future of Human Health and Healthcare

Since Konica Minolta launched Japan's first X-ray film in 1933, the Konica Minolta Group has consistently offered new value in the field of medical diagnostics and other healthcare fields. Today, with the increasing importance of accurate medical diagnosis, Group companies are combining their unique technical strengths to develop and provide products and services that make a real difference in the world of healthcare.



“As we focus on facilitating better healthcare, we are working group-wide to create products and services that make good healthcare accessible to everyone.”

Kunihiro Koshizuka

Director, General Manager, R&D Headquarters
Konica Minolta Medical & Graphic, Inc.



Making Medical Diagnosis Easier on Everyone

In recent years, values in the medical world have been significantly changing. There is a greater emphasis than ever before on early detection and prevention of disease, while control of medical costs and the correction of disparities in access to good healthcare are widely viewed as global challenges. In addition, there is growing awareness in the medical field of safety and environmental issues.

Konica Minolta Medical & Graphic, Inc. has been developing products that make the most of its core technologies in order to meet these healthcare challenges. Since the introduction of Japan's first X-ray film, the company has fostered its core technologies in the course of providing a large number of diagnostic imaging system products. The company boasts sensitive detection material technologies and image processing technologies that are at the top of their class in the world, and their use has expanded greatly with the progress of digitalization.

Behind the development of products that use these technologies lies our desire to protect the lives of as many people as possible. To achieve this, we must create new diagnostic value using advanced technologies, and at the same time, provide it in a form that can benefit many people safely and inexpensively. In addition, by establishing remote diagnosis and interpretation support systems utilizing IT, we

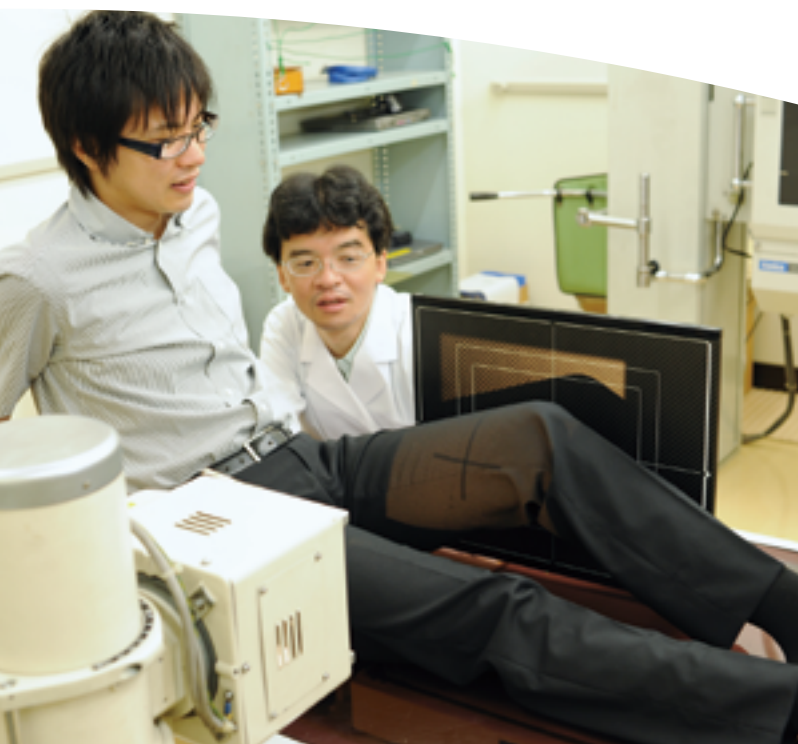
aim to contribute to cooperation in regional healthcare, enhanced quality of healthcare in developing countries, and more efficient diagnosis.

Expanding the Scope of Our Contribution through Synergy Between Group Companies

In addition to Konica Minolta Medical & Graphic, Konica Minolta Opto, Inc., with its advanced optics and nano-fabrication technologies, and Konica Minolta Sensing, Inc., which has a wide range of measurement technologies, are using their respective strengths to develop products that meet the needs of the medical sector. Moreover, Konica Minolta Technology Center, Inc., a common function company that handles R&D in basic and new technologies, is pursuing research in life sciences.

In order to respond to a variety of challenges in the healthcare field in a more effective and broad-reaching manner, we are working to further strengthen the cooperation between these companies.

In the digital X-ray diagnostic imaging field, where we are focusing our effort, further technological advances are driving a rapid evolution from structural images to functional images, and to an era of molecular imaging. At Konica Minolta, we are integrating the core technologies of our group companies at a high level, and will capitalize on the synergies of cross-sector R&D to create new solutions for medical professionals and their patients.



Technology & Products

Konica Minolta's Medical Diagnostic Equipment Meets a Range of Challenges

Imaging

Materials

Example: Diagnostic Radiography

AeroDR Digital Radiography System Contributes to Faster, More Efficient Diagnosis

Challenges

- * Show the results immediately
- * Scan freely from any angle
- * Reduce exposure to radiation

Konica Minolta's solution

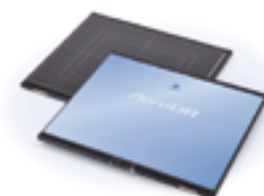
- * Displays images instantly on the monitor
- * Improves flexibility with wireless transmission and reduced weight
- * Reduces radiation exposure to about half that of CR

The world of radiography has witnessed a change from conventional film X-rays, to digitization with computed radiography (CR). Also attracting attention today is digital radiography (DR). DR acquires images directly with an flat panel detector (FPD), so they are viewable immediately after scanning. However, conventional DR equipment is heavy, and the power and data transmission cables required have made usability an issue.

In March 2011, Konica Minolta Medical & Graphic, Inc. solved these issues with the release of the AeroDR Digital Radiography System. Incorporating many weight-saving innovations, the DR system is the world's lightest* at 2.9 kg, and offers wireless data transmission. Furthermore, fluorescent material using proprietary technology ensures that high-quality images can be obtained with about half the radiation exposure that CR

requires. In addition, use of a new type of battery enables fast charging so that a full charge takes just 30 minutes.

* As of April 20, 2011. Including battery.



AeroDR

Differences Between the Imaging Processes

X-ray film	CR	DR
Intensifying screen/film	Imaging plate	FPD
Carry by hand	Carry by hand	1 s
Develop the film (darkroom)	Read the imaging plate with a dedicated machine	Display on a monitor
45 s	25 s	
Processed film	Display on a monitor	

Example: Homecare

Optics

Pulse Oximeter Measures Oxygen Saturation in the Blood in Real Time

Challenges

- * Reduce the burden of measurement

Konica Minolta's solution

- * Measures oxygen levels simply by inserting a fingertip

The pulse oximeter is a device for measuring oxygen saturation in the blood in real time, indicating whether there is a normal supply of oxygen in the blood. This can be measured without blood sampling, simply by exposing the fingertip to light. As a testing device that is completely non-invasive, the pulse oximeter has become indispensable in the medical setting.

Since commercializing the world's first pulse oximeter with fingertip measurement in 1977, Konica Minolta Sensing, Inc. has worked to develop lighter, more compact types, with lower

prices, as well as some with self-contained memory, contributing to broader use of pulse oximeters. Not only playing a role in respiratory monitoring in operating rooms and hospital wards, PULSOX is now finding a wide range of other applications, including self-management by home oxygen therapy patients and screening for sleep apnea syndrome.



PULSOX-300

Example: Breast Cancer Screening

Mammography CAD System Assists Radiologists in Making a Diagnosis

Challenges

- * Early detection of breast cancer
- * Prevention of oversight in analyzing the results

Konica Minolta's solution

- * Uses computer processing to help radiologists interpret mammograms

The number of breast cancer patients has been increasing worldwide in recent years. Mammography (breast X-ray) devices that can detect early symptoms of breast cancer such as microcalcification have come to be regarded as an effective diagnostic device for early detection of cancer.

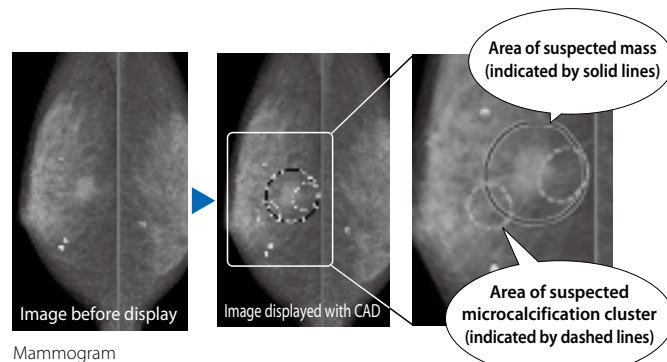
Starting with the launch of the PCM breast X-ray system, which was the first in the world to use phase contrast technology^{*1}, Konica Minolta Medical & Graphic has consistently provided a variety of systems that deliver a full range of functions from scanning to interpretation support.

In 2010, the company developed the Neovista I-PACS CAD Type M mammography CAD system. This system detects suspicious regions that could represent breast cancer from patterns in X-ray images, using CAD^{*2} processing based on proprietary algorithms. With easy button operation, any

suspicious regions in the image are marked to assist the radiologist with interpretation.

^{*1} **Phase contrast technology:** A technology that enables sharper imaging using differences in density due to the phase shifts that occur when an X-ray passes through an object.

^{*2} **CAD:** Computer-aided detection.



Technology for the Future

Development of High-sensitivity X-ray Imaging Devices that Contribute to the Early Detection of Rheumatism and Breast Cancer

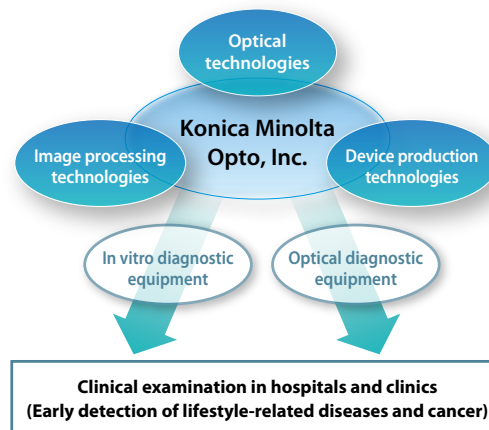
Konica Minolta Medical & Graphic is participating in an industry-university project with the University of Tokyo and other universities to develop an innovative X-ray imaging devices that uses the refraction of X-rays (Talbot-Lau system). This equipment captures images with very high sensitivity by sampling phase shifts in X-rays that pass through the subject, using interference in the diffraction image. This has succeeded in capturing images of soft tissue such as cartilage, which cannot be visualized with conventional X-rays. It is expected to contribute to the early detection of rheumatism accompanied by cartilage abnormalities, breast cancer, and other disorders.

Three types of data can be obtained with one shot, including images similar to conventional X-rays (left). These are images of a cherry.



Applying Optical Technologies to the Field of Medical and Life Sciences

Konica Minolta Opto develops products for the field of medical and life sciences, taking advantage of the optical, nano-fabrication, and image processing technologies it has mastered over many years. The company plans to offer high-sensitivity in vitro diagnostic systems on small chips for blood tests, and systems where devices are implanted in the body for diagnoses using light. One example of this is the fluorescence and reflectance spectroscopy cancer diagnostic equipment currently under joint development.



For the Global Environment

Medium-Term Environmental Plan, Single-year Targets and Achievements
(see pages 19 to 21 for details of achievements in fiscal 2010)

	Fiscal 2015 Targets (Base Year: Fiscal 2005)	Fiscal 2010 Targets
Preventing global warming → P19	CO ₂ emissions throughout product life cycle: Reduce by 20%	–43.5%
	CO ₂ emissions from product usage: Reduce by 60%	–62.9%
	CO ₂ emissions from manufacturing: Reduce by 10% (per unit of sales)	+34.6%
	CO ₂ emissions from distribution: Reduce by 30% (per unit of sales)	–17.0%
	CO ₂ emissions from sales and service: Reduce by 50% (per unit of sales)	+44.7%
Supporting a recycling-oriented society → P20	Petroleum-based resource usage: Reduce by 20% (per unit of sales)	+21.2%
	Packaging materials usage: Reduce by 25% (per unit of sales)	–24.7%
	Waste discharged externally* ¹ from manufacturing: Reduce by 50% (per unit of sales)	+ 9.9%
	Product recycling: Build up product recycling systems in each region and aim for a recycling rate of 90% or more	* Confirm the current state of recycling systems and develop new plans
Reducing the risk of chemical substances → P21	Chemical substance management: Maintain strict management of chemical substances, including the entire supply chain* ²	* Fully implement the new green procurement system * Complete preparations for compliance with the China RoHS* ³
	Atmospheric emissions of volatile organic compounds (VOCs): Reduce by 75% (in items of environmental impact index* ⁴)	–71%
Restoring and preserving biodiversity Web	Help restore and preserve biodiversity	* Reexamine the procurement standards for paper * Establish a plan for ecosystem conservation measures

*1 Waste discharged externally: The amount of waste disposed of outside Konica Minolta facilities, comprising the total amount of waste generated through production activities, minus the amount recycled and reduced internally.

*2 Supply chain: In this case, the process by which raw materials from upstream companies pass through component manufacturers and are delivered to Konica Minolta.

[Web](#) About > Sustainability > Environmental Activities > Environment Plan: Objectives and Efforts

Implementing the Medium-Term Environmental Plan 2015, a key step on the road to the long-term environmental vision “Eco Vision 2050,” with specific targets for reduced environmental impact.

Konica Minolta’s long-term environmental vision, Eco Vision 2050, declares the Group’s intention to reach certain goals by the year 2050 to fulfill its responsibility as a global corporation by contributing to a sustainable earth and human societies.

To achieve this vision, Konica Minolta has established its Medium-Term Environmental Plan 2015, setting specific measures to implement with 2015 as the target year. This

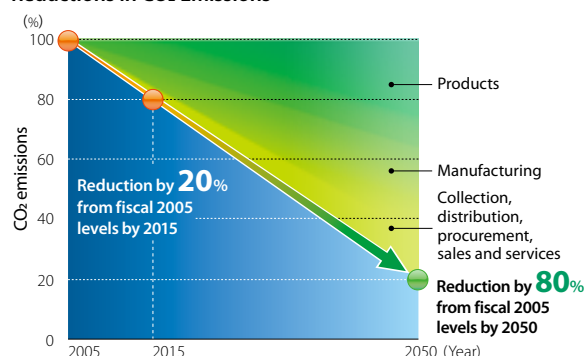
plan sets targets to be met and priority measures for the whole Group based on four themes: preventing global warming, supporting a recycling-oriented society, reducing the risk of chemical substances, and restoring and preserving biodiversity.

The Group has also set target values for each year for each business company and is taking an array of measures to achieve each stipulated target.

Eco Vision 2050

- 1 Reduce CO₂ emissions throughout the product life cycle by 80% by 2050, compared to 2005 levels
- 2 Promote recycling and effective use of Earth’s limited resources
- 3 Work to promote restoration and preservation of biodiversity

Reductions in CO₂ Emissions



Fiscal 2010 Achievements and Key Measures			Achieved	Fiscal 2011 Targets
-45.5%			Yes	-44.4%
-64.0%	* Marketed products with high energy-saving performance		Yes	-64.0%
+29.5%	* Improved energy efficiency in production through the Green Factory Certification System		Yes	+38.9%
+45.8%	* Reduced air freight		No	-23.3%
+48.5%	* Improved efficiency in sales and services * Introduced eco-cars and eco-driving		No	+39.3%
+24.0%	* Reduced resources used in products * Reduction of waste in production through the Green Factory Certification System * Introduced eco-cars and eco-driving		No	+24.0%
-28.9%	* Reduced packaging through improved design * Made packing boxes returnable between production facilities		Yes	-27.0%
+15.9%	* Improved production efficiency and promoted internal recycling through the Green Factory Certification System		No	+ 1.6%
—	* Began selling re-manufactured MFPs * Implemented survey on recycling systems		Yes	* Expand sales of re-manufactured MFPs * Enhance recycling systems
—	* Fully implemented the new green procurement system * Complete preparation for compliance with the China RoHS		Yes	* Study alternatives to substances to be reduced * Ensure compliance with the China RoHS
-73%	* Implemented the reduction plan through the Green Factory Certification System		Yes	-67%
—	* Prepared revised draft of the procurement standards for paper * Finalized revised draft that incorporates biodiversity preservation in the criteria of the Green Factory Certification System		Yes	* Revise and implement the draft procurement standards for paper * Pursue compliance with criteria of the Green Factory Certification System

*3 China RoHS: Administrative Measure on the Control of Pollution Caused by Electronic Information Products. Hazardous substance regulations enacted by China in March 2007.

*4 Environmental impact index: An index unique to Konica Minolta designed to measure impact on the environment, obtained by multiplying VOC emission volume by a hazard factor (impact on human health and environmental impact) and a location factor.

Preventing Global Warming

Konica Minolta is working to reduce CO₂ emissions across every stage of the product life cycle, including product usage, manufacturing, distribution, sales, and services.

Achieving Reduction Targets for CO₂ Emissions across the Product Life Cycle

In addition to its efforts to reduce CO₂ emissions across the entire product life cycle, Konica Minolta sets targets for each stage including product usage, manufacturing, distribution, and sales and services. As a result of achieving the target values for CO₂ emissions from product usage and manufacturing processes, which account for nearly 90% of the total, the Group succeeded in meeting its overall target in fiscal 2010.

The business technologies business accounts for more than 90% of CO₂ emissions during product usage, so the company is prioritizing efforts to reduce the energy consumed by these products. In fiscal 2010, the company launched the bizhub 184/164 monochrome MFP with industry-top-class low power consumption, which contributed to achieving the reduction target.

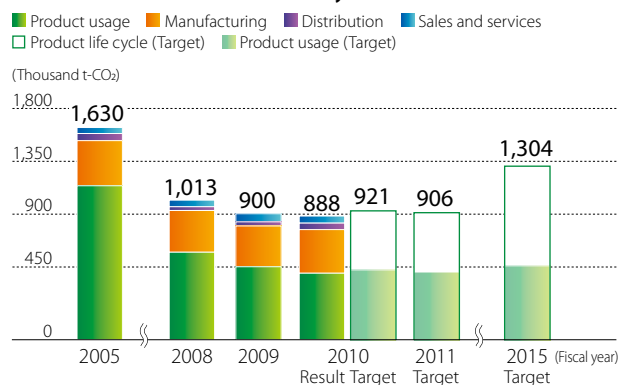
Regarding CO₂ emissions resulting from manufacturing processes, the Green Factory Certification System [▶P11](#) incorporates its own criteria to encourage each business unit to increase its energy efficiency in production, thereby steadily reducing CO₂ emissions per unit of production (output or production volume).

The Group did not achieve its targets for CO₂ emissions from distribution, or from sales and services. In particular, the increase in air freight required to respond to volatile demand trends had a significant impact on the emissions, and as a result the Group missed the target by a large margin.

How the Targets Are Set

In the Medium-Term Environmental Plan, Konica Minolta has set the reduction target for CO₂ emissions over the product life cycle for fiscal 2015 at 20% based on the 80% reduction set as the target in Eco Vision 2050. However, based on the progress of its environmental policies and the current economic environment, Konica Minolta has set a reduction target of 44.4% for fiscal 2011. The Group may change the target for fiscal 2015, anticipating future growth in sales.

CO₂ Emissions across Product Life Cycle



Feature

Launch of MFPs with High Environmental Performance for Emerging Markets

The bizhub 184/164 is a series of monochrome MFPs with industry-top-class low power consumption. Sales began in May 2010 targeting small and mid-sized offices in emerging markets where demand for office equipment is increasing.

This series contributes to reducing CO₂ emissions by reducing power consumption during usage to less than half the reference value (TEC value*). In addition, weighing in at only 23.5 kg, the volume of each machine has been reduced by about 30% compared to previous models, and the quantity of components cut by about 35%. The mass of the packaging materials used is also about 40% less than that of previous models. Furthermore, the adoption of proprietary polymerized toner achieves both outstanding environmental performance and high-resolution printing.

The bizhub 184/164 and nine other models have received the China Environmental Labeling Product Certification for

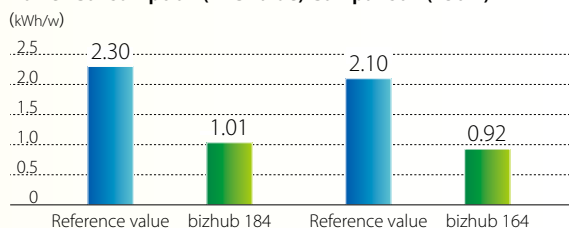
low-carbon products in recognition of their environmental performance.

*** TEC (typical electricity consumption) value:** Typical weekly energy consumption specified by the International Energy Star Program. It is calculated assuming an average usage pattern in offices of five days of alternate operation and sleep/off, and two days of sleep/off.



bizhub 164

Power Consumption (TEC value) Comparison (230 V)



Supporting a Recycling-Oriented Society

Konica Minolta views reducing the usage of petroleum-based resources as a priority target, and the Group is working to support the establishment of a recycling-oriented society through the efficient use of resources and the reduction of waste.

Working to Minimize the Usage of Petroleum-based Resources in Products

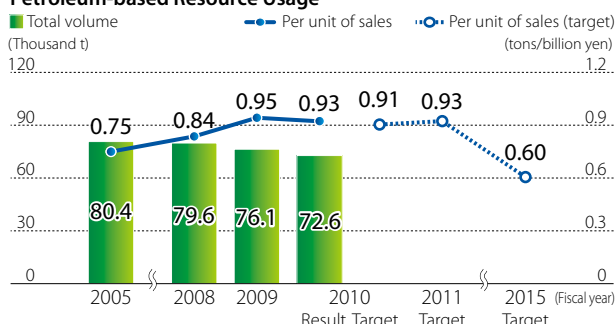
Konica Minolta has set three themes for reducing the use of petroleum-based resources: the amount of resources such as plastic used in products; waste generated in production; and the fuel consumption of sales and service vehicles. Of these, the Group is placing particular emphasis on reducing the resources used in products which account for more than 60% of the total. Besides making products lighter, thinner, shorter and smaller, the Group is also increasing the use of recycled materials. In fiscal 2010, Konica Minolta Business Technologies, Inc. implemented measures such as adopting two types of environmentally responsible plastic for the first time in the bizhub 652/552 monochrome MFP [▶ P24](#). However, the Group did not achieve the target value due to failure to meet

the target for reducing fuel consumption in vehicles, among other factors.

The Green Factory Certification System [▶ P11](#) incorporates its own criteria for waste discharged externally from manufacturing, to encourage reductions at each production site. However, the target value was not met due to increased manufacturing of products that generate relatively high levels of waste during production, as well as the unexpected waste that is produced with the start-up of new plants.

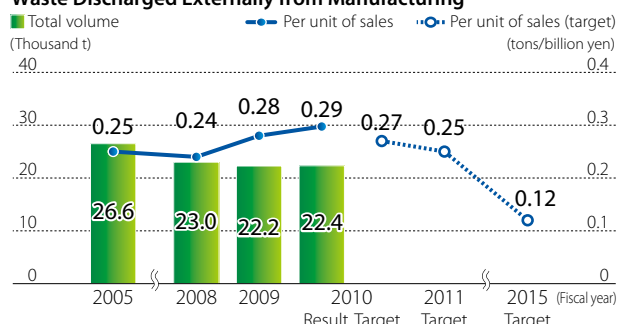
Reduction of packaging materials usage and product recycling are progressing as planned. In fiscal 2010, Konica Minolta commercialized a re-manufactured MFP, starting sales of the bizhub 750RM/600RM in Japan from December [▶ P23](#).

Petroleum-based Resource Usage



Note: Past data has been restated to reflect the improvement in calculation accuracy.

Waste Discharged Externally from Manufacturing



Feature

Achieving Thinner TAC Films for LCD Polarizers

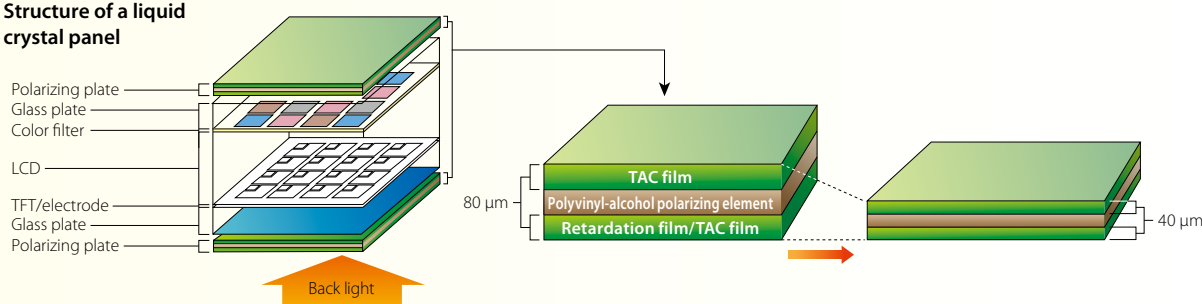
One of the indispensable components of the liquid crystal displays used in mobile phones, PC monitors, LCD TVs, and large screens is TAC* film, which protects polarizers.

Konica Minolta Opto, Inc., got a head start in the development of TAC films for liquid crystal polarizers using technology acquired over the years in the development and production of photographic film. While meeting the quality

requirements of liquid crystal display applications such as high flatness and UV absorption, the company has achieved production of a film twice as thin as conventional films, with a thickness of only 40 μm , thereby reducing the use of material resources by half. In the expanding market for liquid crystal displays, use of thin TAC film is increasing every year, contributing to the conservation of resources.

* TAC: Abbreviation of the substance triacetylcellulose

Structure of a liquid crystal panel



Reducing the Risk of Chemical Substances

Based on the precautionary principle, Konica Minolta strives to stay ahead of international trends in chemical management in its efforts to minimize the risk of chemical substances.

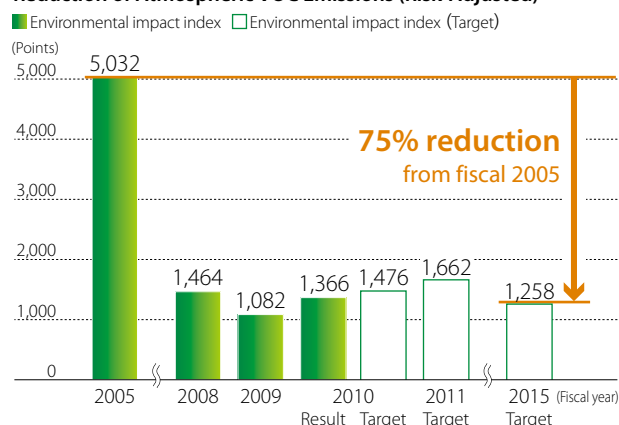
Updating the Green Procurement System and Meeting Reduction Targets for VOC Emissions

As part of the strict management of chemical substances across the entire supply chain, Konica Minolta updated its green procurement system in October 2009 in order to establish a system capable of meeting the future requirements of chemical management. In fiscal 2010, the Group carried out a comprehensive survey of around 2,000 suppliers of all Group companies in and outside Japan using the new SIGMA Green Procurement System. Based on the findings, the Group will ensure that banned substances are not used, and will continue to phase out the use of highly hazardous substances.

In addition, since 1993, Konica Minolta has worked to reduce atmospheric emissions of volatile organic compounds (VOCs) that the Group determines as having a high risk in terms of hazard and volume, at its production sites around the world. The Group has worked systematically to eliminate the use of highly hazardous solvents by fiscal 2010, eliminating benzene, formaldehyde, chloroform, and others by fiscal 2004, and the remaining applicable substance, 1,2-dichloroethane,

during fiscal 2010. VOC emissions including other solvents increased compared with the previous year due to increased production in response to the economic recovery in fiscal 2010, but the Group achieved the target for the year.

Reduction of Atmospheric VOC Emissions (Risk-Adjusted)



Feature

Implementation of a New Green Procurement System Compliant with More Stringent Chemical Substance Regulations

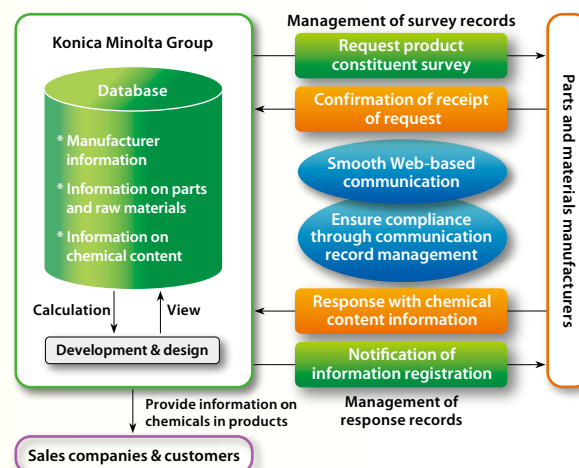
Konica Minolta implements green procurement, assessing the chemical constituents of parts and components and giving preference to those with the least environmental impact. Konica Minolta has established its own list of banned and monitored substances from the perspective of compliance and environmental safety, and the Group is working to reduce or eliminate chemicals that adversely affect human health and the environment from its production processes and products.

Regulations on chemical substances in products will be strengthened in the future with the revision of the RoHS Directive^{*1} and the addition of approval candidate substances and restricted substances in the REACH regulations.^{*2} In response to these substances' regulations, the Group began operation of its SIGMA Green Procurement System in October 2009, an updated version of the earlier system.

The tools are now available in Chinese, as well as English and Japanese. Through improved communication with business partners realized by providing Q&A support and regulatory information, survey response rates increased to about 95%. The results of the survey are evaluated by experts in the Group on a regular basis, and feedback given to the business companies to promote more accurate responses and the elimination of parts containing hazardous materials. In this way, the Group will improve the reliability of risk avoidance.

- ^{*1} **RoHS Directive:** Regulations enacted by the EU in July 2006 prohibiting the use of specified hazardous substances in electrical and electronic equipment.
- ^{*2} **REACH regulations:** Regulations enacted by the EU in June 2007 concerning the registration, evaluation, authorization and restriction of chemicals, to consolidate existing regulations concerning chemical substances.

Overview of the SIGMA Green Procurement System



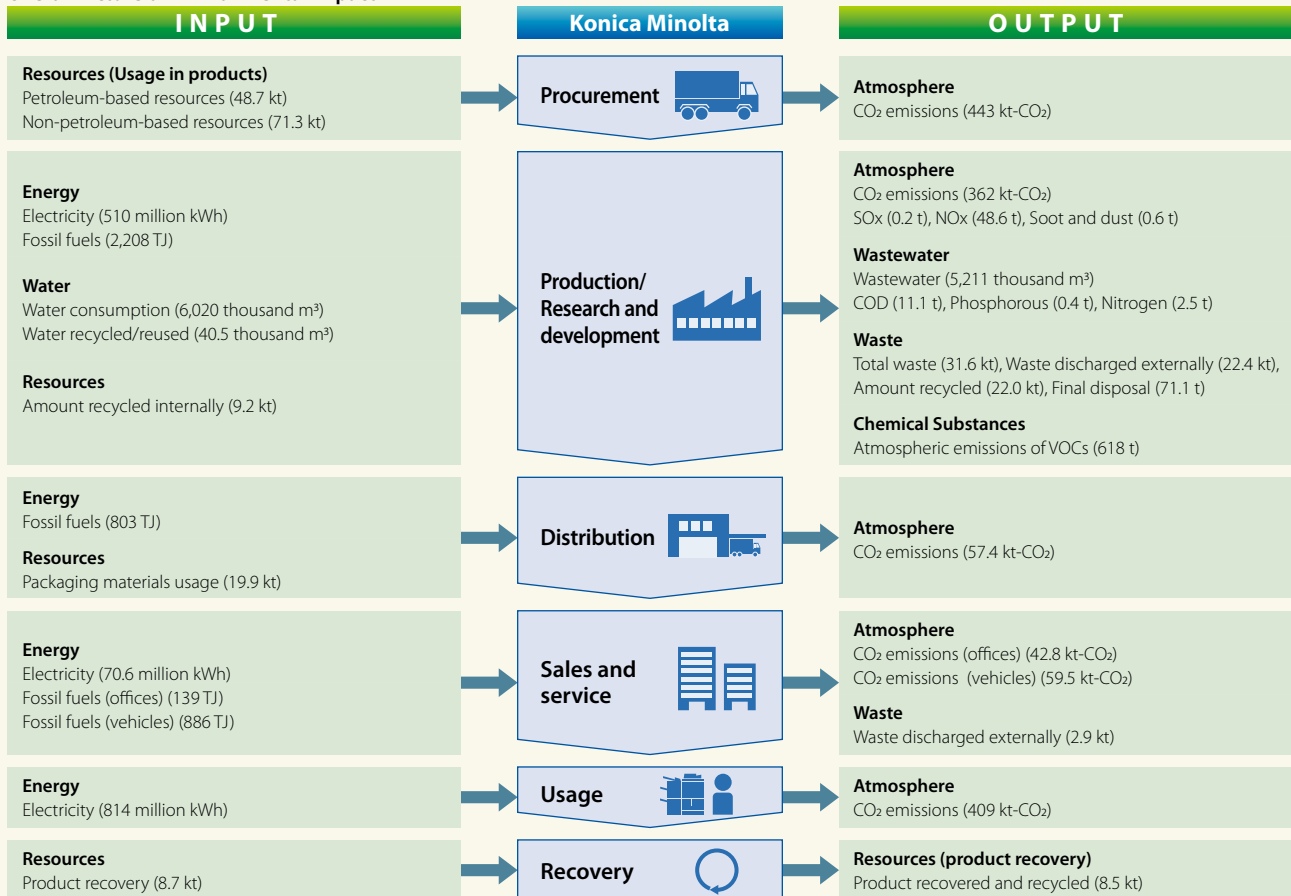
Fiscal 2010 Environmental Data Summary

[Web](#) About > Sustainability > Environmental Activities > Environmental Management at Konica Minolta > Environmental Data

Environmental Impacts Resulting from Business Activities

Konica Minolta continually monitors its environmental performance in areas such as total energy and resource inputs, CO₂ emissions and waste discharge at each stage of the product life cycle, on a global basis.

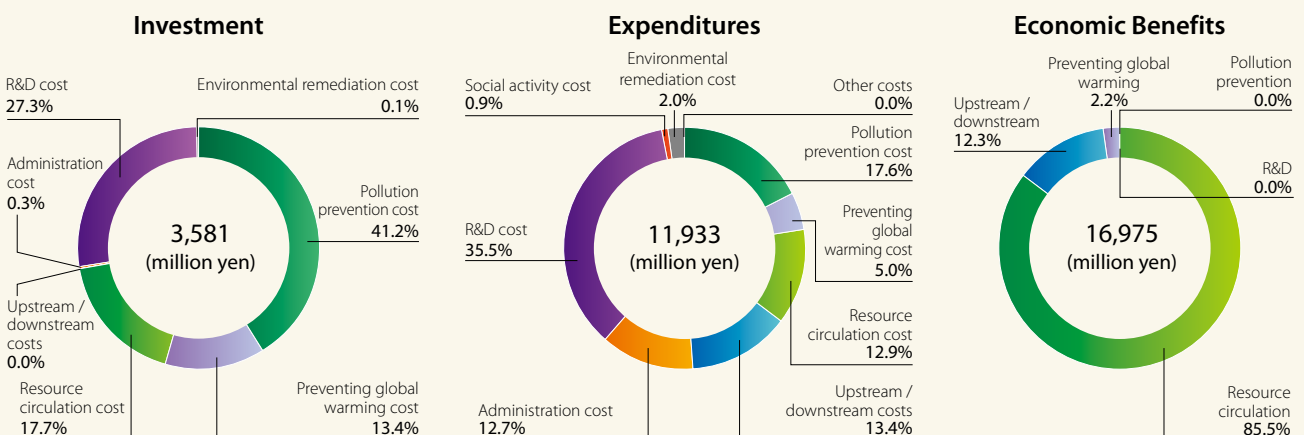
Overall Picture of Environmental Impact



* See the Konica Minolta website for the scope and standards for calculation

Environmental Accounting

Environmental accounting personnel are appointed at each Group company and the Group carries out consolidated environmental accounting globally, from research and development to production and sales.



CLOSE UP

Reuse and Recycling of MFPs

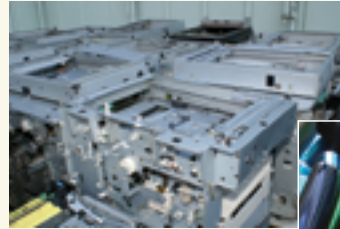
In its Medium-Term Environmental Plan 2015, Konica Minolta set targets to be met by the whole Group on the theme of supporting a recycling-oriented society ▶P17. To achieve these targets, Group companies are committed to policies tailored to the nature of their respective businesses.

These pages present the initiatives of Konica Minolta Business Technologies, Inc. (hereafter, Business Technologies) on reuse and recycling of MFPs.

Machines collected in Japan in fiscal 2010

- * Estimated collection rate = 73.6%
- * Recycling rate = 98.7% (by weight)

Parts are disassembled and sorted for recycling



Action 1 Re-manufactured MFPs Achieve 85% Reuse of Parts

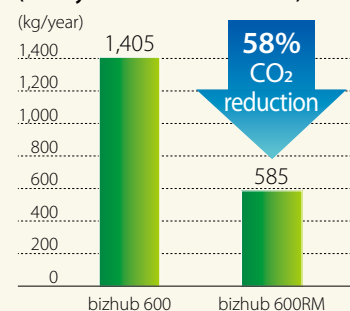
Business Technologies markets re-manufactured MFPs, which are built from used products, by disassembling and cleaning or replacing parts as necessary and making adjustments. The finished product comes guaranteed as meeting the same quality standards as a new product.

The re-manufactured MFP bizhub 750RM/600RM released in December 2010 in Japan is a recycled version of the bizhub 750/600 monochrome MFP that prints 75/60 pages (letter or A4 landscape) per minute. Using recycled parts for more than 85% of the mass ratio of the product reduces CO₂ emissions over the product life cycle by about 41% for the bizhub 750RM and about 58% for the bizhub 600RM.



bizhub 600RM

CO₂ Emissions (Life Cycle Assessment Results)



How MFPs are Re-manufactured

Collection of products

Used MFPs are collected.



Sorting

MFPs that are suitable for re-manufacturing are selected.



Disassembly

The MFPs are disassembled by hand so that the parts do not get damaged.



Cleaning

The parts are cleaned.



Simple packaging

The MFPs are wrapped with low-waste packaging for delivery.



Inspection

The reassembled MFPs are subject to the same quality inspection as newly manufactured products.



Replacement of parts and reassembly

Some parts are replaced with new ones, MFPs are reassembled in their original form.

Customers

Sales company

Action 2 Promoting Reuse and Recycling of Parts

Business Technologies collects used MFPs within Japan through its nationwide sales companies and JBMIA* replacement centers. Disassembly and sorting of the MFPs collected is outsourced to contractors in seven locations nationwide.

OMT Co., Ltd., the contractor for the Kanto and Tohoku regions, carries out disassembly by hand instead of using mechanical processing, achieving a high recycling rate. The dismantled parts are sorted into about 20 different types, including metal, plastic, and others. Reusable parts are cleaned, inspected and reused. Other parts are sent to be recycled by companies that can process them as feedstock for recyclable materials or fuel.

In addition, a group company of Business Technologies, Toyohashi Precision Products Co., Ltd., selects, cleans and inspects the developing rollers and conveyance springs from used toner cartridges. These are then sent to group companies for use in new products.

*JBMIA: Japan Business Machine and Information System Industries Association

Achieving a sustainable society based on relationships of trust.

At OMT, we see our business as a resources and environment business. Regarding the industrial waste from other companies as a resource, we have consistently striven to achieve a recycling rate close to 100% from the perspective of returning the waste to its original materials. In addition, we have actively promoted the disclosure of information about our company and waste treatment processes, by opening our plants to a wide range of visitors as a venue for environmental education. It was through these efforts that we have established a relationship of trust with our customers and the local community.

We have been working with Konica Minolta for about 10 years now, and we take pride in the fact that our relationship is founded on their full confidence in our principles and activities. As a good partner, we want to continue our contribution to achieving a sustainable society together.



Mutsuo Okamura
President
OMT Co., Ltd.

At Toyohashi Precision Products



At OMT



Focus Adoption of Environmentally Responsible Materials

Adoption of Recycled PET Plastic and a Bioplastic for MFPs

Konica Minolta actively seeks to reduce the use of petroleum-based resources. As part of this effort, Business Technologies has adopted two types of environmentally responsible plastic for the bizhub 652/552 monochrome MFP.

New Polymer Alloy Recycled PET

Recycled material developed by Konica Minolta to make effective use of waste PET material obtained from waste in the manufacturing process. Strong and fire resistant, it can also be injection molded.



Used for the lid
(vertical transport)

Bioplastic

Plant-based plastic that uses biomass as part of its resources. Compared to petroleum-based plastics, they are characterized by low consumption of petroleum-based resources and low emissions of CO₂.



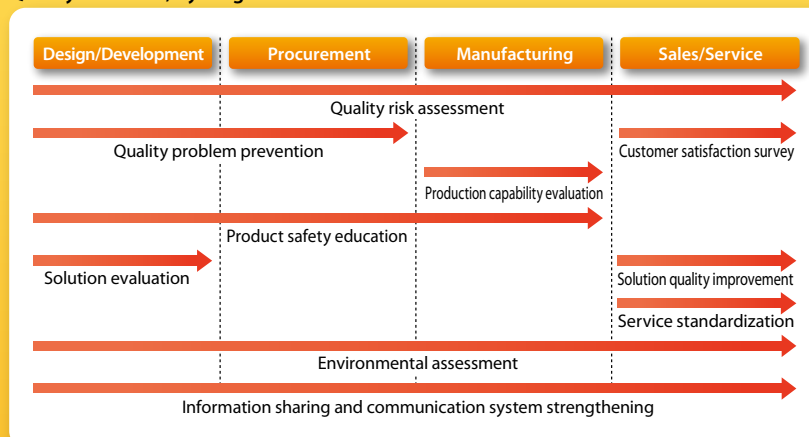
Used for the cover



Earning the Confidence of Customers

Providing safe, high-quality products is the most important responsibility of a manufacturing company. Ascertaining the needs of customers and society, and then creating solutions for challenging issues, helps to increase customer satisfaction. Konica Minolta is implementing group-wide initiatives to improve its solutions and services, while enhancing the quality and safety of its products throughout the product life cycle. Each business company is taking its own steps to better meet customer needs.

Quality Activities, by Stage



	Fiscal 2010 Targets	Major Achievements
Improving product quality and safety → P26, 27	<ul style="list-style-type: none"> * Ensure product safety and prevent quality problems * Workplace initiatives to improve product quality and promote production reform 	<ul style="list-style-type: none"> * Strengthened the quality problem prevention system * Implemented site evaluation by top management * Promoted evaluation of production capability
Strengthening the ability to provide solutions to customers → P28, 29, 30	<ul style="list-style-type: none"> * Provide solutions that meet the needs of changing market environments * Build mechanisms for solution quality improvement 	<ul style="list-style-type: none"> * Improved network-based support systems * Provided solutions that meets the needs of emerging markets * Provided desired solutions for issues in each business area
Providing useful products to meet needs Web	<ul style="list-style-type: none"> * Provide useful products and services to society 	<ul style="list-style-type: none"> * Incorporated universal design * Improved security features for MFPs

[Web](#) [About](#) > [Sustainability](#) > [CSR Activities](#) > [Together with Customers](#)

Improving Product Quality and Safety

Based on the Konica Minolta Quality Policy, the Group always strives to give top priority to customers and quality, and implements group-wide quality management. Furthermore, each business company is taking steps to respond to its own business issues.

Preventing Quality Problems and Preparing for Rapid Response If One Occurs

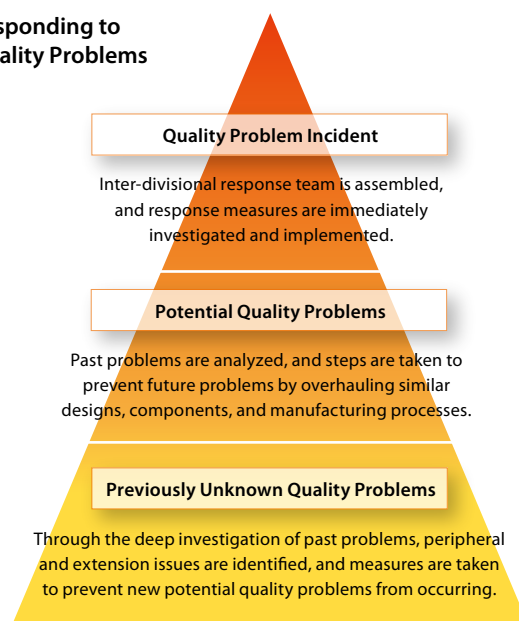
The globalization of production and procurement and today's advanced product performance mean there is a greater risk of production issues. This makes it difficult to deal with quality issues using only conventional quality assurance and quality management methods. Consequently, Konica Minolta Business Technologies, Inc. thoroughly analyzes past quality problems and investigates the root causes. In this way it is focusing on tackling problems in the early stages, not only through reoccurrence prevention, but also through the elimination of potential problems never encountered before.

In the unlikely event of a quality incident, the first priority is to respond quickly and minimize any inconvenience to customers. To deal with any problem that may arise, Konica Minolta has a system for the immediate assembly of a response team of experts from the divisions concerned. Furthermore, the company has built a system that can gather and compile information relating to the quality problem concerned, and distribute it to top management and relevant divisions within the same day. This enables rapid decision making and determination.

It was determined that the Konica Minolta A4 color printers magicolor 4750DN and magicolor 3730DN have the potential to overheat and catch fire under very rare circumstances.

Accordingly, in April 2011, the company posted a notice on its websites in regions where the model numbers subject to this risk were sold, offering free inspection and repair of these products.

Responding to Quality Problems



Production Site Evaluation by Top Management

In fiscal 2010, Konica Minolta began a unique initiative for site evaluation by top management covering not just quality issues, but also environmental and safety issues. The presidents of Konica Minolta Holdings, Inc. and other Group companies visit sites and confirm for themselves the implementation of policies and plans relating to quality, the environment, and occupational health and safety. The president who is visiting then evaluates the situation and offers advice for improvement. The initiative helps boost the motivation of frontline employees through opportunities for dialogue with their company president.

This initiative was launched in November 2010, and evaluation was performed at 11 sites, including mainly the group's manufacturing facilities in Japan along with some external facilities. The visits took from a half-day to a full day; during this time, the presidents received reports on frontline initiatives and conditions, inspected facilities, and engaged in active Q&A sessions with employees. The initiative will be gradually expanded to non-production sites in the future.



Masatoshi Matsuzaki, President, Konica Minolta Holdings, Inc., performing a site evaluation

Improving Product Quality and Safety

Promoting Evaluation of Production Capability Linked with Process Improvement

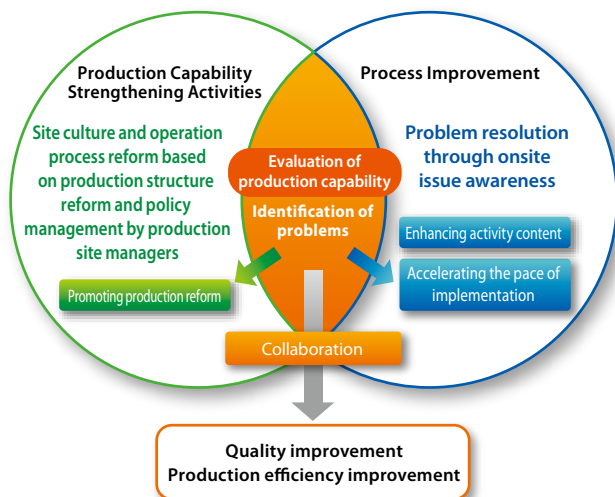
Using improvement methods based on fact and data analysis, Konica Minolta is promoting unique Process Improvement efforts, targeting workplace reform and human resource improvement. Although it started off as a production site initiative in Japan, in recent years it has since spread to sites in China, as well as business support divisions. Through this effort, quality improvement is being advanced from the frontlines.

Meanwhile, as part of initiatives to address management issues, the Group has been carrying out Production Capability Strengthening Activities for production innovation under the leadership of executives and organizational managers responsible for production at each Group company.

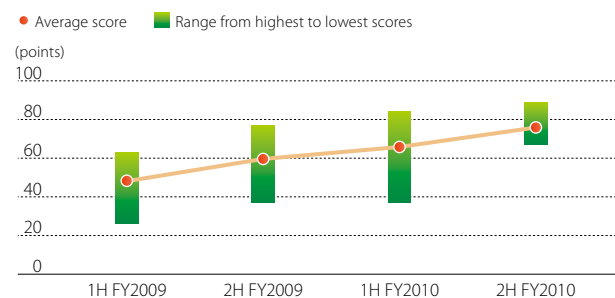
Since fiscal 2009, these two activities were linked together, and the Group began Evaluation of Production Capability with the aim of improving quality and reducing costs at production sites. Under this new initiative, teams comprised of managers responsible for production capability as well as personnel involved in process improvement perform site evaluations twice a year at all the major production sites in Japan and Asia. The plan is to raise the bar across the entire Group by promoting mutual cross evaluations between different Konica Minolta companies and sharing successful practices.

The average evaluation scores are steadily rising, thanks to even more efficient issue resolution. This is the result of combining improvement activities at individual plants, along with initiatives for strengthening productivity based on the identification of issues from a broad perspective. In the future, Konica Minolta will raise the production efficiency group-wide, by promoting direct guidance to Group companies with low evaluation scores.

Production Capability Evaluation



Evaluation Scores for Evaluation of Production Capability



Feature

Chinese Team Wins Top Prize at the Process Improvement Convention

Once a year, Konica Minolta holds the Process Improvement Convention, featuring teams selected from Group companies in Japan and China. At the convention held in November 2010, a team from a Chinese company won the top prize for the first time since Chinese companies began participating in 2006.

The winner of the gold medal was the Shen Liu Hao team from Konica Minolta Opto (Dalian) Co., Ltd., which produces optical lenses and assembles optical units. The team achieved major results through initiatives for the improvement of glass lens processing quality based on the combined efforts of four divisions: manufacturing, technology, quality assurance, and business management.

Reflecting on their achievement, the members of the team said, "At first many of us were unsure about the high targets, but through the implementation of initiatives we came up with new ideas for changing old production methods, and we all

developed a singleness of purpose. As a result, we were able to unify awareness across different divisions, and we achieved results that crossed organizational boundaries."

Not only did the team raise the level of improvement ability among all its members through the activity, but it also deepened understanding of process improvement. This was evident in their determination to achieve "further improvements in the future by looking beyond conventional practices."



Presentation by the Shen Liu Hao team

Strengthening the Ability to Provide Solutions to Customers

Each business company at Konica Minolta is helping customers to solve their business issues by providing products and solutions that meet changing needs and individual market environments.

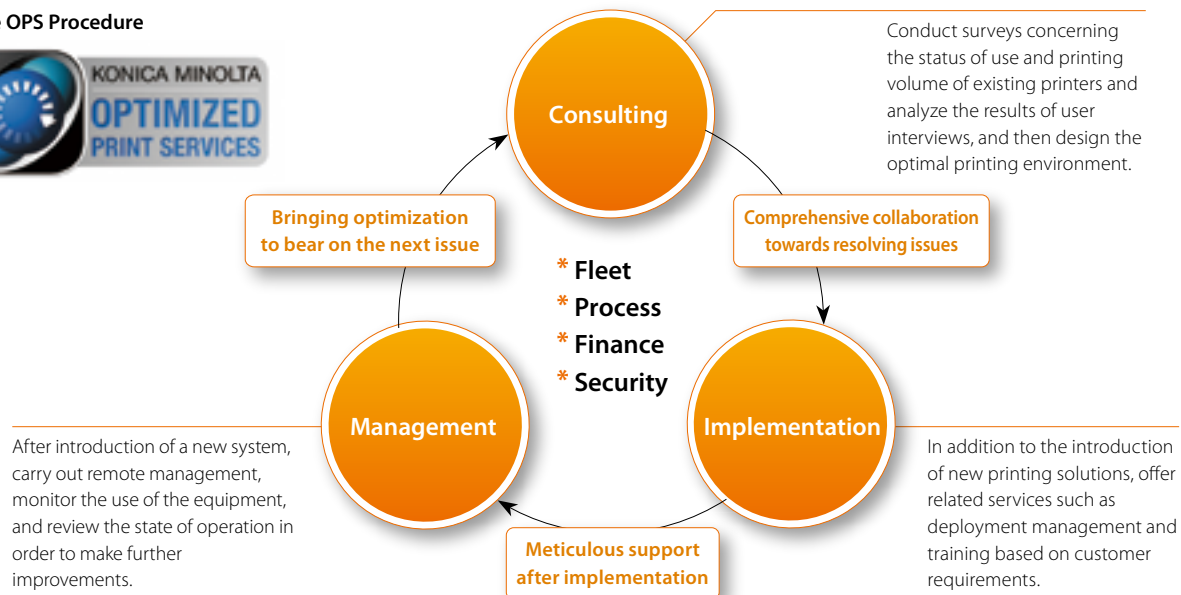
Supporting Global Optimization of the Office Printing Environment

The proliferation of MFPs and printers in offices and the consequent increase in printing costs has raised the profile of managed print services (MPS) as a means of optimizing the placement and utilization of printers.

In response to these needs, Konica Minolta offers its own MPS solution, Optimized Print Services (OPS), covering all aspects of printing including operational processes, costs and security, to achieve continuous improvement in the three phases of consulting, implementation and management.

The service was initially offered in separate regions such as North America, Europe and Japan. In order to meet the needs of global companies seeking to optimize on a worldwide scale, it has been expanded into the Global OPS Program from fiscal 2010. With remote management which centralizes control of MFPs and printers around the world, and monitoring systems that show the status of each printer, Konica Minolta delivers the best solution for each customer.

The OPS Procedure



Customer Comment

Konica Minolta's program delivered the flexibility we hoped for.

Allianz is an insurance company with offices in 70 countries. As a result of meeting the printing needs of each office, the company was faced with a complex web of contracts with various printer vendors, and it was very difficult for the company as a whole to assess its printing costs. Therefore we decided to restructure our printing environment completely with a single, global contract, aimed at implementing MPS across 80% of the company's global operations.

Consequently, Allianz sought a partner that could offer a straightforward price that would meet the needs of its offices around the world.

Konica Minolta's response was a combination of locally tailored solutions and central management that fit our needs

exactly. With this flexible proposal, we feel that Konica Minolta is keen to provide the optimum solution with a clear understanding of the needs of each region.



Richard Mayer
Corporate IT Purchase
Allianz SE

Strengthening the Ability to Provide Solutions to Customers

Providing IT Services to Support Collaboration Between Hospitals and Clinics

Given the rapid digitalization of medical diagnosis, there is an increasing need for dedicated IT networks to support medical professionals. In order to respond to this demand, in 2007, Konica Minolta Medical & Graphic, Inc. launched its Infomity service in Japan. This is a business support service provided to medical clinics over the Internet.

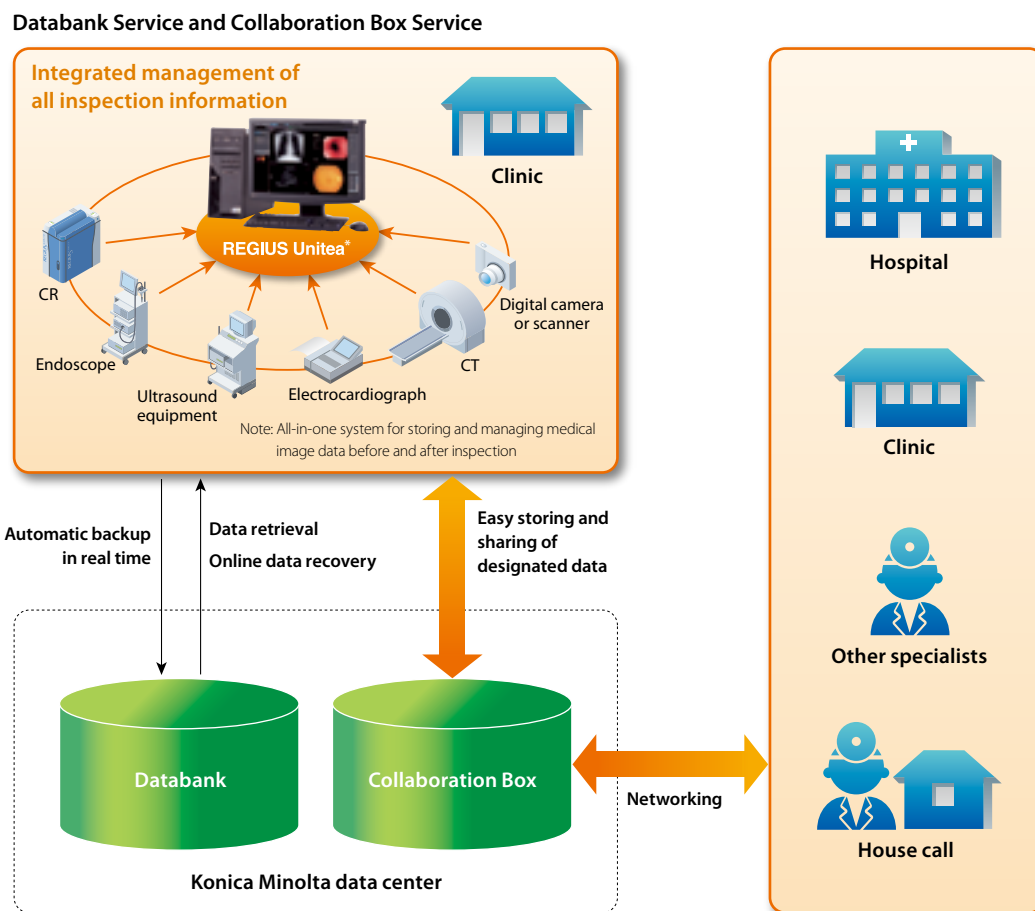
The service focuses on remote maintenance carried out 24 hours a day, 365 days a year, for maintenance and management of equipment such as computed radiology (CR) along with options such as support for website creation and regular provision of government healthcare news. In April 2010, two new features were added: management of medical images, and support for online collaboration between facilities.

With the first new service, the Databank Service, image data from various types of diagnostic equipment is

automatically backed up in real time on a data center server managed by Konica Minolta. This enables the reading of images outside the clinic, such as during a house call, and prevents the loss of data due to a disaster.

The other is the online Collaboration Box Service, which enables the sharing of medical data including examination images, regular image data such as JPEG files, and reports, by multiple hospitals and clinics. As a result, doctors from different specialties can exchange opinions while viewing the same patient images, and hospitals and clinics can collaborate in enabling healthcare based on regional consultation.

In March 2011, the Infomity service was also launched in the United States.



Providing Measurement Devices to Support Manufacturing Quality in the Environment and Energy Field

Konica Minolta Sensing, Inc. is contributing to manufacturing and quality management in various industries, through the development of a range of measurement devices based on “technologies for measuring light and measuring with light.” These products have been adopted as standard equipment at many companies in the fields of product color management and display quality management, in particular.

In recent years, there has been interest in LED and solar cell technologies as new industries in the environment and energy field. In order to further expand the use of these technologies, it

is necessary to establish methods for measuring and evaluating the performance of new devices.

Konica Minolta Sensing is developing and supplying measurement devices that can accurately measure the properties of these kinds of technologies. The company also promotes awareness raising activities for the expanded adoption of evaluation methods and measuring standards. Konica Minolta Sensing believes that these efforts will help foster the development of new industries, and ultimately contribute to the resolution of environmental and energy issues.

Feature

Improving Production Efficiency for LED TVs

In recent years, there has been increasing demand for LED TVs. These LCD televisions employ LED backlighting, which enables the creation of slimmer and more lightweight units, without the use of harmful substances such as mercury. However, due to the uneven wavelength distribution typically produced by LED light, manufacturers have had difficulty in obtaining accurate measurements for the adjustment of white balance in LED TVs. Konica Minolta Sensing has developed a new sensor compatible with LED light emission characteristics which enables measurement with high speed and accuracy. By using this sensor, manufacturers can radically improve operation efficiency, increasing productivity as well as picture quality when manufacturing LED TVs.



CA-310 display color analyzer

Promoting the Expanded Use of Solar Cells

A solar simulator is a device that creates simulated sunlight for use in evaluating solar cells. Konica Minolta's reference photovoltaic (PV) cells are used to calibrate solar simulators to provide illumination equivalent to “standard sunlight,” an international testing standard. The technology was developed jointly by Konica Minolta Sensing, Inc. and Japan's National Institute of Advanced Industrial Science and Technology (AIST). It is used for the testing of tandem solar cells, which have been seeing increased demand in recent years. By realizing a much higher level of measurement accuracy and stability compared to conventional products, the company is helping to expand solar cell use by accelerating R&D for tandem solar cells, which are expected to reduce costs in the future.



Reference PV Cell AK-100

Responding to Demand in the Still Rapidly Growing Chinese Market by Supplying Inkjet Printheads with High Added Value

In China there has been increasing demand for outdoor advertising and signage, as a result of large events such as the Beijing Olympics and the Shanghai Expo. In this market, the industrial inkjet printhead made by Konica Minolta IJ Technologies, Inc. has the top share for printheads for large-format inkjet printers used to print outdoor advertising.

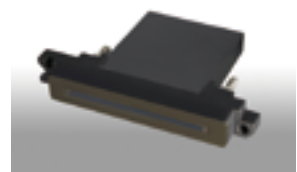
This inkjet printhead employs an on-demand piezo method that utilizes the characteristics of a piezoelectric element to change form when voltage is applied. Since it requires less heat compared to the thermal method, it can be used for high-viscosity solvent ink and UV ink, among others. Furthermore, with the application of printhead components that offer superior ink resistance, it has achieved superior durability and stability, earning

a good reputation and a high level of customer confidence.

The company also plans to develop high-performance printheads that can be used for water-based inks, which are in great demand in the indoor advertising market.

KM1024 Series of Industrial Inkjet Printheads

- * Substantial improvement in productivity due to a greater print width (72 mm), and high number of nozzles (1,024)
- * Approximately 50% reduction in power consumption compared to a previous model





Fulfilling Social Responsibilities with Business Partners

At the briefing held for business partners in China in March 2011, simultaneous interpretation in Japanese and Chinese was available using wireless earpieces.

Konica Minolta seeks to provide products and services that deliver superior performance in every area—including quality, price, and environmental responsibility—to customers around the world, and always in a timely manner. To achieve this, it is essential to have reliable business partners. Konica Minolta strives to build relationships based on trust with partners who supply materials and components, by conducting fair and transparent business transactions. In addition, in order to fulfill its social responsibility for products and services it provides to customers, the company is committed to collaborating with partners on CSR procurement and green procurement.

CSR Procurement



	Fiscal 2010 Targets	Major Achievements
Promoting CSR procurement throughout the supply chain → P32	* Implement CSR procurement with business partners based on the medium-term plan for fiscal 2009 to 2011	* Implemented self-assessment questionnaires * Requested improvements when necessary
Improving customer satisfaction through collaboration with business partners Web	* Implement a Procurement Collaboration System for improving quality, productivity, delivery times, and so on through collaboration with business partners	* Continued to operate the Procurement Collaboration System * Provided simultaneous interpretation at the briefing for business partners in China
Promoting green procurement for reducing impact on the environment → P21	* Full operation of the new green procurement system introduced in fiscal 2009	* Fully implemented the new green procurement system * See "For the Global Environment".

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Promoting CSR Procurement Throughout the Supply Chain

A growing expectation today is that companies practice “CSR procurement,” which means working with partners throughout the supply chain to fulfill social responsibilities with regard to respect for human rights, occupational health and safety, and environmental protection. Konica Minolta is implementing CSR procurement group-wide, working closely with its business partners.

Self-assessment Questionnaires Done by Group Production Sites and Business Partners

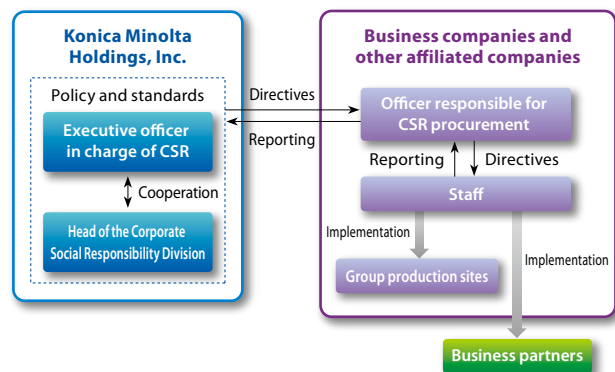
Konica Minolta's CSR procurement initiatives that started in July 2009 target the Group's production sites and business partners.

Self-assessment questionnaires were completed at 36 major facilities within the Group in April 2010. One facility initially recorded Rank B for certain items, but after taking steps towards improvement, all facilities achieved Rank A in June 2010. The self-assessments will continue to be carried out periodically in the future in order to maintain the Rank A status and make further improvements.

Konica Minolta encourages as many of its business partners as possible to undertake CSR initiatives. In addition, from fiscal 2009, each Group company is implementing a three-year plan to conduct questionnaire assessments of its main business partners, aiming to ensure that more than 90% of the Group's business partners in terms of transaction value are subject to the assessments. From fiscal 2009 to 2010, Konica

Minolta asked a total of 1,428 companies for cooperation, and of these, 387 companies completed questionnaires.

CSR Procurement System



Feature

Business Partners Asked to Make Improvements Based on the Results of Self-assessment Questionnaires

The results of the self-assessment questionnaires categorize respondents in four ranks, from A to D, according to achievement. Group production sites are expected to achieve Rank A, and business partners are expected to achieve Rank B or higher. Each Group company reports the results of the

questionnaires to all business partners that respond. Partners ranked C or D receive specific instructions on areas that must be addressed, and are asked to submit and implement a plan for improvement.

Example of Improvements Requested

Here is a record of the procedure from request for improvement to report on completion of improvements in relation to business partners that ranked C overall.

March 2010	Visited the business partner to report the survey result and explained the seven requests for improvement and the steps required
April	Receipt of the improvement plan; improvement measures started with a target of completion in September
September	Checking progress (five items complete, two incomplete), and thereafter monthly checks
December	Received the final report on improvement

改善要請書(兼改善計画書)					
A社 当中					
改善要請事項を報告いたしますので、お取引先様におきましては以下の要請事項を中心とした改善をお願い致します。各々の改善要請事項について、改善計画(取組み内容及び完了時期)を弊社宛にご連絡願います。					
[分野別の達成度] 労務管理: ランクC 倫理管理: ランクB 安全衛生マネジメント: ランクC 環境マネジメント					
No	分野	アンケート 設問番号	改善要請事項	改善計画 (※※をへる)	完了時期
1	労務	CL4 12	部分実施している。販賣およびレビューによって認識された労務または倫理上の欠陥に対する適宜改善措置を実施してください。	管理者を設置し改善します→管理者を設置しました	2010年 9月
2	労務	FL3 1a	貴事業所において労務方針(またはコミットメントの表明)の文書化を実施してください。	労働安全衛生法にのっとり実施します→実施しました	2010年 12月
3	安全衛生	CH1 1	貴社のすべての事業所における職場の安全衛生に関する法律、規制および規範の遵守を確保することについて責任を課せられている管理責任者の設置を実施してください。	管理者を設置し改善します→管理者を設置しました	2010年 9月
4	安全衛生	CH4 CH16 1a	貴社において適用すべき安全衛生に関する法律および規制を認識し、モニターするためのトラッキング・システムの確立を実施してください。	労働安全衛生法にのっとり実施します→実施しました	2010年 12月

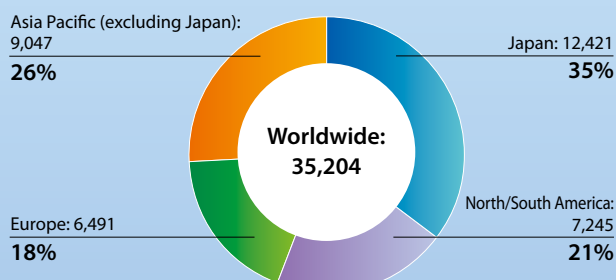
Improvement request (excerpt)



Growing Together with Our Employees

With its business expanding globally, Konica Minolta employs a diverse group of people around the world—people of different nationalities, cultures, and languages. The Group recognizes that enabling each member of this diverse team to maximize his or her individual potential is essential to its growth. For this reason, Konica Minolta fosters an environment in which all employees, regardless of ethnicity, nationality, or gender, are encouraged to challenge themselves, and it strives to build the skills of those who are capable of taking the lead on the global stage. The Group also focuses on improving health and safety in the workplace and providing the support employees need to achieve a satisfying work-life balance.

Employee Composition by Region



(Total regular employees of consolidated companies, as of the end of March 2011)

	Fiscal 2010 Targets	Major Achievements
Personnel training and effective utilization of skills → P34, 35	* Establish program to foster those likely to become leaders on the global stage and to fully deploy their talents	* Constructed Global HR Database * Implemented Global Executive Program
	* Implement corporate culture reforms to encourage employees to take on new challenges	* Introduced simply BOLD Award
	* Enhance personnel system to reflect employee aspirations	* Introduced Free Agent (FA) System
Promoting diversity Web	* Enhance system that helps employees achieve proper work-life balance	* Fully implemented work-at-home system
	* Maintain environment that allows all employees regardless of gender to fully demonstrate their skills and capabilities	* Implemented programs to train and develop female managers
Promoting occupational safety and health → P36 Web	* Prevent accidents during working hours * Maintain an environment that provides for employees' mental and physical health	* Continued to implement measures to prevent work-related accidents at priority sites * Introduced fundamental facility improvement for safety * Bolstered measures to prevent overwork

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Personnel Training and Effective Utilization of Skills

Konica Minolta is committed to creating an environment in which each person in its diverse team of employees is able to maximize his or her individual skills, capabilities, and aspirations, as well as continuously challenge themselves in the workplace. The Group also focuses on building the skills of those who will play an active role on the global stage.

Introduction of Group-Wide Executive Training Program

In its effort to raise Konica Minolta to the level of a truly global company, the Group focuses on fostering those who are likely to become leaders on the global stage to maximize the overall strength of its team as a whole.

As part of this initiative, Konica Minolta has built a database of executives and executive candidates at Group companies throughout the world. In fiscal 2010 it introduced the Group-wide Global Executive Program to foster the skills of people selected from the database. In November 2010, 14 candidates from nine companies in China visited Japan to participate in the weeklong program. They were followed in February 2011 by 19 people from 15 companies in a total of 11 countries spanning Europe, the U.S., and Asia Pacific.

The program facilitates communication with executive managers in order to impart an understanding of Konica Minolta management policies and strategies and ensure that

these policies are well established at all Group companies. It is also designed to foster leadership from a global perspective, and build a network among executive management and participating candidates. In the first year, separate sessions were held for Chinese speakers and English speakers, but Konica Minolta is now considering integrating them so that they are conducted in English and include Japanese participants.

Presentations and discussions at the Global Executive Program



Employee Comments

The program was tremendously valuable for expanding our business in the global market place.

The Global Executive Program was a tremendous experience both in regards to the content and the importance of time spent with other attendees. The opportunity to get to know leaders from other countries has provided a connection to share ideas and best practices for the benefit of all attendees. Understanding that Konica Minolta is investing in leadership development to build a worldwide leadership network will increase our ability to succeed in the global marketplace.



Velinda Cox

Vice President
Strategic Business Planning
Konica Minolta Business Solutions U.S.A., Inc.

I realized just how important our company is to Konica Minolta's business in the growing Chinese market.

By participating in face-to-face discussions with and receiving guidance from executive managers, I gained a broader understanding of Konica Minolta Group management policies and strategies. At the same time, I realized that, as competition in the global market intensifies, the Chinese market is becoming increasingly important and the subject of greater expectations. I was deeply aware of the responsibility our company has in driving Group growth in the future. I will bring what I learned from the program back with me to share with my colleagues in China and take the initiative in fulfilling my role to live up to the Group's expectations.



He Yue Feng

General Manager
Production Division I
Konica Minolta Business Technologies (Dongguan) Co., Ltd.

Personnel Training and Effective Utilization of Skills

Employees Who Embody “simply BOLD” Mindset Honored with Award

Konica Minolta recognizes that employee motivation and independent initiative is essential for its continued growth as a company. In fiscal 2008, the Group introduced the worldwide action slogan “simply BOLD” to help create a Group-wide culture that encourages employees to develop the necessary mindset for taking bold action.

In fiscal 2010, targets were set to expand the focus of the “simply BOLD” mindset beyond the level of the individual employee and incorporate “simply BOLD” action at the Group level. Conceived as a way of sharing information on individual activities

to integrate them throughout the entire Group, Konica Minolta introduced “simply BOLD” Award to commend employees who have implemented excellent initiatives. The award committee received 247 submissions for initiatives in Japan and 65 pre-selected submissions from companies overseas between November 2010 and January 2011. Thirty teams in Japan and eight teams overseas were selected by employee ballot to receive the simply BOLD Award.



Feature

“simply BOLD” Award Winners

Konica Minolta Enterprise Foundation Project Team Konica Minolta Business Solutions France S.A.S.

Konica Minolta’s MFPs incorporate the principles of universal design to make them easy to use for people of all ability levels. We are proud to have been a part of the establishment of the Konica Minolta Enterprise Foundation, which is dedicated to increasing mobility for those who are physically challenged by installing



From left: Marc Fargeas, Alain Bendavid, François Balouzat, Nathalie Ribes, Stéphane Guibore

wheelchair-accessible ramps in public places. This initiative, which began as the idea of just five employees, has now gone company-wide. Many employees are making donations and participating in various ways.

Company Study Group Transcends Departmental Borders Konica Minolta Opto, Inc.

It can be difficult for employees, even those working on the same product, to share their knowledge with others who play different roles in development, production, or sales, or work in different locations. To address these difficulties, we asked employees interested to take part in a study group we introduced in May 2010. Employees from different departments give talks presenting the particular expertise of their own department to employees from other divisions. This is a strictly voluntary gathering that takes place after working hours. Despite this, the study group had met 30 times by January



From left: Katsuaki Horibe and Hiroki Umeda

2011 and more than 500 employees had participated. The documents prepared for the study group presentations are distributed Group-wide and have proved useful in our business activities.

FA System to Promote Self-Determination in Career Building

As a complement to the Group’s company-led system of personnel assignments, Konica Minolta has introduced the Internal Open Job Posting System* and the Free Agent (FA) System,* which encourage employees to request transfers to new positions on their own. These systems will help produce employees willing to undertake new positions in building their own careers and create a corporate culture that respects the desire to challenge oneself in new ways.

The Internal Open Job Posting System allows employees to apply for open positions posted by departments looking for personnel. When the system was introduced in fiscal 2009, numerous employees applied for several openings in two departments, and a total of seven employees transferred to new jobs. In May 2011, 11 open job posts were listed on the system.

Under the FA System launched in May 2010, employees wishing to take on the challenge of a new type of job or department are asked to post their application on the Intranet server. Departments with open positions review the employee posts, call promising candidates in for interviews, and if both the department and the employee agree, the employee is transferred to the new job. In fiscal 2010, 10 employees transferred to new departments under this system.

With these two systems in place, Konica Minolta continues to facilitate the fluid movement of human resources across the Group and to support employee self-determination in shaping their own careers.

* These systems are for regular employees at the holding company, business companies, and common function companies in Japan.

Health and Safety at Work and Support for Work-Life Balance

Konica Minolta implements a variety of measures designed to continuously improve health and safety levels in the workplace and to help employees achieve a fulfilling personal life.

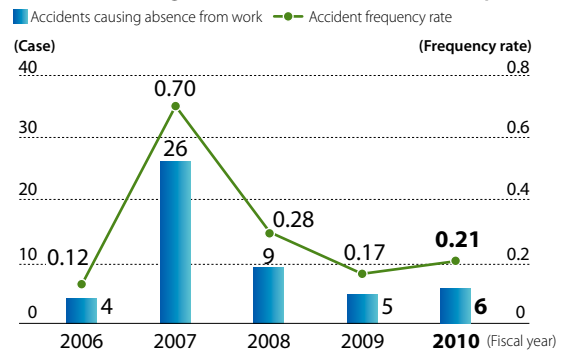
Identifying Priority Sites and Implementing Intensive Accident Prevention Measures

Konica Minolta works to prevent accidents from occurring during working hours by identifying the specific risks at each company and developing specific measures for dealing with them. Each fiscal year, the Group also identifies priority sites and implements intensive measures at these specific sites.

In fiscal 2010, the Group chose one of its production sites in China to establish an organization to implement health and safety programs, and provided on-site training to raise the level of risk assessment. During the first half of fiscal 2010, two accidents causing absence from work and three accidents not causing absence occurred at this site. With the implementation of intensive measures starting in July, the site was able to achieve a record of zero accidents during working hours for the second half of the fiscal year. This approach will be expanded to other production sites in China in the future.

In fiscal 2010, Konica Minolta created a list of equipment at high risk for causing serious accidents and implemented fundamental facility improvements to reduce this risk. The Group drafted safety standards to be met during installation or refurbishing of equipment and developed tools to check for potential risk. In fiscal 2011, it plans to establish a system to promote activities that will reduce the risk of accidents at business companies and to introduce specific measures under this system.

Accidents Causing Absence from Work at Sites in Japan

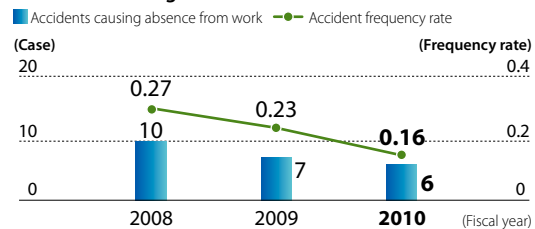


Notes:

Boundary: Regular and temporary employees at the holding company, business companies, common function companies, and affiliated companies in Japan.

Accident frequency rate: Number of people injured or killed due to occupational accidents per one million labor hours

Accidents Causing Absence from Work at Overseas Production Sites



Notes:

Boundary: Employees at major production companies in China and Malaysia

Accident frequency rate: Number of people injured or killed due to occupational accidents per one million labor hours

Enhancing the Work-Life Balance System

Konica Minolta is striving to enhance its system to provide the support employees need to achieve a satisfying work-life balance. The goal is to ensure that employees are able to fully demonstrate their skills and capabilities in the workplace while also achieving a fulfilling personal life that includes family, community, and self-development.

A program allowing employees to work at home during child-rearing years was introduced in October 2009. This system

allows employees to work from home one to two days per week. The program is proving quite effective with an increasing number of employees, including men, taking part. In January 2011, the Group received for the second consecutive year Honorable Mention in the Telework Promotion Awards presented by the Japan Telework Association in recognition of such initiatives.

Work-Life Balance Support Program Use (Fiscal 2010)

During pregnancy/child-birth, post delivery			Child-rearing period			Others		
	Women	Men		Women	Men		Women	Men
Maternal health management leave	5		Parental leave	80	1	Nursing care leave	1	3
Maternity leave	33		Shorter working hours for childcare	170	0	Shorter working hours for nursing care	1	0
Spousal maternity leave		140	Work-at-home during child-rearing	17	5	Volunteer leave	0	0

Scope: Regular employees at the holding company, business companies and common function companies in Japan.

Commitment to Addressing Social Issues around the World

Aiming to earn the confidence and trust of society and be a good corporate citizen, Konica Minolta is helping solve local social issues around the world. The Group focuses especially on issues where it can make a unique and highly effective contribution through its business.



[Web](#) About > Sustainability > Contributing to Society

Worldwide Support for the Pink Ribbon Campaign for Early Breast Cancer Detection

Konica Minolta Medical and Graphic, Inc., supplies digital mammography units for early detection of breast cancer. Naturally, Konica Minolta Group companies worldwide also support the Pink Ribbon campaign, which emphasizes the importance of early breast cancer detection.



Participating in a Charity that Promotes Early Breast Cancer Detection (Canada)

In 2010 Konica Minolta Business Solutions (Canada) Ltd., a sales company of office equipment and solutions, partnered with the Canadian Breast Cancer Foundation. The company donated a portion of sales of the Konica Minolta color MFP for the period from October 2010 to March 2011 to the Foundation. In addition, several employees from across Canada came together to form a run team and took part in the Foundation's awareness-raising run event on October 3, 2010.

Holding Breast Cancer Seminar for Female Employees (Japan)

On February 17, 2011, a breast cancer seminar was held for female employees, which was relayed by video conference to 11 Konica Minolta sites across Japan. The seminar was the result of the passion of the developers of digital mammography to protect as many women as possible from breast cancer. It began with a plan to first raise awareness inside the Group about the importance of breast cancer screening, and to identify information that women wanted to know, based on interviews with female employees.

As many as 521 female employees participated in the seminar, and with the cooperation of like-minded doctors from a clinic specializing in breast cancer, a lecture on properly understanding breast cancer was given and specific methods for self examination were introduced.

The company plans to continue this seminar in the future, and is looking into expanding it to women outside the Group.



Supporting Children with Mental Disabilities (China)

Konica Minolta Business Solutions (China), a sales company of office equipment solutions, has been supporting schools for mentally disabled children in Shanghai and Beijing, based on the theme of a "colorful future together with Konica Minolta." This activity began with the donation of laser printers to a school that participated in the Shanghai Special Olympics in 2007, and it has now grown to six schools.

Since 2008, the company has been creating calendars featuring the children's paintings for distribution to customers and employees, as well as children and school staff. These calendars have been very well received each year. Other efforts include volunteer activities by employees, printer donations, and donation of study materials and year books printed on Konica Minolta equipment. In fiscal 2011, the company plans on launching a painting contest for the children, in addition to its usual activities.



Activities Making Use of Planetarium Full-Dome Video (Japan)



Top: Photo courtesy of
Wakayama University

Konica Minolta Planetarium Co., Ltd., provides digital full-dome systems that show dynamic video on a full planetarium dome, along with planetarium equipment to recreate starry skies.

On November 6 and 7, 2010, the company offered support for the Saga Prefecture Space and Science Museum, providing high-definition live projection of an International Balloon Festival in the museum's planetarium. The full-dome show provided the audience with a very realistic experience, thereby contributing to the excitement of the event.

The company also exhibited at the National Lifelong Learning Festival "Manabipia" held in Kochi Prefecture from November 19 to 21, 2010. The company's exhibit featured a small planetarium dome imitating a spacecraft, and provided a computer animated space travel experience. It was an opportunity to increase many children's interest in space.

The company will continue engaging in various activities like these in the future, with the aim of contributing to society by promoting astronomy and science education.

Helping an Organization That Supports Patients with Intractable Illnesses (Slovakia)

Konica Minolta Slovakia spol. s r. o., a sales company of office equipment and solutions, contributes time and resources to the Association Hope, a non-profit organization which provides support and services to those affected by multiple sclerosis.* The organization hosts a variety of educational activities designed to inform patients, doctors and the community about the aspects of the disease. The association also provides services such as employment assistance, counseling and physical therapy, and hosts various supporting events. Through the donation of bizhub C252 MFP, paper supplies and support services, the company has supported the smooth everyday operations of this organization.

*Multiple sclerosis: A chronic disease which damages the myelin sheath around nerve fibers, causing inflammation in the brain, spinal cord and optic nerves.



Management System

Konica Minolta seeks to improve corporate value by using a holding company system and maintaining a highly transparent management and governance system that separates supervisory and execution functions.

Corporate Governance

Konica Minolta believes that strengthening corporate governance is a vital part of fulfilling its responsibilities to stakeholders. The Group has created a management and governance structure that allows more timely and appropriate decision-making on matters such as restructuring.

Company-with-Committees System

Konica Minolta Holdings, Inc. has adopted a company with-committees system, enabling the management supervisory function of the directors to be separated from the business execution function of the executive officers.

The executive officers are entrusted by the Board of Directors with the task of business execution. The content of this business execution is subject to the oversight of the Board of Directors and to audits by the Audit Committee, which enhances the soundness of management and compliance. The Board of Directors includes four outside directors, who are highly independent and have no significant business relations with the company. A majority of directors do not serve as executive officers. Moreover, the Chairman of the Board of Directors has no executive officer position, which reinforces the supervisory function of the Board of Directors.

The company has written independence criteria for the selection of outside director candidates, including the requirement that candidates not have any personal

connections to executive officers, or significant financial relationships with the company. This initiative has been publicly recognized, and the company received a Corporate Activity Award at the 2010 Listed Company Awards sponsored by the Tokyo Stock Exchange Group, Inc.

Holding Company System

Konica Minolta has adopted a holding company system comprised of a holding company, business companies and common function companies.

Having separate business companies in each business category enables accelerated decision-making processes and enhances competitiveness. Moreover, the common function companies centralize basic research and back-office operations within the Group, helping to achieve greater efficiency and stronger functionality. Each president of a business company or common function company is also an executive officer of Konica Minolta Holdings. They have the authority and responsibilities necessary for directly executing the management activities in their respective business.

Thanks to this system, the holding company is able to focus on Group management and governance with greater leadership ability, which helps to improve corporate value for the entire Group.

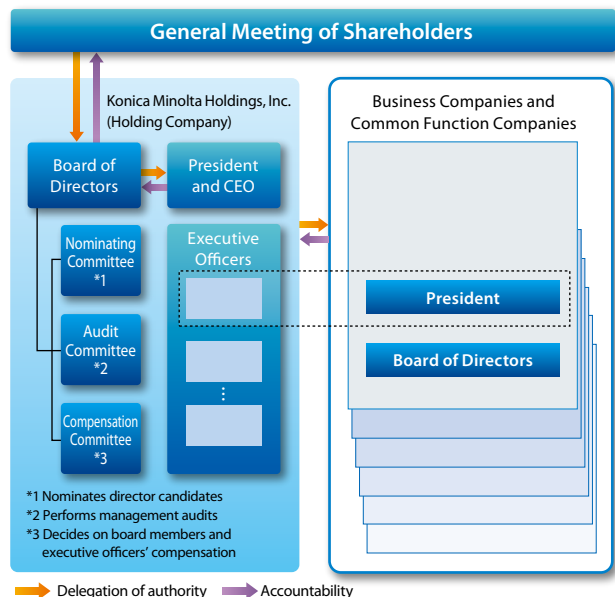
Board of Directors and Three Committees (as of June 22, 2011)

Board of Directors (total of 11 people)			
Seven Non Executive Officers	Nominating Committee	Audit Committee	Compensation Committee
Directors (Chairman of the Board)	●		
Outside Director	●		●
Outside Director		●	●
Outside Director	●	●	
Outside Director	●	●	●
Director	●	●	●
Director		●	●

Four Executive Officers:
 Director (President & CEO)
 Three Directors (Senior Executive Officers)

● : Chairman

Corporate Governance System



Compliance

In October 2003, Konica Minolta established the Konica Minolta Group Charter of Corporate Behavior [▶P7](#), as the basis for corporate activities. At the same time, the Group established the Konica Minolta Group Conduct Guidelines to serve as a foundation for the governance of the Group companies in Japan, based on the principles contained in the Charter.

Compliance manuals and codes of conduct have also been prepared by Group companies outside Japan based on these guidelines.

Guidance on the Konica Minolta Group Charter of Corporate Behavior

In April 2011, the company published the Konica Minolta Group Guidance for Charter of Corporate Behavior for all Group companies worldwide, as a reference for individual employees when implementing the Charter.

The Guidance provides specifics on practices employees should follow, based on a common understanding of the items in the Charter. It also contains specific requirements concerning human rights and anti-corruption measures, as outlined in the United Nations Global Compact [▶P7](#), joined by Konica Minolta in 2008.

Employees worldwide are required to follow their own Group company compliance manuals and codes of conduct that correspond to the social ethics and laws of their respective countries, using the Guidance as a baseline.

Revision of Compliance Manual for China

In April 2011, the compliance manual for China was revised. Complementing to the Konica Minolta Group Charter of Corporate Behavior, the manual refers to Chinese law and social ethics and describes practices employees should follow using specific examples. The first edition of this manual was issued in fiscal 2004, and the revision was necessary in order to keep pace with the legal and social changes in that country.

The compliance manual for China has been released in Chinese and Japanese, and is used not only for employee training in China, but also for preparing employees temporarily transferred from Japan to China, and those traveling there on business.

Risk Management

Konica Minolta has established a system for minimizing the business and social impact of crises that may arise from a range of risks, by taking prompt and appropriate action and by releasing information.

Response to the Great East Japan Earthquake

Immediately after the earthquake that struck on March 11, 2011, Konica Minolta set up a Disaster Response Headquarters, and began to confirm employee safety and the extent of damage to affected Group companies.

Headquarters meetings were then held each morning, headed by the president of Konica Minolta Holdings, who also serves as chief of the Disaster Response Headquarters. The meetings included the heads of relevant departments at Konica Minolta Holdings, the executive officer for personnel, and the executive officer for crisis management. The team discussed information provided by various Group companies in Japan, and issued instructions for unified Group response measures.

Meanwhile, each business company and their subsidiaries continued to confirm conditions of customers and the entire supply chain, while investigating response measures [▶P6](#). At the Headquarters meetings, the information was compiled, and rapid determinations were made on how the entire Group would move forward with recovery measures and support for the disaster region. The Headquarters team dealt with issues that were changing on a daily basis, including conditions in the disaster region, the impact of the nuclear crisis, planned power outages, and gasoline shortages. Decisions by the team were promptly disclosed in and outside the Group whenever necessary.

The Headquarters meetings at Konica Minolta Holdings were concluded one month after the earthquake, and since then reconstruction measures have been carried out at each business company according to the circumstances. Along with the continuation of these activities, the company will also analyze new potential risks brought to light by the disaster, which will be useful for improving the Group's crisis management system.



Disaster Response Headquarters on the day of the earthquake

Expert Opinion of Konica Minolta's CSR Report

We asked Yoshinao Kozuma, Professor of Economics at Sophia University, to give us some feedback on this report. His comments are presented below. We will use this feedback to improve our future CSR activities and the CSR report next year.



Yoshinao Kozuma

Professor
Faculty of Economics
Sophia University

Prompt disclosure of earthquake response information

The most notable feature of this year's report is its disclosure of information on Konica Minolta's response to the Great East Japan Earthquake on the pages just after the Message from the President. The earthquake delivered a devastating blow to the social infrastructure of eastern Japan, severely affecting industrial activity there. However, the Group's business companies have provided quick and detailed reporting on how they coped with the disaster, thus providing timely information on the functioning of the company's risk management system not only to stakeholders who have been worried about the ongoing impact of the quake, but also to all stakeholders with a concern for the Group's CSR management. This active approach to information disclosure is the best way to build stakeholder trust.

Life-cycle-based environmental management

The point most deserving of recognition within the Konica Minolta Group's environmental management efforts is the Group's focus on reducing the environmental impact of its business activities at every stage of the life cycle. In recent years,

in a bid to ensure that economic activity need no longer result in greater resource consumption and increased environmental impact, the scope of environmental management has been broadened to go beyond its focus on the traditional business areas. There is now a pronounced trend for it to additionally cover the entire value chain. This is the thinking behind Konica Minolta's approach, which is quite advanced even by international standards, and I have high hopes that it will help to make human societies more sustainable.

However, with the increase in information included this year over last year, notational issues related to the reporting of environmental management plans and results has made it a bit harder to grasp the big picture. For example, the Medium-Term Environmental Plan 2015 adopts a product life-cycle CO₂ reduction target of 20%, but when one examines the subcomponents of this target, absolute targets are used for the "product usage" stage of the life cycle, while per-unit targets are used for the other three stages. This makes it difficult to see the quantitative relationship between the parts and the whole. In addition, some of the per-unit targets show an increase in the current year, where the Group's medium-term targets had called for a reduction. A more detailed explanation is required regarding the relationship between the two.

Better disclosure of social information

The Konica Minolta Group's Medium Term Business Plan, "G Plan 2013," declares the goal of "becoming a truly global company." However, if the Group is to provide disclosure at a level befitting a global company, further improvements in the content and format of its reporting of social information will be needed. This year's report is better than last year's in that it provides more information regarding occupational accidents at overseas production sites. On the other hand, some of the items given in the social action targets and results could be disclosed with quantitatively evaluated data. I recommend further consideration of how to improve disclosure quality on such items.

External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on whether its CO₂ emissions, energy use, petroleum-based resource usage in products, waste discharged externally, petroleum-based resource waste, packaging materials usage, atmospheric emissions of volatile organic compounds (VOCs), and water consumption have been measured, gathered and disclosed in accordance with the criteria set by the Group, and on whether the Group's statement of its GRI application level in the report is compliant with the reporting guidelines of the GRI. KPMG AZSA Sustainability has expressed its conclusion in its independent assurance report.



Period: March – June 2011



Site inspection at the Kobe Site



Assurance procedures being conducted

Comments on the Assurance Process

Naomi Sugo KPMG AZSA Sustainability Co., Ltd.

Last year, assurance was performed only for Konica Minolta's data on energy use and CO₂ emissions, but this year, in order to improve the reliability of the report, additional assurance has been provided for data on a number of other indicators, especially those related to the Medium-Term Environmental Plan, such as waste discharged externally (weight of waste material, etc.) and atmospheric emissions of VOCs. In addition, the Group has sought to improve the accuracy of reported indicators by, for example, unifying the distance data used for calculating CO₂ emissions from distribution, which used to vary from one business company to another.

Information systems were used by Konica Minolta to collect data on waste discharged externally and the energy use of domestic business locations, but there were some indications that

the functions of these systems were not being fully utilized. For example, regarding data input that was missing or clearly erroneous, it would be possible to arrange for an alert to be sent out whenever input values differ greatly from those for the previous month, or for the same month of the previous year, thereby avoiding many errors. By taking advantage of the computing power of information systems, Konica Minolta could achieve greater efficiency while at the same time ensuring more accurate numerical data.

Double checking by people is important in order to improve accuracy, but given the limited availability of human resources, it is equally important to exploit information systems to detect and prevent human error.



KONICA MINOLTA

KONICA MINOLTA HOLDINGS, INC.

KONICA MINOLTA BUSINESS TECHNOLOGIES, INC.

KONICA MINOLTA OPTO, INC.

KONICA MINOLTA MEDICAL & GRAPHIC, INC.

KONICA MINOLTA SENSING, INC.

KONICA MINOLTA TECHNOLOGY CENTER, INC.

KONICA MINOLTA BUSINESS EXPERT, INC.

KONICA MINOLTA IJ TECHNOLOGIES, INC.

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Giving Shape to Ideas

At Konica Minolta, we undertake the challenges
faced by our customers together with them
and work relentlessly toward their success.