



KONICA MINOLTA



The Creation of New Value

KONICA MINOLTA CSR REPORT 2010

The essentials of imaging

Creating new value for every new generation

Konica Minolta aims to be essential to every new generation by developing diverse businesses which create new value, while fulfilling its responsibilities to human society and the earth as a global corporate citizen.

Holding Company

KONICA MINOLTA HOLDINGS, INC.

Responsible for planning and promotion of management strategies for the Konica Minolta Group, and for audit and administration of the Group's management.

Business Companies

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

KONICA MINOLTA BUSINESS TECHNOLOGIES, INC.

Manufactures and markets digital multi-functional peripherals (MFPs), printers, and related supplies.



KONICA MINOLTA OPTO, INC.

Manufactures and markets optical products such as pickup lenses and electronic materials such as triacetyl cellulose (TAC) films.



KONICA MINOLTA MEDICAL & GRAPHIC, INC.

Manufactures and markets medical and graphic imaging equipment and materials.



KONICA MINOLTA SENSING, INC.

Manufactures and markets measuring instruments for industrial and medical applications.



Common Function Companies

Companies that perform centralized Group-wide functions.

KONICA MINOLTA TECHNOLOGY CENTER, INC.

Conducts R&D, promotes the incubation and commercialization of new business and manages and operates intellectual property.

KONICA MINOLTA BUSINESS EXPERT, INC.

Provides management support and administrative functions and services.

Affiliates Managed by the Holding Company

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

KONICA MINOLTA IJ TECHNOLOGIES, INC.

Manufactures and markets inkjet print heads for industrial use and textile printers.



KONICA MINOLTA PLANETARIUM CO., LTD.

Manufactures, markets, and installs planetariums.



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. The two Special Feature articles report the Group's latest initiatives in environmental and energy fields, as well as its special efforts in the field of business technologies, the Group's main business area, to reduce the environmental impact of its products.

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 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, 2009 to March 31, 2010. Some sections may include information on earlier initiatives or more recent activities.

In this report, "fiscal 2009" refers to the fiscal year starting April 2009 and ending March 2010.

Publication Date

August 2010 (next report: scheduled for August 2011; previous report: August 2009)

Relevant Guidelines

In making this report, Konica Minolta referenced the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines Version 3.0* and the *Environmental Reporting Guidelines 2007* issued by Japan's Ministry of the Environment.

Website

Detailed information regarding Konica Minolta's CSR activities can be found online at:

www.konicaminolta.com/about/csr

Disclaimer

In addition to facts about past or present circumstances, this report contains description 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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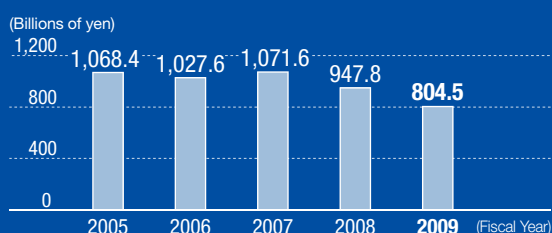
Creating New Value through the Fusion of Diverse Core Technologies

The Konica Minolta Group consists of business companies, common function companies, and other affiliates under the holding company Konica Minolta Holdings, Inc. [▶ P1](#)
 Powered by the core technologies it has developed in four fields—materials, optical, nano-fabrication and imaging technology—Konica Minolta delivers a variety of products and services to customers all over the world.

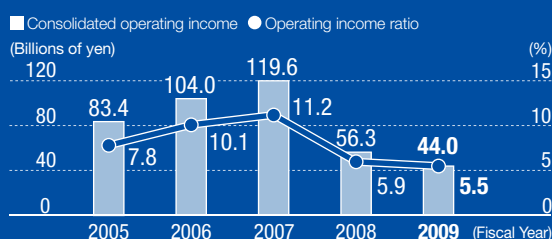
Company Profile

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

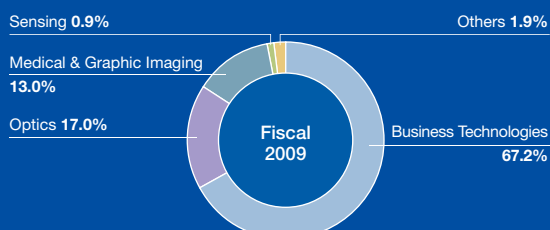
Consolidated Sales



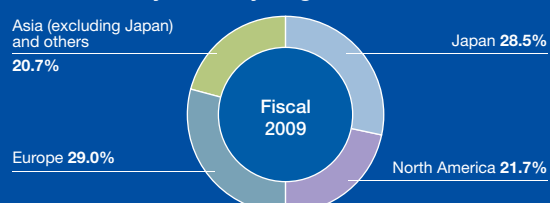
Consolidated Operating Income/Operating Income Ratio



Breakdown of Sales by Business Segment



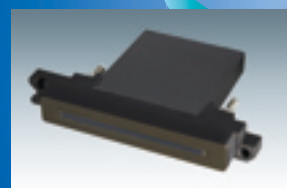
Breakdown by Sales by Region



Optics Business

Meeting increased demand for glass substrates used in hard disk drives

Glass substrates are used in the hard disk drives which serve as storage devices in personal computers and portable music players. In response to the rapid growth in demand and the high density of substrates, Konica Minolta Opto, Inc. started construction to add a production line at its production site in Malaysia in March 2010.



Industrial Inkjet Business

Reducing the power consumption of industrial printers

In November 2009, Konica Minolta IJ Technologies, Inc. introduced the KM1024 series of industrial inkjet heads for high-speed printing. Each head has 1,024 nozzles. This new product requires about 50% less power to operate than conventional products.

* This section introduces a selection of notable activities from fiscal 2009.



Business Technologies Business

Creating production printing systems for reliable, high-resolution printing

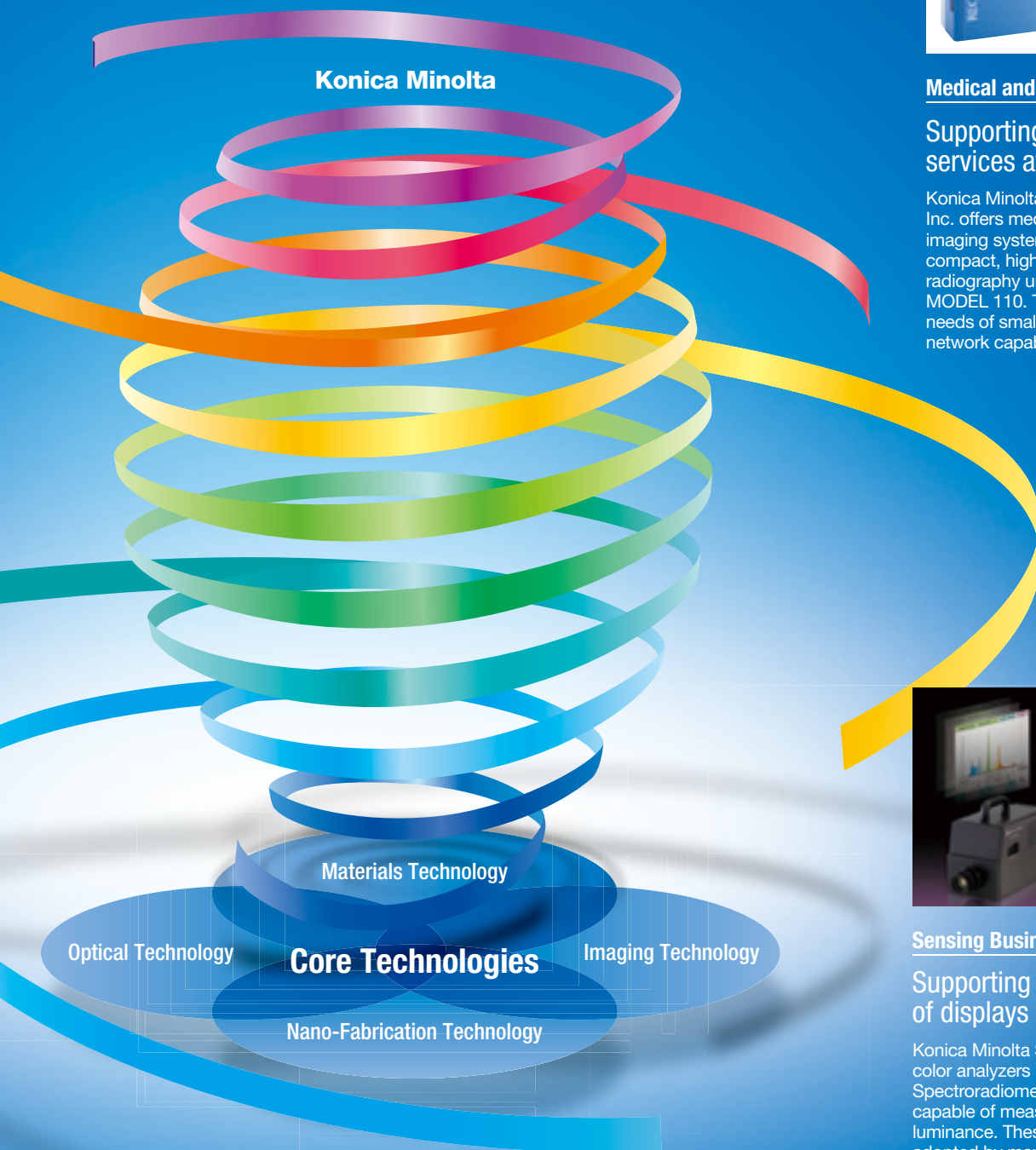
In April 2010, Konica Minolta Business Technologies, Inc. released its bizhub PRESS C8000 production printing system with newly developed toner. As a premier color model, it meets the requirements of the commercial production printing sector for high print quality and reliability.



Medical and Healthcare Business

Supporting medical services at small clinics

Konica Minolta Medical & Graphic, Inc. offers medical diagnostic imaging systems that feature its compact, high-speed computed radiography unit, the REGIUS MODEL 110. The systems meet the needs of small clinics for digital and network capability.



Sensing Business

Supporting quality control of displays

Konica Minolta Sensing, Inc. offers color analyzers including the Spectroradiometer CS-2000A, which is capable of measuring extremely low luminance. These products have been adopted by many companies as standard equipment for quality control of displays.



Planetarium Business

Latest dome theater planned at the foot of the Tokyo Sky Tree

Konica Minolta Planetarium Co., Ltd. has announced that it will build and directly operate a multi-functional dome theater in the commercial complex around the Tokyo Sky Tree broadcasting tower currently under construction in Tokyo. Preparation is underway for the grand opening in spring 2012.

Striving to Create New Value to Meet Stakeholders' Expectations

Konica Minolta's CSR policy is based on implementing the Group's Management Philosophy and Charter of Corporate Behavior. The Management Philosophy, "the creation of new value," expresses the determination to identify and realize the values required by every new age, based on the three dimensions of the economy, the environment, and society. The Charter of Corporate Behavior presents a foundation for all aspects of the business activities undertaken by each individual at Konica Minolta.

In addition, as a means of further strengthening its CSR initiatives, Konica Minolta has signed the United Nations Global Compact.*

* The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

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.



Shareholders and Investors

Technology briefing for analysts and investors

In March 2010, Konica Minolta Holdings, Inc., held a meeting in Tokyo for analysts and investors to present its concept for new businesses based on its core technologies. Around 120 people attended the briefing, and the presentation was followed by a lively question and answer session.



Local Community

Making contributions through business capabilities and addressing social issues

Konica Minolta is engaged in various social action initiatives, focusing on making the most of its business capabilities to contribute to society and also on addressing social issues faced by communities around the world (▶P35).

* This section introduces a selection of notable activities from fiscal 2009.



Global Environment

Zero waste activity certification achieved at all production sites

In March 2010, production sites in China, France, and Malaysia and two sites in the U.S. met level 2 zero waste criteria, for a total of five sites. With this, all production sites in the Group had achieved their zero waste activity goals (▶P20).



Customers

Better support through remote maintenance

Konica Minolta provides remote maintenance of its products in order to provide faster support for its customers. For example, Konica Minolta Healthcare Co., Ltd., a medical equipment sales company in Japan, operates a call center open 24 hours a day, 365 days a year, providing explanations to customers using a shared screen and resolving equipment malfunctions remotely.



Business Partners

Enhanced dialogue with suppliers in China

Konica Minolta Business Technologies, Inc. holds regular annual briefing sessions with its suppliers in China. In March 2010, 208 companies took part in meetings in the South China region, while 161 companies attended in the East China region. The participants discussed their common goals and issues, making it a valuable opportunity for communication.



Employees

Simultaneous global employee attitude survey

In November 2009, Konica Minolta continued its practice from the previous year by carrying out a global attitude survey of Group employees. About 19,000 people responded, more than half of all those surveyed. By sharing their thoughts on Konica Minolta's strengths and challenges, they made a valuable contribution to future improvements.

Responding to the real needs of the world with a rich portfolio of unique technologies



Building a company essential to society and worthy of its support

The current global recession triggered by the financial crisis is moving slowly toward recovery, with newly emerging economies leading the way, but the situation remains unpredictable. Accompanying the economic uncertainty, global environmental problems including global warming and the biodiversity crisis, as well as resource and energy problems, are becoming increasingly serious and complicated. We recognize that the dramatic changes occurring in worldviews today indicate that the world is on the threshold of pivotal change.

In order for a company to survive and continue to grow under these circumstances, it is imperative that every management decision is made with consideration of the role we must fulfill to remain essential to society and worthy of its support. Thus, we must be able to make correct judgments about business activities and determine company themes that become the focus of such activities, in a way that reflects the array of opinions espoused by customers, shareholders and other stakeholders. Moreover, we believe that we need to have a fundamental policy that is respectful of social ethics and that commits us to acting with integrity.

Contributing to the realization of a sustainable world through technological innovation

Global environmental issues must be addressed by every company. Konica Minolta has established the long-term environmental vision “Eco Vision 2050,” which declares our commitment to the realization of a sustainable earth and human societies, and addresses vital issues such as reducing CO₂ emissions, the effective use and reuse of limited global resources, and the restoration and preservation of biodiversity.

When considering a company's contribution to the global environment in the mid- to long-term, it is not enough merely to bolster environmental efforts in existing businesses. At Konica Minolta, we believe that creating new businesses that actually help to mitigate or improve global environmental problems is just as

critical, and we intend to leverage our proprietary technologies to do just this.

Konica Minolta is now focusing on delivering solutions using new technologies such as organic electro-luminescence diode (OLED) lighting, which dramatically improves energy efficiency, or organic thin-film photovoltaics, which can reduce electrical power costs significantly. We believe that our responsibility to society as a manufacturer entails proactive technological innovation that explicitly aims to realize a more sustainable world. It is with this goal in mind that we are vigorously investing in creation of new businesses in the fields of energy and the environment.

Proactive responsibility for quality and safety

A company has no greater obligation than earning customers' trust in the quality and safety of its products and services. This is why Konica Minolta, while working hard to provide high-quality products and services that meet all expectations, is also stepping up its efforts to prevent the occurrence of product quality problems by enhancing its system to acquire market knowledge that enables the Group to identify issues which must be addressed and take proactive measures.

It is crucial to have mechanisms in place by which top management can stay abreast of quality problems in real time, then considers that information from the customers' point of view and take effective action to address those problems. Focusing on the implementation of our management system that ensures product quality and safety, as well as on the actions needed if problems involving product quality arise, we will conduct timely reviews and improvements incorporating the views and concerns of the public and the market.

Addressing social issues together with our suppliers

In recent years, corporations are required to ensure that their business activities help to improve social issues that involve human

rights and labor practices. It goes without saying that a company has to be responsible for the practices of its group companies, but it has also proven necessary to address these issues with suppliers throughout the supply chain, including partners in procurement, production, logistics, and sales.

In response to such societal demands, Konica Minolta became a signatory to the United Nations Global Compact in December 2008. The Global Compact identifies ten principles of action related to human rights, labor, environment, and anti-corruption; Konica Minolta, as a signatory, is working on activities that will help realize these ideals. Specifically, Konica Minolta began practicing CSR procurement in fiscal 2009 under a system designed to ensure Group companies and suppliers are helping to solve environmental and social problems, and has been working together with its suppliers to expand and improve upon such activities.

Each and every employee is the key to change

Now, more than ever, the world is undergoing enormous change. The mindset of each employee will be critical in helping our company to seize the opportunities presented by this change and create a fresh wave of innovation. Recognizing the vital importance of its employees, Konica Minolta is working hard to foster a corporate culture that espouses high goals and accepts challenges without fear of failure, under the worldwide action slogan, "simply BOLD."

Going forward, Konica Minolta aims to be an enterprise where employees worldwide produce dramatic innovation that drives the creation of new value and builds a better world.

Masatoshi Matsuzaki
President and CEO
KONICA MINOLTA HOLDINGS, INC.



Contributing to the Realization of a Sustainable Society
by Integrating Diverse Technologies

Taking on New Challenges in the Environment and Energy Businesses

Konica Minolta has focused on developing and providing products that greatly reduce its environmental impact while at the same time realizing new value. The Group is now expanding into new business areas where it can make more positive contributions to the environment by making the most of its long-established array of uniquely diversified technologies.

Konica Minolta Businesses in the Environment and Energy Fields

Organic light-emitting diode (OLED) lighting ▶P11

Konica Minolta is developing a next-generation lighting technology which takes advantage of the light-emitting properties certain organic materials have when subjected to an electrical current.



Example of application

Main characteristics

- Saves energy
- Light source is a surface
- Light, thin and flexible

Organic thin-film photovoltaics ▶P11

Konica Minolta is developing next-generation photovoltaics that uses the ability of certain organic materials to generate electricity when subjected to light.



Example of application

Main characteristics

- Lightweight
- Flexible
- Transparent

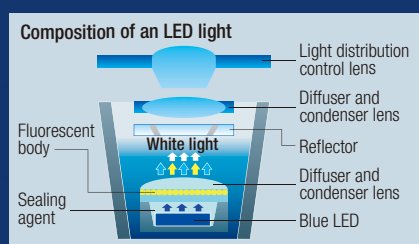
Core technologies

Organic material technology

- Optical design technology
- Film-making and coating technology
- Nano-fabrication technology
- Precise driving technology
- ..etc.

LED lighting

LED lighting has become popular as a power-saving form of lighting. Recently, Konica Minolta Opto, Inc. has started to supply heat-resistant glass lenses to lighting equipment manufacturers to be used as diffuser and condenser lenses, which are important components of LED lighting.



Beam-down process solar thermal power generation

Konica Minolta Opto, Inc. has developed a reflector with 98% or higher reflectance, allowing for the full use of optical energy as heat. The company has been supplying reflectors for the pilot installations for a solar thermal project which started in 2010 in the United Arab Emirates.



Image provided by Cosmo Oil Co., Ltd.

Organic Material Technology

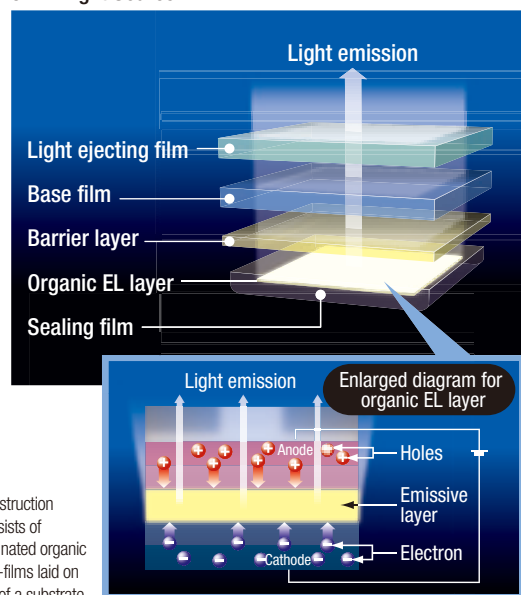
Applying Organic Material Technology to the Lighting and Natural Energy Fields

The basic structure of organic compounds is made of carbon atoms, with hydrogen, oxygen, nitrogen, sulfur and other elements attached. Synthetic research on organic compounds started in the early 19th century and has yielded substances with a variety of properties.

Organic materials derived from organic compounds are easily processed and are lightweight and flexible. Thus, they are utilized widely in industrial fields. They have attracted attention for their potential use in semiconductor materials, which until now have relied on inorganic substances such as silicon.

Organic materials which display semiconductor characteristics have properties that transform electricity to light (light emission) and light into electricity (electricity generation) by controlling the electrical current. Konica Minolta continues to develop OLED lighting and organic thin-film photovoltaic panels, taking advantage of these properties.

OLED Light Source



Developing Blue Phosphorescent Materials Using Technologies for Synthesizing Organic Materials

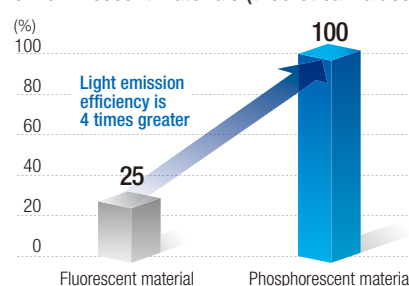
Currently, there are two types of organic material that have been developed into luminescent material that serves as the main component of OLED lighting. One is a fluorescent material which is already being used in mobile phone displays and other products. The other is a phosphorescent material which Konica Minolta is applying.

Phosphorescent material is theoretically expected to have four times greater light emission efficiency than fluorescent material; however, it has been challenging to enhance its longevity for practical applications. Further, while red, green, and blue luminescent materials—representing the three primary colors of light—are indispensable to create white-light illumination, the development of short-wave blue phosphorescent material has proven to be extremely difficult.

Konica Minolta has succeeded in developing a blue

phosphorescent material with both light emission efficiency and durability by applying technology for synthesizing organic materials developed in its work on photo-sensitized materials. In laboratory experiments in 2006, a white organic EL lighting device employing this blue phosphorescent material achieved light emission efficiency and durability which compares with those of a fluorescent lamp.

Comparison of the Light Emission Efficiency of Luminescent Materials (theoretical values)



Spotlight

Organic Material Technology Used for Photoconductors in Copiers

Photoconductors are the leading component in copiers and MFPs, serving to transfer optically scanned information onto paper. Konica Minolta first employed photoconductors using organic material in the U-Bix1200 copier launched in 1984.

Organic photoconductors excel in safety and cost compared to non-organic photoconductors using selenium, tellurium and other materials. Since 1984, as a result of continuous technological development in sensitivity and durability, Konica Minolta's organic photoconductor performance has improved dramatically, and they are currently used in all models, from low-speed to high-speed.

Konica Minolta uses the know-how it has accumulated in the design and synthesis of organic materials in its new development of OLED lighting and organic thin-film photovoltaic panels.



First-generation organic photoconductor

Organic Light-Emitting Diode (OLED) Lighting

High-level Light Emission Efficiency Contributes to the Reduction of Energy Consumption

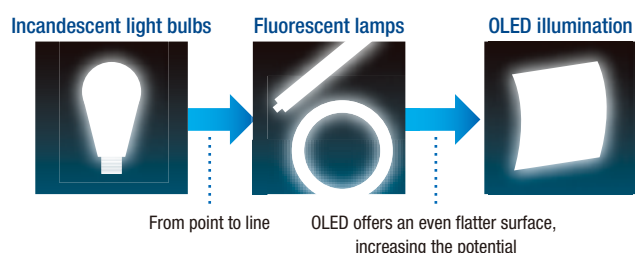
The environmental impact of OLED lighting is small because, unlike fluorescent lamps which contain mercury, it does not contain substances that can harm the environment after disposal.

Furthermore, thanks to its high light emission efficiency

(the efficiency of converting electricity to light), OLED lighting holds the future promise of reducing energy consumption compared to current mainstream fluorescent light sources. Society has high expectations for the practical application of OLED lighting as a technology of low environmental impact.

New Source of Lighting That Evenly Illuminates Wide Surface Areas

Until now, spaces have been illuminated by point or linear light sources, such as incandescent light bulbs and fluorescent lamps. OLED lighting, in contrast, has characteristics not found in conventional lighting, emitting a uniform light from the whole surface, over a large area. Moreover, OLED lighting closely resembles natural light. Not only that, it does not include ultraviolet rays, which reduces negative impact on the eye.



Lightweight, Thin, Flexible OLED Lighting Has Multiple Potential Applications

With OLED lighting, the light source itself illuminates a wide area evenly. This makes it possible to have an entire ceiling or wall serve as an illumination device.

Moreover, if plastic film is used for the substrate base, then flexibly curved lighting becomes a real possibility in the future. OLED lighting offers greater potential for applications, including revolutionary design of indoor lighting and new applications in interior spaces, illumination inside vehicles and aircraft, novel monuments and artworks, and other exciting lighting options.



Examples of applications



Organic Thin-film Photovoltaic Panels

Developing New Photovoltaic Panels That Are Lightweight, Flexible and Transparent

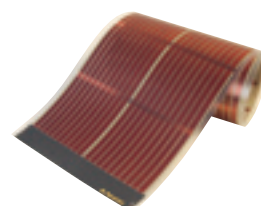
Konica Minolta began developing organic thin-film photovoltaic panels in April 2010, in collaboration with the U.S. company Konarka Technologies, Inc., a technologically sophisticated manufacturer that was the first in the world to commercialize this type of photovoltaic panel. By combining the company's expertise with the Group's wealth of technologies, Konica Minolta aims to dramatically improve photovoltaic conversion efficiency, achieve longer life, and reduce manufacturing costs.

The organic thin-film photovoltaic panels currently under development are expected to exhibit properties unlike traditional photovoltaic panels, such as being lightweight, flexible, and transparent, as well as being capable of generating electricity via incoming light at shallow angles or

with limited brightness. Such properties will make an array of new applications possible, including attaching photovoltaic panels to windows on buildings and large canopy covers.



Examples of applications



Konarka Technologies, Inc. organic thin-film photovoltaic panel

Creating the Future of OLED Lighting

Realizing OLED Lighting, an Ideal Source of Illumination That Will Contribute to the Future of Humankind

Yoshitsugu Shiraki
General Manager, LA Business Department
Konica Minolta Holdings, Inc.



Humankind, Light, Civilization

When did humankind first begin to use fire—tens of thousands of years ago, or even before that? Who knows but the first primate to obtain fire became the first “human,” and was no doubt an object of awe and hope. Light that illuminated the dark night filled with wild beasts—that was the beginning of civilization. Since then, humans have used fire and flammable materials as a means of providing for light—until 1879 when Thomas Edison invented the incandescent light bulb.

The incandescent light bulb was the first light to be generated by means of electrical heat. Since then, for nearly 130 years the light bulb has carried civilization to every nook and cranny of the globe.

The fluorescent lamp was invented in 1938, about 60 years after Edison’s invention. Although it represented a new generation of illumination based on groundbreaking technology utilizing electrical excitation, it also had a weakness, containing the highly poisonous substance, mercury.

About another 60 years later in 1996, LED (light-emitting diode) lighting was introduced, which, because it uses electrical excitation of inorganic semiconductors, exhibits long-life and energy-saving properties without using harmful materials.

End of the Edison Era

The year 2009 is said to be the end of the Edison era. The incandescent light bulb had a low conversion efficiency of electricity to light and has been viewed as one contributor to global warming. As a result, sale of incandescent light bulbs was phased out in EU member countries beginning in September 2009.

Due to the lack of substitute products, the fluorescent lamp, recognized as an exception under the RoHS directive*, is expected to be subjected to tighter regulation in the near future.

* RoHS directive: Regulations enacted by the EU in July 2006 prohibiting the use of specified hazardous substances in electrical and electronic equipment.

Ideal Illumination Pursued by Konica Minolta

Some may ask, “Why is Konica Minolta entering the illumination business?” It is true that Konica Minolta is a recent entrant in this business, but there are three reasons why we believe we should make a go of it anyway.

First, we feel it will help us to contribute to the global environment. OLED is one type of LED that is expected to serve as energy-saving illumination. Since the basic principle is the same—the only difference being whether the material is inorganic or organic—huge energy-saving effectiveness can be anticipated.

Next, Konica Minolta has become deeply involved with “light” ever since its initial founding over 140 years ago. It is mobilizing all the experience it has gained over the years working in photography, camera, copiers, optical lenses and other businesses, and applying it to “lighting.”

Lastly, organic materials technology is at the foundation of all the proprietary technology Konica Minolta possesses. The technology Konica Minolta has fostered over the years holds the infinite potential of OLED.

The Nobel Prize recipient, Dr. Hideki Shirakawa, showed in 1977 that the conductivity of organic compounds is just as high as that of metals. To me, this demonstrates that OLED lighting will be the light of our dreams, the most efficient source of illumination in the history of humankind. At Konica Minolta, we are dedicated to realizing this new, dreamed-of means of illumination that will shape the future of humankind.



Prototype of Konica Minolta OLED lighting

Contributing to the Realization of a Sustainable Society
by Reducing the Environmental Impact of Offices

Polymerized Toner —an Innovative Choice

Toner is used to print text and image on copiers, Multi-functional peripherals (MFPs), and printers. Polymerized toner is a path-breaking toner product that offers both enhanced printing quality and high environmental performance. Konica Minolta actively promotes the use of polymerized toner, which can make a difference in saving energy and conserving resources in the office environment.

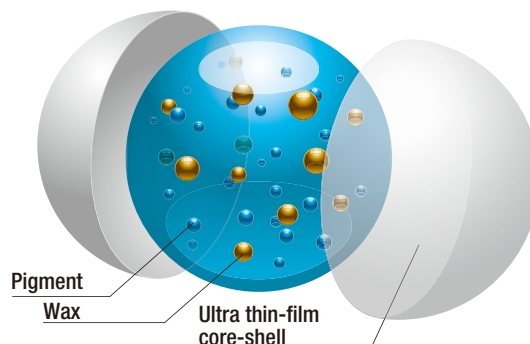
Polymerized toner

A Next-Generation, High-Performance Toner Created through Chemical Reaction

Polymerized toner is a high-performance toner produced by chemically combining a resin with color pigment particles. Unlike conventional pulverized toner, which is made by crushing lumps of plastic into small particles, the polymerized method enables precise control of the structure of each toner particle. This, in turn, makes it possible to tailor the size and shape of each particle and impart various properties to it.

The polymerized toner developed by Konica Minolta achieves a print product that exhibits a high-quality image while reducing environmental impact. The Group is continually working to upgrade its polymerized toner to realize an ever higher quality product.

Core-shell Configuration of Konica Minolta's Polymerized Toner
(The diagram represents Simitri HD+^{*1} toner)



^{*1} Simitri is the trademark for Konica Minolta polymerized toner. The term "Simitri" was coined from the word symmetry.



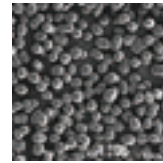
Polymerized Toner Saves Energy and Conserves Resources When in Use

When printing images using MFPs and printers, the process of fusing the toner with heat and fixing it to paper consumes the most electricity. The small and uniform polymerized toner particles conduct heat more efficiently than pulverized toner particles, and their low fusing point also means that less electricity is consumed during the fusing process.

In an effort to achieve greater power savings through the performance of low-temperature fusing, Konica Minolta developed a new type of polymerized toner, Simitri HD toner. This product features a core-shell configuration (▶P13) comprised of a thin outer layer of hard resin wrapped around a soft core of inner resin, to enable fusing at a lower temperature while also offering the thermostability required for high-speed printing. With such characteristics, polymerized toner has been adopted and used in many of Konica Minolta MFPs and printers.

The small size of polymerized toner particles also helps reduce the amount of toner consumed when printing the

image. Thus Konica Minolta's polymerized toner products not only save energy, but also conserve resources.

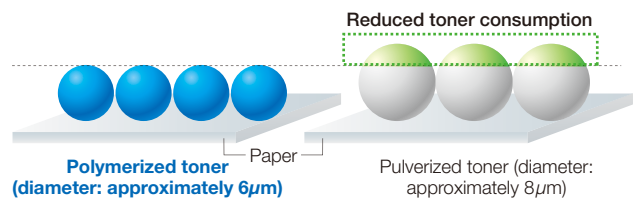


Polymerized toner



Pulverized toner

Illustration of How Smaller Particles Can Reduce Toner Consumption



Spotlight 1 The History of Konica Minolta's Development and Application of Polymerized Toner

Nearly every model, whether monochrome or color, uses polymerized toner

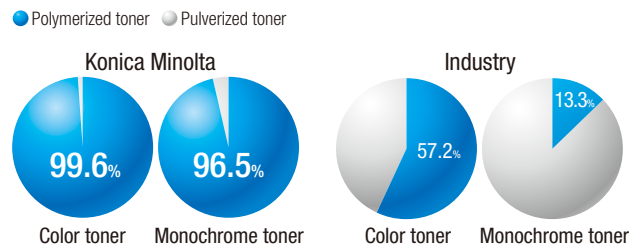
Early on, Konica Minolta focused on the potential of toner made through chemical reaction that could enable high-quality printing and save energy, and thus began research and development of an emulsion polymerization method^{*2}. The Group began to manufacture its original polymerized toner, Simitri toner, in December 2000, and became the first in the world to introduce polymerized toner for use in a monochrome MFP.

Konica Minolta has always led the way in the advancement of polymerized toners. In 2006 the Group began manufacturing its second-generation polymerized toner, Simitri HD toner, which improved performance in low-temperature fusing; and in 2010, it released Simitri HD+ toner, which represents a further advance in toner technology.

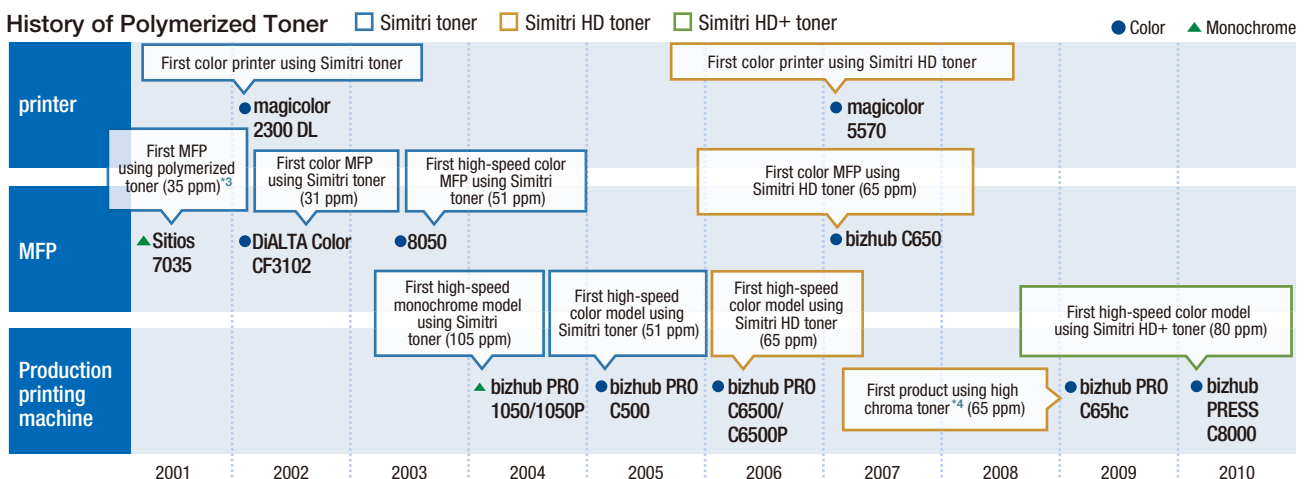
Capitalizing on its development capabilities, Konica Minolta has adopted polymerized toner in nearly all Konica Minolta printing products, from entry-level models to high-speed production printing machines, whether monochrome or color. Today, 99.6% of Konica Minolta's color toners and 96.5% of its monochrome toners are polymerized—the highest rates in the industry.

^{*2} Emulsion polymerization method: A method of chemically combining a resin base, a color pigment and wax by dispersing them in an aqueous surfactant solution.

Adoption of Polymerized Toner (2009)



Source: The estimated toner production for 2009 from the 2009 Toner Market Directory by Data Supply Inc.



^{*3} Paper per minute. All print speeds are for monochrome, letter or A4 landscape format continuous print.

^{*4} A toner that extends the range of color reproduction by redesigning the granular structure of the color pigment. Produces broad chromatic spectrum and clarity.

2 Polymerized toner—an innovative choice

Reducing Petroleum Resource Usage by Adopting Plant-based Biomass Material

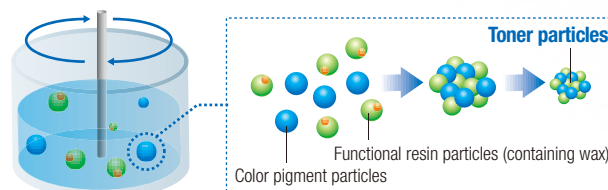
Since first manufacturing polymerized toner in 2000, roughly 9% of the raw material used to make Konica Minolta toners has been plant-based biomass.*1

Konica Minolta polymerized toner contains wax dispersed evenly during manufacturing, thereby realizing oil-free fixing*2 when printing. By using plant-based materials for the wax component in all colors of toner—cyan, magenta, yellow, black—it reduces the use of materials derived from petroleum, a finite resource.

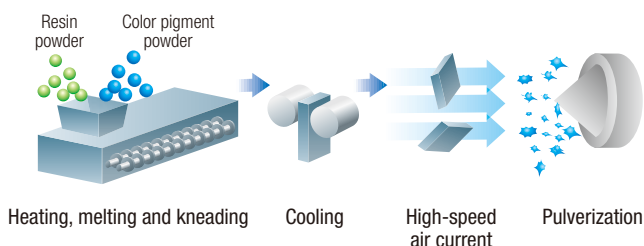
*1 Biomass: Renewable bio-organic resources other than fossil-derived resources.

*2 Oil-free fixing: This is a way to exfoliate toner from the roller and fix it to the paper without using oil applied to a heat roller. It enables higher quality output by suppressing unwanted glare and blur in the image.

How Polymerized Toner Is Manufactured



How Pulverized Toner Is Manufactured

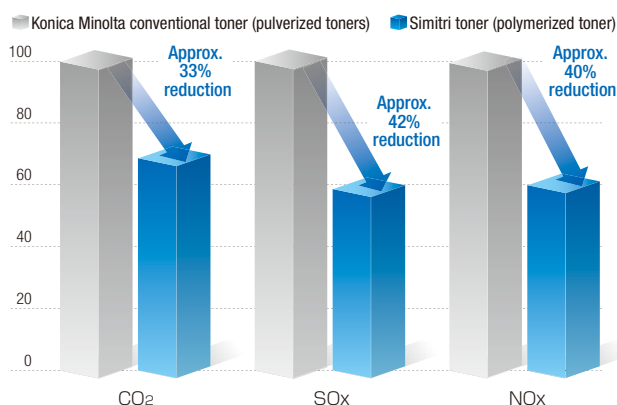


Simple Manufacturing Methods Greatly Reduce CO₂, SO_x, and NO_x Emissions

Producing pulverized toner entails an involved process for crushing after making the lumps of plastic and consumes a great amount of energy for pulverization. It produces irregular shaped particles which need sorting, and also results in lower production yields.

Polymerized toners, on the other hand, entail a relatively simple manufacturing process using chemical synthesis to make the toner particles. This reduces energy consumption and also ensures uniform particle size, which minimizes the sorting needed. Compared to pulverization methods, these advantages help to reduce generation of CO₂ and the acid-rain causes SO_x (sulfur oxide) and NO_x (nitrogen oxide), thereby significantly reducing environmental impact.

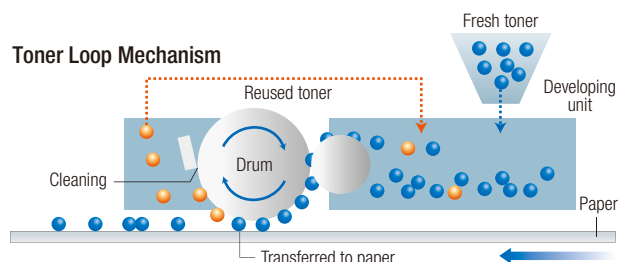
Environmental Impact Reduction Effectiveness (Index of 100 for Conventional Toners)



Spotlight 2 Resource-Saving Efforts in Toner Products

Toner Loop Mechanism Uses Toner without Waste

Konica Minolta equips nearly all of its monochrome MFP models and some monochrome laser printers with its unique Toner Loop Mechanism inside the machine which collects, circulates and reuses any toner not fixed to the paper during printing. This system helps realize resource conservation by reducing the amount of wasted toner to zero—a big improvement over the 5-10% of toner normally wasted.



Toner Bottles Incorporate Recycled Plastic

Konica Minolta incorporates up to 40% recycled plastic material in the toner bottles used for MFPs, which helps to lower total use of petroleum-based resources. The Group also collects and recycles used toner bottles.



Toner bottles containing recycled plastic



The Great Potential of Polymerized Toners

Constantly Enhancing Toners to Improve Image Quality and Environmental Performance

Meizo Shiroye
General Manager, Chemical Products R&D Center
R&D Headquarters
Konica Minolta Business Technologies, Inc.



Environmental Advantages Discovered While Pursuing Better Quality Prints

Compared to conventional pulverized toners, the polymerized Simitri toner developed by Konica Minolta in 2000 achieves a dramatic reduction in energy consumed during both manufacturing and use. The original purpose of toner development in the 1990s, however, was not to reduce environmental impact, but to improve image quality by using smaller toner particles. Ultimately, the pursuit of an effective toner structure led to the realization of a simple manufacturing process, which in turn made a big difference in energy savings.

When Simitri toner was released in 2001, the Group decided to make a full changeover to polymerized toners, with management setting the policy that all new models were to be equipped with this toner. The main reason for this switchover was the superior environmental performance of the new toner.

Pursuing Even Better Image Quality and Greater Reduction in Environmental Impact

The main theme in the development of Simitri HD toner—the second-generation polymerized toner used in Konica Minolta products since 2006—was improvement of the low-temperature fusing capability to further reduce impact on the environment as well as image quality. Our focus was to achieve fusing at a

lower temperature, while also maintaining the thermostability required for offering high image quality with high-speed printing. After much trial and error, we successfully developed a core-shell configuration **▶P13** in which a soft inner core of resin, efficient in low-temperature fusing, is wrapped in a thin, hard layer of outer coating.

This development enabled us to introduce polymerized toner to a wide-range of models, from low-speed to high-speed.

Pursuing an Environmentally Friendly Approach to Other Consumables

In product development, it is our obligation at Konica Minolta to meet customer expectations with respect to product quality, environmental performance, and economy. Only then can our products earn the loyalty of our customers.

Currently, we are continuing to work on ways to extend the service life of consumables such as the photoconductors used in MFPs and printers. Such efforts not only curtail the impact on the environment but also improve the convenience of our products for customers.

Konica Minolta is moving forward with new development, continuing to pursue high-quality printing and product convenience—all the while aiming to realize greater environmental benefits.



The Tatsuno Plant of Konica Minolta Supplies Manufacturing Co., Ltd. manufactures polymerized toners. At the company's three plants in Japan the total production capacity is 15,000t/year, which is the largest in the industry.

For the Global Environment

Achieving Eco Vision 2050 Starting with the Medium-Term Environmental Plan 2015, setting specific targets for reduced environmental impact.

Eco Vision 2050 and the Medium-Term Environmental Plan

Konica Minolta's long-term environmental vision, called 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.

The Group also created its Medium-Term Environmental Plan 2015 as a milestone on the way to the targets outlined in Eco Vision 2050. The plan comprises specific approaches and targets for four objectives:

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. Although there were some unrealized targets in fiscal 2009, the Group is pressing forward toward its 2015 targets and the realization of the vision for 2050.

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

Medium-Term Environmental Plan 2015

Objectives	Major Fiscal 2015 Targets (Base Year: Fiscal 2005)
Preventing global warming	CO₂ emissions throughout product life cycle: Reduce by 20% <ul style="list-style-type: none"> CO₂ emissions from product usage: Reduce by 60% CO₂ emissions from manufacturing: Reduce by 10% (per unit of sales) CO₂ emissions from distribution: Reduce by 30% (per unit of sales) CO₂ emissions from sales and service: Reduce by 50% (per unit of sales)
Supporting a recycling-oriented society	Petroleum-based resource usage: Reduce by 20% (per unit of sales) Packaging materials usage: Reduce by 25% (per unit of sales) Volume of waste discharged externally^{*1} from manufacturing: Reduce by 50% (per unit of sales) Build up product recycling systems in each region and aim for a recycling rate of 90% or more
Reducing the risk of chemical substances	Maintain strict management of chemical substances, including the entire supply chain^{*2} Atmospheric emissions of volatile organic compounds (VOCs): Reduce by 75% (environmental impact index^{*3})
Restoring and preserving biodiversity	Help restore and preserve biodiversity

^{*1} Waste discharged externally: Volume discharged outside Konica Minolta sites, obtained by subtracting the internally recycled and reduced volumes from the total waste generated in production processes.

^{*2} Supply chain, as used here, refers to the process of delivering parts to Konica Minolta from upstream materials manufacturers via parts suppliers.

^{*3} Environmental impact index: An index developed by Konica Minolta to measure the impact of VOCs. The value is obtained by multiplying the emissions with a location coefficient and a hazard coefficient, which reflect impacts on human health and the environment, for each VOC, and finally summing the products for all VOCs.

Progress Report for Fiscal 2009 (Targets, Results Compared to Fiscal 2005)

Preventing Global Warming

Konica Minolta has endeavored to achieve reduction of CO₂ emissions*⁴ throughout the entire product life cycle. It is working on measures to achieve the targets for product use, manufacturing, distribution, sales and service (P17 chart) set in the Medium-Term Environmental Plan 2015.

In fiscal 2009, the Group met its overall target (32.5% reduction) with a 44.9% decrease in CO₂ emissions throughout the entire product life cycle (Graph 1). One reason for this was the fact that the number of products in operation shrank with the economic downturn. Another key factor that contributed to the overall reduction of CO₂ emissions was the market introduction of Konica Minolta's MFPs with enhanced energy-saving performance, which contributed to lower product usage emissions. However, targets were not met in the other stages. At the manufacturing stage, although the Group pushed ahead with yield improvement and optimized operation of its equipment, the result fell short of the target due to a decline in operation levels caused by the economic downturn. At the distribution stage, the target was not met largely because of an increase in air transport required to deal with unpredictable ups and downs in demand. The Group has been working to sharpen the precision of its demand forecasts to reduce air transport. At the sales and service stage, as well, the result fell slightly short of the target. The Group is pursuing further improvements in sales efficiency to achieve the target.

*⁴ The method used to calculate CO₂ emissions is outlined on page 23.

Supporting a Recycling-Oriented Society

Konica Minolta organizes its efforts to reduce usage of petroleum-based resources around three themes: resource usage in products, material waste from production, and fuel usage from use of sales and service vehicles. As a result, the Group was able to achieve its overall fiscal 2009 target (no more than a 21.6% increase), holding use to an 18.2% increase per unit of sales (Graph 2).

The Group achieved a reduction in the total volume of waste discharged externally from manufacturing by promoting improvements in production efficiency and internal recycling. However, it fell short of its per-unit-of-sales target (no more than a 1.7% increase), reporting a 10.8% increase due to increased production of products which generate relatively higher levels of waste and unexpected waste generated by impurities mixed in with raw materials (Graph 3). The Group is working to achieve reductions at each business unit using its Green Factory Certification System (P19).

Reducing the Risk of Chemical Substances

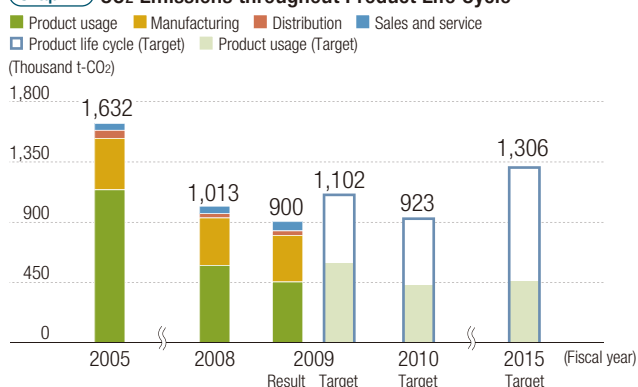
In order to maintain strict management of chemical substances, Konica Minolta has created a management system for chemicals contained in products based on its new Green Procurement System. The management system is compatible with REACH regulations*⁵ as well as upcoming chemical substance regulations. The Group met its fiscal 2009 target (67% reduction) with a 78% reduction in atmospheric emissions of VOCs based on an environmental impact index.

*⁵ REACH regulations: The EU consolidated its earlier regulations concerning chemical substances, and in June 2007, enacted new regulations for the registration, evaluation, authorization and restriction of chemicals.

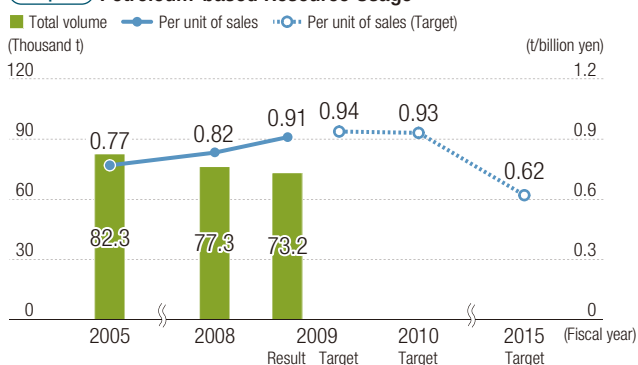
Restoring and Preserving Biodiversity

In fiscal 2009, Konica Minolta evaluated its business activities and their relationship to biodiversity. This resulted in a better understanding of the significant impact the Group has on ecosystems, in terms of use of wood-based paper resources in its Business Technologies business and its relationship to global warming due to CO₂ emissions generated throughout the product life cycle. Based on these assessment results, the Group is devising specific measures that will contribute to the restoration and preservation of biodiversity in the future.

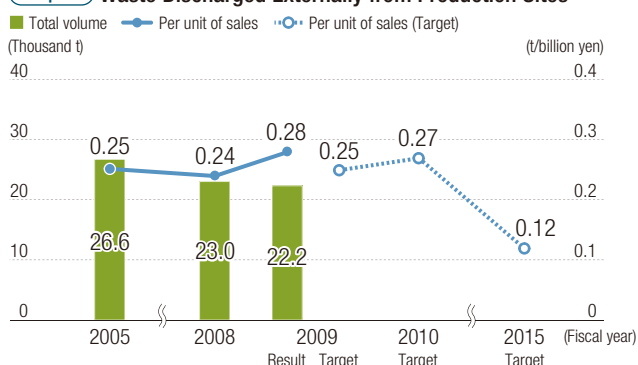
Graph 1 CO₂ Emissions throughout Product Life Cycle



Graph 2 Petroleum-based Resource Usage



Graph 3 Waste Discharged Externally from Production Sites



Preparing for the transition to the new Medium-Term Environmental Plan, the Group has reviewed and revised coefficients for CO₂ emissions throughout the product life cycle. Data for past years have been restated accordingly. Waste discharged externally from production sites was also recalculated to include waste from research and development sites. For more information, please visit: www.konicaminolta.com/about/environment

Activity Highlight 1 Environmental Activities at Production Sites

Introducing a Green Factory Certification System Which Comprehensively Evaluates Environmental Friendliness of Production Sites

In fiscal 2009, Konica Minolta started activities under its own Green Factory Certification System in an effort to support the achievement of targets outlined in its Medium-Term Environmental Plan 2015. Konica Minolta strives to evaluate comprehensively the environmental friendliness of its production sites, and will certify each site that meets definite standards as a Green Factory.

Comprehensively Evaluating Environmental Friendliness of Production Sites

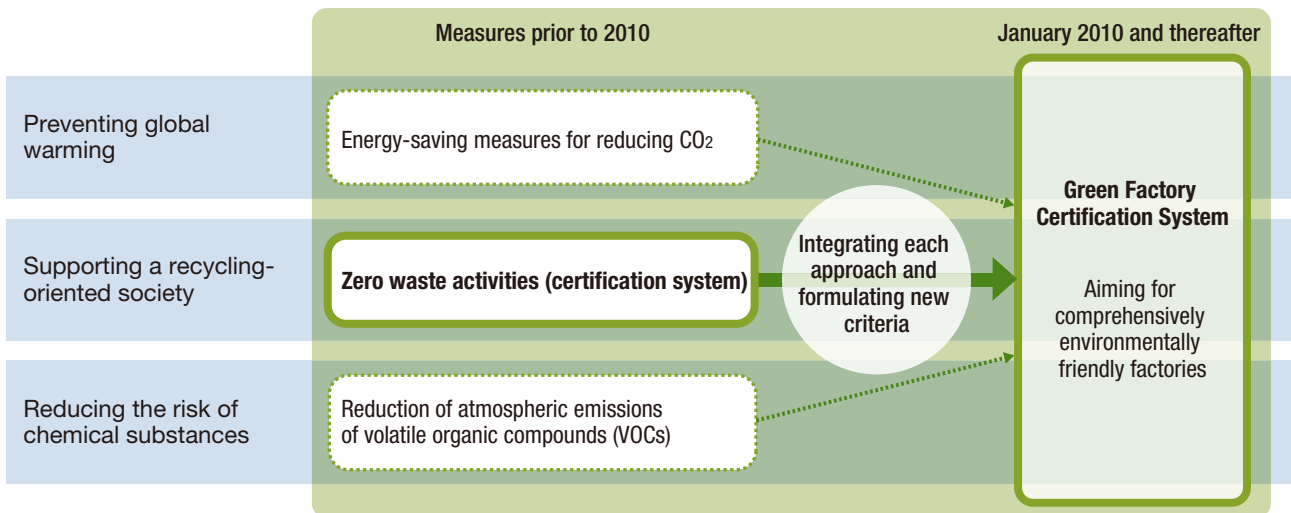
Previously, Konica Minolta operated a production site certification system with two levels of attainment criteria for reducing waste, focusing on the objective of supporting a recycling-oriented society. Each factory attaining those criteria can be certified as a Zero Waste Factory. In fiscal 2009, all Group production sites worldwide have achieved level 2.

Expanding upon this system, the new Green Factory

Certification System aims to ensure that factories are comprehensively environmentally friendly. The new system sets stricter standards* in the area of supporting a recycling-oriented society and establishes unified group-wide criteria for preventing global warming and reducing the risk of chemical substances.

* The Group has set the base year as fiscal 2005, a year when the reduction of waste discharged externally had already shown significant progress thanks to the promotion of zero waste activities.

Green Factory Certification System



Progress Measured with Two levels of Criteria at All Production Sites

The Green Factory Certification System has two sets of criteria for all production sites to achieve: one is “level 2” to be achieved by 2015, and the other is “level 1,” to be achieved by 2011 to ensure steady progress toward the 2015 goal.

In this system, not only progress against targets but also the implementation process is evaluated. In order to achieve clarity in the evaluation, guidelines have been prepared and a way created to quantify implementation conditions with a score. The guidelines bring together all of Konica Minolta’s know-how in environmental measures,

and are comprised of approximately 250 implementation items as well as the evaluation standards for each item. The Group uses the guidelines to improve the quality of its activities.

Since January 2010, 24 production sites* worldwide have formulated action plans and started conducting activities based on the plans.

* Targets are established at each business unit. Even if the location is different, the production site is treated as a single site when it belongs to the same business unit.

Green Factory Certification Criteria

Objectives	Management indicators		Level 1	Level 2
Preventing global warming	CO ₂ emissions (per unit of production ^{*1})		12% reduction ^{*5,*6}	20% reduction ^{*5,*6}
Supporting a recycling-oriented society	Zero waste activities	Waste discharged externally ^{*2} (per unit of sales)	30% reduction ^{*5,*6}	50% reduction ^{*5,*6}
		Final disposal rate of waste discharged externally	0.5% or less	0.5% or less
	Volume of petroleum-based resource waste ^{*3} (per unit of sales)		30% reduction ^{*5}	50% reduction ^{*5}
Reducing the risk of chemical substances	Atmospheric emissions of volatile organic compounds (VOCs)		Achievement of fiscal 2011 targets at each site based on Medium-Term Environmental Plan 2015	Achievement of fiscal 2015 targets at each site based on Medium-Term Environmental Plan 2015
Guideline-based activities	Achievement rate of implemented items ^{*4}		70% or more	90% or higher

^{*1} Per unit of production: Environmental impact in terms of production output or production volume. Each business unit selects the measure that enables its productivity versus CO₂ emissions to be evaluated appropriately.

^{*2} Waste discharged externally: Volume discharged outside Konica Minolta sites, obtained by subtracting the internally recycled and reduced volumes from the total waste generated in production processes.

^{*3} Volume of petroleum-based resources waste: Volume of petroleum-based out of total volume of waste discharged externally.

^{*4} The guidelines have a 4- point evaluation benchmark ranging from 0 to 3 points for each implemented item and a standard score which serves as the performance target. The achievement rate refers to the percentage of items that meet the standard score relative to all items.

^{*5} The base year is fiscal 2005. However, in the event that there is a significant change to production items or production conditions due to business reorganization, the base year may be revised according to the Group’s internal regulation.

^{*6} Based on this numerical value, standards tailored to factory characteristics are established.

Spotlight

Achieving Plans for Zero Waste Activities

Since fiscal 1999, Konica Minolta has been proactively pursuing zero waste activities in a phased manner to reduce discharged waste volumes, in addition to recycling waste to minimize final disposal (landfill disposal). In fiscal 2007, the Group achieved level 2 at all production sites in Japan. The Group has also implemented the initiative at production sites outside Japan since fiscal 2006. With five sites newly certified in fiscal 2009, all Group production sites worldwide have achieved level 2 certification.

Criteria of Konica Minolta’s Zero Waste Activities (extract)

Level 1 criteria:

- Recycling rate: 90% or higher
- Final disposal rate: 0.5% or lower
- Cost reductions: Revenue from the sale of by-products or other benefits from recycling exceeding total recycling cost paid to outside parties

Level 2 criteria:

- All level 1 criteria achieved
- Volume of waste discharged externally per unit of sales: Reduction of 30% or more compared to benchmarks*

* Set up in accordance with the year the site was established and with changes in the business, with a base year of fiscal 2001.

VOICE

Achieving Level 2 Within Just 2 Years of Opening

We achieved both level 1 and level 2 for our zero waste activities within about two years of the opening of our factory in March 2008. These activities have helped us to raise environmental awareness among employees. Going forward, we will pursue further reductions of environmental impact by focusing on a new target: achieving certification as a Green Factory.



Krishnan. K
QSE Manager
Konica Minolta Glass Tech (M)
Sdn. Bhd. (Malaysia)

Activity Highlight 2 Environmental Activities at Sales Companies

Environmental Commitment at Business Information Systems Sales Companies Worldwide

In its Medium-Term Environmental Plan 2015, Konica Minolta has set targets for reducing environmental impact in sales and services operations. Working to achieve these targets, the Group has implemented a variety of measures in business information systems sales companies around the globe.

Denmark **Konica Minolta Employees and MFPs Support COP15**

In December 2009, Konica Minolta Business Solutions Denmark a/s—as a cooperating sponsor of the Fifteenth Session of the Conference of Parties to the United Nations Framework Convention on Climate Change (COP15)—put its MFPs to work printing a variety of documents and materials for distribution. During the session, 48 employees volunteered their support around the clock to ensure the smooth operation of the conference.

In addition, Konica Minolta took part in the Green IT Panel, a forum of seven IT and telecommunications companies held as a formal part of the COP15 program on December 11. Then vice-president Ken Osuga of Konica Minolta Business Solutions Europe GmbH, a

company serving as the head of the Group's European sales companies, served on the panel discussing what the IT and telecommunications industry must do to help reduce CO₂ emissions.



Konica Minolta volunteers

VOICE

Realizing Our Responsibility as a Member of the Global Community

Cooperation among companies connected by business relationships is required if the entire industry is ever to become united and take action on environmental issues. In addition, multinational firms face a number of issues regarding how to address the diverse regulations of different countries and reduction targets. I felt strongly that as a member of the global community, our company needed to dedicate more resources than ever to environment initiatives.



Ken Osuga

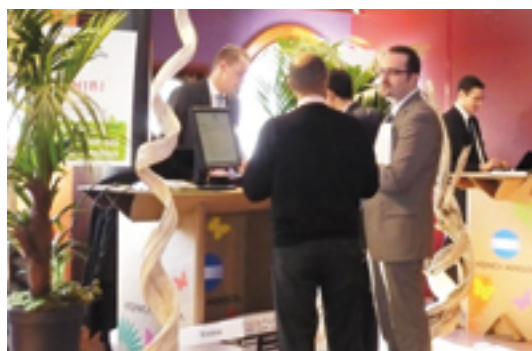
General Manager
Sales Planning Division,
Sales Headquarters
Konica Minolta Business Technologies, Inc.

France **Exhibition and Business Meeting Held on “Responsibility for the Environment”**

In February 2010, Konica Minolta Business Solutions France S.A.S. held its annual exhibition and business meeting under the theme of “Responsibility for the Environment.” The company used a ship anchored to the shore of the Seine River as a venue for the exhibition and meeting, and prepared portable tables made of recycled paper to help raise environmental awareness and demonstrate its approach to the environment and the environmental quality of its products.

Also, the company took the new step of inviting business partners handling recycled paper and other recycling operations, as well as France's National Forests Office, to host booths at the exhibition. By introducing its business partners, Konica Minolta sought to provide an

opportunity for its customers to gain a better understanding of its environmental activities.



Exhibition and business meeting on “Responsibility for the Environment”

Belgium Installing a Photovoltaic System to Reduce CO₂ Emissions

Konica Minolta Business Solutions (Belgium) N.V. installed a new photovoltaic power generation system in March 2010. The company anticipates annual energy production of 115 MWh, which will cover 25% of the power consumption of its entire office and lead to reduction of CO₂ emissions by 46 tons per year.

Renewable energy solutions are being introduced and promoted across the EU, with Belgium adopting particularly proactive legislation to encourage the use of photovoltaic technology. The company was also certified as a provider generating renewable energy prior to the installation, enabling it to sell the electricity it generates on non-business days to the electricity firm and contribute to the spread of renewable energy throughout the country.



Solar panels installed on the roof of the company building

United Kingdom Establishing a Recycling Centre for Used Packaging Materials

In 2007, Konica Minolta Business Solutions (UK) Ltd. created a recycling centre called "Greenhub" at its main warehouse in an effort to zero out used packaging material from MFPs sent to landfill.

At the centre, the company sorts the packaging materials into cardboard, styrofoam, and film, then crushes and compacts the materials, and finally sells them to a local recycling operator. Recycling is made easy by disposing of the materials in this way, and the effort will also reduce the environmental impact that accompanies waste transportation.

In fiscal 2009, 119 tons of cardboard and a total of 3 tons of styrofoam and film were recycled. Going forward, the company plans to achieve further improvements in recycling efficiency by introducing machines for crushing non-reusable pallets.



Foamed polystyrene pulverization machine

Japan Eco Driving Helps Reduce Use of Petroleum-Based Resources

Konica Minolta Business Solutions Japan Co., Ltd. promotes eco driving at work and at home as a key measure for reducing the use of petroleum-based resources. The company has prepared a booklet which gives specifics on ten aspects of eco driving and encourages driving that is mindful of both the environment and safety (related information on [P34](#)).



Booklet on eco driving

Feature

Evergreen Award Received from U.S. Government Organization

In March 2010, Konica Minolta Business Solutions U.S.A. was awarded the 2009 Evergreen Award in the Technologies and Electronics category by the U.S. General Services Administration (GSA), an important government agency.

The Evergreen Award, which was established in 1998, is given to companies that proactively engage in environmentally friendly corporate activities. The award was given in recognition

of Konica Minolta's environmental activities such as providing energy-saving products, promoting zero-waste activities, and recycling toner cartridges.



Evergreen Award trophy

Fiscal 2009 Environmental Data Summary

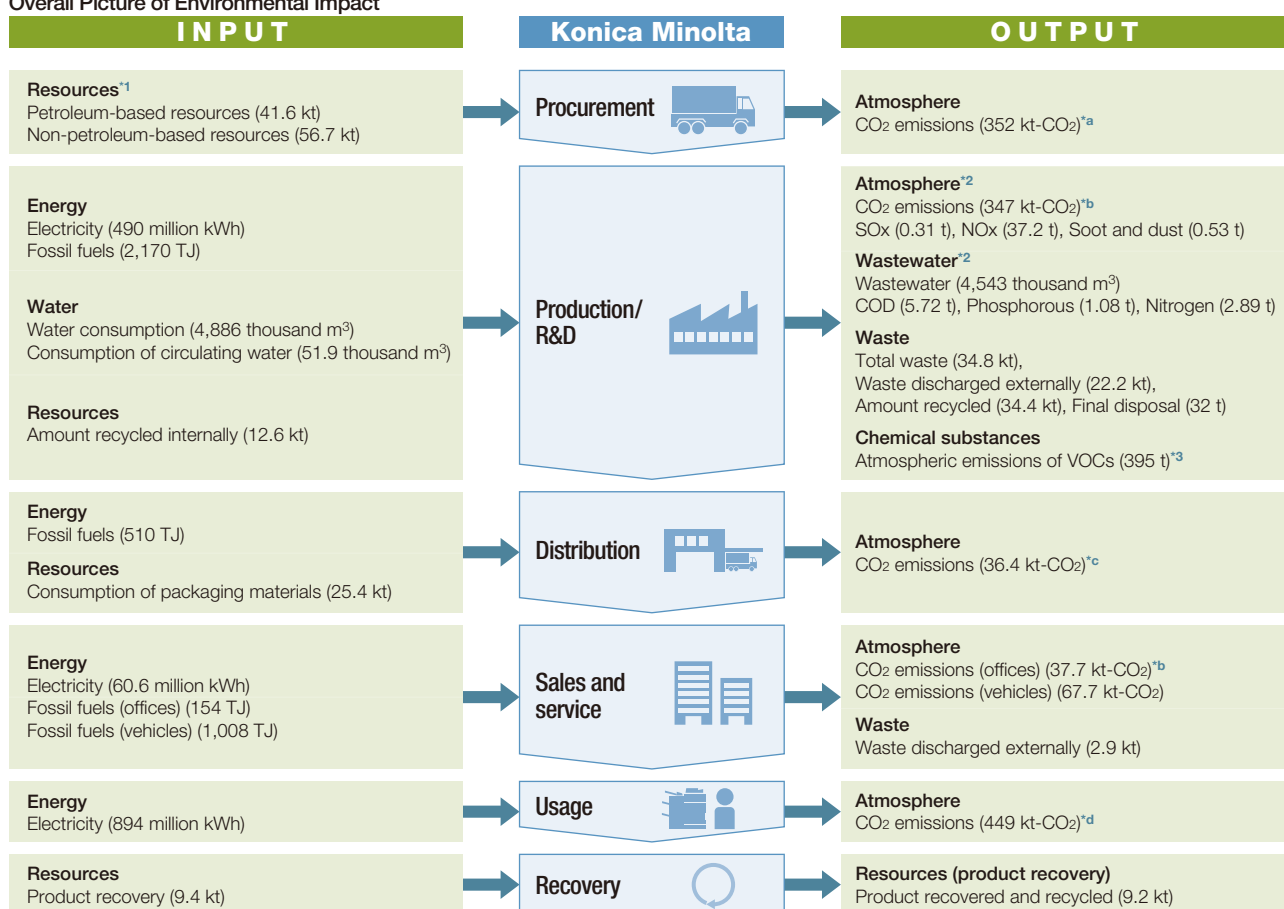
For details please visit: / www.konicaminolta.com/about/environment

Environmental Impacts Resulting from Business Activities

Konica Minolta strives to conduct all of its corporate activities in harmony with people and the environment, as stipulated by the Konica Minolta Environmental Policy. The Group's basic approach is to work steadily to resolve environmental issues, based on securing reliable data and quantitative measurement of performance and impact.

On this basis, the Group continually monitors its environmental performance in areas such as total energy and resource inputs, greenhouse gas emissions and waste discharge at each stage of the product life cycle. The results are then analyzed and utilized to develop specific initiatives.

Overall Picture of Environmental Impact



^{*1} Input amounts for resources refer to materials for major products shipped in fiscal 2009 (not including parts for maintenance).

^{*2} The figures for atmospheric pollutants and water pollutants are total values for factories that are legally required to measure emissions.

^{*3} The figure for amount of atmospheric emissions of VOCs is the total value for sites subject to reduction targets stipulated in the Medium-Term Environmental Plan.

Method for Calculating CO₂ Emissions, and CO₂ Emissions Coefficient

^{*a} CO₂ emissions for major products and consumable supplies are calculated by multiplying the sales amount or production amount by the emissions coefficient of each product estimated by the official value of the Ecoleaf Environment Label provided by the Japan Environmental Management Association for Industry; and for other products, multiplying the amount of resources used by the emissions coefficient of each product.

^{*b} Calculated by multiplying the amount of energy used at the main sites (including estimated values for some sites) by the following coefficients.
 Fuel: Coefficients stipulated in Japan's Act on Promotion of Global Warming Countermeasures.
 Electricity: Japan—2005 average value of all electrical power sources (The Federation of Electric Power Companies of Japan)
 Outside Japan—2005 emissions coefficients applicable to each country (the GHG Protocol).

^{*c} Japanese domestic distribution, Chinese production distribution (from factory to port), and international distribution of major products are calculated by multiplying transport distance by cargo weight, and then multiplying that value by the CO₂ emissions coefficient of each means of transportation.

Japanese domestic distribution: Japan's CO₂ Emissions Calculation Method for Logistics Operations—Joint Guidelines Ver.3.0 (METI / MLIT)
 Chinese production distribution, international distribution: GHG Protocol

^{*d} CO₂ emissions for major products are calculated by multiplying the number of units operating in the market (inferred from sales units each year and the life of the product) by the estimated annual amount of electrical consumption for each model and the CO₂ coefficient (2005 world average of the GHG Protocol)

Environmental Accounting

An environmental accounting manager is appointed at each Group company and the Group carries out consolidated environmental accounting globally, from research and development to production and sales.

The amount invested in fiscal 2009 was about the same as in fiscal 2008, about ¥1.2 billion. Expenses were 25% less than in fiscal 2008, about ¥11.2 billion. Of these amounts, research and development accounted for

approximately 62% of investment and approximately 31% of expenses. The main uses of these investments and expenses include efforts to improve energy conservation in production processes, equipment investment for new product development that contributes to the environment, and development of energy-saving technologies for business information systems.

Results for Fiscal 2009 and Budget for Fiscal 2010

(Unit: ¥1 million)

Types of Environmental Conservation Activities	Major Initiatives	Fiscal 2009 Results			Fiscal 2010 Budget	
		Investment	Expenditures	Economic Benefits	Investment	Expenditures
1. Business area cost		364	3,610	13,378	2,063	3,634
1) Pollution prevention cost	Reduced VOC emissions and managed chemical substances in the optics business	152	1,687	6	1,094	1,788
2) Preventing global warming cost	Promoted energy conservation	194	474	355	404	459
3) Resource circulation cost	Restricted use of solvents and plastics in optics business, and recovered silver from waste	18	1,450	13,017	565	1,388
2. Upstream / downstream costs	Collected and recycled products in business technologies business, and recovered silver from collected products	7	2,321	2,217	6	892
3. Administration cost	Implemented environmental management systems	40	1,596	0	3	1,306
4. R&D cost	Conducted R&D for energy efficient business information systems and for new products that contribute to environmental conservation	736	3,223	5	77	3,984
5. Social activity cost	Conducted nature conservation activities	0	107	0	0	102
6. Environmental remediation cost	Restored contaminated soil	34	365	0	54	354
7. Other costs		0	3	0	0	3
Total		1,180	11,225	15,601	2,203	10,275

Fiscal 2009 Results: Environmental Conservation Benefits

Stage	Type of benefit	Benefits
Production	Water use reduced ^{*1}	478 thousand m ³
	Electricity reduced ^{*1}	11.1 million kWh
	Natural gas reduced ^{*1}	3,006 thousand m ³
	Heavy oil reduced ^{*1}	135 kL
	Emissions of target chemical substances reduced ^{*1}	11.2 t
	Resource input reduced ^{*1}	84.8 kt
	External recycling and reuse of waste ^{*2}	21.8 kt
Sales	Packaging reduced ^{*1}	110 t
	Recycling and reuse of materials from used products ^{*2}	9.2 kt
Usage	CO ₂ emissions reduced ^{*3}	3.5 kt-CO ₂

^{*1} Calculated by subtracting the actual consumption amount from the consumption amount estimated for the case in which the environmental preservation activity was not implemented.

^{*2} The environmental conservation benefits are calculated as the volume recycled and reused.

^{*3} CO₂ emissions are calculated for major new products that were shipped in fiscal 2009 by subtracting the estimated CO₂ emissions associated with the new products in use from the estimated CO₂ emissions associated with the conventional products in use.

Fiscal 2009 Results: Impact of End User Usage

Stage	Type of benefit	Benefits
Usage	Electricity consumption reduced ^{*4}	7.1 million kWh
	Electricity bills reduced ^{*5}	102 million yen

^{*4} Electricity consumption reduced is calculated for major new products that were shipped in fiscal 2009 by subtracting the estimated energy consumption of the new products in use from the estimated energy consumption of the conventional products in use.

^{*5} Calculated by multiplying the average electrical power unit price over the Group's production sites in Japan by the amount of electricity consumption reduced.

Boundary for fiscal 2009 results

10 Group companies, including the holding company, business companies, and common function companies
19 Japanese affiliates
21 affiliates outside Japan



Earning the Confidence of Customers

Konica Minolta works constantly to improve customer satisfaction by enhancing the quality, safety, and user-friendliness of its products and services.

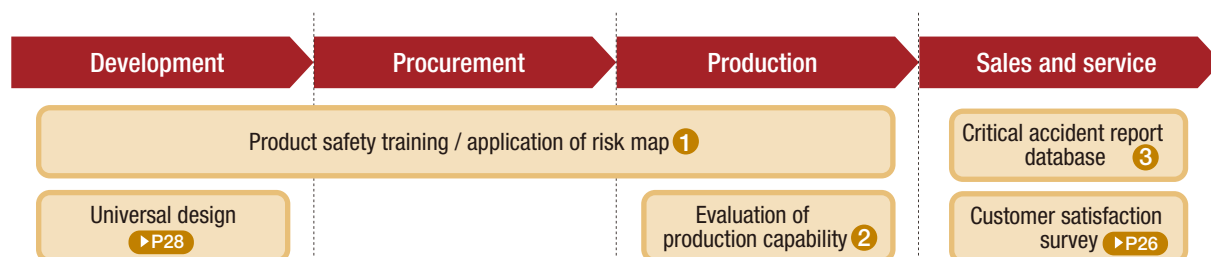
Giving Top Priority to Customers and Quality

Konica Minolta aspires to maximize customer satisfaction and trust by providing products and services of superior value. The Group has articulated its commitment to customers and quality in the Konica Minolta Quality Policy, which governs Group companies worldwide.

While referring to customers' feedback, the Group is

implementing various initiatives in every business process from development to procurement, production, sales, and service. Also, it has a Group-wide rapid-response system for addressing any quality problems that may occur, and has preventive measures in place to ensure identified problems never recur.

Konica Minolta's Approach to Building Trust with Customers



① Product safety training / application of risk maps

Building upon the product safety approach taken at Konica Minolta Business Technologies, Inc., Konica Minolta has reorganized its product safety training program with a view to better risk management, and has been implementing it throughout the entire Group. In this program, employees involved in design, development, production technology, procurement and quality assurance are placed in positions where they can acquire practical knowledge of technology and legal regulations related to safety and risk assessment.

Konica Minolta also utilizes risk maps as a way to assess product safety. These maps describe the degree of risk by the severity and frequency of aftermarket accidents. Using these maps, the Group undertakes objective assessments of the risk of product quality problems in the market and evaluates the effect of countermeasures. The Group pursues higher safety levels by using the risk maps as risk assessment tools in the development process as well.

② Evaluation of production capability

In order to improve quality and reduce costs at production sites, Konica Minolta implements regular evaluations at each site. Teams comprised of managers responsible for production capability as well as personnel involved in process improvement activities* perform evaluation. This process promotes mutual cross evaluations between different business companies in the Group, which strengthens the process group-wide. Assessment standards stipulate that each site should devise a process to enable sharing of information on

effective practices with other production sites, and then implement that process. With this initiative, Konica Minolta is also stepping up knowledge sharing within the Group.

In fiscal 2009 Konica Minolta implemented evaluations at every major production site in Japan and Asia, which led to specific improvements.

* Process improvement activities: activities to promote operational innovation and improvement to enhance the capabilities of individuals and organizations and to address the major problems and achieve the goals of each workplace.

③ Critical accident report database

Konica Minolta has built a system that collects information on product quality from sales companies worldwide and instantly transmits it to personnel responsible for quality. The Group is working to prevent quality problems, not

only by reporting incidents that have already occurred but also by sharing information that even hints of a potential incident.

Activity Highlight 1 Understanding Customer Needs

Carrying Out Regular Surveys to Respond to Customer Needs

In order to build relationships of trust with customers, Konica Minolta must maintain customer satisfaction (CS), and promptly and accurately respond to customer needs. To accomplish this, Konica Minolta endeavors to address customer feedback in each region.

Example 1 Developing CS Improvement Activities throughout the Company Based on Customer Satisfaction Survey Results (Japan)

Konica Minolta Business Solutions Japan Co., Ltd., a business information systems sales company in Japan, has been conducting its own customer satisfaction surveys since fiscal 2005, in addition to surveys conducted by an independent organization. A survey sheet is sent to each customer that uses multi-functional peripherals (MFPs) sold directly and supported by Konica Minolta. The written customer responses received are used to ascertain customer opinions and needs in further detail.

About 3,600 responses were collected by the company in fiscal 2009. Feedback revealed the importance of communication, such as the frequency of customer contacts and suggestions tailored to customer needs, in addition to product functions and quality. Based on the information, the company is working to develop CS improvement across the organization, not only on issues shared by sales, support and operations divisions or in activities carried out by region, but throughout the entire company, including headquarters.

Additionally, the company is striving to make its CS improvement efforts more effective not only by carrying out post-survey reviews, but also by tracking progress evaluations, improvement, planning, and execution cycles on a monthly basis.

VOICE

Striving to Acquire Technical Expertise to Meet Customer Expectations

As MFP support staff often work with system administrators, I am striving to gain certifications and obtain network-related expertise so that I can handle specialized consultations. I receive inquiries not only regarding supported products, but also on matters such as applications that produce output data. In cases where I cannot answer immediately, I strive to research the answer and then respond. By valuing communication and meeting customer expectations, I endeavor to provide service that satisfies customers.



Koji Higuchi

Chiyoda SS, Customer Support Center
Konica Minolta Business Solutions
Japan Co., Ltd.

Example 2 Online Customer Satisfaction Survey Conducted Quarterly (United States)

Konica Minolta Business Solutions U.S.A., a business information systems sales company in the U.S., has been conducting online customer satisfaction surveys since fiscal 2006. The surveys are done quarterly, and the company receives about 2,000 responses each time. By asking customers to report their satisfaction with product quality, communication with their sales reps, service and support, and other categories on a 10-point scale, the survey has helped to identify specific issues and develop corrective action plans. The company also assesses respondents' overall level of satisfaction with the question, "How likely are you to recommend Konica Minolta to your

friends or colleagues?" This measures the likelihood that a customer will put their reputation "on the line" to promote the Konica Minolta brand.

Total results and individual comments received from customers are sent to top management and to the supervisors of the sales department and service department at each branch, to be used in follow-up surveys and to improve service. Thanks to the cumulative improvements made by responding to the surveys, the proportion of customers marking 9 or 10 overall on the fiscal 2009 survey was 9 points higher than in fiscal 2006.

Activity Highlight 2 Responding to Needs of the Day

Product Development that Meets the Demands of Customers and the Broader Society

In addition to ensuring the quality of each product, Konica Minolta is attentive to customer demand for function and usability. Furthermore, it undertakes an array of activities in order to respond to the need to reduce environmental impact and other social needs.

Example 1 Verification to Enable Printing on Diverse Types of Paper

In on-demand commercial printing, customers require the ability to print on various kinds of stock, including heavy-weight, light-weight, glossy, and rough finish papers. Regarding MFPs in offices, the use of recycled paper or thin paper is increasing due to consideration for the environment.

In response to these needs and to make products compatible with more types of paper, Konica Minolta Business Technologies, Inc. has created a Media Evaluation Center, which performs verification of image reproduction and paper feeding on a diverse array of paper types. The characteristics of several hundred types of paper from around the world are measured, and the center verifies the optimal settings for each type by conducting printing tests on actual MFPs.

The results of these measurements and verifications

are compiled in a database, where they are utilized for product development and to provide information to customers.



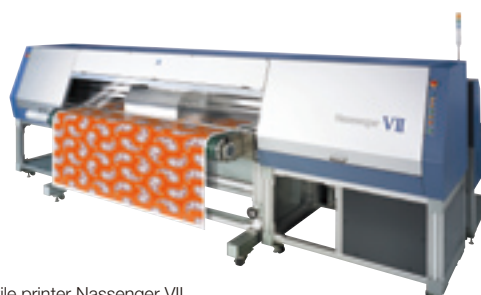
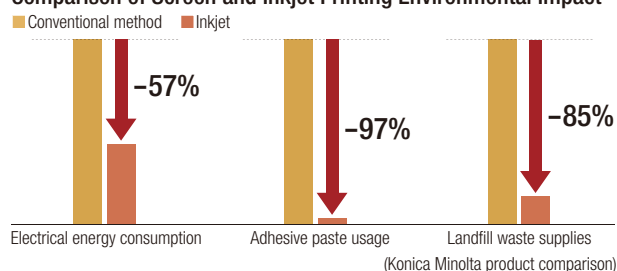
Media Evaluation Center

Example 2 Development of a Low-Environmental-Impact Inkjet Textile Printer

There are two ways of printing patterns and images on textiles: screen printing, where a screen is created for each color and the textile is printed with each color in succession, and inkjet printing, where ink is directly sprayed on the textile. Konica Minolta IJ Technologies, Inc. developed and sells an inkjet textile printer that can directly print designs created on a computer.

Inkjet printing uses only the necessary amount of ink to print on specific areas of textiles. Since there is no need to create or wash screens, the amount of waste and resources used is drastically reduced. Furthermore, the production process is simple and allows for rapid additional production in response to demand, which in turn allows customers to reduce the amount of inventory. The printer's low-environmental-impact and high-mix, small-lot production features have been well received in the market and demand for the system has increased rapidly, especially in the apparel industry of Europe and Asia.

Comparison of Screen and Inkjet Printing Environmental Impact



Textile printer Nassenger VII

Activity Highlight 3 Pursuing Universal Design

Universal Design Concepts Ensure Ease of Use for Diverse People

Konica Minolta products are created in line with universal design concepts, which aim to ensure that the product be simple and comfortable to use, and accessible to people of any age, gender, physique or ability level. For instance, group companies employ color universal design (CUD) on many of their devices to ensure that information is properly conveyed to product users regardless of their color perception type.



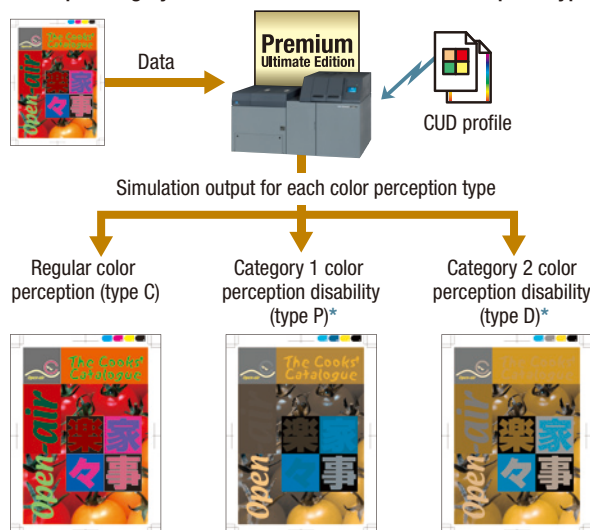
This MFP panel ensures visibility and ease of operation.

Example 1 Realization of Simulation Output for Each Color Perception Type on Color Proofs

The digital color-proofing system,* Digital Consensus Premium, from Konica Minolta Medical & Graphic, Inc. performs a direct output simulation of how printed material would appear to users of various color perception types, when the CUD profile is installed. The use of this system makes it possible to ensure color combination according to CUD during the design process, thus supporting both a wide array of color combinations and designs that are easy for anyone to see.

* Color-proofing system: A device that confirms color tone by testing sample prints before conducting the actual print run.

Color-proofing System Simulates Various Color Perception Types



* Within types, there is variation in the way individuals perceive color.

Example 2 First-ever CUD Certification Obtained for Color-measuring Instruments

CUD certification*¹ was obtained for the first time in the field of color-measuring instruments for the CM-5 spectrophotometer*² and the CR-5 colorimeter*³ introduced in December 2009 by Konica Minolta Sensing, Inc.

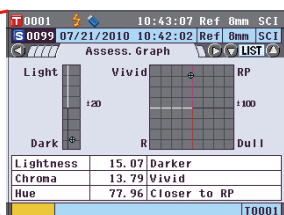
Both products ensure that coloration on all screens and in the design of operation panel switches is easy to discern for users of all color perception types. They also

ensure ease of operation for diverse users by employing variations in shape, line type and tone differentiation pattern, and display color descriptors such as “vivid” and “dull” to help users better envision the color scheme.

These new products have made it possible to perform measurements at an array of development and production sites—such as for foodstuffs, medical supplies and cosmetics—which require careful color management or analysis, without being limited by individual differences in color perception.



CM-5 Spectrophotometer

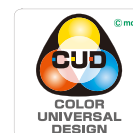


Sample of Screen
(Color difference perception diagram)

*1 CUD certification: Certification by the NPO organization Color Universal Design Organization (CUDO)

*2 Spectrophotometer: Instruments that measure color at high precision levels by means of multiple sensors for each wavelength

*3 Colorimeter: Instruments that quickly measure color via red, green, and blue sensors using a function similar to that of the human eye



Working with Business Partners to Fulfill Social Responsibility

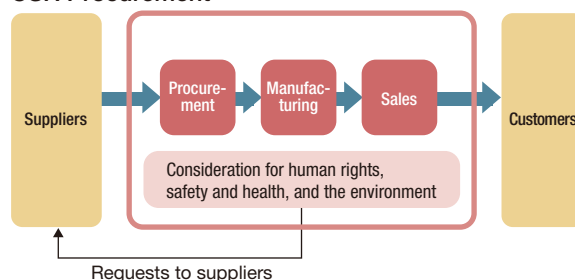
Konica Minolta works closely with its business partners to ensure social responsibility. Relationships with partners are based on trust and a commitment to fair and transparent transactions.

Promoting CSR Initiatives throughout the Supply Chain – CSR Procurement

Konica Minolta is active in promoting CSR procurement to improve the work environment and ensure respect for human rights throughout its supply chain*. These efforts are guided by the Group's vision of a sustainable world.

Based on the strength of its partnerships with the suppliers who provide raw materials and parts, Konica Minolta expects their active participation in CSR initiatives. The Group monitors their progress, and requests improvements and offers advice when needed. The Group also sets higher goals at its own production sites when carrying out evaluations and making improvements. Konica Minolta is committed to promoting CSR initiatives throughout its supply chain.

CSR Procurement



* Supply chain: The series of activities involved in delivering a product or service to a customer, ranging from procurement and production to distribution and sales.

CSR Procurement Standards and Implementation Plan

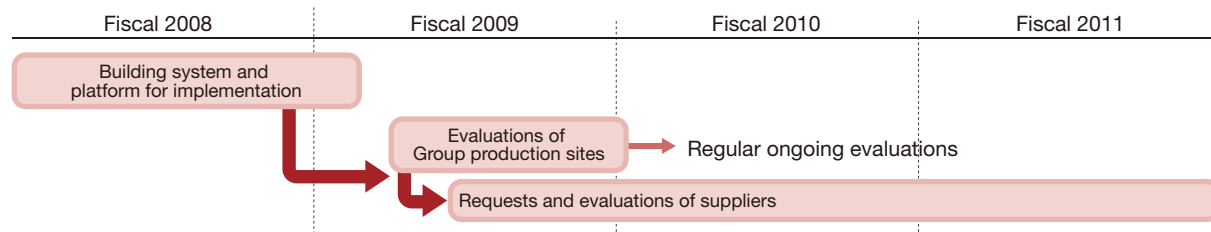
Konica Minolta established its Procurement Policy in April 2008 to set out its ideals about procurement and articulate its expectations of business partners. Based on this policy, Konica Minolta formulated a Code of Conduct* that identifies fields and standards relevant to CSR procurement. In addition, it developed an evaluation system using a self-assessment questionnaire*, and put it into practice in July 2009.

In addition to implementing this new evaluation

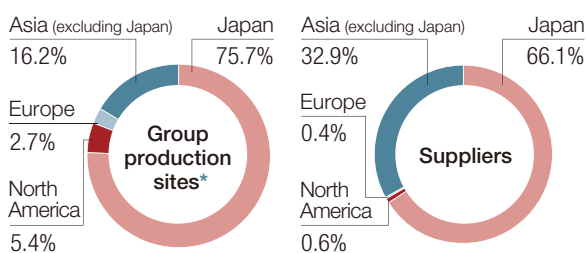
system at all the Group's principal production sites, Konica Minolta specifically requests its suppliers to engage in a range of CSR initiatives. Under the current three-year plan (2009-2011), the Group is implementing the self-assessment questionnaire at its main suppliers as determined by transaction value, aiming to ensure that more than 90% of the Group's business transactions are conducted with suppliers who have completed this process.

* The Code of Conduct and the self-assessment questionnaires both conform to the Electronics Industry Code of Conduct (EICC).

CSR Procurement Implementation Plan



Geographical Breakdown of Group Production Sites and Suppliers



* The production sites for different product categories are counted separately as different sites, even if they are in the same location.

Since Konica Minolta's production sites and suppliers are concentrated in Japan and Asia, CSR procurement efforts are mostly focused on these regions.

Promoting CSR throughout the Supply Chain with Self-Assessment Questionnaires

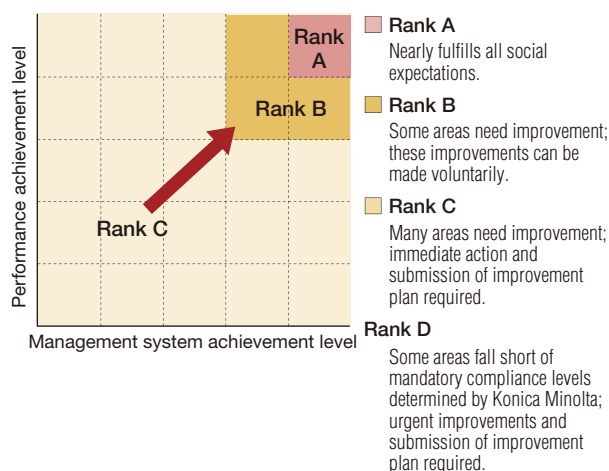
From 2009, Konica Minolta started to implement evaluations using self-assessment questionnaires as a way of fostering CSR initiatives at Group production sites and at business partner sites.

Self-Assessment System with Ranks Helps Suppliers Identify Issues

The self-assessment questionnaire is designed to evaluate progress in the four fields of labor, ethics, safety and health, and the environment, in terms of two areas: management systems (organizational structures for fulfilling CSR) and performance (progress on actual goals). The evaluation results are classified into four ranks, A through D, based on the levels of achievement in the two areas. Expectations are set at Rank A for Group production sites and Rank B or higher for suppliers.

Specific feedback is provided to every supplier covered by the questionnaire. Suppliers assigned Rank C or Rank D are requested to submit and implement an improvement plan to address the specific issues identified.

Rank Based on Achievement Level



Self-Assessment Questionnaires Implemented, Starting with the Group's Principal Production Sites

From July 2009 through April 2010, self-assessment questionnaires were completed at 36 principal Group sites. All sites earned Rank A for ethics, safety and health, and the environment, while one site was assigned Rank B for labor. The B ranking was due to lack of a clear statement of commitment to ongoing improvement in the site's labor policy; that site is now in the process of improvement to achieve Rank A.

Starting in the second half of fiscal 2009, Konica Minolta has been implementing the initiative with its suppliers, by requesting them to engage in CSR initiatives and fill out the self-assessment questionnaires. Konica Minolta then performs evaluations based on the results of the self-assessment questionnaires.

VOICE

Working Closely with Suppliers to Achieve Common Goals

Our obligation to comply with the Code of Conduct and implement CSR procurement was made clear when we participated in a CSR procurement implementation meeting. Although it was challenging in certain respects, I think we succeeded in helping employees and suppliers understand the significance of CSR procurement. In the future our sights are set on maintaining our Rank A and working hard to achieve our goals by supporting our suppliers.



Haitao Jin

Manager, Purchasing Section,
Management Department
Konica Minolta Opto (Dalian) Co., Ltd.

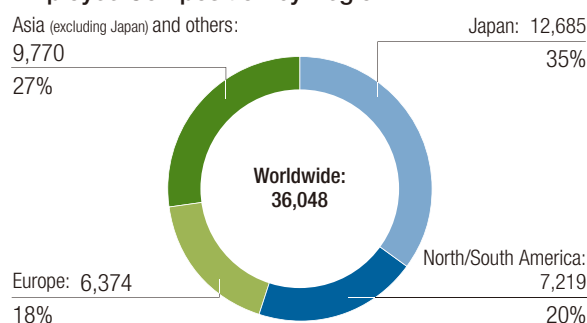
Growing Together with Employees

Konica Minolta is striving to create an environment where each employee can take independent initiative in his or her own work and thrive in the workplace, both mentally and physically.

Creating an Environment in Which Diverse Employees Can Succeed

Konica Minolta emphasizes the importance of equal opportunity and diversity in the hiring and compensation of its employees worldwide, and does not tolerate discrimination based on race, nationality, religion, or gender. Furthermore, it promotes an environment in which diverse employees can maximize their individual potential and fosters personnel who are willing to take on a more active role on the global stage. At the same time, the Group has put into practice various measures to improve workplace safety and to realize the ideal of work-life balance so that employees can thrive both physically and mentally.

Employee Composition by Region



(As of March 31, 2010)

Measures Which Stimulate Employee Activities

Theme	Measures		
	Fiscal 2008	Fiscal 2009	Fiscal 2010
Promoting reform of corporate culture	Developing the action slogan “simply BOLD” ▶P32		
	2008 Share and encourage participation	2009 Understand and practice	
Fostering and making the most of personnel	Building a personnel system in which employees can take the initiative		
		2009 Introducing an internal open job posting system ▶P33	
			2010 Introducing the internal Free Agent (FA) System ▶P33
	Fostering and making the most of personnel with a global mindset		
	2008 Human resource exchange		
	2009 Construction of global human resources database begins		
Promoting diversity	Expanding the system that supports work-life balance		
	2008 Testing the work-at-home system	2009 Introducing the work-at-home system ▶P33	
Creating a safe and friendly work environment	Measures designed to prevent the occurrence of accidents during working hours		
	2008 Focused prevention measures for specified accidents		
		2009 Intensive measures for priority sites ▶P34	
			2010 Essential safety measures for equipment

Activity Highlight **1** Promoting Reform of Corporate Culture

Promoting Corporate Culture Reform Under the Action Slogan “simply BOLD”

Konica Minolta recognizes that its continued development as a company is dependent on the motivation and initiative of its employees. The Group has introduced the worldwide action slogan “simply BOLD” to help create a corporate culture that will encourage each employee to develop this sort of mindset.

Formulating a Worldwide Action Slogan

Konica Minolta’s personnel philosophy declares the Group’s commitment to valuing people who “always strive for continuous innovation, not simply adhering to successful achievements of the past or established customs.” Further, in April 2008 the Group launched the worldwide action slogan, “simply BOLD,” which calls for taking on challenges born of courage and daring ideas, to

encourage each employee to embrace and practice the personnel philosophy. Ever since, the Group has encouraged all its employees to take innovative initiative to pursue their own future vision and goals at work under this slogan.



Logo mark for “simply BOLD”

Encouraging Employees to Embrace and Practice the Slogan

In October 2008, Konica Minolta implemented the “My simply BOLD Statement Campaign,” which encouraged each employee to articulate the goals that he or she aspires to achieve, and gathered more than 16,000 statements from countries all over the world during a 5-month period.

In the summer of 2009, a small booklet that contains 120 of those statements was published under the name “Voice of Innovation” in Japanese, English and Chinese, with partial translations in German, French and Spanish

posted on the intranet so that it could be shared throughout the Group.

Moreover, Konica Minolta is working to ensure this slogan reaches all of its employees throughout the world by means of a variety of communication methods, including Group newsletters and the intranet.



The “Voice of Innovation” booklet

VOICE

Being bold is not simply a statement, but an action. It is about being confident enough to take risks in order to challenge yourself and the people around you.



Denise Brown

Curriculum Developer
Konica Minolta Business Solutions U.S.A., Inc.

I will push myself above my proven ability and give my best, even if I humiliate myself trying. Through repetition, my ability is sure to rise a notch or two.



Akiko Hara

Technology Development Headquarters
Konica Minolta Opto, Inc.

I will be brave enough to think new thoughts and bold enough to do things I’ve never done before.



Zhang Namin

Technology Division
Konica Minolta Business Technologies
(Wuxi) Co., Ltd.

You can create everything you imagine if you have enough courage to take hold of it.



Helge Dolgener

Product Management Office Products
Konica Minolta Business Solutions
Deutschland GmbH

Activity Highlight 2 Fostering and Making the Most of Personnel

Introducing a New System That Better Reflects the Aspirations of Employees

Konica Minolta's personal personnel relocation plan has been a company-led one, entailed which is mindful of both training plans tailored to each individual employee and business plans. Now the Group has introduced a complementary system which encourages employees to request transfers on their own, with the aim of expanding opportunities for employees to maximize their own professional abilities.

In November 2009, Konica Minolta introduced an internal open job posting system* in which a company posts the job category and the requirements for the desired personnel, and employees apply at will. In fiscal 2009, two departments involved in a new business posted a job offer which attracted many applications. As a result, a total of seven employees transferred to new responsibilities. In May 2010, the Group introduced the Free Agent (FA) System,* in which an employee posts the type of job and department he or she would like to apply to. The Group uses these systems to enhance the mobility of personnel across the group. They also enable the Group to support employees with self-directed career development and create an organizational culture that encourages employees to be proactive in undertaking new jobs and roles.

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

VOICE

I Seized the Opportunity to Take on a Role That Needed to be Fulfilled

Since I was involved in the discussions regarding new business at Konica Minolta Opto, Inc., I felt strongly that the diversity of resources within the Group needed to be integrated. It was at just that moment that I learned of a job offered in the department taking on the planning of business strategy for the entire Group. I felt this was an opportunity for me to take on the role that I had thought someone should fulfill, myself. So I made the decision to apply for the job. I will do my best to use the experience and perspective I have gained in the business company, and to promote collaboration that will help create the future of Konica Minolta.



Naoko Okazaki
Management Strategy Department
Konica Minolta Holdings, Inc.

Activity Highlight 3 Promoting Diversity

Expanding the System That Enables Work-Life Balance

Konica Minolta is striving to provide various systems that support the work-life balance of its employees, to help maximize their capabilities in the workplace while also achieving a fulfilling personal life that includes the family, community and self-development. In fiscal 2009, the

Group fully implemented a program that allows an employee to work at home during child-rearing. Moreover, it extended the period of eligibility for shorter working hours to do childcare until a child finishes his/her 3rd grade in elementary school.

Work-life Balance Support Program Use (Fiscal 2009)

During pregnancy/child-birth, post delivery			Child-rearing period			Others		
	Women	Men		Women	Men		Women	Men
Maternal health management leave	14		Parental leave	78	4	Nursing care leave	2	3
Maternity leave	43		Shorter working hours for childcare	151	0	Shorter working hours for nursing care	2	0
Spousal maternity leave		150	Work-at-home during child-rearing	17	4	Volunteer leave	0	0

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

Preparing a Work Environment Which Provides for Employees' Mental and Physical Health

Konica Minolta is implementing various measures to continually improve safety and health standards, with a clear focus on workplace safety and the health of employees.

Setting Up Priority Sites to Prevent the Occurrence of Accidents During Working Hours

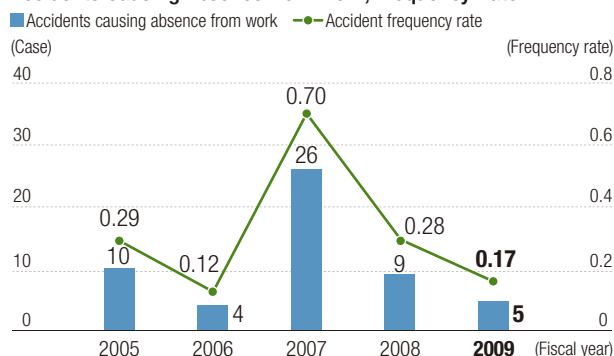
In 2009, Konica Minolta employed intensive measures to prevent accidents occurring during working hours by setting up priority sites.

Initially, one production site and one sales company in Japan were selected based on the assessment results of the Safety and Health Achievement Program*. At the production site, a total of 121 cases of significant risk were selected based on thorough risk assessments, and all pertinent countermeasures were completed by the end of the fiscal year. The sales company focused on prevention measures for traffic accidents, making it easier to analyze the cause of an accident in an accident report by improving its format with the advice of an outside consulting firm, and strengthening safety training.

In fiscal 2010, adding to the traditional activities of risk prediction and awareness raising, the Group started an initiative on "fundamental facility improvement for safety." Under this initiative, the Group is investigating fundamental causal factors in accidents at production facilities and eliminating such factors in order to prevent accidents.

* Safety and Health Achievement Program: A system which Konica Minolta independently developed to convert safety activity into a score using a checklist, and to encourage voluntary improvement.

Accidents Causing Absence from Work, Frequency Rate



* 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

Thorough Management of Working Hours to Prevent Overwork

Konica Minolta is taking steps to prevent health problems caused by overwork. It has conducted health check-ups for all employees who work more than 80 hours of overtime in a month at Group companies in Japan, and is pursuing thorough management of working hours in order to control overwork tendencies.

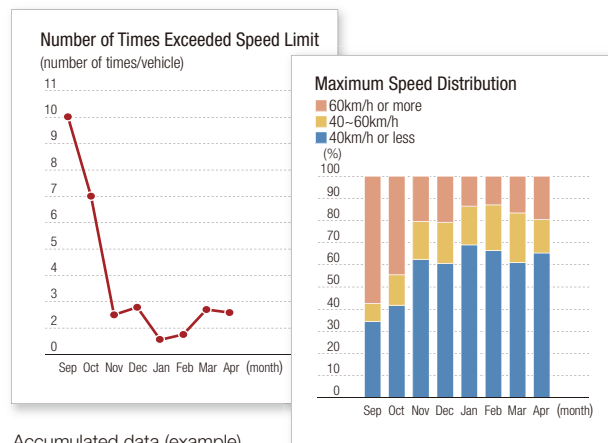
Spotlight

Vehicle Operation Management System Promotes Safe Driving and Eco-Driving

Since fiscal 2009, Konica Minolta Business Solutions Japan Co., Ltd., a business information systems sales company in Japan, has been implementing a vehicle operation management system for company owned vehicles.

This system is capable of continuously collecting data about rapid acceleration, sudden slowdown, driving hours, and fuel costs.

Furthermore, the system is equipped with a function that sends an automatic message to a supervisor when an employee drives a car over the set driving speed or when the car rapidly accelerates or suddenly slows down. This makes it possible for a supervisor to instruct an individual employee about his or her dangerous driving behavior before a real accident occurs. Moreover, monitoring fuel costs and excessive idling will help promote ecologically aware driving habits that reduce fuel consumption.



Accumulated data (example)



Contributing to Society

Developing Activities to Address Social Issues around the World

Working to earn the confidence and trust of society as a good corporate citizen, Konica Minolta is engaged in activities that address local social issues around the world. The Group works proactively on issues which its own business resources are uniquely positioned to solve.

United Kingdom

Environmental Education Programs with Local Communities

Konica Minolta Business Solutions (UK) Ltd., a business information systems sales company in the United Kingdom, works closely with local communities on an educational program to enhance the environmental awareness of children. The program aims to develop children's understanding of the importance of waste reduction through the 3R's (Reduce, Reuse & Recycle) and to empower them to make choices that have a positive impact on environmental preservation. In 2009, the company implemented the program at 20 primary schools, offering four 90-minute courses on the environment during one month.

For its efforts in this regard, the company received the Green Apple Award for Environmental Best Practice in November 2009. The Green Organisation, a non-profit business, presented this award in recognition of dedicated efforts for the environment. Konica Minolta is planning to implement the program in 30 more schools in 2010.



Children in class learning about the environment

United Kingdom

Poland

Poland

Color Instructional Materials Designed for Children with Visual Challenges

Since 2007, Konica Minolta Business Solutions Polska, an office equipment sales company in Poland, has been supporting the United by Colour Project. The project is organized by a support group called Rainbow, whose membership is made up of visually challenged children and their families. The project aims to develop color instructional materials designed to be useful in therapy aimed at improving children's eyesight. In 2009, six new types of instructional materials were created with the advice of specialists, featuring color pallets such as brights and pastels. Konica Minolta plans to print these materials with the color MFP bizhub PRO C65hc and to distribute them.



With the use of High Chroma toner, the color MFP bizhub PRO C65hc offers brilliant color reproduction capabilities.



Instruction materials for visually challenged children

United States

Aid Given to Haiti Earthquake Victims

In 2007, Konica Minolta Business Solutions U.S.A., an office equipment sales company in the U.S., established a non-profit organization named the Konica Minolta Colorful Tomorrow Foundation, Inc. (CTF) for the purpose of undertaking social contribution initiatives geared towards children.

The CTF put out a call for emergency funds to help victims of the Haiti earthquake in January 2010. Konica Minolta employees raised US\$31,500—including matching funds provided by Konica Minolta Business Solutions U.S.A—which was donated to the American Red Cross.



Contributing to the American Red Cross

China

Awareness-Raising for the Importance of Early Detection of Breast Cancer

Konica Minolta Medical and Graphic, Inc. supplies digital mammography units that are effective for early detection of breast cancer. Naturally, Konica Minolta also supports the Pink Ribbon campaign, which emphasizes the importance of early breast cancer detection, in all Group companies around the world.

In China, for example, Konica Minolta (China) Investment Ltd. is leading the way with a variety of ongoing activities. In 2007 in Shanghai the company held a series of health lectures at a Women's Health Forum dealing with unique health risks for women and everyday health management. The lectures were made possible through the cooperation of the local women's associations and libraries, and in 2008 they were held in Beijing as well. The lectures were held five times at each location with a total of over 3,000 participants in attendance.

Furthermore, Konica Minolta suggested and started a Project for Early Diagnosis of Breast Cancer in Shanghai in October 2008 with six other Japanese companies. This program specially targets female employees 35 years or older, the age bracket with a higher incidence of breast cancer, and offers check-ups while covering the cost of diagnostic procedures. In the first year, 172 personnel from eight companies were examined. Three of these were recommended for re-examination, and of these, one underwent an operation and is recovering in good health. In 2009, the program was implemented in Shanghai and Beijing, where 319 participants from ten companies were examined. In the future, the program will call for greater participation from other companies.



Regius PureView Type M, a digital mammography unit which enables the clear visualization of micro-calcifications and tumor shadows around cancer cells, which are signs of early-stage breast cancer.

Japan

Donating a Portion of Sales from Planetarium Shows to Victims of the Chile Earthquake

Konica Minolta Planetarium Co., Ltd. is donating a portion of ticket sales from the full-dome show "TAO: Unlocking the Mysteries of Distant Stars" presented at its planetarium theater "Manten" in Tokyo, to support victims of the Chile earthquake that occurred in February 2010.

The show features the construction plans promoted by the University of Tokyo for a giant telescope on Chajnantor Peak in Chile. It was coproduced by the University and the company.

A donation box has also been placed in the lobby of the planetarium theater.



"TAO: Unlocking the Mysteries of Distant Stars"

Management System

Konica Minolta seeks to improve corporate value by using a holding company system and separating supervisory and execution functions in a management and governance system with a high degree of transparency.

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.

Board of Directors and Three Committees (as of April 1, 2010)

● : chairman

	Nominating Committee	Audit Committee	Compensation Committee
Directors (Chairman of the Board)	○		
Outside Director	○	●	
Outside Director	●		○
Outside Director		○	●
Outside Director	○	○	○
Director	○	○	○
Director		○	○

* Currently the three committees are all comprised of directors that are not executive officers.

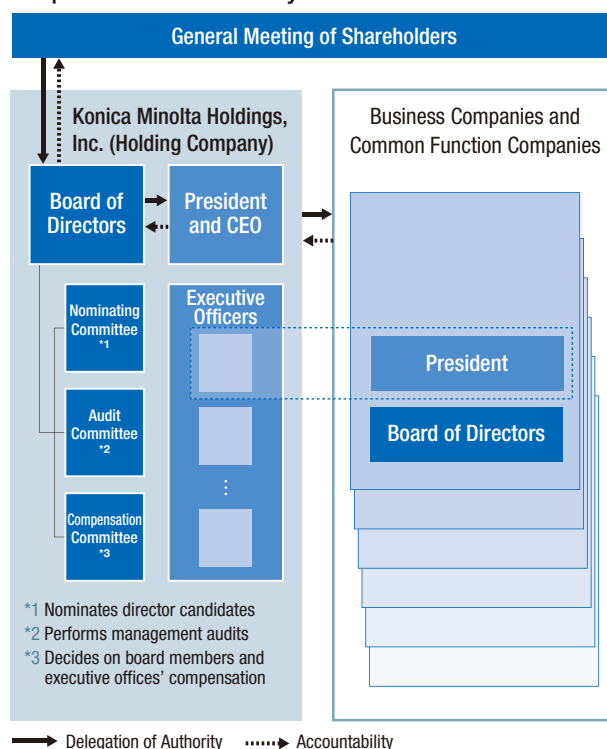
Holding Company System

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.

Corporate Governance System



Compliance

In October 2003, Konica Minolta established the Konica Minolta Group Conduct Guidelines. Serving as guidelines for the governance of the Group companies in Japan, they are given the highest priority in guiding all conduct in the course of corporate activities.

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

Group Compliance Committee

The President and CEO of Konica Minolta Holdings takes ultimate responsibility for Group compliance. The executive officer responsible for Group compliance (Compliance Officer), who is appointed by the Board of Directors of Konica Minolta Holdings, convenes the Group Compliance Committee, an advisory board comprising the chairpersons of compliance committees in the Group's business and common function companies (these chairpersons are the company presidents, in principle). It is under this arrangement that the Legal Division at Konica Minolta Holdings provides direct and indirect support for, and coordinates the compliance activities of, all affiliates including those outside Japan.

Dialogue Program Conducted by the Compliance Officer

In fiscal 2009, the Compliance Officer conducted a program to promote dialogue at Konica Minolta sales companies.

The program was conducted at the business offices of each company in nine locations throughout Japan. It was attended by approximately 300 executives and managers in total. The program covered specific examples both within and outside the Group, emphasizing the importance of managers discussing compliance in the workplace and communicating with subordinates.

The Compliance Officer also visited the U.S., the U.K., Germany, France, and the Czech Republic to receive reports from each company on the progress of their compliance activities and to exchange views.

Risk Management

Konica Minolta has established a management system in which the President and CEO of Konica Minolta Holdings is responsible for risk management and crisis management. In April 2010, the company strengthened its system for assessing a range of possible risks without serious omissions and for developing full countermeasures. A system was also established for reporting and command in a crisis.

Risk Management System

The executive officers of Konica Minolta Holdings are responsible for managing strategic risk, operational risk, financial risk and so on. They identify and evaluate risks and develop and monitor countermeasures in their respective spheres of management. In addition, the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors of Konica Minolta Holdings (currently the President and CEO), is convened periodically or as necessary. The Committee examines the risks identified by each executive officer as well as the countermeasures in place and checks that the risk management system is functioning effectively, making revisions where necessary.

Crisis Management System

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. The Crisis Management Committee, chaired by the executive officer for crisis management appointed by the Board of Directors of Konica Minolta Holdings, discusses and formulates crisis countermeasures and procedures for action.

Furthermore, the emergency contact system has been enhanced to enable the President and CEO of Konica Minolta Holdings, in addition to the executive officer for crisis management, to assess the situation and take decisions quickly. A system has also been established to enable the President and CEO to take leadership in critical areas in a crisis.

Dialogue with an Expert

On April 8, 2010, Konica Minolta invited Ms. Sachiko Takami from the international NGO The Natural Step Japan to participate in a dialogue with Kiyofumi Tanida, who has been serving as CSR Managing Executive Officer of Konica Minolta Holdings, Inc., and other members of the Corporate Social Responsibility Division. The group discussed Konica Minolta's approach to the environment, and a number of proposals were tabled. A summary of the meeting is presented below.



Sachiko Takami

Chief Executive, The Natural Step Japan

world. Since the EU's chemical substance policy is going to totally ban the use of any persistent substance in the long-term, it is certain that regulation in the future will be tighter. Therefore, I think your company must proactively establish a vision of itself avoiding, in the future, the use of non-biodegradable persistent substances. It is vital that you begin to think of how you can change the substances you currently use to realize such a vision. If it is too difficult to switch all at once, I would advise you to consider making the shift to less harmful substances on a step by step basis by working with your suppliers and gaining their cooperation.

Konica Minolta We often hear how important backcasting* is to CO₂ reduction, but you are saying that we must also apply this kind of long-term perspective to the issue of chemical substances.

CO₂ reduction

Takami It is admirable that you have set your CO₂ reduction goal in terms of total volume of CO₂ emissions across the entire product life cycle (▶P17). I would suggest, however, that conversion to renewable energy be added to your approach, as solely using energy saving measures has a limited emissions reduction effect. Even if costs are high in some countries, with your business developing on a global scale, I think it should be possible for you to start your initiatives for the switch to renewable energy in countries where costs are lower or countries that offer preferential treatment.

Konica Minolta Production-site activities would be the most effective for saving energy. However, from the perspective of converting to renewable energy, we will probably need to focus on other sites as well. In March 2010, our sales company in Belgium became the first Group company to introduce a large-scale solar panel facility (▶P22). In the future, we will consider introducing more facilities elsewhere while assessing the climate of each country.

Reducing the risk of chemical substances

Takami At the Natural Step, we have defined arresting the concentration levels of substances in nature created by human society as a fundamental principle for any sustainable society. We have proposed that companies should set a goal of avoiding contributing to the constantly growing volume of persistent substances in the natural

Addressing biodiversity issues

Takami The most effective way to contribute to the preservation of biodiversity is addressing it through the company's main business. Because the core business of Konica Minolta is business information systems like copiers and MFPs, I believe the most important step you can take is to ensure that the paper you provide to clients is produced with pulp procured from forests certified as properly managed. Raw materials purchased from trading companies are often difficult to trace back to their source. But you should be aware of the fact that the lack of ability to obtain adequate information itself can create risk in terms of CSR.

Konica Minolta We have just finished evaluating our business activities with respect to biodiversity, and we are now investigating specific approaches (▶P18). Reexamining our Group's standards for paper procurement from the standpoint of biodiversity is one of the issues we have been discussing. We plan to prioritize this work.

* Backcasting: A way of thinking that involves defining a future action by sketching a desirable image of the future and a goal, and then looking back at the current situation from the perspective of that goal.

Expert Opinion of Konica Minolta's CSR Report

We asked Mr. 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

1. Sustainable business model

Konica Minolta's CSR activities are characterized by the effort to establish an environmentally adaptive business model driven by the management philosophy of "the creation of new value." The Group's approach to creating new business by developing energy- and resource-saving products that use organic materials technology is capable of breathing new life into its main business in response to the social values of a new generation. I believe such an approach will help readers understand Konica Minolta's dream of realizing a sustainable society.

In order to achieve this vision for the future along with its Eco Vision 2050 and the Medium-Term Environmental Plan 2015, the Group will have to achieve the seamless implementation of its business strategy and CSR management.

2. Implementation of CSR management throughout the supply chain

An additional point to be recognized is the implementation of CSR management throughout the supply chain. The Group has been developing a unified CSR management system that spans its entire supply chain. Building on its Green Factory Certification System for managing the performance of production sites, Konica Minolta has been implementing CSR procurement and product safety education/risk map

processes upstream and constructed a circulation route for information about "customers' voices" gleaned from regularly administered customer satisfaction surveys and market quality databases downstream.

In order for this system to function organically and effectively, the Group needs to pursue an operational method that enables optimized operation of the entire system while also ensuring the coordination of individual approaches.

3. Improvement of social information

In contrast to the wonderful progress made with respect to the environmental side of things, there still seems to be room for improvement with respect to the social dimension. For example, for multinational companies like Konica Minolta that create CSR reports in multiple languages, employment information should also be expanded to cover information worldwide. Similarly, while the company promotes efforts to support people with disability by means of universal design technology, the report should also include disclosure of employment rates for people with disabilities, a practice that is becoming more widespread in Japan.

Of course, there have been certain improvements in the social aspect, such as disclosure of more detailed information about the usage conditions of the Group's "work-life balance" support system starting this year, and new disclosure of information about efforts to prevent overwork. However, even here more efforts could be made to show the usage conditions of the work-life balance support system so that changes over time are visible, just like the data on work-related accidents, and to disclose quantitative information related to overtime work. Further, since there are cases in overtime work issues where excessive labor time management spurs uncompensated overtime work and worsens conditions, a more cautious approach may be desirable.

External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on its CO₂ emissions and energy-use data found in this report. KPMG AZSA Sustainability has expressed its conclusion in its independent assurance report on whether the data has been measured, gathered and disclosed in accordance with the criteria set by the Group.



Period: March - May 2010



Site inspection at the Tokyo Site



Assurance procedures being conducted

Comments

Konica Minolta has set its CO₂ emissions target with an awareness of the significance of "Scope 3 emissions*," such as the CO₂ emitted during the use of its products. Furthermore, timed with the first year of the Group's Medium-Term Environmental Plan 2015, the Group has dedicated its efforts, starting with this report, to improving the reliability and transparency of disclosed information by reporting the scope and calculation method of performance data in a detailed manner, and having its energy use and CO₂ emissions assured by an independent party. On the other hand, the company has yet to establish a robust control system that effectively detects anomalies in data in a timely manner for CO₂ emissions resulting

from production and sales, which are calculated based on energy consumption data reported every month by each production site and domestic sales site. A system to analyze the data in a timely manner and then require an explanation in cases where there are large fluctuations in consumption is deemed necessary. Lastly, CO₂ emissions due to distribution, which are considered Scope 3 emissions, are calculated based on the data reported by each business company, but the calculation procedures are yet to be fully consistent among the companies.

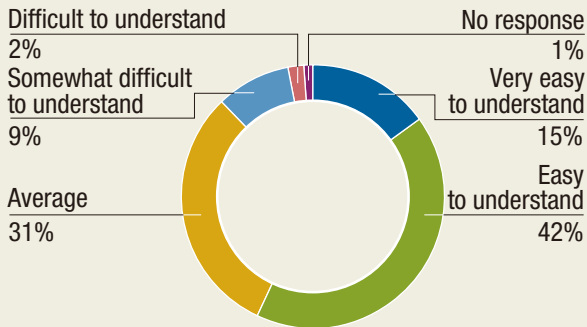
* Scope 3 emissions: "Other indirect emissions," aside from "direct emissions" (Scope 1) and "energy indirect emissions" associated with the use of purchased electric power and heat (Scope 2)

Naomi Sugo
KPMG AZSA Sustainability Co., Ltd.

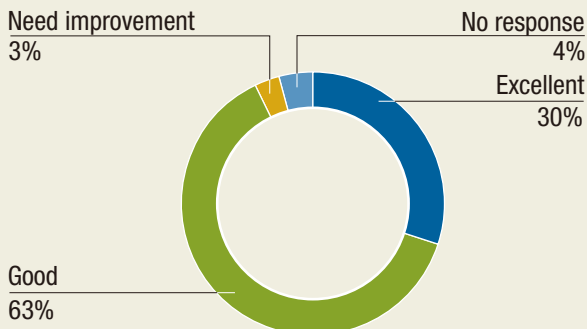
Konica Minolta CSR Report 2009 Survey Results

Konica Minolta received a total of 290 responses to its survey on the 2009 CSR report. These valuable opinions will be used for the improvement of CSR reports and in the development of CSR activities.

Report Clarity



CSR Activities of Konica Minolta



Comments from Readers

Regarding the CSR Report

- The overall composition of the report is difficult to grasp, so it would be nice if there were a way to understand the whole system at a glance.
- I would like Konica Minolta to introduce more specific examples of each initiative it is currently undertaking.
- I read with great interest the articles about the companies' efforts to improve customer satisfaction, which showed the characteristics of each business. On the other hand, I thought the articles were superficial, which left me wanting to know more.
- I think the report should have described Konica Minolta's own view of what issues remain to be addressed, not just the views of outside parties.

Regarding Konica Minolta's CSR activities

- I want to know about Konica Minolta's efforts in cutting-edge technology and its future outlook regarding social issues.
- I expect Konica Minolta to contribute to the development of environmental technologies for the future.
- I would like Konica Minolta to disclose its policies regarding the recycling of used products.
- I would like to see the Group further promoting medical-related product development and contributing to society through its businesses.
- I think it would be advisable for Konica Minolta to explore unique initiatives that only Konica Minolta can create.

Evaluation by Assessment Institutions Regarding SRI (social responsibility investment)

Konica Minolta Holdings Inc. was ranked in the SAM Silver Class of the CSR rating by SAM Group Holding AG, the internationally leading SRI assessment company.



Every year SAM assesses approximately 2,500 companies throughout the world on corporate sustainability with respect to the economy, society, and the environment; and places the most outstanding companies into gold, silver and bronze classifications. According to an announcement in January 2010, 97 companies were classified as gold, 84 as silver and 65 as bronze.

Moreover, Konica Minolta is currently included in the FTSE4Good Global Index owned by the FTSE Group in the UK, the Asia Pacific Index of the DJSI (Dow Jones Sustainability Index) in 2009 run by Dow Jones in the U.S. and SAM in Switzerland, as well as the Morningstar Socially Responsible Investment Index (MS-SRI) operated by Morningstar Japan K.K. in Japan. Konica Minolta has also been selected for the investment universe of Ethibel Pioneer and Ethibel Excellence operated by the social responsibility investment promotion group Forum ETHIBEL based in Belgium. (These appointments are current as of May 1, 2010)





KONICA MINOLTA

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