



KONICA MINOLTA

KONICA MINOLTA
CSR REPORT
2015

Giving Shape to Ideas



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Editorial Policy

The Konica Minolta CSR Report is published to inform all stakeholders about the Group's corporate social responsibility initiatives. With sections addressing each type of stakeholder, the report discusses the Group's progress and provides information about new initiatives and goals for the company, focusing on issues identified as being very important to society and having a substantial impact on the Group's business. To facilitate communication with stakeholders around the world, the report is published in five languages: Japanese, English, Chinese, German, and French.

Report Boundary

This report covers Konica Minolta, Inc. and its consolidated subsidiaries. When data is given on a specific subset of companies, the boundary is separately indicated.

Note: In this report, "Konica Minolta" refers to the Konica Minolta Group. "Konica Minolta, Inc." refers to Konica Minolta, Inc. alone.

Reporting Period

In principle, the report covers activities from April 1, 2014 to March 31, 2015. Some sections may include information on earlier initiatives or more recent activities.

In this report, "fiscal 2014" refers to the fiscal year starting April 1, 2014 and ending March 31, 2015.

Publication Date

August 2015 (Next report: scheduled for August 2016; previous report: August 2014)

For Further Information

More detailed information about the Group's CSR activities is available at: <http://www.konicaminolta.com/about/csr>



Page on the website



Relevant information available on the website

The documents below are available for download at:

http://www.konicaminolta.com/about/corporate/document_download.html

- Company Brochure
- CSR Report
- Environmental Report
- Annual Report
- Intellectual Property Report

Reference Guidelines

The 4th edition (G4) of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines



GRI / ISO26000 / United Nations Global Compact Content Indices

Disclaimer

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

Introduction

Creating New Value for a Sustainable World

Konica Minolta's mission is "The Creation of New Value."

The company exists for this very purpose:
to use creative ideas to deliver tangible new value in order to
resolve the challenges faced by customers and the broader society.

In order for companies to be sustainable in the times ahead,
they will have to contribute to the resolution of social challenges
while continuing to grow.

In other words, they will be required to create value
for both the company and society.

In cooperation with its stakeholders around the globe,
Konica Minolta aims to establish itself as a company
that is vital to society by continuing to create new value
that brings innovation to the world.

Konica Minolta Philosophy

Our Philosophy

The Creation of New Value

6 Values

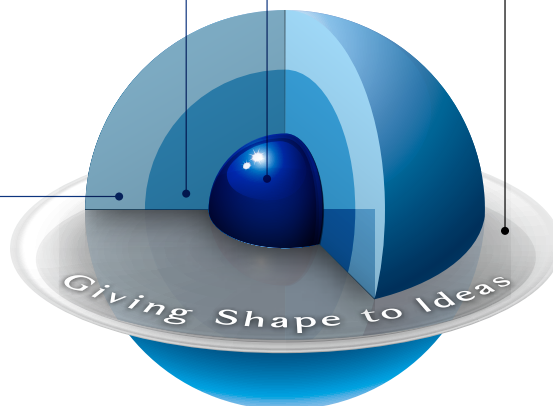
Open and honest
Customer-centric
Innovative
Passionate
Inclusive and collaborative
Accountable

Our Vision

A global company that is
vital to society
An innovative company
that is robust and constantly
evolving

Brand Proposition

Giving Shape to Ideas



Creating New Value by Pursuing Both the Resolution of Social Issues and Growth as a Company

The Value Creation Konica Minolta Strives For

Corporate value is the combination of shareholder value and social value. I believe that there are two components to that social value: CSR management and the social significance of the company's business itself. It is my conviction as a businessperson that we must increase Konica Minolta's social value in order to achieve its management vision of establishing itself as a global company that is vital to society.

Since its formation, Konica Minolta has experienced continuous growth under its management philosophy, "The Creation of New Value." In order for us to continue this sustainable growth over the next 50 or 100 years, it is important that we not only create economic value, but also societal value. This is why we are a company that takes social responsibility seriously and commits itself to contributing to the protection of the global environment and the resolution of social issues—not a company that just provides the products and services required by customers and returns the profit obtained to shareholders and employees.

All of Konica Minolta's global businesses aim to provide new value to customers and society through innovative products and services. Konica Minolta's fundamental growth strategy is the creation of new value by offering solutions to diverse challenges through its technological and business innovations.

Based on this approach, we have initiated the Medium Term Business Plan, TRANSFORM 2016. Under the strategy outlined in TRANSFORM 2016, we are specifically focusing on customer needs and social challenges. With the implementation of this plan, we aim to create new value that helps to enrich society by using our technology and know-how to help solve the world's diverse challenges.

Contributing to Solutions for Global Challenges and Environmental Problems

In recent years, the international community has been facing a variety of challenges, ranging from economic disparity to conflicts, poverty, and hunger. Global environmental problems in particular are a pressing issue. As a corporate executive, I believe that global companies, including Konica Minolta, have a responsibility to contribute to a sustainable society by reducing their environmental impact. Our

determination to fulfill this responsibility was made evident with the creation and implementation of Eco Vision 2050. As our long-term environmental plan, Eco Vision 2050 consists of long-term environmental goals with three areas of focus, including an 80% reduction in CO₂ emissions over the product life cycle compared to fiscal 2005.

Konica Minolta is committed to reducing environmental impact in all of its business processes, from product development to procurement, production, distribution, sales and service, collection, and recycling. Along the way, we aim to create new value, socially and economically, by pursuing both environmental commitment and corporate growth. This is the foundation of our environmental management. Toward that end, two ongoing endeavors are necessary: technological and business innovation.

To illustrate Konica Minolta's technological innovation, I would like to cite the organic light emitting diode (OLED) lighting. In addition to being extremely energy efficient, OLED lighting is thin and flexible, giving a high degree of freedom in applications. I think that it will enable the creation of new, previously unheard-of forms of lighting. What's more, in our core Business Technologies Business, we are working on renovating the business model itself. We're aiming to reduce environmental impact by limiting excess printing and waste through the spread of digital printing systems that print only the amount needed at the time needed.

In the textile printing industry, we've greatly contributed to the reduction of environmental impact by cutting CO₂ emissions through conversion to inkjet printing. This is just one example of how we are making contributions to the global environment by leveraging our technical prowess to give shape to the things needed by our customers and society.

Becoming a Global Company That is Vital to Society

Presently, Konica Minolta operates with over 40,000 employees practicing the Konica Minolta philosophy at sites in 50 countries. Aware of the magnitude of our influence as a global company, we participate in the UN Global Compact and implement initiatives in this regard. Our participation exemplifies to the international community our resolve to fulfill our diverse social responsibilities in the areas of human rights, labor, the environment, and anti-corruption.



With respect to human rights and other social issues in the supply chain, we work with our suppliers on CSR procurement. Beyond practicing ethical corporate behavior ourselves, we expect our suppliers to cooperate in improving respect for basic human rights and providing a decent working environment. Through this collaboration, we strive to solve social issues together. Additionally, we are strengthening measures to ensure our compliance with conflict minerals regulations in order to prevent human rights infringements stemming from conflict.

These commitments and initiatives have led to Konica Minolta's inclusion in global SRI indexes as well as high marks in ratings by CSR research institutions.

Contributing to the solutions of social challenges by combining the wisdom and skills of the Group's 40,000 employees and charting a growth strategy to achieve it is my mission as president. It is what a global company must do.

As we pursue further growth as a global company that is vital to society, I invite you to look forward to what Konica Minolta will achieve in the future.

Shohei Yamana
President and CEO
Konica Minolta, Inc.

Overview of the Konica Minolta Group

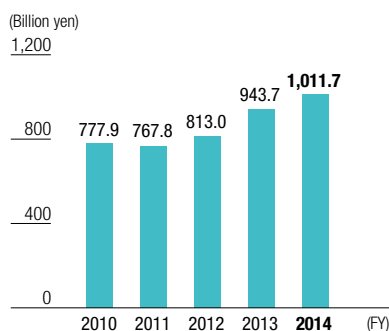
Business Domains

Business Segment	Applications	Principal Products and Services
Business Technologies Business 	Office Services	<ul style="list-style-type: none"> MFPs (Multi-functional peripherals) Laser printers Facsimile machines Software and peripheral devices Cloud services OPS (Optimized Print Services) MCS (Managed Content Services) 
	Commercial and Industrial Printing	<ul style="list-style-type: none"> Digital color printing systems Digital monochrome printing systems Digital color-proofing systems Prepress production systems Inkjet printheads Inkjet inks Inkjet textile printers Marketing Print Management (MPM) Marketing Management Service (MMS) 
Industrial Business 	Performance Materials	<ul style="list-style-type: none"> TAC film for LCD polarizers VA-TAC film for increasing viewing angle High-precision photo plates Barrier film Mirror film Functional film for windows Organic light emitting diode (OLED) lighting 
	Optical Systems for Industrial Use	<ul style="list-style-type: none"> Lens units Pickup lenses for optical disks Spectrophotometers Illuminance meters Spectroradiometers Spectrometers 
Healthcare Business 	Healthcare	<ul style="list-style-type: none"> Digital X-ray diagnostic imaging systems (CR, DR) Digital mammography Diagnostic ultrasound systems Medical imaging filing systems All-in-one medical imaging information workstations Pulse oximeters Jaundice meters Diagnosis medicine Medical ICT services 

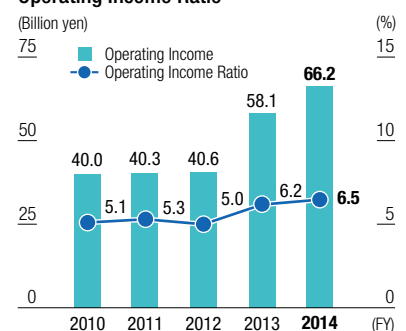
Corporate Data

Company name	Konica Minolta, Inc.
Head office	2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
President and CEO	Shoei Yamana
Established	December 22, 1936
Paid-in capital	37,519 million yen (as of March 31, 2015)
Fiscal year-end	March 31
Number of employees	Non-consolidated: 6,348 (as of March 31, 2015) Consolidated: 41,598 (as of March 31, 2015)

Consolidated Net Sales



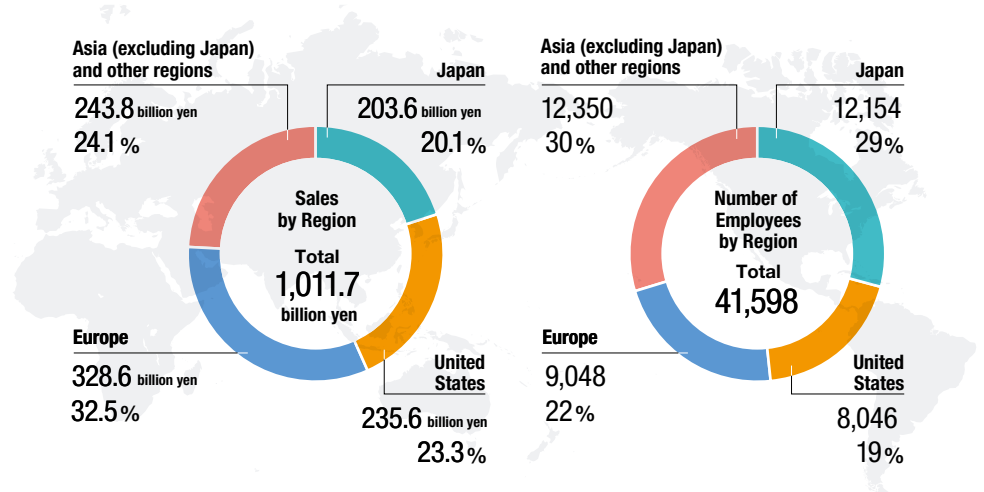
Consolidated Operating Income/Operating Income Ratio



Features of the Konica Minolta Group

Global Network Covering 150 Countries

Konica Minolta has Group sites in 50 countries with a sales and service network covering approximately 150 countries. The Group has more than 40,000 employees, and they support business of customers around the world, from a global and local viewpoint, as One Konica Minolta.



“Genre-top Strategy” That is Competitive in Fields with High Added Value

Konica Minolta concentrates its efforts and investments in fields with high added value where it can leverage its advantages, such as with A3 color MFPs and digital color printers in the Business Technologies Business, digital radiography (DR) in the Healthcare Business, and TAC film in the Industrial Business. The Group has acquired large shares in each field.

A3 color MFPs
have a top-class share of the market outside Japan.



Wireless cassette-type DR system
has a top-class share of the market in Japan.



Digital color printing systems
have a top-class share of the market outside Japan.



VA-TAC film for increasing viewing angle
has a top-class share of the global market.

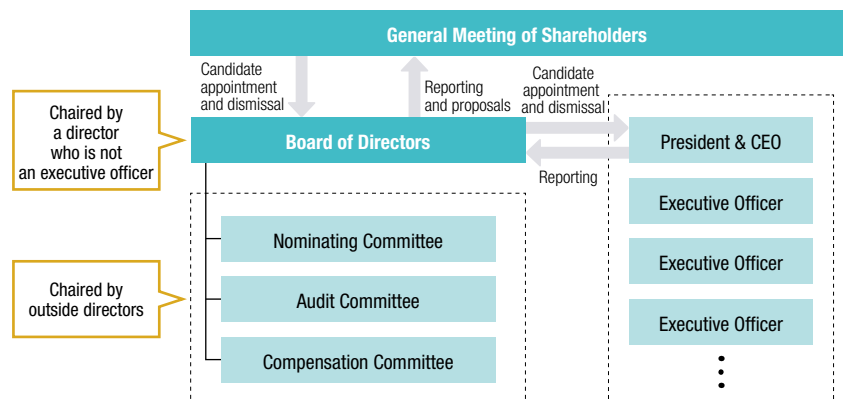


Note: Konica Minolta's estimate based on outside data for 2014

Highly Transparent, Sound, and Efficient Corporate Governance System

Konica Minolta, Inc. has adopted a “company with committees” system. It has established three committees—nominating, audit, and compensation committees—in addition to the Board of Directors, enabling the management supervisory function of the directors to be separated from the business execution function of the executive officers.

Furthermore, a director who is not an executive officer serves as chair of the Board of Directors, and the three committees are all chaired by outside directors, thereby enhancing the management supervisory function.



Basic Approach

Konica Minolta aims to establish itself as an innovative, constantly evolving company that is vital to society by putting into practice its management philosophy, "The Creation of New Value." This is why the Group strives to contribute to the resolution of societal challenges by creating value that improves the quality of our world through its business endeavors. Konica Minolta's CSR activities are guided by this management philosophy and vision, and they are based on its Charter of Corporate Behavior. The Konica Minolta Group Guidance for the Charter of Corporate Behavior is shared globally and illustrates desirable behavior in each of the categories included in the Charter of Corporate Behavior as a basis for understanding and putting the Charter into practice. The Group Guidance articulates Konica Minolta's



commitment to acting in compliance with international social norms such as the United Nations Global Compact, in which the company participates, and the Universal Declaration of Human Rights.

The Global Compact's Ten Principles

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

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, the 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, 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

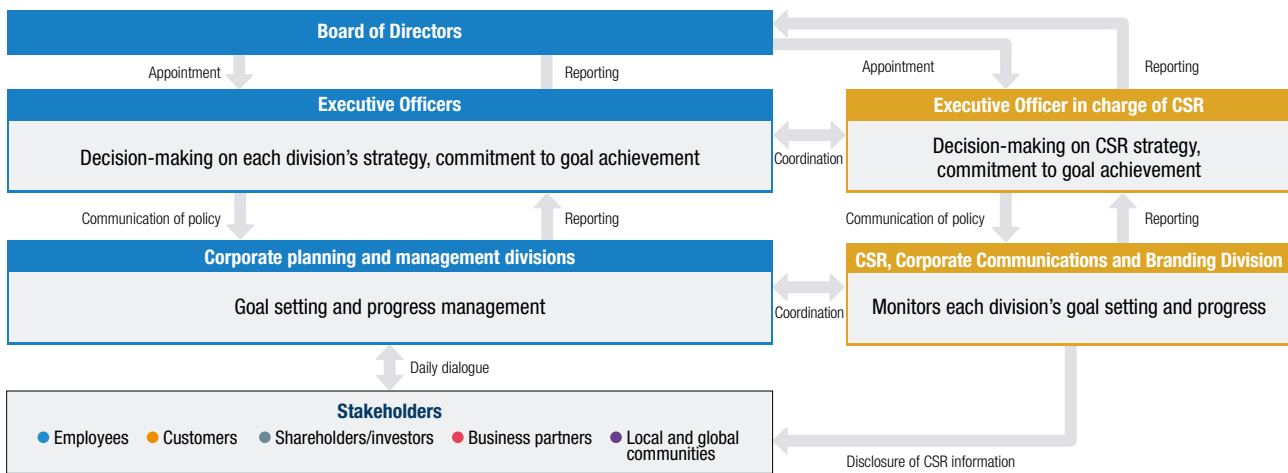
In the event of a violation of the principles of this Charter, in order to solve the problem senior management shall investigate the cause of the violation and develop reforms to prevent its recurrence in accordance with corporate compliance procedures. Prompt public disclosure of precise information 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.

CSR Management System

At Konica Minolta, the executive officer responsible for CSR, who is appointed by the Board of Directors, carries the duties and authorities concerning the entire Group's CSR. Directly reporting to him or her is the CSR, Corporate Communications and Branding Division, which sees to the implementation of CSR management for the entire Group. The manager of the CSR, Corporate Communication and Branding Division reports the progress of CSR activities to the executive officer responsible for CSR, while also reviewing measures and making proposals. Regarding matters of great importance, the Management Council

meets in a timely fashion to deliberate, keeping CSR at the forefront of management decisions.

Regarding environmental management, safety and quality control, the Corporate Social Responsibility Division reports to the executive officer responsible for these issues. The division organizes committees and meetings composed of managers responsible for each of these three areas, and drafts policies, constructs systems, and manages progress on a Group-wide basis.



	Characteristics of Stakeholders	Tools and Opportunities for Communication
Customers P31	Konica Minolta does business around the world. Major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.	<ul style="list-style-type: none"> • Providing customer service via websites and call centers • Providing product information via websites and newsletters • Conducting customer satisfaction surveys • Exchanging information via visits to customers • Exchanging information at showrooms and trade shows • Holding seminars
Business Partners P35	Konica Minolta procures raw materials, parts and components from different companies depending on the type of business. The majority of these suppliers are located in Japan, China, and elsewhere in Asia.	<ul style="list-style-type: none"> • Holding suppliers' meetings • Procurement Collaboration System • Conducting CSR surveys (self-assessment questionnaires)
Shareholders and Investors Website	Since Konica Minolta has relatively high ownership by institutional and foreign shareholders, the company is expected to take part in IR initiatives proactively on a worldwide basis.	<ul style="list-style-type: none"> • Shareholders' meetings • Briefings for investors • Visits to investors • Briefings for business analysts and institutional investors • Annual reports • IR website
Employees P39	Konica Minolta employs 41,598 people worldwide. Of those, 29% are in Japan, 22% are in Europe, 19% are in North America, and 30% are in China and elsewhere in Asia, and others (Figures are based on total regular employees of consolidated companies, as of March 31, 2015).	<ul style="list-style-type: none"> • Interactive intranet • Group journal • Employee attitude surveys • Dialogue with labor unions • Offering internal help line systems • Exchanging opinions during inspection tours of production sites by senior staff • Holding town meetings attended by senior staff
Local and Global Communities P43	Konica Minolta operates in countries across the globe, and acts as a responsible member of every community where it operates.	<ul style="list-style-type: none"> • Activities that contribute to local communities • Community briefings and invitational events • Sending speakers to lectures and places of education • Industry group activities • Environmental reports and websites • Public relations activities through publishing international publications and websites
Global Environment P21	As a manufacturer, Konica Minolta engages in various operations that impact the environment. For instance, it generates CO ₂ emissions, which contribute to climate change because of the use of materials derived from petroleum, which is a dwindling natural resource, and this affects ecosystems in various ways.	<ul style="list-style-type: none"> • CSR reports, environmental reports, and websites • Community briefings and explanatory meetings • Collaboration with research institutions

Identify Material CSR Themes and Setting Goals

At Konica Minolta, Inc., the CSR, Corporate Communications & Branding Division coordinates with the corporate planning and management divisions within the Group to identify material themes and set goals for CSR activities and monitor their progress and outcomes.

By identifying material themes and setting priority goals for CSR activities, Konica Minolta aims to address issues that are most important to stakeholders by analyzing feedback obtained by communicating with them in a variety

of ways. In addition, it considers international guidelines related to CSR, including the UN Global Compact and ISO 26000. Further, it summarizes and organizes risks and opportunities considered when formulating business plans in each business field. Based on the results, the Group selects the issues that are most material to society and that have a great impact on business and identifies them as material themes and sets priority goals.

Flow for Identifying Material CSR Themes and Setting Goals



Konica Minolta's Inclusion in Socially Responsible Investment Indexes

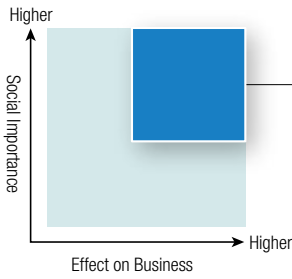
Konica Minolta has been included in several international socially responsible investment (SRI) indexes. The company has been included in the World category (three years straight) and Asia Pacific category (six years straight) of the Dow Jones Sustainability Index (DJSI) issued by U.S.-based Dow Jones and Swiss-based RobecoSAM. The company has also been included in the FTSE4Good Global Index for 12 straight years as well as the Morningstar Socially Responsible Investment Index (MS-SRI).

Konica Minolta has received high marks from various other SRI research institutes, such as inclusion in the

RobecoSAM Sustainability Yearbook's Gold Class rating (its highest CSR rating), the Prime rating for CSR by oekom research AG, Forum Ethibel's Ethibel Pioneer and Ethibel Excellence investment universes.

Additionally, Konica Minolta was included in the Climate Performance Leadership Index (CPLI) 2014 and the Japan 500 Climate Disclosure Leadership Index (CDLI) of CDP, an international NGO attempting to create a sustainable economy. Konica Minolta was the only Japanese company to be included in both the CPLI and CDLI in the information technology sector this year. (As of March 31, 2015).

Konica Minolta's Material CSR Themes



Material CSR Themes	Boundary	GRI G4* Aspects
Assuring product safety and preventing quality-related problems	Group	Customer Health and Safety
Increasing customer satisfaction	Group	
Promoting CSR throughout the supply chain	Suppliers	Supplier Labor Practices / Human Rights / Impact on Society
Enhancing communication with shareholders and investors	Group	
Leveraging and developing diverse human resources	Group	Training and Education
Fostering a culture committed to "Health-First"	Group	Occupational Health and Safety
Promoting occupational health and safety	Group	Occupational Health and Safety
Implementing social contribution activities around the world	Group	Local Communities
Green products	Customers	<ul style="list-style-type: none"> ● Materials ● Energy ● Emissions to Air ● Products and Services ● Transport
Green factories	<ul style="list-style-type: none"> ● Group ● Suppliers 	
Green marketing	<ul style="list-style-type: none"> ● Group ● Customers 	

* G4: The 4th edition of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM



ROBECOSAM
 Sustainability Award
 Gold Class 2015



Morningstar Socially Responsible Investment Index



Targets and Results

Stakeholders	Material Theme	Fiscal 2014 Targets
Customers P31	Assuring product safety and preventing quality-related problems	1. Number of serious product-related accidents ^{*1} : 0 2. Improve the quality of products, sales and service throughout the product lifecycle ^{*2}
	Increasing customer satisfaction	
Business Partners P35	Promoting CSR throughout the supply chain	<ul style="list-style-type: none"> Audit Konica Minolta group production sites and suppliers Support suppliers in achieving independent initiatives Clarify incentives for suppliers
		<ul style="list-style-type: none"> Establish and promote a conflict minerals compliance policy Expand scope of initiatives
Shareholders and Investors Web	Enhancing communication with shareholders and investors	<ul style="list-style-type: none"> Actively disseminate information and encourage understanding of TRANSFORM 2016, the new medium-term management plan (both institutional and individual investors)
		<ul style="list-style-type: none"> Expand effective contents and practice PR to encourage individual investors to purchase Konica Minolta stock
		<ul style="list-style-type: none"> Feed individual investors' opinions back and disseminate information that helps make Konica Minolta a more attractive investment choice
Employees P39	Leveraging and developing diverse human resources	<ul style="list-style-type: none"> Promote globally shared HR policies based on a platform for human resources development and deployment Instill the KM philosophy and promote the development of a system for carrying out worldwide human resources development and deployment
	Fostering a culture committed to "Health-First"	<ul style="list-style-type: none"> Establish Health KM2016 medium-term health plan and start rolling it out Establish goals for level of health and work toward them following a three-year plan Minimize the number of employees with health risks Increase health awareness through visualization of employees' levels of health
	Promoting occupational health and safety	1. Number of serious accidents ^{*4} : 0 2. Frequency rate of accidents causing absence from work: 0.1 or less <ul style="list-style-type: none"> Enhance cultivation of a culture of safety: involvement of senior management in safety, safety management in the workplace, and raising the safety awareness of individuals Improve global health and safety management Enhance intrinsic safety of equipment (risk reduction)
Local and Global Communities P43	Implementing social contribution activities around the world	P.44 Typical examples of social contribution activities in fiscal 2014
Global Environment P21	Green products	
	Green factories	P.23
	Green marketing	

^{*1} Serious product-related accidents: Accidents in which products put the lives of product users at risk or cause serious bodily injury and those in which property other than the products is damaged seriously
^{*2} Product lifecycle: All processes from product planning through procurement and production to sales and service

Fiscal 2014 Results	Fiscal 2015 Targets
<p>1. Number of accidents: 0</p> <p>2. Improve the quality of products, sales and service throughout the product lifecycle*2</p> <ul style="list-style-type: none"> Conducted risk assessment training with the aim of ensuring product safety In the Business Technologies Business, measured the global NPS Score*3 and implemented measures with development, production, and sales working together based on customer feedback In the Healthcare Business, increased the rate of issues resolved by the Call Center from 60% when it was opened to 80% 	<p>1. Number of serious product-related accidents*1: 0</p> <p>2. Improve quality throughout the product lifecycle*2</p>
<ul style="list-style-type: none"> Conducted EICC audits on Konica Minolta group production sites Considered support programs for suppliers Considered incentive programs for suppliers 	<ul style="list-style-type: none"> Request suppliers to practice CSR Conduct CSR assessments and audits Clarify support programs for suppliers Clarify incentive programs for suppliers
<ul style="list-style-type: none"> Established and published a Konica Minolta Conflict Minerals Policy Statement Expanded scope of conflict minerals voluntary survey in the Business Technologies Business and improved the response rate and response accuracy 	<ul style="list-style-type: none"> Proper information disclosure Further improve the response rate and response accuracy for conflict minerals surveys
<ul style="list-style-type: none"> Held a Management Policy Briefing in April and a Medium Term Business Plan Briefing in May for analysts and institutional investors with top management directly explaining basic policies and growth strategies Held company information sessions for individual investors in Tokyo in December and in Osaka in February 2015 with top management directly explaining the Group's business and growth strategies to a total of about 700 individual investors Held two company information sessions for analysts and institutional investors (in September and October) to explain the growth strategy for the Business Technologies Business 	<ul style="list-style-type: none"> Continue disseminating information to encourage understanding of the Medium Term Business Plan
<ul style="list-style-type: none"> Updated the IR website Won gold prize for the second year in a row in the Gomez IR website ranking Won highest award (first place overall) for Internet excellence from Daiwa IR Selected as best site for the second year in a row in the Nikko IR Evaluation Participated in an event for individual investors in Osaka in February 2015, directly explaining the Group's business and growth strategies through a company information session and booth presentation Held a company information session at a securities company's branch office in March 2015 	<ul style="list-style-type: none"> Maintain high external evaluations of the IR website and improve its usability for visitors Continue to hold briefings and events for individual investors
<ul style="list-style-type: none"> Held a small meeting with analysts in December, and held meetings with institutional investors in and outside Japan at opportune times to maintain two-way communication with top management Conducted questionnaires at each information session and shared the results internally, including with top management, as a reference for future IR activities 	
<ul style="list-style-type: none"> Created common evaluation standards for global senior personnel Revised the evaluation system for managers at Konica Minolta, Inc. and adopted our 6 Values as part of the evaluation axis Held town hall-style meetings between employees and the president at different sites 	<ul style="list-style-type: none"> Conduct a global employee attitude survey Run programs for systematically developing senior personnel in Asia Continue implementing the town hall-style meetings between employees and the president
<p>1. Established the Health KM2016 medium-term health plan and started rolling it out</p> <ul style="list-style-type: none"> Expanded efforts at Group-affiliated companies in Japan to encourage employees with potential health problems to consult a doctor Implemented workplace improvement measures based on results of an organizational analysis of stress checks Started operating KENPOS, a health encouragement website to support better health among employees Held walking events and exercise workshops aimed at establishment of exercise and walking habits among employees <p>2. Selected as a Health and Productivity Management Brand in March 2015</p>	<p>1. Continue implementing the Health KM2016 medium-term health plan</p> <ul style="list-style-type: none"> Enhance and strengthen support for Group-affiliated companies in Japan Reduce the number of high-stress workplaces by strengthening workplace improvement measures Increase the continuous usage rate of KENPOS
<p>1. Number of serious accidents*4: 0</p> <p>2. Frequency rate of accidents causing absence from work: In Japan: 0.28, Outside Japan: 0.19</p> <ul style="list-style-type: none"> Enhanced cultivation of a culture of safety: Conducted safety training for managers, training to increase sensitivity to dangers, and training to increase the level of personnel with qualifications for dangerous work Global health and safety management: Held meeting of personnel responsible for health and safety in China, and training to experience simulated dangers Intrinsic safety of equipment: Conducted comprehensive risk assessments of new processes 	<p>1. Number of serious accidents*4: 0</p> <p>2. Frequency rate of accidents causing absence from work: 0.1 or less</p> <ul style="list-style-type: none"> Enhance cultivation of a culture of safety: involvement of senior management in safety, safety management in the workplace, and raising the safety awareness of individuals Improve global health and safety management Enhance intrinsic safety of equipment and conduct comprehensive risk assessments in different safety fields

*3 NPS (Net Promoter Score): An indicator that measures the percentage of customers who recommend the company and its products and services to others

*4 Serious accidents: 1. Death, diseases that require or may require long-term care, injuries that cause or may cause disabilities, and specific communicable diseases

2. Accidents that cause three or more employees at one time to suffer on-the-job death, injuries or diseases (including accidents that do not cause absence from work)

Sharing Environmental Management Technology and Know-how with Customers, Suppliers, and Society

Environmental challenges such as global warming and depleting natural resources can't be resolved by the efforts of one single company. Konica Minolta is working towards a sustainable future by sharing the diverse environmental technology and know-how it has cultivated over many years with customers and suppliers, and working with them to reduce environmental impact.

Sharing Green Innovation



Key approach

“Going beyond the bounds of a single company, we will work hand-in-hand with customers and suppliers to solve environmental challenges”

Takenori Takahashi

Senior Manager, Environmental Management Department,
Corporate Social Responsibility Division



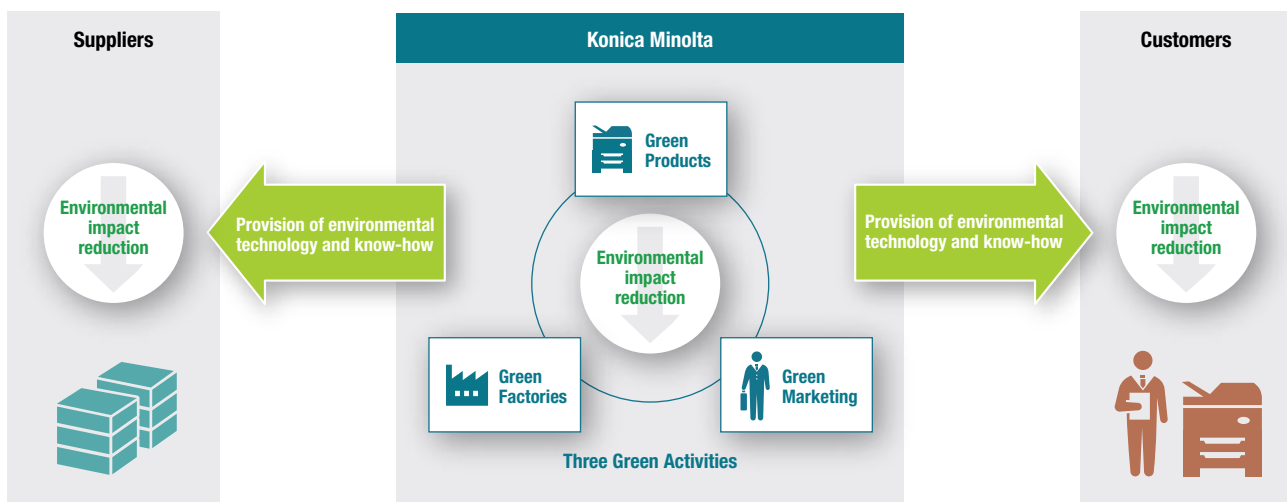
Konica Minolta's management philosophy is "The Creation of New Value," and its vision is to establish itself as a global company that is vital to society, innovative, robust and constantly evolving. Based on this approach, we redirected the goals of our Medium-Term Environmental Plan 2016. We originally aimed to just reduce environmental impact but we improved upon these goals to create value for both society and the company. In other words, we focused on the question, "What kind of environmental activities will make the greatest contribution to society through our growth as a company?" We considered in concrete terms what it means to increase business and environmental value and established measurable actions in order to gain the maximum effect for business and society out of our proprietary technology and know-how. Then we formulated the environmental plan in tandem with our business plan so that the provision of products and services that contribute to the resolution of environmental challenges, as well as the processes toward that end, will translate into corporate growth.

There is a limit to how much we can do within the company to reduce environmental impact. Sharing value

and working together with all stakeholders in the entire supply chain, from parts suppliers to customers to whom we provide products, can achieve a bigger environmental contribution. That is why Konica Minolta has started an initiative to share with its customers and suppliers the environmental technology and know-how it has cultivated and promote suppliers' environmental management efforts. This is an initiative that encompasses an even broader scope of CO₂ emissions reduction than Scope 3, which looks at CO₂ emissions throughout the supply chain. We believe that the contribution to the global environment will increase through activities that go beyond the boundaries of a single company.

I believe that one reason Konica Minolta received high evaluations on the Corporate Environmental Management Survey conducted by Nikkei Inc. and the survey of the global not-for-profit organization, CDP, is that Konica Minolta's commitment to spreading the company's environmental technology and know-how throughout society won widespread recognition. From here on, we will continue working with stakeholders to create a sustainable society on a global basis.

Initiatives Conducted with Customers and Suppliers to Reduce Environmental Impact



Action 1

Starting the Green Suppliers Initiative to Help Suppliers Reduce Environmental Impact

Background and Aim of the Initiative

Cooperation with raw materials and parts suppliers, and responsible procurement initiatives within the company, are essential to increase the value of the company's products and services. Based on this philosophy, Konica Minolta has traditionally conducted collaborative procurement activities to share and support the resolution of environmental challenges through dialogue with suppliers and visits to their sites. In fiscal 2014, we started the Green Suppliers Initiative to provide suppliers with the environmental technology and know-how the company has cultivated to help them reduce their environmental impact.

Initiatives in Fiscal 2014

In fiscal 2014, the first year of the Green Suppliers Initiative, we started to work with suppliers who agree with the aim of the program.

One example involves Toyo Communication Technology (Shenzhen) Co., Ltd. in Shenzhen, China. Experts with a great deal of experience from Konica Minolta's environmental management operations visited the company's production site, performed an energy conservation assessment and held consultations. They conducted a detailed investigation, including the assessment of electricity usage at the site. Based on the results of the analysis, they suggested staged improvements ranging from immediately effective measures such as turning off unnecessary fans to measures requiring investment, such as improving equipment insulation and installing inverters on cooling water pumps for air conditioning. Predicted reduction effects are presented at the same time, making it easy to consider the order of priority for initiatives and helping to increase the supplier's motivation. Furthermore, we work

with suppliers to help them develop environmental plans from a medium- to long-term viewpoint.

The aim of these activities is not to compel energy saving and resource conservation initiatives on suppliers, but rather to encourage them to voluntarily take such initiatives by visualizing the reduction effects they will bring. Going forward, we will share the significance and principles of engaging in environmental management, in addition to offering technology and know-how, thereby creating environmental value through the collaboration of Konica Minolta and its suppliers.

Voice Supplier Feedback

It was an opportunity to improve our approach to environmental management, not just technology and know-how.

I think the biggest feature of the Green Supplier Initiative is the way in which Konica Minolta is committed to coming into suppliers' sites and working with them to make improvements.

Indeed, the people who visited our factory did not just bring the methods cultivated in Japan as-is; rather, they thought together with us about what kinds of measures we need. This method improved the motivation of our employees, and an attitude of thinking on one's own and devising improvements started to spread throughout the company.

Going forward, we are determined to keep cooperating with Konica Minolta to form and implement environmental plans and measures, and foster a system and culture that values environmental management.



Lou Yiliang
Chairman and
Managing Director
Toyo Communication
Technology
(Shenzhen) Co., Ltd.



Helping suppliers implement environmental measures in the factory

Action 2

Introducing Environmental Management Approaches and Case Studies to Help Customers Solve Their Environmental Challenges

Background and Aim of the Initiative

Konica Minolta has aimed to share challenges through close communication in order to provide optimal solutions to each customer. By extending this initiative to the environment and introducing Konica Minolta's approach to environmental management and effective case studies, we are supporting customers' environmental management efforts. Through this initiative, we deepen our relationships with customers while making the environmental technology and know-how Konica Minolta has cultivated useful for reducing environmental impact throughout society. We provide this service regardless of whether a customer has installed Konica Minolta products or not.

Initiatives in Fiscal 2014

In fiscal 2014, the first year of this initiative, we conducted efforts to promote the initiative. For instance, we had an environmental management consultation booth at the Eco-Products Fair, the largest environmental exhibition in Japan, and the bizhub Fair 2014 run by our Business Technologies Business, to explain Konica Minolta's approach to environmental management and specific measures.

In addition, we held Executive Seminars in different locations for company managers. At the seminars, we explained Konica Minolta's environmental management and implemented examples. We also distributed questionnaires about customers' challenges and needs in an effort to ascertain topics of high concern to them.

Through our consultation booth and seminars, we were able to introduce our environmental management program to individuals from nearly 300 companies. This led to individual consultations with many of these companies, aimed at sharing and resolving challenges. In particular, we held discussions that included the introduction of case studies with topics such as the approach to environmental management, the identification of important environmental issues, energy conservation know-how, and the management of chemical substances.

In the future, we will continue to enhance our own environmental management while deepening communication with customers.



Promoting Konica Minolta's environmental management at an environmental exhibition



Giving a lecture at an environmental management seminar organized by Osaka ATC Green EcoPlaza



Special Feature 2

Facing Customer Problems to Create Satisfaction and Happiness

“Customer-centric” is one of the six core values that express Konica Minolta’s strengths and heritage. It refers to the customer-oriented attitude that each and every employee aims to practice each day. Committed to this attitude, Konica Minolta is determined to establish honest, long-term relationships and to keep evolving with our customers.

Customer-centric Innovation



Key approach

“ Establish solid relationships with customers to encourage mutual growth through co-creation ”

Masafumi Uchida
General Manager,
Corporate Social Responsibility Division



The customer relationship doesn't end after Konica Minolta sells products such as office equipment and medical devices—regular after-sales service is essential. Utilizing this business feature and its global direct sales system, Konica Minolta has established solid relationships of trust by seeking ongoing, long-term communication with customers.

Today, as customers' needs become more diverse and sophisticated, and as competition becomes fiercer on a global scale, it is important to foster strong relationships with customers and become an entity that is indispensable. That is why at Konica Minolta we look not only to our immediate customers, but also to our customers' customers, and we work with them to co-create new value in pursuit of business success and the creation of customer satisfaction and happiness.

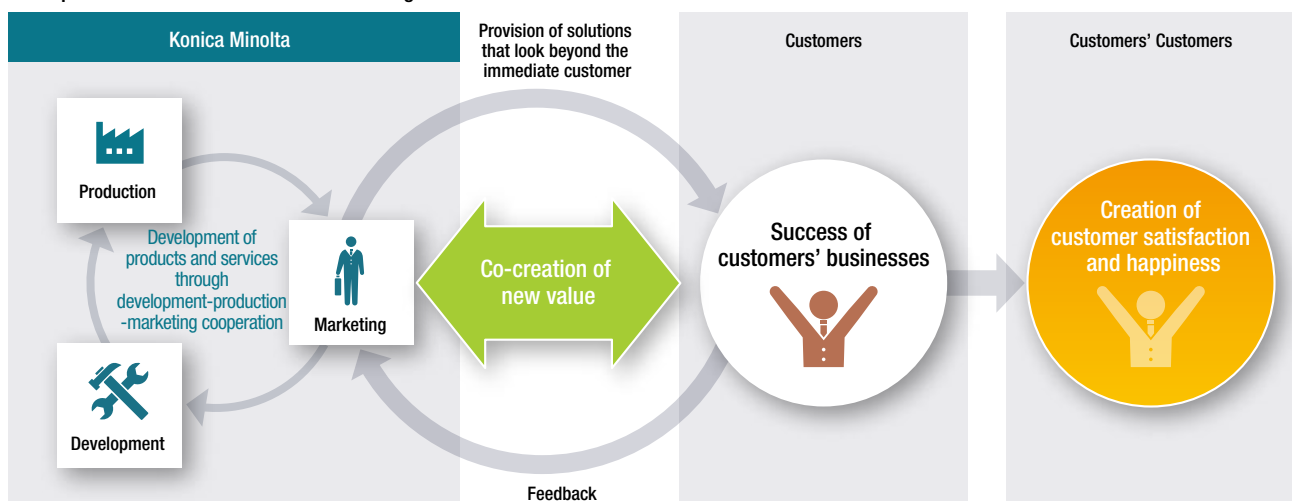
For example, in order to improve customer relationship (CR) management, the Business Technologies Business has set up a Customer Relations Department within the Marketing Headquarters. The department plans measures designed to improve customer relationship management, and it adopted the Net Promoter Score (NPS*) as a metric for that purpose. In fiscal 2013, it

started conducting NPS surveys (see page 34) on a global basis. The results and details of NPS surveys, best practices, and other information are discussed at a Global CR Conference (see page 34) attended by customer relationship managers from sales companies in Japan, the U.S., Europe, and the Asia-Pacific region, and then they are shared with executives and the Group at large. The development, production, and marketing departments then work in an integrated manner to resolve the issues identified, translating the results into support for the optimization of customers' workflow and continual improvement of customer relationship management.

The Union of Japanese Scientists and Engineers recognized these customer-centric initiatives, presenting Konica Minolta with the top position in its fiscal 2014 Quality Management Level Research. Going forward, we will continue pursuing the creation of stronger relationships with customers by carrying out initiatives aimed at improving customer relationship management on a global basis through cooperation among development, production, and marketing.

* Net Promoter Score (NPS): An indicator that measures the likelihood of recommending a company, product, or service to others.

Concept of Konica Minolta's Solutions Creating New Value with a View to Customers' Customers



Case 1

Creating a More Open Environment for Community Physicians and Patients

—Supporting the Coordination of Community Healthcare in Konica Minolta’s Healthcare Business

As the shortage of community physicians in Japan grows, the establishment of a community-wide system of accessible primary care and general hospitals with specialists and advanced equipment has become an important issue for the community.

The Ryoban community of Iwate Prefecture was considering the establishment of a healthcare information network that can share diagnostic data such as clinical records and X-ray images, with the aim of creating a new kind of community healthcare. To aid in achieving this goal, they decided to adopt Konica Minolta’s Infomity Collaboration Box Service. The deciding factors were this service’s ease of use and security, where any kind of terminal device can connect to the service over the Internet and data can be shared securely without fear of information leaks. Users rate the service highly, praising the fact that even small clinics can adopt it, since it is inexpensive compared to a dedicated line.

In 2010, a community healthcare network took shape with the participation of approximately 10 medical institutions. The network is contributing to the improvement of community healthcare and is literally

saving lives. For example, when the system is used to send patients’ diagnostic imaging data from clinics to a general hospital, it provides instructions for the transfer to the hospital under the diagnosis of a specialist. Moreover, the system’s resilience to disasters was validated when it was quickly restored during the Great East Japan Earthquake in March 2011. As positive reviews of the system spread, participation in the network increased to more than 20 institutions as of the end of fiscal 2014.



Dr. Shin Nakamura, Deputy Director of the Iwate Prefectural Iwai Hospital, who promoted the establishment of the healthcare information network

Case 2

Supporting Next-generation Marketing Activities

—Marketing Print Management Services in the Business Technologies Business

In recent years, corporations have been adopting cross-media strategies in their marketing activities, incorporating websites, social networking services, and other new techniques in addition to their printed materials. Against this backdrop, a major European automobile manufacturer expressed a desire to limit expenses associated with printed materials to invest in new media strategies and adopt multiple kinds of media in pursuit of a consistent brand image.

In response to these needs for next-generation advertising, Konica Minolta proposed using their Marketing

Print Management (MPM) service. Designed to optimize quality, delivery times, and costs, this service centrally manages design and production of the vast amounts of printed advertising materials produced by corporations. In providing this service, Charterhouse PM Limited, a Konica Minolta subsidiary in the United Kingdom, sent a team of over ten people to the client’s office to handle all of the work involved in designing and producing printed materials such as product catalogs in order to promote sales.

Before this, the client had designed and produced large volumes of printed promotional materials separately according to the needs of each company division or product. By managing all of these materials together, Charterhouse PM cut costs and improved productivity, allowing it to enhance the quality of printed materials and ensure a consistent brand image. In recognition of its positive contributions to the client’s marketing activities, Charterhouse PM has adapted its service offering to provide both online marketing solutions and offline marketing materials, furthering its business partnership with the client.



Personnel from Charterhouse PM handle the production of advertising materials at the client’s office

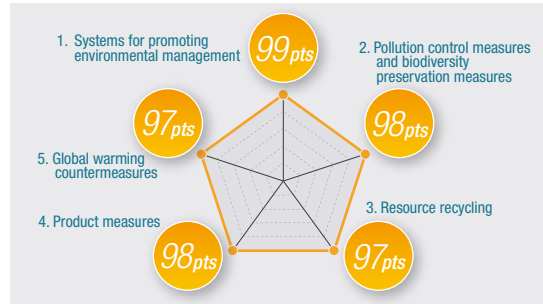
Konica Minolta Ranked First Place on the Nikkei Environmental Management Survey

Konica Minolta was ranked first place in the overall manufacturing sector on the 18th Environmental Management Survey announced in January 2015. On this survey, Konica Minolta received high points in all five areas of assessment, especially systems promoting environmental management and product measures.

The company believes that its policy and actions regarding environmental management that unify environmental impact reduction and corporate value enhancement, as well as its efforts to contribute to the reduction of environmental impact throughout society by providing its own environmental technology and know-how to customers and suppliers, caught the attention of the judges.

Konica Minolta believes that its use of proprietary materials technology to recycle used PET bottles and gallon bottles and its industry-leading technology for adopting the recycled plastic in the outer cases of MFPs led to the high evaluation.

Konica Minolta's Score Chart



What is the Environmental Management Survey?

This survey, conducted by Nikkei Inc., analyzes and assesses companies' environmental management in five areas: systems for promoting environmental management, pollution control measures and biodiversity preservation measures, resource recycling, environmental measures for products, and global warming countermeasures. This time, the survey questionnaire was sent to 1,729 manufacturers. Konica Minolta was ranked first place overall out of the 419 companies that responded.

Konica Minolta Ranked First Place on the JUSE Quality Management Level Research

Konica Minolta was ranked first place overall on the 8th Quality Management Level Research announced in October 2014. It earned the top position in two out of six assessment areas: customer orientation and system utilization and deployment capability. It also received top-three assessments in the training of human resources who carry out quality management and in the management of reliability, safety, and trust.

The company believes that the results reflect recognition of the way Konica Minolta has globally developed a system for quality improvement through development-production-marketing cooperation and pursued customer value with a customer-oriented focus.



Award ceremony

What is the JUSE Quality Management Level Research?

This survey, started jointly by the Union of Japanese Scientists and Engineers (JUSE) and Nikkei Inc. in 2004, assesses the systems and practice of quality management in six areas: top management commitment; training of human resources who carry out quality management; management of reliability, safety, and trust; establishment and adherence to processes; customer orientation; and system utilization and deployment capability. This time, the 8th survey was conducted on 602 prominent manufacturers, construction companies, and software companies in Japan.

Exercising Responsibility for the Global Environment

In order to grow sustainably into the future, a company must not only create economic value—it must also address environmental challenges, an important social issue.

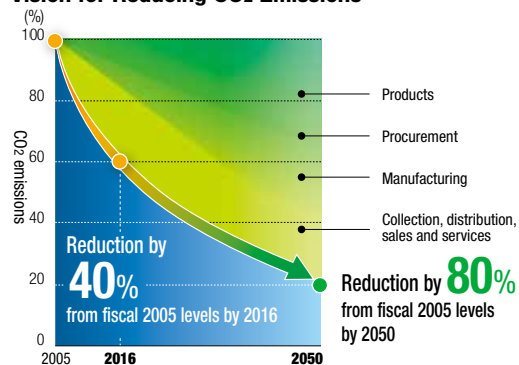
Under the management philosophy, “The Creation of New Value,” Konica Minolta aims to reduce environmental impact in all business processes, from product development to procurement, production, distribution, sales and service, collection, and recycling. Environmental management is the foundation of Konica Minolta’s growth strategy because through it, the company creates new value from social and economic standpoints, achieving both reduction of environmental impact and growth as a company. Our determination to achieve these goals is expressed in Eco Vision 2050, our set of long-term goals that look forward to the year 2050.



Eco Vision 2050

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

Vision for Reducing CO₂ Emissions



Concept of the Medium-Term Environmental Plan 2016

Twin Objectives: Resolving Environmental Challenges and Corporate Growth

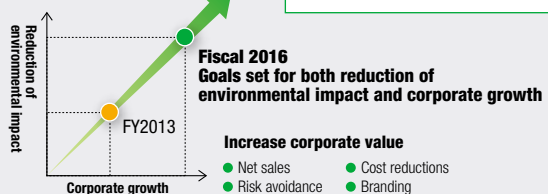
Companies exist because they provide value to society and obtain profit as compensation for that value. Their growth can be sustained by fulfilling social responsibility to the broad range of stakeholders concerned with their business. This is also true regarding environmental sustainability. Konica Minolta coupled its environmental plan with its business plan in order to provide products and services that help solve environmental challenges and achieve corporate growth in the process.

Increase environmental value

- Preventing global warming
- Supporting a recycling-oriented society
- Reducing chemical substance risks
- Restoring and preserving biodiversity

Vision

A company that creates value for both society and itself by integrating efforts to resolve societal challenges and improve corporate competitiveness and profits



Creating Value and Growing Together with Stakeholders

There is a limit to how much Konica Minolta can do by itself to solve environmental challenges on a global scale. However, by sharing a commitment to the global environment and collaborating with all stakeholders across the supply chain—from the suppliers from whom the Group procures parts to the customers to whom it provides

products—it is possible to make a bigger contribution to environmental sustainability. In line with this idea, Konica Minolta’s environmental plan suggests that the Group and stakeholders work side-by-side to create value and grow together.

Co-creation of Value with Stakeholders



Establishing Material Environmental Issues and Goals Closely Linked with Business

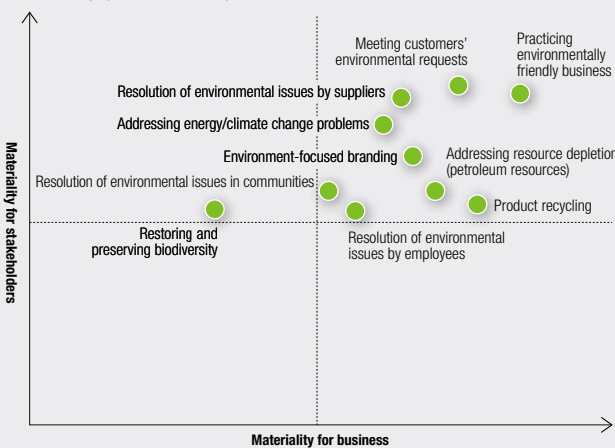
The Medium-Term Environmental Plan 2016 addresses both the opportunities and risks related to Konica Minolta’s impact on the environment. The Plan identifies material issues by considering both environmental and business priorities.

In the process of establishing material issues, Konica Minolta gathers data and conducts an annual review using an objective assessment method. This method ensures the

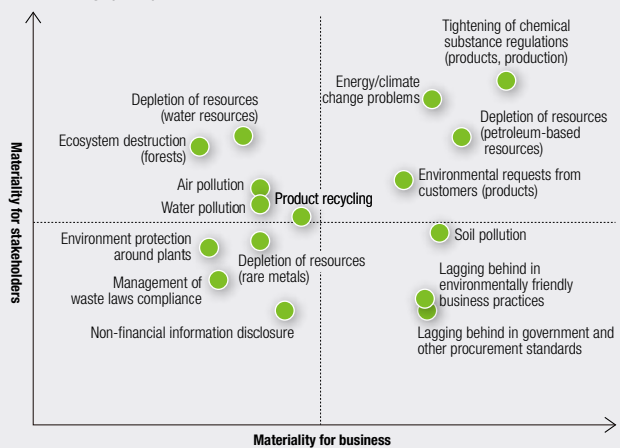
validity of material issues and plans as well as the effectiveness of progress monitoring.

In this way, the entire organization from executive management down makes a commitment, and highly effective environmental management is achieved by bringing business enhancement goals such as improvement of product appeal, earnings from sales and services, and cost reduction in line with environmental goals.

Materiality (Opportunities)



Materiality (Risk)



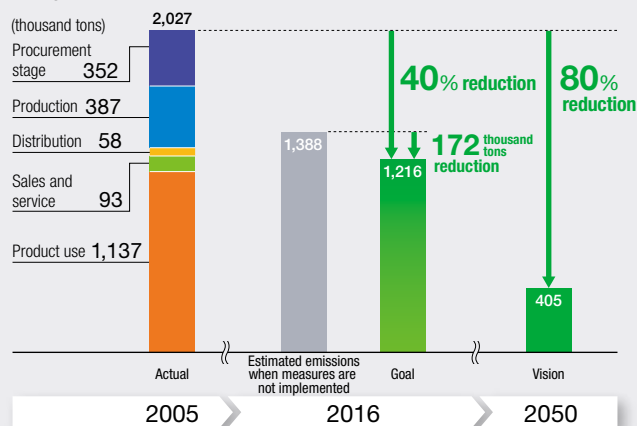
Exercising Responsibility for the Global Environment

Considering the Entire Supply Chain and Product Lifecycle

Eco Vision 2050 commits Konica Minolta to reducing its environmental impact in all business processes, from product development to procurement, production, distribution, sales and service, collection, and recycling.

To that end, the Medium-Term Environmental Plan 2016 lays out Three Green Activities—Green Products (planning and development), Green Factories (procurement and production), and Green Marketing (distribution, sales and service, and collection and recycling)—as globally material themes at each stage of business. Therefore, this environmental plan takes the entire supply chain and product lifecycle into account.

Lifecycle CO₂ Emissions Reduction Goal



Note: Lifecycle CO₂ emissions reduction goal covers CO₂ emissions from the procurement stage as of fiscal 2014.

Goals of the Medium-Term Environment Plan 2016 and Fiscal 2014 Targets and Results

	Material issues	Goals of the Medium-Term Environment Plan 2016	
		Business value	Environmental value
Material Theme 1 Green Products (planning and development)	(1) Creating and providing the green products demanded by customers and society	Sales <ul style="list-style-type: none"> Sales of Green Products: 640 billion yen (Share of sales: 58%) Cost reductions <ul style="list-style-type: none"> Reduce cost of product materials 	Preventing global warming <ul style="list-style-type: none"> CO₂ reduction during product use: 59 thousand tons CO₂ reduction at procurement stage: 105 thousand tons Supporting a recycling-oriented society <ul style="list-style-type: none"> Resources used effectively: 33 thousand tons Reducing chemical substance risks <ul style="list-style-type: none"> Control emissions
	(2) Conforming with government procurement standards and environmental label requirements	Sales <ul style="list-style-type: none"> Eliminate lost sales opportunities 	Environment overall <ul style="list-style-type: none"> Reduce environmental impact by conforming with standards and label requirements
	(3) Dependably complying with product-related laws and regulations	Risk avoidance <ul style="list-style-type: none"> Eliminate effect on sales 	Reducing chemical substance risks <ul style="list-style-type: none"> Reduce hazardous chemical substance risk by conforming to laws and regulations
Material Theme 2 Green Factories (procurement and production)	(1) Green Factory operations that translate into cost competitiveness	Cost reductions <ul style="list-style-type: none"> Reduce costs of energy and materials (reduce loss) 	Preventing global warming <ul style="list-style-type: none"> CO₂ reduction during production: 9.2 thousand tons Supporting a recycling-oriented society <ul style="list-style-type: none"> Resources used effectively: 4 hundred tons Restoring and preserving biodiversity <ul style="list-style-type: none"> Sustainable use of water resources
	(2) Upgraded recycling that resolves community environmental challenges	Cost reductions <ul style="list-style-type: none"> Reduce cost of materials 	Preventing global warming <ul style="list-style-type: none"> CO₂ reduction at procurement stage (target established in 2015 Q1) Supporting a recycling-oriented society <ul style="list-style-type: none"> Resources used effectively (target established in 2015 Q1)
	(3) Cooperation with suppliers that translates into cost competitiveness	Cost reductions <ul style="list-style-type: none"> Reduce costs of energy and materials (reduce loss) 	Preventing global warming <ul style="list-style-type: none"> CO₂ reduction at suppliers (established in agreement with each target supplier) Supporting a recycling-oriented society <ul style="list-style-type: none"> Effective use of resources (established in agreement with each target supplier)
	(4) Dependably complying with production-related laws and regulations	Risk avoidance <ul style="list-style-type: none"> Eliminate effect on production 	Environment overall <ul style="list-style-type: none"> Reduce environmental impact by conforming with laws and regulations
Material Theme 3 Green Marketing (distribution, sales and service, and collection and recycling)	(1) Resolving customers' environmental challenges	Net sales <ul style="list-style-type: none"> Acquire sales opportunities 	Environment overall <ul style="list-style-type: none"> Reduce environmental impact on customer side
	(2) Supply chain optimization and linked environmental initiatives	Cost reductions <ul style="list-style-type: none"> Reduce cost of distribution and packaging 	Preventing global warming <ul style="list-style-type: none"> CO₂ reduction during distribution: (target established in 2015 Q2) Supporting a recycling-oriented society <ul style="list-style-type: none"> Resources used effectively: (target established in 2015 Q2)
	(3) 3R initiatives for products	Risk avoidance <ul style="list-style-type: none"> Reinforce 3R initiatives 	Supporting a recycling-oriented society <ul style="list-style-type: none"> Use resources effectively through product 3R initiatives

Note: The targets for fiscal 2016 have been changed partially based on the forecast of a 40% reduction in lifecycle CO₂, which is a binding target.



Priority Goals for Fiscal 2016

Environmental Value Milestones to achieve Eco Vision 2050	<ol style="list-style-type: none"> 1. Preventing global warming Reduce CO₂ emissions throughout the product life cycle by 40% compared to fiscal 2005 levels: 2,027 thousand tons (2005) --> 1,216 thousand tons (2016) CO₂ reduction: 172 thousand tons 2. Supporting a recycling-oriented society.. Resources used effectively: 33 thousand tons 3. Reducing chemical substance risks Complying with product-related environmental regulations and controlling emissions 4. Preserving biodiversity Consideration of water resources
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Creating new value both for society and for corporate growth

Business Value	<ol style="list-style-type: none"> 1. Sales contribution Sales of Green Products: 640 billion yen (58% of total sales) Eliminating lost sales opportunities in environmental requests from customers Creation of sales opportunities based on environmental approaches 2. Cost reductions Cost reductions from environment-related activities (products, procurement, production, distribution) 3. Risk avoidance Eliminating adverse effects on sales and production due to inadequate compliance with product- and production-related environmental regulations 4. Branding Continual inclusion in leading SRI indexes
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Fiscal 2014 targets		Fiscal 2014 results	
Business value	Environmental value	Business value	Environmental value
Sales ● Sales of Green Products: 540 billion yen (Share of sales: 54%) Cost reductions ● Reduce cost of product materials	Preventing global warming ● CO ₂ reduction during product use: 50 thousand tons ● CO ₂ reduction at procurement stage: 70 thousand tons Supporting a recycling-oriented society ● Resources used effectively: 24 thousand tons Reducing chemical substance risks ● Control emissions	Sales ● Sales of Green Products: 547.1 billion yen (Share of sales: 54%) Cost reductions ● Reduce cost of product materials	Preventing global warming ● CO ₂ reduction during product use: 43 thousand tons ● CO ₂ reduction at procurement stage: 76 thousand tons Supporting a recycling-oriented society ● Resources used effectively: 24 thousand tons Reducing chemical substance risks ● Control emissions
Sales ● Eliminate lost sales opportunities	Environment overall ● Reduce environmental impact by conforming with standards and label requirements	Sales ● Eliminate lost sales opportunities	Environment overall ● Reduce environmental impact by conforming with standards and label requirements
Risk avoidance ● Eliminate effect on sales	Reducing chemical substance risks ● Reduce hazardous chemical substance risk by conforming with laws and regulations	Risk avoidance ● Eliminate effect on sales	Reducing chemical substance risks ● Reduce hazardous chemical substance risk by conforming with laws and regulations
Cost reductions ● Reduce costs of energy and materials (reduce loss)	Preventing global warming ● CO ₂ reduction during production: 1.7 thousand tons Supporting a recycling-oriented society ● Resources used effectively: 1.8 hundred tons Restoring and preserving biodiversity ● Sustainable use of water resources	Cost reductions ● Reduce costs of energy and materials (reduce loss)	Preventing global warming ● CO ₂ reduction during production: 1.9 thousand tons Supporting a recycling-oriented society ● Resources used effectively: 2.3 hundred tons Restoring and preserving biodiversity ● Sustainable use of water resources
(New material issue from fiscal 2015)			
Cost reductions ● Reduce costs of energy and materials (reduce loss)	Preventing global warming ● CO ₂ reductions at suppliers: 1 thousand tons Supporting a recycling-oriented society ● Resources used effectively: 3 hundred tons	Cost reductions ● Reduce costs of energy and materials (reduce loss)	Preventing global warming ● CO ₂ reductions at suppliers: 1 thousand tons Supporting a recycling-oriented society ● Resources used effectively: 3 hundred tons
Risk avoidance ● Eliminate effect on production	Environment overall ● Reduce environmental impact by conforming with laws and regulations	Risk avoidance ● Eliminate effect on production	Environment overall ● Reduce environmental impact by conforming with laws and regulations
Net sales ● Acquire sales opportunities	Environment overall ● Reduce environmental impact at customer side	Net sales ● Acquire sales opportunities	Environment overall ● Reduce environmental impact at customer side
Cost reductions ● Reduce cost of distribution and packaging	Preventing global warming ● CO ₂ reduction during distribution: 4 hundred tons Supporting a recycling-oriented society ● Resources used effectively: 3 hundred tons	Cost reductions ● Reduce cost of distribution and packaging	Preventing global warming ● CO ₂ reduction during distribution: 7 hundred tons Supporting a recycling-oriented society ● Resources used effectively: 2.5 hundred tons
Risk avoidance ● Reinforce 3R initiatives	Supporting a recycling-oriented society ● Use resources effectively through product 3R initiatives	Risk avoidance ● Reinforce 3R initiatives	Supporting a recycling-oriented society ● Use resources effectively through product 3R initiatives

Note: The expressions have been changed for some material issues and issues added, based on the results of a materiality analysis.

Material Theme

1

Green Products



Background and Issues

As environmental and social issues like climate change intensify, our society is changing. The world is moving from an age when the primary demand was for material affluence to an age that finds value in products and services that help to improve the quality of society.

Konica Minolta is seizing the opportunity provided by this change in social values. We fully recognize the importance of innovative, competitive products and services that benefit customers and society. We are working to develop solutions to social issues while reducing environmental impact and contributing to the Group's earnings.

Key Measures

Operate a Green Products Certification System for evaluating and certifying products with superior environmental performance

- Set numerical targets for increasing the share of total sales accounted for by Green Products
- Promote the systematic creation of Green Products
- Create environmental value suited to different businesses and product characteristics, thus fulfilling the aim of helping customers and broader society reduce environmental impact

Product Initiatives

Green Products Certification System

In operation since fiscal 2011, Konica Minolta's Green Products Certification System is an original process for evaluating and certifying products with superior environmental performance.

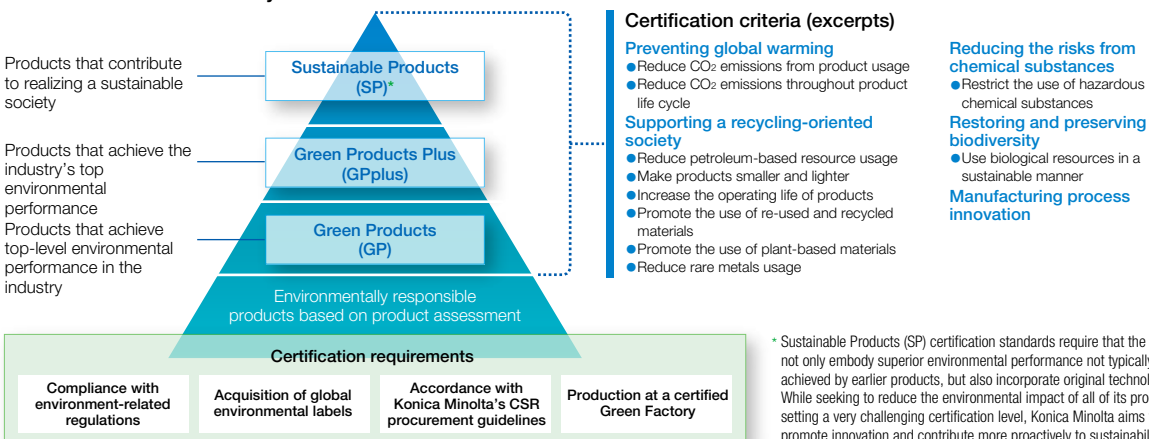
The system aims to create environmental value suited to different businesses and product characteristics in order to help customers and society at large reduce environmental impact. While conforming to the standards of environmental labels used in different countries, Konica Minolta introduced its own system, in order to provide products that reduce environmental impact even further.

To be certified as a Konica Minolta Green Product, a product must meet criteria established for different businesses and product characteristics with respect to

certification standards tailored to environmental issues. The goals that must be met are set at the product planning stage, and the product is certified at one of three levels based on its degree of achievement.

The Medium-Term Environmental Plan 2016 sets specific targets for increasing certified Green Products' share of total sales. Working to achieve these targets, Konica Minolta is developing highly competitive products that help customers and society reduce environmental impact while also improving earnings. Simultaneously, the Group is disclosing the environmental performance of certified products in various media, including product catalogues and websites, to educate the public about these efforts.

Green Products Certification System



* Sustainable Products (SP) certification standards require that the product not only embody superior environmental performance not typically achieved by earlier products, but also incorporate original technology. While seeking to reduce the environmental impact of all of its products, by setting a very challenging certification level, Konica Minolta aims to promote innovation and contribute more proactively to sustainability.

Expansion of Certified Green Products

In fiscal 2014, Konica Minolta placed 33 new models of certified Green Products on the market, bringing the total to 147. Sales of Green Products in fiscal 2014 came to 547.1 billion yen, or 54% of the Group's total sales. This large increase over the 41% (389.6 billion yen) figure in fiscal 2013 helped customers and society to reduce environmental impact and contributed to earnings growth for Konica Minolta. Also, in fiscal 2014, Green Products had a CO₂ reduction effect during product use of 43 thousand tons and represented 24 thousand tons in effectively used resources.

Sales of Green Products

	Fiscal 2014 Target	Fiscal 2014 Results	Fiscal 2016 Target
Sales	540.0 billion yen	547.1 billion yen	640.0 billion yen
Share of total sales	54%	54%	58%

Examples of Environmental Technologies That Enable Green Products

Upgraded Recycling

■ Recyclable PC/PET

Konica Minolta has been striving to develop innovative technology to recycle PET plastic beverage bottles into plastic material with sufficient strength, flame resistance and usability for the outer casing of MFPs. Making use of polymer alloy technology to obtain better performance by blending different resins, the company developed recycled PC/PET plastic, which is a composite material made with recycled polycarbonate (PC). This material was the first in the industry to be used in the outer casing of color MFPs, in Konica Minolta's bizhub series.



bizhub PRESS 2250P made with recycled PC/PET

■ Milk Bottle Recycling

Konica Minolta recycles milk bottles made out of polyethylene, which are widely distributed in Europe and the U.S., and turns them into toner bottles for MFPs. It developed washing technology that removes the smell of milk and minute cells that would lead to quality degradation and established a mass production system in Mexico and Malaysia. The company intends to increase the proportion of recycled material in the raw material used for toner containers from the current 25% to 100% in the future.



Toner bottles made from recycled material

Organic Light Emitting Diode (OLED) Lighting

OLEDs, which use an organic material that emits light when stimulated by an electric current, have great promise as a next-generation lighting source with low environmental impact. Leveraging its proprietary technology, Konica Minolta has been an early pursuer of R&D into the practical applications of OLEDs. In June 2014, it achieved the world's highest luminous efficiency* for an OLED of 139 lm/W, which exceeds that of general LED lighting.

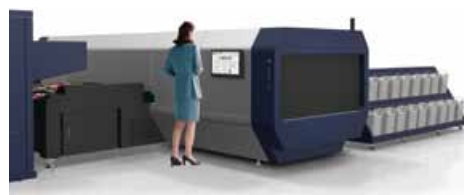


Shining OLED tulips, the world's first OLED flower illumination

* As of June 2014.

Textile Printer

The inkjet textile printer does not require the plate making and colored size mixing that is needed with conventional screen-printing. It also contributes to the reduction of energy usage, resources usage, and waste, since it enables on-demand production that uses only the amount of ink and material needed. Compared to conventional screen-printing, it reduces environmental impact significantly, with a 97% reduction in sizing usage, a 62% reduction in water resources usage, and a 57% reduction in electricity usage.



Nassenger PRO1000 inkjet textile printer

Material Theme

2

Green Factories



Background and Issues

Environmental issues are becoming ever more serious, and soaring energy prices are having an increasing impact on corporate management.

Konica Minolta recognizes the importance of pursuing greater efficiency in production processes. We are working hard to minimize the use of energy and resources by reducing waste in manufacturing processes, and focusing on developing production technologies that curb emissions of CO₂, waste, and chemical substances.

We also see the need to increase contributions to the global environment by helping our suppliers reduce their environmental impact.

Key Measures

Operate a Green Factory Certification System that facilitates comprehensive evaluation of environmental activities at production sites

- Foster activities in line with the production strategy of each business and manufacturing site
- Create value for both society and the company by simultaneously reducing environmental impact and bringing costs down

Promote Green Supplier Activities that facilitate environmental impact reduction together with suppliers

- Reduce environmental impact by providing Konica Minolta's environmental technology and know-how to suppliers

Production Initiatives

Green Factory Certification System

Konica Minolta has operated its original Green Factory Certification System for comprehensive evaluation of the environmental activities at its production sites since 2010. The system aims to reduce both costs and environmental impact by providing a framework for activities that make the most of the production strategy of each business. The system's certification requirements include not only the attainment of targets related to preventing global warming, supporting a recycling-oriented society, reducing the risk of chemical

substances, and restoring and preserving biodiversity, but also the degree of attainment for some 250 specifications related to the implementation process. The system crystallizes Konica Minolta's know-how and helps improve the quality of environmental activities.

As of fiscal 2015, all business units around the world are making efforts toward achieving Level 2.

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

Green Factory Certification Standards

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

^{*1} Per unit of production: Environmental impact in terms of production output or production volume. ^{*2} The base year is fiscal 2005. Based on this (base year) figure, standards tailored to factory characteristics are established.



Expansion of Sites with Level 2 Green Factory Certification

In fiscal 2014, six more units (five in Japan and one in China) achieved Level 2, bringing the total up to 14 units (10 in Japan and four in China). The remaining four units are making efforts toward achievement within fiscal 2015.

Main Energy-saving Measures

Improve productivity	Industrial engineering (IE) work analysis, yield rate improvement, installation of automatic machines, takt time reduction, production space optimization
Optimize equipment operation time	Shutdown during downtime, reduction of standby power consumption
Reconsider air conditioning operation	Temperature setting optimization, operating time optimization
Save energy in lighting	Thinning out lighting, conversion to high-efficiency lighting
Save energy in molding machines	Infrared heating, installation of servo motors, cylinder insulation
Save energy in compressed air	Installation of inverters, air pressure optimization
Reconsider refrigerator operation	Refrigerator integration, reconsideration of exit temperature setting
Use waste heat	Reduction of steam production by using waste heat from dehumidifiers
Reduce heat radiation loss	Steam piping insulation, piping integration, reduction of valve leaks

Main Resource Conservation and Recycling Measures

Reduce material loss	Improvement in materials, parts, and product yield rates
Reduce packaging materials	Switching to simple packaging, increasing package quantities
Reuse packaging materials	Switching to reusable shipping containers within the company, between production sites, and with parts suppliers
Reduce mold scrap	Adoption of dies with no molding scrap, minimization and internal recycling of molding scrap
Reduce press scrap	Minimization of feed pitch
Reduce support materials	Reuse of cleaning solvents, reuse of molding machine oil
Reuse pallets	Switching to reusable pallets with parts suppliers, changing the size of pallets for parts and using them to ship products

Units that Achieved Level 2 in Fiscal 2014

Unit	Country/region
Konica Minolta Business Technologies (Dongguan) Co., Ltd.	China
Konica Minolta Electronics Co., Ltd.	Japan
Konica Minolta Supplies Manufacturing Kansai Co., Ltd.	Japan
Toyohashi Precision Products Co., Ltd.	Japan
Konica Minolta Chemical Co., Ltd.	Japan
Konica Minolta, Inc., Inkjet Business Unit	Japan

Examples of Efforts Made by a Unit that Achieved Level 2

Pursuing Energy Savings on the Production Floor, Including with Molding Machines and Refrigerators (Konica Minolta Business Technologies (Dongguan) Co., Ltd.)

Konica Minolta Business Technologies (Dongguan) produces MFPs in the city of Dongguan, Guangdong Province, China. It achieved significant energy savings by improving the heating method for molding machines and changing the temperature settings for refrigerators.



Konica Minolta Business Technologies (Dongguan)

The conversion from electrical heating to infrared heating for molding machines increased heating efficiency, enabling heating in a shorter time than before. Also, the addition of insulation to the surface of the heaters reduced heat radiation loss and helped reduce air conditioning burden by preventing the indoor temperature from rising.

The temperature settings for refrigerators were changed according to application in light of the results of an energy-saving assessment conducted by a Konica Minolta expert. Raising the temperature setting of refrigerators for general air conditioning led to energy savings by increasing efficiency.

Procurement Initiatives

Green Supplier Activities

Konica Minolta conducts Green Supplier Activities aiming to reduce environmental impact together with suppliers. In fiscal 2014, the company initiated these activities in collaboration with two suppliers. Experts in energy and waste

management from Konica Minolta visited the suppliers' factories and proposed reduction measures based on current conditions. They worked with the suppliers' staff to formulate and implement improvement plans.

Material Theme

3

Green Marketing



Background and Issues

The environmental concerns of customers around the world are growing as the global community continues to witness the negative effects of climate change. Given this situation, Konica Minolta regards the provision of value that helps customers to reduce environmental impact as a vital part of its social responsibility and a driver of its own growth.

This is why Konica Minolta actively proposes and strives to popularize products and services that help reduce environmental impact. Moreover, the Group also recognizes that it is imperative to pursue greater efficiency in the transport, sales and service activities that deliver those products to customers, as that translates into lower costs and less environmental impact.

Key Measures

Carry out Green Marketing activities as a way of practicing environmentally friendly sales and services:

- Help society at large to reduce environmental impact by providing products and services that meet customers' environmental needs
- Leverage Konica Minolta's environmental technology and know-how to help customers solve environmental challenges
- Work on challenges set for each region, such as efficiency improvement measures in distribution, packaging, sales, and service and the establishment of a system to recover and recycle used products

Sales and Service Initiatives

Helping Reduce Environmental Impact through Optimized Print Services for Customers

The Optimized Print Services (OPS) offered by Konica Minolta are a solution that delivers optimized equipment arrangement and improved capacity utilization through an all-in-one contract for the operation of printing devices such as printers and MFPs. Konica Minolta is making its OPS available globally. The companies that have entered into global contracts are located around the world and cover a broad range of industries, including insurance and financial services, international transportation services, and industrial machinery and home appliance manufacturers.

Optimization of the printing infrastructure through OPS not only improves work efficiency and cuts costs in customers' offices; it also helps them reduce environmental impact. For example, consolidating several printing devices into an MFP and updating to the latest models provide energy-saving effects that can reduce power consumption significantly. Continuous monitoring of device usage leads to a reduction of wasteful printouts while digitalization of documents translates into reduced storage space and less consumption of paper resources.

Creating Shared Value with Customers

Environmental challenges such as global warming and resource depletion are not problems that can be solved by the initiatives of a single company. In addition to efforts to reduce environmental impact associated with its own business operations, Konica Minolta is promoting an initiative that supports the environmental management of its customers in order to make a bigger contribution to protection of the global environment.

The aim of this initiative is to work together with customers as a partner to resolve their environmental challenges while making use of the technology and know-how cultivated over many years conducting environmental activities. Konica Minolta and customers focus on the Three Green Activities of Green Products, Green Factories, and Green Marketing.

Through this initiative, Konica Minolta will deepen cooperation with its customers and expects to accumulate more environmental technology and know-how by responding to the wide-ranging environmental needs of customers in diverse fields. In this way, Konica Minolta aims to create shared value with customers and to pursue sustainable growth together with them.

Distribution Initiatives

Reducing CO₂ Associated with Distribution

In order to reduce CO₂ emissions associated with distribution, it is essential to increase transportation efficiency and to utilize methods that have the smallest environmental impact. Konica Minolta is reducing CO₂ emissions from distribution operations by shortening transportation distances. Through the optimization of distribution sites and routes worldwide, the company is reducing the number of containers with improved loading efficiency, and reducing the frequency of air transport.

In fiscal 2014, Konica Minolta improved the loading efficiency of containers delivering business technology products to European countries from the German distribution center by adopting a loading simulation program in Europe. It also opened a distribution center in Eastern Europe, thereby improving the efficiency of transporting business technology products. Whereas it used to transport products from a manufacturing site in China to Eastern Europe through a distribution center in Germany, shipping directly to the Eastern European distribution center has shortened the transportation distance.

In Japan, Konica Minolta has also achieved higher transporting efficiency by integrating storage sites for healthcare products previously dispersed around the country into the Kanto region.

In addition, Konica Minolta is working at decreasing CO₂

emissions by reducing the frequency of air transportation through improved demand forecast accuracy as well as the adoption of milk-run deliveries that collect cargo from several manufacturers at a time.

Reducing Packaging Materials

In fiscal 2014, Konica Minolta worked at reducing packaging materials for replacement parts that have a high distribution volume. It surveyed the transportation situation in each country and reduced the size of packages by optimizing impact resistance during transportation.

Reducing the size and weight of products has minimized the use of packaging materials and contributed to reduction of CO₂ emissions during distribution by increasing transportation efficiency.



Small packages for replacement parts (previous version on the right, smaller version on the left)

Product Recycling Initiatives

Recycling Information Technology Products

Konica Minolta is developing systems for recycling used information technology products in different locations worldwide and striving to increase the recycling rate.

In Japan, the company collects used MFPs through sales companies nationwide, dismantling and separating the components at seven sites of associated companies around the country. The components are separated into metals,

plastics, and other categories and sent to different processing companies for recycling as reusable materials or fuel.

Konica Minolta has also established its Clean Planet Program, a system for free-of-charge recovery and recycling of used toner cartridges for laser printers in Japan, 18 European countries and the United States. In the U.S., the program has been expanded to include used toner bottles for MFPs.

Machines Collected in Japan in Fiscal 2014

Estimated collection rate

70%

Recycling rate (by weight)

98%

Earning the Confidence of Customers

Konica Minolta works to maximize customer satisfaction and trust by providing products and services of superior value. The Group has articulated its basic approach to accomplishing this in the Konica Minolta Quality Policy, which governs Group companies worldwide. An issue of particular importance is ensuring safe, reliable products and services. Accordingly, Konica Minolta has established a unified quality assurance system across the Group and addresses quality assurance in terms of the entire product lifecycle. Konica Minolta is determined to help create a better world by solving customer and societal challenges, and with this aim it seeks to build deeper relationships with customers so that it can identify and satisfy both latent needs and specific requests.



	-FY2010	FY2011	FY2012	FY2013	FY2014
Material Theme 1 Assuring Product Safety and Preventing Quality-related Problems		FY2010: Started full-fledged product safety education for the Group's engineers FY2010: Expanded operation of a Risk Map for safety assessment and increased the assessment levels	FY2011: Organized a Double Quality Assurance System	FY2013-14: Used Quality Management Self-Assessments to review quality issues	FY2014: Developed safety training focused on risk assessment
			FY2011: Started efforts to improve customer relationship management	FY2012: Established indicators for customer relationship management	FY2013-14: Cross-deployed good practices through global CR conferences FY2014: Undertook initiatives to improve customer relationship management through development-production-marketing cooperation
Material Theme 2 Increasing Customer Satisfaction					

Assuring Product Safety and Preventing Quality-related Problems

Background and Issues

In recent years, customers and society at large have been demanding higher quality products and services. Konica Minolta practices risk management throughout the Group, with an emphasis on preventing quality problems caused by performance defects and accidents due to product safety problems. Product safety training based on practice is implemented throughout the Group in order to raise the safety awareness of every employee. Furthermore, Konica Minolta has established even more rigorous product safety standards in an effort to prevent accidents. When quality problems occur, the company shares information and strives to respond in an accurate and timely manner.

Key Measures

Prevent serious product accidents

- Conduct risk assessment practice during product safety education

Prevent quality problems

- Facilitate visualization of quality risks throughout the product lifecycle
- Share information on quality problems and cross-deploy countermeasures

Main Initiatives in Fiscal 2014

The Addition of a Risk Assessment Improvement Program

Since fiscal 2010, Konica Minolta has conducted Group-wide product safety education for engineers involved in design and development, manufacturing technology, procurement, and quality assurance. The courses are designed to increase engineers' knowledge of product safety issues and raise their awareness of potential problems.

In fiscal 2014, the Group launched a Risk Assessment Improvement Program based primarily on identifying risks and assessment practice using actual machinery so that knowledge and skills cultivated in previous training could be deployed in practical work. Questionnaires were completed by participants after the program and their feedback was used to evaluate effectiveness and improve training content.

Going forward, Konica Minolta will continue to educate employees about product safety and awareness through ongoing training programs.



Risk Assessment Improvement Program using actual machinery

Sharing Information about Quality Problems and Cross-deploying Countermeasures within the Group

Konica Minolta is accelerating its Group-wide effort to disclose information regarding quality problems and cross-deploy countermeasures as "One Konica Minolta," a policy launched in fiscal 2013. The goal is to increase sensitivity to quality issues, thereby resolving problems early on and ensuring better response.

In fiscal 2014, the Group conducted Production Capability Assessments at 19 production sites, including sites outside Japan. Members of each site serve as assessors in this effort to perform mutual cross-assessments of businesses. Assessments are designed to visualize issues at each site by quantifying different aspects, such as the 5S's (Sort, Straighten, Shine, Standardize, and Sustain), visualization, elimination of inefficiencies, and factory management. The 5S's and visualization are intended to encourage proactive improvements on the production floor by presenting ideals as guidelines. Additionally, good practices are cross-deployed by sharing assessment results and examples of initiatives from each site on the company intranet.



Production Capability Assessment

Material Theme

2

Increasing Customer Satisfaction

Background and Issues

In its office equipment, medical devices and measuring instruments businesses, Konica Minolta is determined to increase the confidence and trust of its customers by developing and maintaining long-term relationships. It hopes to establish a reputation that will lead to customers recommending Konica Minolta to other potential customers. That is why the company actively gathers feedback from its customers, has established a system for using the feedback to improve products and services, and is attempting to enhance relationships with customers to help them realize their goals.

Key Measures

Improve customer relationship management

- Formulate measures for development-production-marketing cooperation in each business based on customer feedback
- Establish measurement indicators for customer relationship management in each business, and implement measures globally

Main Initiatives in Fiscal 2014

Promoting the Adoption of Remote Maintenance in the Healthcare Business

Products provided by the Healthcare Business are used in life-threatening medical settings, so there is a need for especially rapid responses to product failures and problems. That is why Konica Minolta is focusing on improving response time by its call center in order to minimize diagnostic downtime. The company established key performance indicators (KPI) on the themes of reducing customer waiting time on the phone, improving the call center's ability to resolve problems on its own, and improving customer satisfaction, and it worked to make improvements in all of these areas.

As part of that effort, the call center in Japan is promoting the adoption of remote maintenance for the quick resolution of problems by remotely operating products at

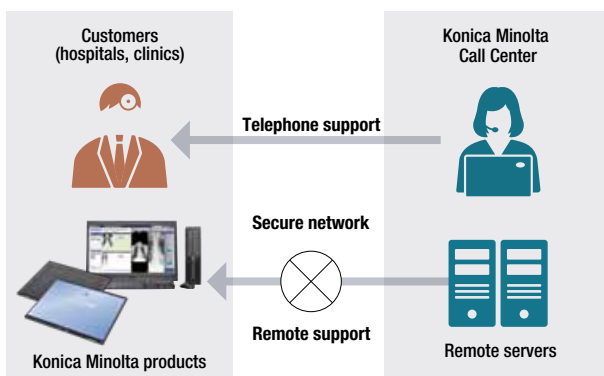
customers' locations through the Internet. Since this system enables problems to be solved without sending out engineers, it reduces product downtime, thereby shortening diagnostic interruption in healthcare settings.

In fiscal 2014, around 50% of the calls received by the call center were from customers using remote maintenance. As a result, downtime has been shortened by about 45,000 hours per year,* a 65% improvement over the past five years. Thanks to the adoption of remote maintenance, the decrease in the number of times technicians were dispatched resulted in a cost reduction of approximately 70 million yen.

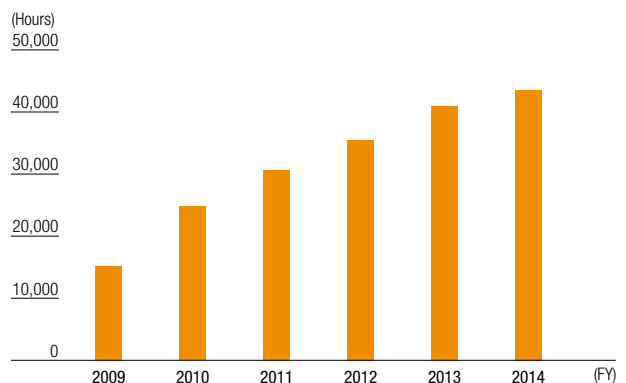
Additionally, the KPI of "improving the call center's ability to resolve problems on its own" has been improved from approximately 60% at the time the call center was opened to approximately 80% today.

* Calculated based on Konica Minolta's indicators

Remote Maintenance System



Reduction in Downtime



Global Deployment of NPS Surveys to Measure Customer Relationship Management in the Business Technologies Business

In April 2012, the Business Technologies Business created a Customer Relations (CR) Division and adopted NPS* as a target indicator. It developed a scientific approach, adding NPS to the conventional customer satisfaction survey and deployed it globally. With the aim of improving customer satisfaction, measures were implemented to analyze Konica Minolta customer feedback. The survey helped the company gauge customer views and see if the company would provide excitement that exceeds the expectations of customers and if customers would thus recommend the company to other potential customers. The survey also evaluated how the company's products would contribute to customers' businesses.

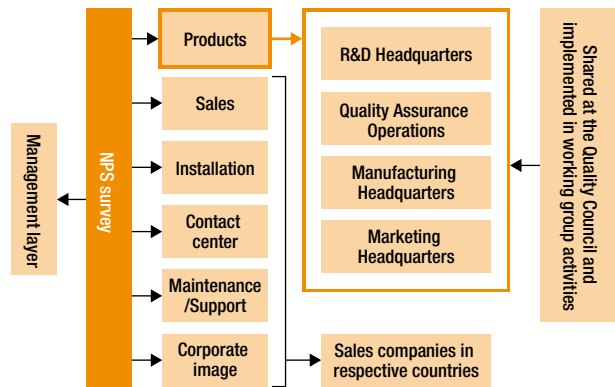
As of fiscal 2013, the CR Division has conducted a global NPS survey with the same standards in Japanese, U.S. and German markets. The results of the analysis identified common worldwide issues that could not be recognized simply from a product's specifications. In response to these issues, the development, production, and marketing departments worked together to discuss crosscutting countermeasures, created a response team comprised of members from the R&D headquarters and quality assurance, and made progress through improvements to existing products and to the design and assessment of new products. Then, by incorporating these improvement results in the

PDCA cycle to verify the next global NPS survey, the Group will achieve continuous improvement.

In the fiscal 2014 survey, the CR Division continually monitored how improvements to existing products and the development of new products changed customer satisfaction regarding issues identified in the previous fiscal year. By feeding the analysis results back to the R&D headquarters and steadily making efforts to improve issues, a culture of innovative product development that creates a deep impression on customers has been created.

* NPS (Net Promoter Score): an indicator that measures the percentage of customers who recommend the company and its products and services to others.

System of Issue Resolution Beginning with an NPS Survey



Highlight Global Customer Relations Conference Held to Share Global Issues and Initiatives

Since fiscal 2013, Konica Minolta has held an annual Global Customer Relations Conference in collaboration with sales companies in and outside Japan in order to deploy initiatives to improve customer relationship management on a worldwide basis. The sharing of various issues and initiatives in the improvement of customer relationships around the world and the knowledge gained from those efforts lead to the pursuit of best practices Group-wide.

In fiscal 2014, the second conference was held in January 2015. Customer relationship managers from sales companies in Japan, the U.S., Europe, and the Asia Pacific region as well as members of the development, production, and marketing departments attended the conference and engaged in two days of valuable discussion. The first day saw the sharing of knowledge on the establishment and utilization of global KPI, the adoption of a "transaction survey" to measure customer satisfaction in response to each company's actions, the introduction of the Customer Journey Map* method being used by a sales company in the U.S.,

and the adoption of a program for training customer relationship managers and leaders. This was followed by decisions on future actions. On the second day, all participants experienced a Customer Value Creation Workshop, which was implemented in Japan ahead of other countries, and participants learned methods of thinking about value from the customer point of view.

* Customer Journey Map: An analysis method for visualizing a variety of contact points between a company/product/service and users



Global Customer Relations Conference

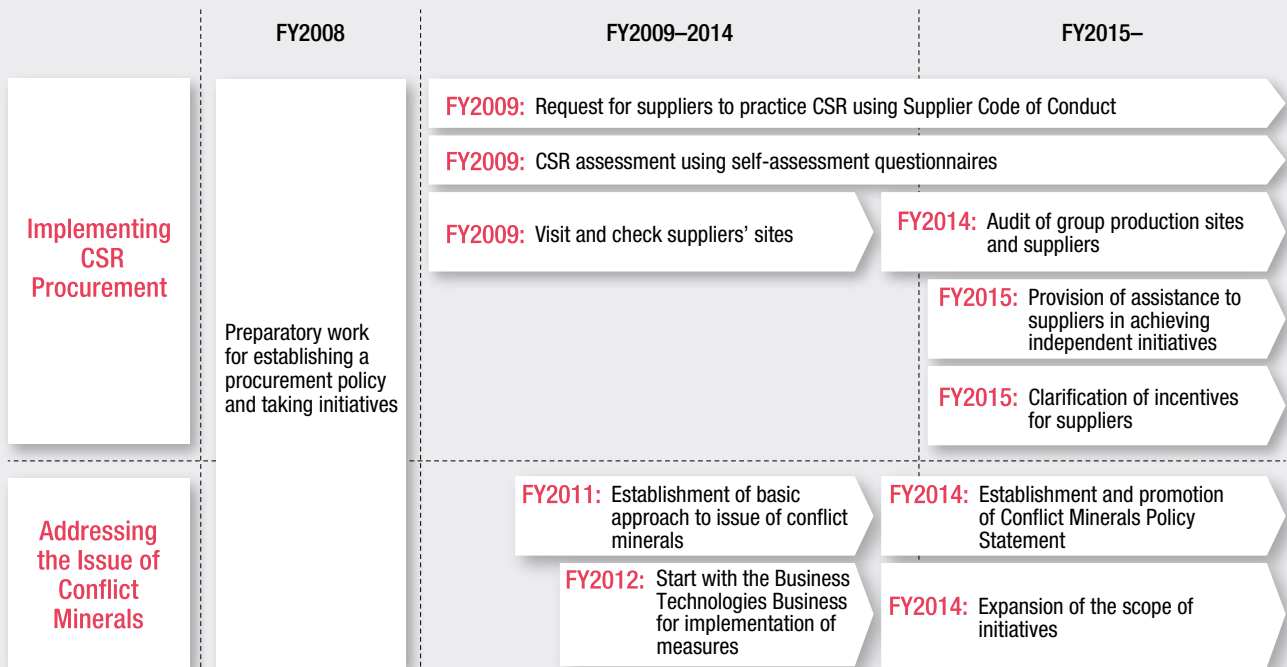
Cooperating with Business Partners

Konica Minolta regards the suppliers from which it procures raw materials and parts and contractors that conduct production as indispensable partners in its business operations. Konica Minolta also recognizes that it is essential to promote CSR not just within its own operations but also across its entire supply chain.

This is why Konica Minolta promotes CSR procurement on a Group-wide basis and requires its business partners to consider matters related to human rights, ethics, health, and safety in their business operations. Additionally, the Group is taking steps to comply with conflict minerals*1 regulations that seek to prevent violations of human rights in conflict areas*2 from which mineral resources used in products are sourced.

*1 Conflict minerals: Columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives

*2 Conflict areas: Democratic Republic of the Congo or adjoining countries



Material Theme

Promoting CSR Throughout the Supply Chain

Background and Issues

In line with the belief that it is essential to work towards a sustainable society in which human rights are respected, Konica Minolta works with its suppliers on CSR procurement and compliance with conflict minerals regulations. CSR procurement aims to make improvements in the supply chain related to human rights, ethics, health and safety while improving product quality and cutting costs. Konica Minolta strives to make improvements to their supply chain through assessments and audits based on the Supplier Code of Conduct. In terms of compliance with conflict minerals regulations, which attempt to prevent infringements of human rights associated with conflicts at the most upstream part of the supply chain, the Group is conducting surveys of suppliers with the aim of procuring conflict-free minerals based on a Conflict Minerals Policy Statement.

Key Measures

Implement CSR procurement

- Request that suppliers practice CSR using Supplier Code of Conduct
- CSR assessments and audits
- Support suppliers in achieving independent initiatives
- Clarify suppliers' incentives

Address the issue of conflict minerals

- Establish Conflict Minerals Policy Statement and implement measures
- Ensure proper disclosure of information on initiatives
- Implement conflict minerals survey

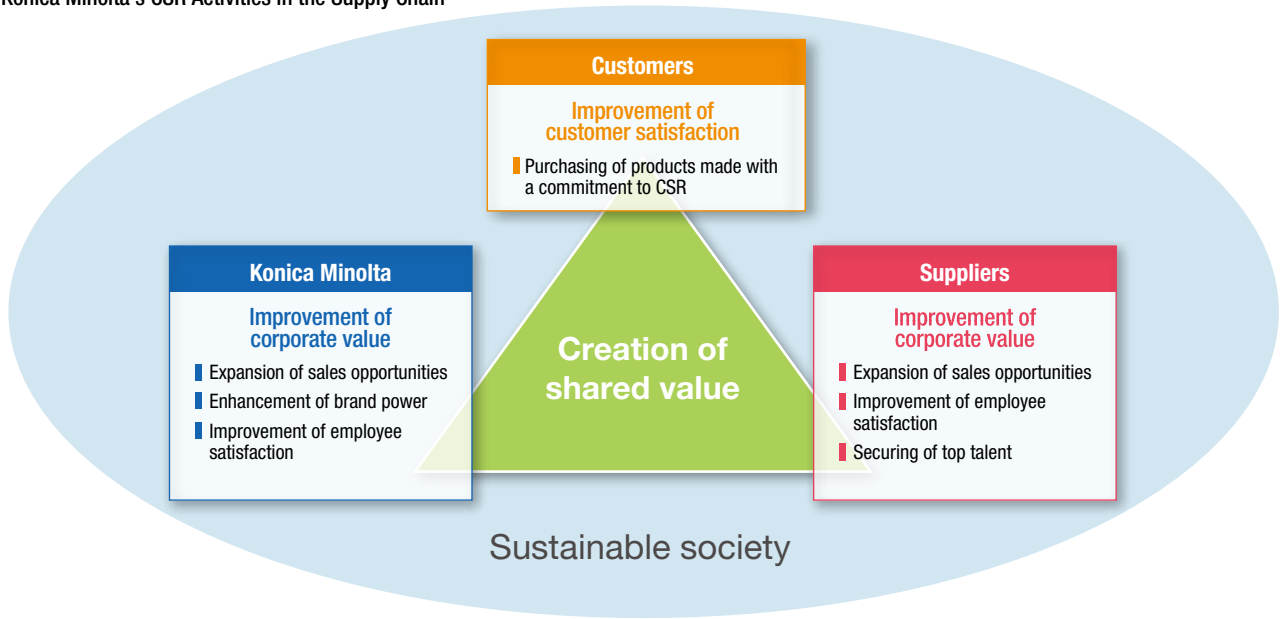
Approach to CSR Activities in the Supply Chain

Konica Minolta's vision for CSR activities in the supply chain is to establish a sustainable society in which human rights are respected. It believes that it is important to increase the corporate value of not only the Group but also its suppliers by working together to address respect for human rights and resolving this social issue within the procurement and production operations, enabling customers to purchase

products with peace of mind.

With respect to CSR procurement, Konica Minolta plans to support suppliers, including the training of internal assessors, in conjunction with the identification and improvement of issues through CSR assessments and audits using a self-assessment questionnaire to help suppliers achieve their independent initiatives.

Konica Minolta's CSR Activities in the Supply Chain



Main Initiatives in Fiscal 2014 (1): Implementing CSR Procurement

Implementing CSR Procurement Using the EICC Framework

In October 2013, Konica Minolta joined the EICC,* in order to strengthen its CSR activities in the supply chain.

The EICC, which is made up of more than 100 companies, including the world's leading electronics manufacturers and their major suppliers, works to improve human rights, ethics, health, and safety in the supply chain. In fiscal 2014, with its new EICC membership, Konica Minolta restructured the CSR assessment method it uses to conduct procurement, and it also started CSR audits by EICC-certified organizations.

* Electronic Industry Citizenship Coalition: An organization promoting CSR in the electronic industry's supply chain



Restructuring CSR Assessments

From fiscal 2009 to fiscal 2013, Konica Minolta conducted CSR assessments using a self-assessment questionnaire based on the EICC tools and systems. Assessments of suppliers covered a total of 658 companies as of the end of fiscal 2013. The assessments confirmed that along with the Group's production sites, its suppliers have met the targets set by Konica Minolta.

As Konica Minolta joined the EICC, in fiscal 2014 it restructured its CSR assessment system using the EICC framework, in keeping with the basic approach to CSR assessment using a traditional self-assessment questionnaire. This has made it possible to share assessment results among EICC member companies.

CSR Audits by EICC-certified Organizations

In fiscal 2014, Konica Minolta began conducting CSR audits, in addition to CSR assessments, to verify the status of initiatives on human rights, ethics, health, safety, and other matters via visits to Group production sites and suppliers.

In fiscal 2014, an audit was conducted on Konica Minolta Business Technologies (WUXI) Co., Ltd., a Group production site in China, through the EICC VAP (Validated Audit Program) in an effort to improve issues and enhance efforts even further. The Group also verified the audit results for suppliers that had already undergone an EICC VAP audit.

EICC VAP Audits are performed by third-party organizations certified by the EICC. They are conducted based on the EICC protocol to audit conformity to the five elements of the EICC Code of Conduct: labor, ethics, environment, health & safety, and management system. EICC VAP Audits are one of the most trusted CSR audits in the world.



EICC VAP Audit

Main Initiatives in Fiscal 2014 (2): Addressing the issue of Conflict Minerals

Establishment of a Policy for Compliance with Conflict Minerals Regulations

It has been pointed out that the mining of the mineral resources for columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives in the Democratic Republic of the Congo or adjoining countries can end up fueling conflict.

In order to prevent human rights infringements such as child and forced labor associated with conflict, the Organization for Economic Co-operation and Development (OECD) established the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and requests that companies take responsible actions within their supply chains. Additionally, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was passed in 2010 in the United States, requires companies listed on the U.S. stock exchanges to disclose information about the conflict minerals extracted in the conflict areas.

Konica Minolta understands that it must fulfill its social responsibility as a global company with regard to this problem. In June 2014, the company established and published the Konica Minolta Conflict Minerals Policy Statement, in order to strengthen its initiatives regarding conflict minerals regulations. It has renewed its request to suppliers to cooperate with the surveys it has been conducting since fiscal 2013, based on this policy. It established a conflict minerals survey system in each business division and carried out assessments.

Conducting Conflict Minerals Surveys in All Business Divisions

In fiscal 2014, all business divisions at Konica Minolta received more inquiries from customers about conflict minerals than in the previous fiscal year. Replies were given to these inquiries based on surveys of suppliers.

The Business Technologies Business, which is Konica Minolta's core business and receives inquiries frequently, conducts a voluntary conflict minerals survey. In fiscal 2014, it conducted the survey with the aim of increasing the response rate and accuracy of replies in light of the survey results from the previous fiscal year.

As a result, the company received responses from more than 90% of its suppliers, a substantial improvement in the response rate of around 80% in the previous fiscal year. Additionally, the accuracy of replies increased, with the number of responses indicating unknown country of origin decreasing from the previous year. The number of reports of certified conflict-free smelters, which is a basis for determining that parts and materials are conflict-free, increased significantly from 61 companies in the previous fiscal year to 199 companies, allowing verification that some parts and materials are conflict-free. No evidence pointing to conflict involvement was confirmed regarding other parts and materials.

Strengthening Cooperation with Relevant External Organizations

Konica Minolta participates in CFSI,^{*1} which carries out international initiatives such as the creation of questionnaires pertaining to conflict minerals regulations and a program that audits and certifies conflict-free smelters. It also participates in the Responsible Minerals Trade Working Group hosted by JEITA,^{*2} an organization that collaborates with CFSI on conflict minerals issues, and contributes to its activities.

In fiscal 2014, the Working Group continued to encourage understanding of conflict minerals regulations by ascertaining and responding to trends in conflict minerals regulations and by holding briefings on the conflict minerals survey.

In addition, Konica Minolta is participating in the Conflict-Free Sourcing Working Group established by JEITA together with companies in the automotive industry, in an effort to address conflict minerals regulations through cross-industry cooperation.

^{*1} CFSI (Conflict-Free Sourcing Initiative): An international organization through which companies cooperate to encourage responsible procurement, including that of conflict-free minerals, established by EICC and GeSI (Global e-Sustainability Initiative, an organization that promotes CSR in the telecommunications industry)

^{*2} JEITA: Japan Electronics and Information Technology Industries Association



Growing Together with Our Employees

Konica Minolta is comprised of people of many different nationalities, languages, and backgrounds. The source of the Group's competitiveness lies in how this diverse team shares values and cooperates closely. This is why Konica Minolta respects each individual and forbids any kind of discrimination related to race, religion, national origin, or gender. It seeks to train personnel to make the most of their skills from a global perspective, always aiming to create new value for society. Konica Minolta also focuses on fostering a culture committed to "Health-First" and improving workplace health and safety Group-wide. The company seeks to create a working environment in which each and every employee can succeed while enjoying physical and mental wellbeing.



	-FY2010	FY2011	FY2012	FY2013	FY2014
Material Theme 1 Leveraging and Developing Diverse Human Resources					
					FY2008: Implementation of employee exchange program between Group companies in and outside Japan
					FY2009: Establishment of a global HR Web system
					FY2010: Establishment of Global Executive Program for management executives
					FY2010: Provision of career development programs for female employees (e.g. leadership training, mentor system)
Material Theme 2 Fostering a Culture Committed to "Health-First"					
					FY2010: Implementation of Medium Term Health Management Plan
					FY2011: Establishment of a system based on the Konica Minolta Statement on Health
					FY2014: Implementation of medium-term health plan Health KM2016
Material Theme 3 Promoting Occupational Health and Safety					
					FY2009: Implementation of measures focused on important sites
					FY2010: Initiative on fundamental facility improvements for safety
					FY2013: Implementation of measures to foster a culture of safety

Material Theme

1

Leveraging and Developing Diverse Human Resources

Background and Issues

In order to grow sustainably, a company must respond to the intensification of global competition as well as market changes such as the increasing sophistication and diversification of customer needs. Talented employees who go above and beyond from a global standpoint and from the customer's perspective are the key to success in this endeavor.

To develop this kind of talent, it is important to attract and continue to foster personnel with diverse values. It is also vital to build an environment in which their respective talents can be exerted and used to the fullest. This is why Konica Minolta puts so much energy into human resources management for its global workforce of over 40,000 employees.

Key Measures

Enhance human resources development and utilization on a global scale

- Develop business leaders, choose the right people for the right posts, and visualize the workforce

Reform corporate culture

- Instill the management philosophy system, promote diversity, improve productivity, and create an environment with high employee satisfaction

Main Initiatives in Fiscal 2014

Making Use of a Global Platform for Human Resources Development and Deployment

Konica Minolta has created a platform (system, tools, and philosophy) for training personnel and making the most of their skills in an effort to boost the collective strength of its employees. While further defining roles at the global, regional, and individual company levels, the Group is pursuing global personnel training and deployment as "One Konica Minolta."

In fiscal 2014, the Group established an HR management system in each region, namely North America, Europe, China, and Asia. It conducts evaluations of the Group's senior personnel under uniform global evaluation standards to identify strengths and challenges. Based on these results, the company then chooses the right people for the right posts while also fostering successors.

Expansion of a Strategy Council Consisting of Members of Top Management

Konica Minolta established the Global Strategy Council in fiscal 2013 to make use of the knowledge and viewpoints of executives from sites outside Japan to facilitate its Group management. In the first year, two top managers from Konica Minolta Inc. and two top managers from sales bases in Europe and the United States met as members of the council for four sessions. The results were reflected in the ensuing medium-term business plan.

Since fiscal 2014, sessions continue to be held with an executive from a base in Asia to consider management planning from a global perspective.

Regional Implementation of Business Leader Development Program

Since fiscal 2010, the Group has run a Global Executive Program (GEP) for executives at affiliated companies around the world, with the aim of developing business leaders. As of the end of fiscal 2014, the program had been held nine times with 148 people from 60 companies participating.

The goals of the GEP are to raise participants' awareness as business leaders within the Konica Minolta Group and to enable participants to forge a global network of personal contacts among themselves. During the program, which lasts about one week, participants embrace a global mindset and develop their leadership skills via face-to-face discussions with top managers and through debates on key issues among themselves.

Since fiscal 2013, the Group has held a Regional GEP, bringing together manager-level personnel with the aim of developing potential future executives in each region. The first Regional GEP was held in China and the second was held in Singapore in May 2015.



Global Executive Program session

Material Theme

2

Fostering a Culture Committed to “Health-First”

Background and Issues

In recent years, the risk of lifestyle-related disease among employees has been mounting in the business world with an aging population and the entrenchment of irregular living habits. In addition, with an increase in the number of workers taking time off due to mental health problems, declining labor productivity is attracting attention as an issue that has to be addressed. Recognizing that the health of its employees is the foundation of successful business operations, Konica Minolta is enthusiastically implementing measures for improving employee health in collaboration with its health insurance association. These actions are based on the Konica Minolta Statement on Health, which advocates for promoting health management by fostering a culture committed to putting health first.

Key Measures

Minimize the number of people with health risks

- Enhance individual guidance for physical and mental health

Increase awareness through visualization of employees' level of health

- Establish indicators that show employees' level of health
- Clarify and share Konica Minolta's status on each indicator

Main Initiatives in Fiscal 2014

Establishing Medium-term Health Plan “Health KM2016”

In fiscal 2014, Konica Minolta established a three-year medium-term health plan, Health KM2016. The plan aims to realize the ideas advocated in the Konica Minolta Statement on Health announced in May 2011. The Group is working with the priority policies of minimizing the number of people with health risks and increasing health awareness through the visualization of employees' level of health.

Minimizing the Number of People with Health Risks

Konica Minolta has implemented a range of measures aimed at decreasing the number of employees eligible for restrictions on work, taking time off due to mental health problems, or experiencing high levels of stress.

In fiscal 2014, Konica Minolta expanded to affiliated companies in Japan its efforts to reduce potential health risks among employees, an activity which had previously been made only at Konica Minolta, Inc. Industrial health staff were

deployed to assist with individual consultation for this initiative. With these expanded efforts, the company aims to reduce the number of people with health risks throughout the Group.

In an effort to maintain and improve mental health among employees, stress tests were provided to all the employees in Japan. Employees were able to see their results and use them to make adjustments for a healthier lifestyle. Test results for each workplace were given to managers and improvements were made in high-stress workplaces.

Promoting Health Initiatives

Konica Minolta has established eight indicators (smoking, exercise, walking, diet, alcohol, dental care, sleep, and workplace communication) that show the level of employees' health. The company has broadly implemented a range of health improvement measures with the aim of ranking in the top 10% of leading Japanese companies for each indicator.

Highlight Konica Minolta Becomes 2014 Health and Productivity Stock Selection

In March 2015, Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange selected Konica Minolta as a company that represents enhanced corporate value through health and productivity management. Due to the company's ideas, system, and efforts aimed at health management, Konica Minolta was chosen as a 2014 Health and Productivity Stock Selection. As part of an effort by the government to extend the nation's lifespan through healthy lifestyles, this selection encourages health management initiatives by recognizing listed

companies that value and implement employee health programs from a business perspective and by introducing them to investors as attractive investment destinations. The first selection was announced in fiscal 2014, and 22 companies were recognized, with one chosen from each industry. Konica Minolta was selected in the electrical equipment industry.



Material Theme

3

Promoting Occupational Health and Safety

Background and Issues

Konica Minolta has maintained a low level of occupational accidents at its production sites both in and outside Japan through many years of occupational health and safety initiatives. Based on a commitment to “safety first for employees,” the Group has focused on fostering a culture of safety by involving senior management, reinforcing safety management in the workplace, taking steps to enhance the safety awareness of every individual, and implementing fundamental facility improvements for safety.

Key Measures

Prevent occupational accidents

- Prevent accidents that could become more severe
- Prevent similar accidents
- Promote health and safety management by senior management
- Increase safety awareness of every employee
- Implement fundamental facility improvements for safety

Main Initiatives in Fiscal 2014

Strengthening Risk Reduction Efforts to Prevent Occupational Accidents

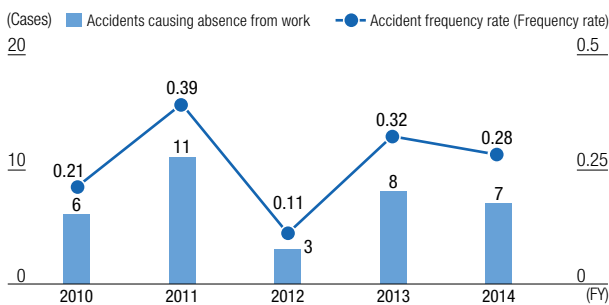
Konica Minolta has implemented various measures globally to prevent accidents during working hours with the goals of attaining zero serious accidents and a frequency rate of 0.1 for accidents causing absence from work.*1

In fiscal 2014, the Group provided education on safety management in the workplace to all managers. It also produced an educational DVD to raise sensitivity to danger using examples of past accidents caused by human error.

These DVDs were distributed to all Konica Minolta sites in Japan and China in an effort to increase the safety awareness of every employee. Additionally, the company provided continued education about safe work practices to employees with specialist qualifications who perform tasks that could lead to serious accidents. It also implemented fundamental facility improvement initiatives to reduce risk through risk assessments with the aim of making facilities safe and preventing serious accidents and the repetitive occurrence of minor accidents.

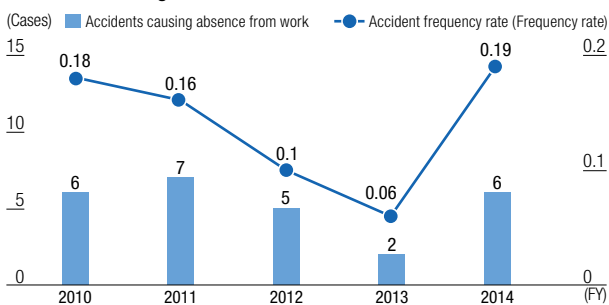
As a result of these efforts, the company reported zero serious accidents in fiscal 2014. The frequency rate of accidents causing absence from work was 0.28 in Japan and 0.19 outside Japan. The severity rate of accidents causing absence from work*2 was 0.01 in and outside Japan.

Accidents Causing Absence from Work at Sites in Japan



Note: Boundary: Regular and temporary employees of Konica Minolta, Inc. and Group companies in Japan

Accidents Causing Absence from Work at Overseas Production Sites



Note: Boundary: Regular and temporary employees at major production companies in China and Malaysia

*1 Accident frequency rate: The number of persons absent from work per one million total actual working hours for current employees

*2 Accident severity rate: The total number of days absent from work per 1,000 total actual working hours for current employees

Strengthening Health and Safety Initiatives at Sites Outside Japan

In fiscal 2014, the Group implemented measures to strengthen safety management at sites outside Japan, which account for the majority of production operations.

In China, for instance, in addition to each site’s usual health and safety initiatives, the Group launched the China Health and Safety Managers’ Committee for all sites, including production and sales sites. The Committee promotes the strengthening of health and safety, including employee health management. Additionally, Konica Minolta established a Safety Dojo, a dedicated facility where employees can experience mock dangers first hand, with an aim of preventing accidents that involve being pinched by or dragged into machinery, missing one’s footing on stairs, and falls. The Safety Dojo was established at two production sites and training was implemented. In Malaysia, a plant established in May 2014 acquired OHSAS 18001 certification, quickly beginning operation of a health and safety system.

Hand-in-Hand with Society

As a global company, Konica Minolta aims to earn the confidence and trust of society and to be a good corporate citizen in the local communities where it operates across the world.

Konica Minolta strives to cooperate with diverse stakeholders to contribute to the development of local communities while respecting each region's culture, history, and customs based on the company's Basic Policy on Social Contribution Activities. Focusing on issues faced by local communities, the Group actively helps resolve issues where it can make a unique and highly effective contribution through its business and technologies. To give these initiatives momentum, the Group is committed to developing human resources who can work harmoniously in diverse cultures while maintaining a global outlook. The company also supports and encourages employees' self-motivated social participation.



Konica Minolta Basic Policy on Social Contribution Activities

As a responsible, global corporate citizen, Konica Minolta makes Group-wide efforts to address social issues that it can contribute to through its businesses in order to be an entity that is essential to society. It is also committed to contributing to the creation of a sustainable society by continually engaging in activities that meet local challenges in the various countries where it operates.

Main Social Contribution Activities



- Operated La Fondation d'entreprise Konica Minolta, a foundation that supports people with disabilities (France)
- Provided ongoing support to the Green Marathon, which contributes to reforestation in Ethiopia (France) ▶ P44
- Supported the activities of The Prince's Trust, which provides education, training, and employment support to disadvantaged young people (UK)
- Collected recycled paper and donated 10,000 euros worth of food for each ton of paper to a food bank (Portugal)

- Held learning events about the starry sky through planetariums and tours of the Yaeyama Islands (Japan)
- Contributed to the community through the Spring of Relief disaster preparedness water resource (Japan) ▶ P44
- Supported the transfer of information for people with visual impairments through Braille reproduced by a 3D copying system (Japan)



- Participated in the Wish Project, a campaign supporting the education of children (China)
- Held a painting contest to support children with disabilities (China) ▶ P44
- Supported local NPOs (Australia) ▶ P44

- Supported disadvantaged children (USA) ▶ P44
- Supported the efforts of a breast cancer foundation through employee donations (USA)



Material Theme

Implementing Social Contribution Activities around the World

Main Initiatives in Fiscal 2014

Green Marathon to Protect Green Landscapes in Ethiopia (France)

Konica Minolta Business Solutions France has supported the Green Marathon. Established in 2011, this initiative helps reforestation efforts in Ethiopia. In fiscal 2014, around 200 employees participated in the marathon and also called on sales agents and customers to join in. Their efforts enabled the planting of over 85,000 trees in Ethiopia in 2015.



Green Marathon

Supporting Disadvantaged Children (USA)

Konica Minolta Business Solutions U.S.A. engages in a wide range of social contributions in fields such as education, healthcare, the environment, and disaster relief. In fiscal 2014, the company continued to participate in activities such as the Back to School program that provides school supplies to disadvantaged children, the Food for Thought program that supplies groceries to families in need, and the Books2BETTER program that provides books to young children from low-income families.

Broad Support for NPO Activities (Australia)

Konica Minolta Business Solutions Australia supports the activities of a variety of local NPOs such as The Smith Family, which supports education, training, and lifelong learning for disadvantaged young people, the Breast Cancer Network of Australia, which supports breast cancer patients, Project Futures, which works against global human trafficking, and Landcare Australia, a natural environment conservation



Participating in a Landcare Australia event

organization. The company provides support in various ways, including donations, event sponsorship, the provision of workspace and printers, and the volunteerism of its employees.

Provision of “Spring of Relief” Water Resources as Disaster Preparedness

In fiscal 2014, Konica Minolta, Inc. signed a Disaster Cooperation Agreement with the city of Hino in Tokyo and the Hino Municipal Hospital. Under the agreement, the company installed a private electric generator at the well it owns at Tokyo Site Hino so that the well can be operated even during a power outage. The well can supply the large amounts of water needed during a disaster for dialysis and treatment at medical facilities as well as drinking and everyday water for community residents. Thus, the well was improved as the “Spring of Relief” disaster preparedness water resource.

Going forward, the company will continue contributing to the safety and security of the community through cooperation with medical institutions, waterworks departments, and fire departments.



Ceremony marking the Disaster Cooperation Agreement

Supporting Children with Disabilities (China)

Konica Minolta Business Solutions (China) has been supporting six schools in Shanghai and Beijing for children with special needs since fiscal 2007. The company has presented the schools with color textbooks printed on Konica Minolta high-speed MFPs and stationery, and employees volunteer at the schools. In fiscal 2014, the company supported a total of eight schools in Shanghai, Beijing, Guangzhou, and Wuxi.

Konica Minolta has also conducted a painting contest at the schools with the theme of “Dream in Green and Draw the Future in Color” since fiscal 2011. In fiscal 2014, the fourth year of the contest, there were 63 submissions, and the 20 award-winning children were given scholarships.

Management System

Konica Minolta views strengthening corporate governance as an important management issue. Accordingly, it has adopted a “company with committees” system consisting of the Nominating, Audit and Compensation Committees. The company has established a governance system that eliminated dependency on personal characteristics with the aim of enhancing corporate value.

Corporate Governance

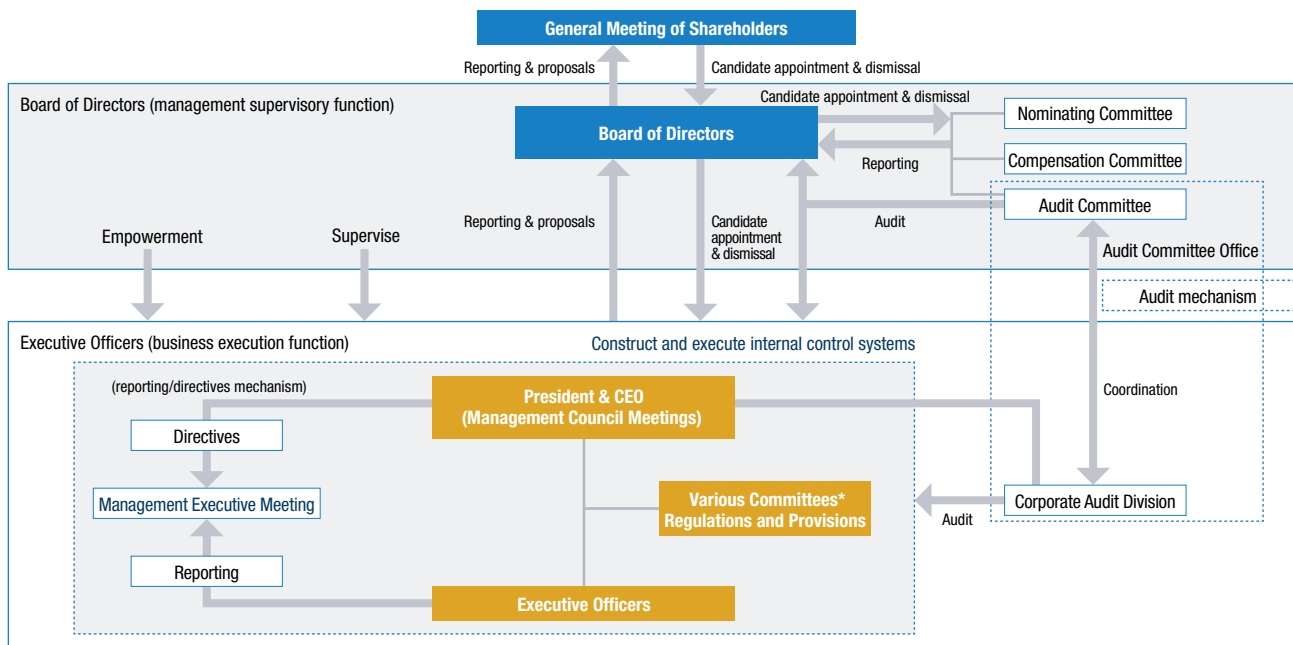
Konica Minolta believes that improving corporate governance is a vital part of fulfilling its responsibilities to stakeholders. The company is continuing to reform its management and governance structure to ensure more timely and appropriate decision-making on matters such as restructuring.

Company with Committees

Konica Minolta 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 perform decision-making and business execution, as entrusted by the Board of Directors. 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 effectiveness, validity, legality

Corporate Governance Structure



Note: Committees related to internal controls
Risk Management Committee, Compliance Committee, Corporate Information Disclosure Committee, Investment Assessment Committee, Business Assessment Committee.

Board of Directors and Three Committees (as of June 19, 2015)

● Chairman

Board of Directors (11 people)		Nominating Committee	Audit Committee	Compensation Committee
Non-Executive Officers (7 people)	Directors (Chairman of the Board)	●		
	Outside Director	●		●
	Outside Director	●	●	
	Outside Director		●	●
	Outside Director	●	●	●
	Director	●	●	●
	Director		●	●
Directors and Executive Officers (4 people)	Director, President and CEO Representative Executive Officer	Directors who are also executive officers do not serve as members of the three committees.		
	Director, Senior Executive Officer			
	Director, Senior Executive Officer			
	Director, Senior Executive Officer			

and soundness of the management.

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.

There are three committees within the Board of Directors: the Nominating, the Audit, and the Compensation committees—all of which are chaired by outside directors. Although the law in Japan only requires that no executive officers serve on the Audit Committee, Konica Minolta has implemented a system in which its executive officers do not serve on any of these committees, in order to ensure better transparency.

Compliance

At Konica Minolta, the Chief Compliance Officer appointed by the Board of Directors determines matters important for promoting Group compliance and is responsible for promoting and overseeing compliance under the President and CEO of Konica Minolta, Inc., who has ultimate responsibility for Group compliance. To fulfill that responsibility, the Group Compliance Committee, which is

composed of officers responsible for various corporate functions, serves as an advisory body for the Chief Compliance Officer.

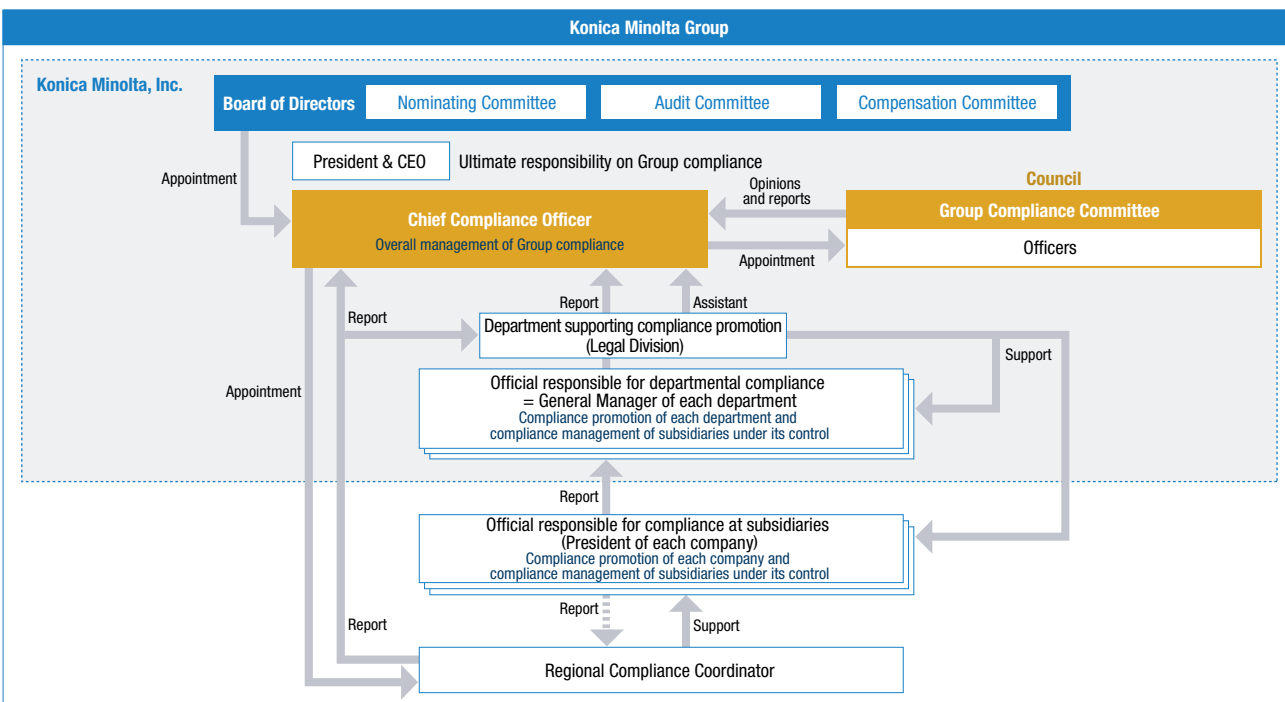
To promote compliance in each department at Konica Minolta, Inc., the General Manager of each department serves as the official responsible for compliance. At subsidiaries inside and outside Japan, the president of each subsidiary serves as the official responsible for promoting compliance at each company. The Chief Compliance Officer also reports to the Audit Committee periodically on the Group-wide compliance situation.

Global Group Support System

The Legal Division at Konica Minolta, Inc. drafts important matters and measures for promoting Group compliance to assist the Chief Compliance Officer. The Legal Division also assists with the compliance activities of each department and subsidiary directly and indirectly.

The Chief Compliance Officer also appoints Regional Compliance Coordinators in Europe, North America, and China to implement activities to promote compliance in accordance with the circumstances of each region overseas.

Group Compliance Promotion System



Management System

Anti-corruption Initiatives

The basic policy on preventing corruption is set forth in the Konica Minolta Group Guidance for the Charter of Corporate Behavior, which provides common compliance guidance for the Konica Minolta Group. It includes a prohibition on extorting gifts and entertainment, on accepting bribes, and a ban on any contact with organized criminal elements. Konica Minolta ascertains and responds to country risk related to corruption with reference to sources such as Transparency International's^{*1} Corruption Perception Index.^{*2} Preventing corruption is designated as a common, worldwide priority in the Group's annual compliance policy. The Group's compliance promotion support departments take the lead in formulating measures aligned with the laws and practices in each country and provide ongoing education in cooperation with Regional Compliance Coordinators.

The principal initiatives in fiscal 2014 included the creation of an Anti-Corruption, Anti-Bribery policy document at the North American office equipment and business solutions sales company, education on commercial bribery in China at 13 Chinese subsidiaries, seminars in Japan on responding to transparency guidelines in the healthcare industry, and anti-corruption legal training in Japan for staff responsible for transactions in China and the U.S.

In China, specific guidelines regarding gift giving and entertainment were created as a guide for anti-corruption measures in the Compliance Manual for China.

Additionally, Konica Minolta shared best practices from initiatives at each company and promoted practical anti-corruption measures in line with the relevant laws in each country, exemplified by America's Foreign Corrupt Practices Act, the United Kingdom's Bribery Act, and China's Law Against Unfair Competition.

There were no incidents regarding bribery or corruption in fiscal 2014.

^{*1} **Transparency International:** an international NPO that acts to prevent corruption, especially bribery.

^{*2} **Corruption Perception Index:** an index produced by Transparency International (TI) which surveys and numerically ranks the level of corruption in relations between the public and private sectors by country.

Compliance with Antitrust Laws

Konica Minolta works at establishing policies and providing education related to antitrust laws according to the laws and business environment of each region.

Accordingly, antitrust law measures have been positioned as a common, worldwide theme in the Group's annual compliance policy. Compliance promotion support departments and Regional Compliance Coordinators in Europe, North America, and China have taken the lead in formulating policies aligned with the laws and business environments in each region and providing ongoing education.

The principal initiatives in fiscal 2014 included raising awareness about antitrust laws through educational programs about compliance for employees at each level, education for company presidents and sales department general managers in Europe, and education about the Subcontract Act, a complementary law of the Antimonopoly Act, for production departments in Japan.

In fiscal 2014, there were no problems related to antitrust laws.

Risk Management

Executive officers are responsible for various risks including managing strategic risks, financial risks, risks pertinent to environmental regulations and hazard risks. They identify and evaluate these risks and develop and monitor countermeasures in their respective spheres of management. Additionally, the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors, is convened periodically and as necessary. The Committee examines the risks identified by each executive officer, as well as the countermeasures in place. The Committee then checks to ensure that the risk management system is functioning effectively, making revisions where necessary. The Group responds as a whole to risks judged as particularly important, led by an executive officer appointed by the chairperson. The activities of the Risk Management Committee are periodically reported to the Audit Committee.

Human Resources Data Summary

Employee Composition by Employment Status

(As of March 31, 2015)

	Regular employees	Non-regular employees*	Total
Konica Minolta, Inc.	6,348	2,039	8,387
Group companies in Japan	12,154	3,726	15,880
Group companies outside Japan	29,444	3,248	32,692
Konica Minolta Group (worldwide)	41,598	6,974	48,572

Note: Non-regular employees: Contract or temporary employees

Employee Gender Ratio

(As of May 2015)
(Women:Men)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Konica Minolta, Inc.*1	16:84	16:84	16:84
Konica Minolta Group (worldwide)*2			31:69

*1 Includes employees seconded to Group companies but not employees seconded from Group companies

*2 Covers over 85% of the consolidated Group on a number of personnel basis

Percentage of Women in Management Positions

(As of May 2015)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Konica Minolta, Inc.*1	1.8%	2.1%	2.7%
Konica Minolta Group (worldwide)*2			15.1%

*1 Includes employees seconded to Group companies but not employees seconded from Group companies

*2 Covers over 85% of the consolidated Group on a number of personnel basis

Percentage of Employees with Disabilities

(As of June of each fiscal year)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Employment rate	1.93%	1.94%	2.02%

Note: For Konica Minolta, Inc., up through fiscal 2013. From fiscal 2014, total for Konica Minolta, Inc., Konica Minolta With You, Inc., and Konica Minolta Electronics Co., Ltd. because of the establishment of the special subsidiary Konica Minolta With You. The period for ascertaining the figures was changed to June of each fiscal year.

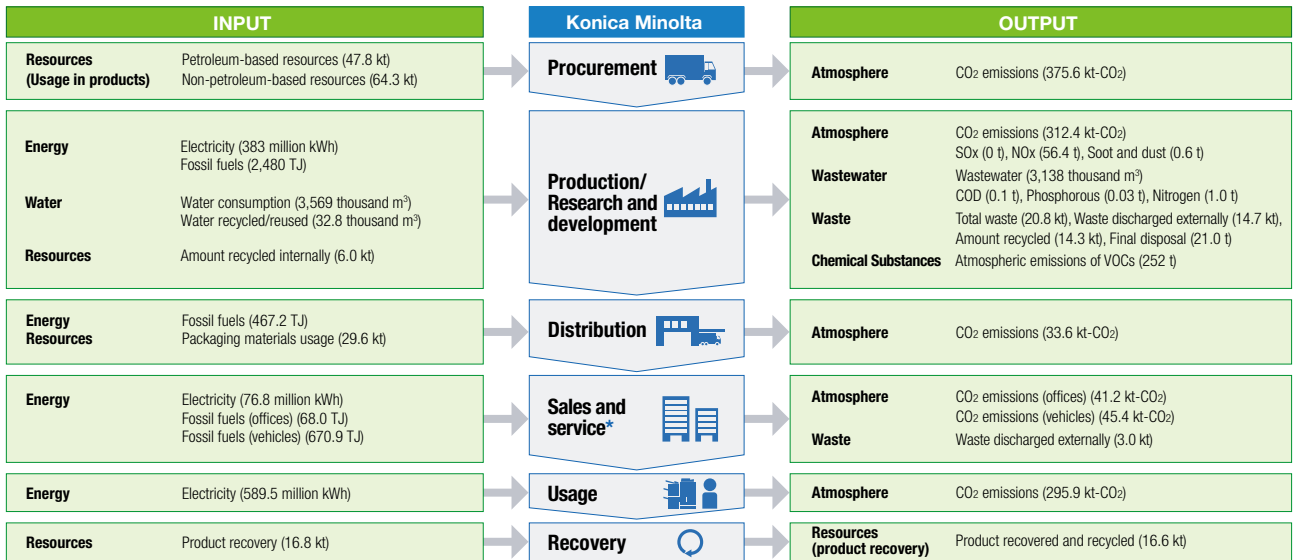
Work-life Balance Support Program Use

	Fiscal 2012		Fiscal 2013		Fiscal 2014	
	Women	Men	Women	Men	Women	Men
Maternal health management leave	3		1		2	
Maternity leave	37		30		19	
Spousal maternity leave		137		129		115
Parental leave	51	9	61	2	61	5
Shorter working hours for childcare	166	3	156	3	159	3
Work-at-home during child-rearing	13	5	16	2	18	2
Nursing care leave	3	2	1	0	0	3
Shorter working hours for nursing care	2	0	0	0	0	0

Note: Boundary: Regular employees of Konica Minolta, Inc.

Environmental Data Summary

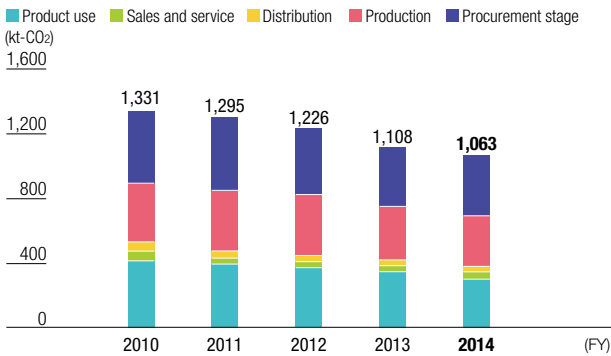
Overall View of Environmental Impacts Resulting from Business Activities



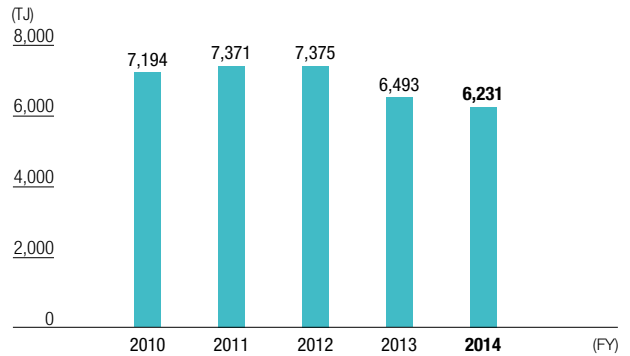
* Boundary: All consolidated sales companies worldwide

Main Environmental Performance Data

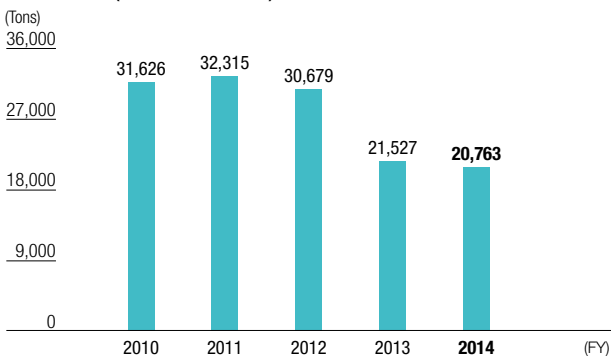
Product Lifecycle CO₂ Emissions



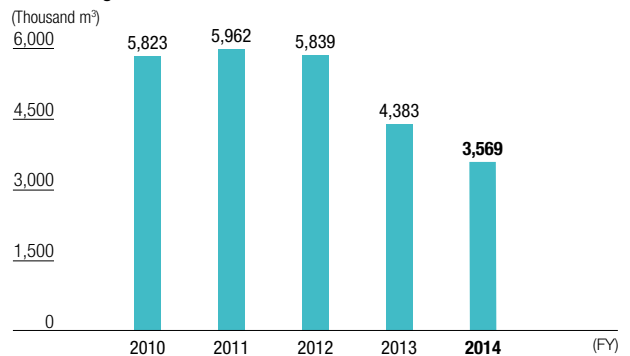
Energy Input (Production / R&D)



Total Waste (Production / R&D)



Water Usage



Calculating CO₂ Emissions Across the Entire Supply Chain

Konica Minolta has calculated the CO₂ emissions associated with the Group's activities across its entire supply chain, from the upstream to the downstream aspects of its operations, based generally on the standards of the GHG Protocol,* the international standard. The calculation showed that CO₂ emissions throughout the supply chain were approximately 1.37 million tons, which represents a decrease of about 2.7% from fiscal 2013.

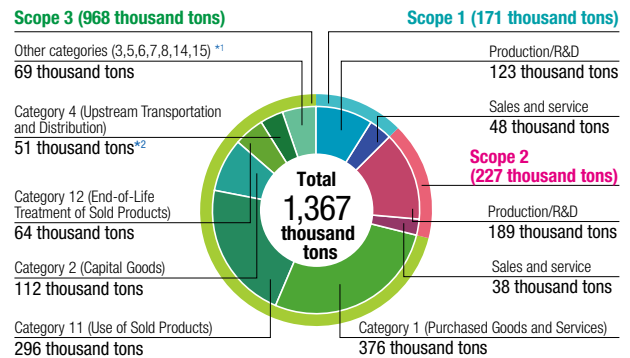
Emissions from the Group's activities—including direct emissions from fuel use (Scope 1) plus indirect emissions from the consumption of purchased electricity, heat or steam (Scope 2)—total approximately 0.4 million tons, or about 29% of all emissions. Other indirect emissions (Scope 3) associated with the Group's activities totaled approximately 0.97 million tons, accounting for about 71%. The CO₂ emissions for "purchased goods and services," account for 27.5% of emissions across the entire supply chain. The Group is continuing its efforts to reduce emissions by setting targets in cooperation with suppliers. It is providing technical assistance and making suggestions for the improvement of suppliers' production processes in an effort to reduce material and energy use. In product development, the company is working to develop recycled plastics and design smaller and lighter products, which reduces the input of resources. In terms of the "use of sold products," which accounts for 21.7% of emissions, the Group is working to develop features

that encourage customers to save energy, in addition to reducing the power consumption of the products themselves.

Konica Minolta will share information with relevant stakeholders in the future based on the results of these calculations and move forward with CO₂ emissions management and reduction activities throughout the supply chain.

* GHG Protocol: Guidelines for calculating and reporting greenhouse gas (GHG) emissions

Overall View of CO₂ Emissions Across the Entire Supply Chain of Konica Minolta



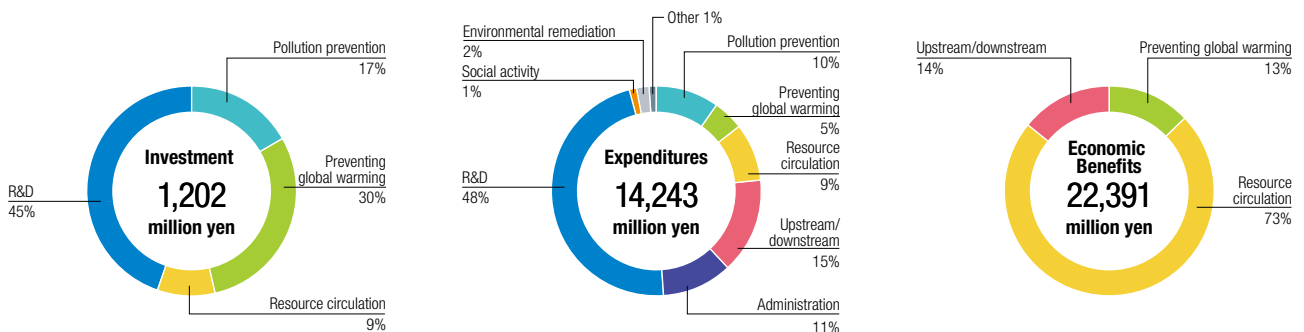
*1 Categories 3 (Fuel- and energy-related activities), 5 (Waste generated in operations), 6 (Business travel), 7 (Employee commuting), 8 (Upstream leased assets), 14 (Franchises), and 15 (Investments)
 *2 CO₂ emissions attributed to product distribution: 34 thousand tons
 Note: Figures do not necessarily match total because of rounding.

Environmental Accounting

Konica Minolta has implemented global-scale, consolidated environmental accounting in order to quantitatively assess the costs of environmental preservation in business operations and the benefits obtained from those activities.

In fiscal 2014, costs increased 13% year on year to around 14.2 billion yen. The increase was mainly attributable

to an increase in costs for the development of environmentally friendly products in the areas of business technologies and functional products. Investment was about 1.2 billion yen and was mainly related to next-generation products in the area of functional materials.



Note: Percentages do not necessarily total to 100 because of rounding.

Expert Opinion of Konica Minolta's CSR Report

We asked Yoshinao Kozuma, Professor of Economics at Sophia University, to give us some feedback on this report. His comments are presented below. We will use this feedback to improve our future CSR activities and our 2016 CSR Report.



Yoshinao Kozuma
Professor, Faculty of Economics,
Sophia University

1. Starting Declaration toward Sustainable Society

In recent years, Konica Minolta has been rapidly strengthening the creation of shared value as the direction for its CSR management. In this year's Message from the President, Mr. Yamana referred to the connection between the Group's long-term growth strategy and the creation of shared value with society, making that direction even clearer.

This takes the management philosophy that Konica Minolta has aspired to since its founding, "The Creation of New Value," beyond merely creating products and services that fulfill customer needs and shows that it includes a corporate commitment to pursue harmonious co-existence with society and the environment. I think that it is also Konica Minolta's new starting declaration toward sustainable society.

This fiscal year, Konica Minolta also earned a variety of highly competitive external evaluations, including first place in the overall manufacturing sector on the Environmental Management Survey, first place in the overall ranking on the Quality Management Level Research, and selection as a Health and Productivity Management Brand by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. These achievements are the product of steady efforts and a progressive corporate mission, and they add a brilliant splash of color to the starting declaration.

2. Supporting Environmental Activities throughout the Value Chain

The fiscal 2014 initiative I would most like to highlight is Konica Minolta's support for environmental activities throughout the value chain. Through this initiative, the Group shares the environmental management technology and know-how it has cultivated with suppliers and customers. The initiative consists of Green Supplier Activities for suppliers that agree with the intent of the activities and environmental management support for customers, even those with which it does not do business.

The former strengthens relationships with suppliers while establishing a solid supply chain with excellent cost efficiency. The latter encourages the identification of business opportunities by increasing customers' degree of trust in environmental management. These initiatives will contribute to the reduction of environmental impact throughout society and can be expected to have a large effect on Konica Minolta's creation of shared value in the future.

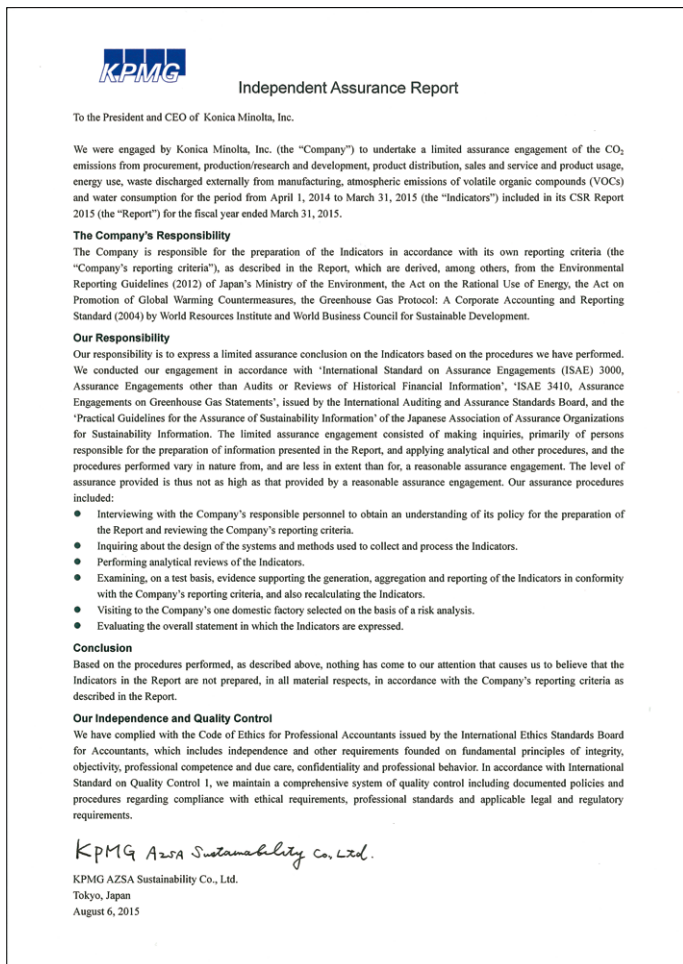
3. Handling Quantitative Data

The change to G4 as the reporting guideline has brought about an improvement in information disclosure. I think that this will help with the development of the reporting structure. However, there are still a few issues in the handling of quantitative data.

Indication of the number of employees by gender is standard in G4, and so the company needs to switch from the current proportional representation to a real number representation. Also, this fiscal year, the graphs of environmental data were moved to the end of the report, but you must review which graphs need to be included, since the current graphs do not necessarily illustrate the important issues laid out in the Medium-Term Environmental Plan 2016. Further, the fact that the next year's goals were not included alongside the goals and performance of environmental activities shows that there is room for improvement, as the Report should disclose the actual status of PDCA management. I hope that the company will consider making improvements regarding these issues in next year's report.

External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on whether its CO₂ emissions from procurement, production/research and development, product distribution, sales and service, and product usage; energy use; waste discharged externally from manufacturing; atmospheric emissions of volatile organic compounds (VOCs); and water consumption have been measured, gathered and disclosed in accordance with the criteria set by the Group.



Period: March to June 2015

On-site audit of the Tatsuno Factory of Konica Minolta Supplies Manufacturing



Comments from the Assurance Provider

Naomi Sugo, KPMG AZSA Sustainability Co., Ltd.

This CSR report is composed of material CSR themes identified based on a materiality analysis. I think that it has become more focused on issues that are important for Konica Minolta. The report should include an explanation of the kinds of policies, goals, and targets that have been established for each material theme as well as the degree of achievement at present. Some parts of the goals and targets are not very clear for several of the material themes, and I hope that this will be addressed from the next CSR report onward.

In fiscal 2014, the system for gathering environmental data was updated, including the adoption of a function to detect

outliers. I think this has made a stronger system for gathering more precise data. As the types of products produced and business sites change, one challenge is how to reflect those changes in a timely manner in the scope of data collection.

The scope of energy usage data was expanded this year to include energy usage at sales and service sites outside Japan, and the gender percentages for employees and the percentage of female managers are now reported on a global basis. I think that this gives a clearer picture of the Konica Minolta Group overall.



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