



KONICA MINOLTA



KONICA MINOLTA

CSR REPORT 2017

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.

Konica Minolta has identified the priority issues which have social significance and substantial impact on its business. The company sets targets for these issues and reports on specific initiatives and progress. This report is prepared in accordance with the Core option of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. 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.

Reporting Period

In principle, the report covers activities from April 1, 2016 to March 31, 2017. Some sections may include information on earlier initiatives or more recent activities. In this report, "fiscal 2016" refers to the fiscal year that started April 1, 2016 and ended March 31, 2017.

Publication Date

August 2017 (Next report: scheduled for August 2018; previous report: August 2016)

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.

Note: Indicators that have been assured by KPMG AZSA Sustainability Co., Ltd. are marked with ★.

Communication Tools

● CSR Information



CSR Report (this publication)
Reporting on targets and specific initiatives for priority issues



Environmental Report
Compiling information on environmental activities from the website in booklet format in PDF

CSR (social/environmental activities) website
<https://www.konicaminolta.com/about/csr>
Reporting comprehensive information on Konica Minolta's CSR activities



● IR Information Shareholder Newsletter
Annual Report
Securities Report

The documents below are available for download at:
<https://www.konicaminolta.com/us-en/corporate/document-download.html>

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

The CSR report, which consists of the printed pamphlet and the web-based information, is prepared in accordance with the Core option of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines.



GRI / ISO26000 / United Nations Global Compact Content Indices

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



Continually Creating New Value to Contribute to the Evolution of Business and Society

Being a Digital Company with Insight into Implicit Challenges to Support the Transformation of Corporate Clients

As our global society continues to evolve rapidly, companies must offer more innovation than ever before. This innovation should express the innate creativity of humankind while improving the overall quality of society. Today's companies are also expected to take action to address wide-ranging social issues, such as those specified in the Sustainable Development Goals (SDGs) adopted at the United Nations Sustainable Development Summit in September 2015.

Beginning in fiscal 2017, Konica Minolta enters into a new medium-term business plan, SHINKA 2019, with the aim of continuing to be a company that creates new value. SHINKA (which means "evolution" in Japanese) is a concept that embodies our strong commitment to supporting customer business transformation and creating new value that fosters the ongoing evolution of business and society.

Under this plan, we are working to evolve continuously into a digital company that provides solutions with insight



into implicit challenges facing society. We are aiming to help our customers address not only their current concerns but also issues they have not yet identified. Working closely with customers, we want to continue to find sustainable solutions by leveraging innovative technologies such as AI, robotics and IoT, in addition to the digital technologies we have developed over many years.

Konica Minolta has evolved into a company that offers cutting-edge, customer-centric products and services. Moving forward, we will continue to contribute to both our customers and the global society by providing support for client transformation via identification of diverse issues for our two million corporate customers worldwide.

Aiming to Be an ESG Leader and Improve Corporate Value over the Medium and Long Term

In recent years, commitment to environmental, social, and governance (ESG) programs has become increasingly important as a non-financial measure of a company's value. Rather than passively addressing risks in the ESG areas, Konica Minolta is taking action to become a global "ESG leader." To that end, we identified six material issues last year.

In particular, we are focused on promoting environmental sustainability and mitigating climate change, which are urgent challenges for the international community. In order to contribute to the creation of a sustainable society by managing our environmental impact, we have established Eco Vision 2050, a set of long-term environmental objectives. Under Eco Vision 2050, we are taking actions to solve environmental problems while also driving corporate growth. In fiscal 2017, we set a new, more ambitious goal of achieving Carbon Minus status. This involves collaborating with various stakeholders including business partners, customers, and local communities to facilitate broad-based CO₂ emissions reductions that exceed Konica Minolta's own CO₂ emissions by 2050. Through these efforts, we aim to make an impact beyond the reach of just one company.

We also focus on social innovation by developing new businesses that contribute to social challenges. The areas where we can use our resources and expertise for the greater good include: enhancing nursing and primary care in aging societies, helping to develop personalized cancer medicine in the field of bio-healthcare, reforming work styles and improving productivity and creativity in offices, generating manufacturing innovation at production sites, and developing new business models in distribution and retailing.

By tackling these issues, we intend to strengthen our competitiveness as a global company. As a signatory of the United Nations Global Compact, these efforts will also help us contribute to the achievement of the SDGs and help build a more sustainable world.

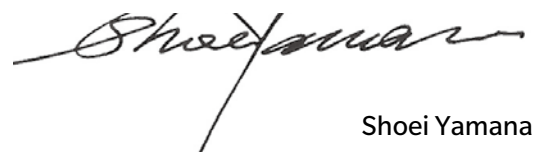
Encouraging Human Resources to Pursue Transformation so They Can Resolve Issues for Customers and Society

At Konica Minolta, we strive to be the consistent choice of our customers by being a reliable partner. We work closely with customers to support their transformation by tackling issues, even where solutions are not yet clear. I believe this approach leads to both business and social evolution, while also helping to solve various problems faced by society.

To continually create value for society, it is necessary for Konica Minolta Group employees to work together and fulfill their respective missions to the best of their abilities. I believe that the key to evolving into a digital company with insight into implicit challenges lies in offering transformation opportunities to our own employees.

Accordingly, we will continue to develop an environment where diverse employees can demonstrate their potential and creativity, regardless of nationality, gender or age. To achieve this, we will promote employee diversity, health management, work style reform, career advancement programs, and other measures involving reform of organizational structures and corporate culture.

I am confident that our employees worldwide can enable Konica Minolta to fulfill even greater social responsibilities as they combine their strengths with determination and cooperate with people in and outside of their organizations. With operations in more than 150 countries, we aim to be a global corporate group that is trusted and supported by the international community. I invite you to expect even more from Konica Minolta.



Shoei Yamana
President and CEO
Konica Minolta, Inc.

Konica Minolta's CSR

Midium- to Long-Term Trajectory for CSR at Konica Minolta

Konica Minolta aims for the continual enhancement of corporate value through simultaneously pursuing economic and social value.

By providing technologies, products and services that help solve the issues that customers have, and even the implicit challenges they are not yet aware of, Konica Minolta can contribute to customer transformation, and help to foster the evolution of business and society. Being a "digital company with insight into implicit challenges" is Konica Minolta's vision for itself as a company, and it is the practice of "The Creation of New Value" set forth in its corporate philosophy.

Today's evolving society requires companies to take on the role of delivering both "social value," by providing solutions to challenges faced by our customers and our world,

and "economic value," which results in corporate growth, while achieving sustainable growth alongside society. This process is also well-aligned with the Sustainable Development Goals (SDGs).

To achieve this value, Konica Minolta has identified a number of material issues it must address on a priority basis: the environment, social innovation, customer satisfaction and product safety, responsible supply chain, human capital, and diversity. By addressing these issues, the company will provide solutions to social issues set forth in SDGs, and contribute to solving global environmental issues and improving quality of life.

Vision: To become a digital company with insight into implicit challenges





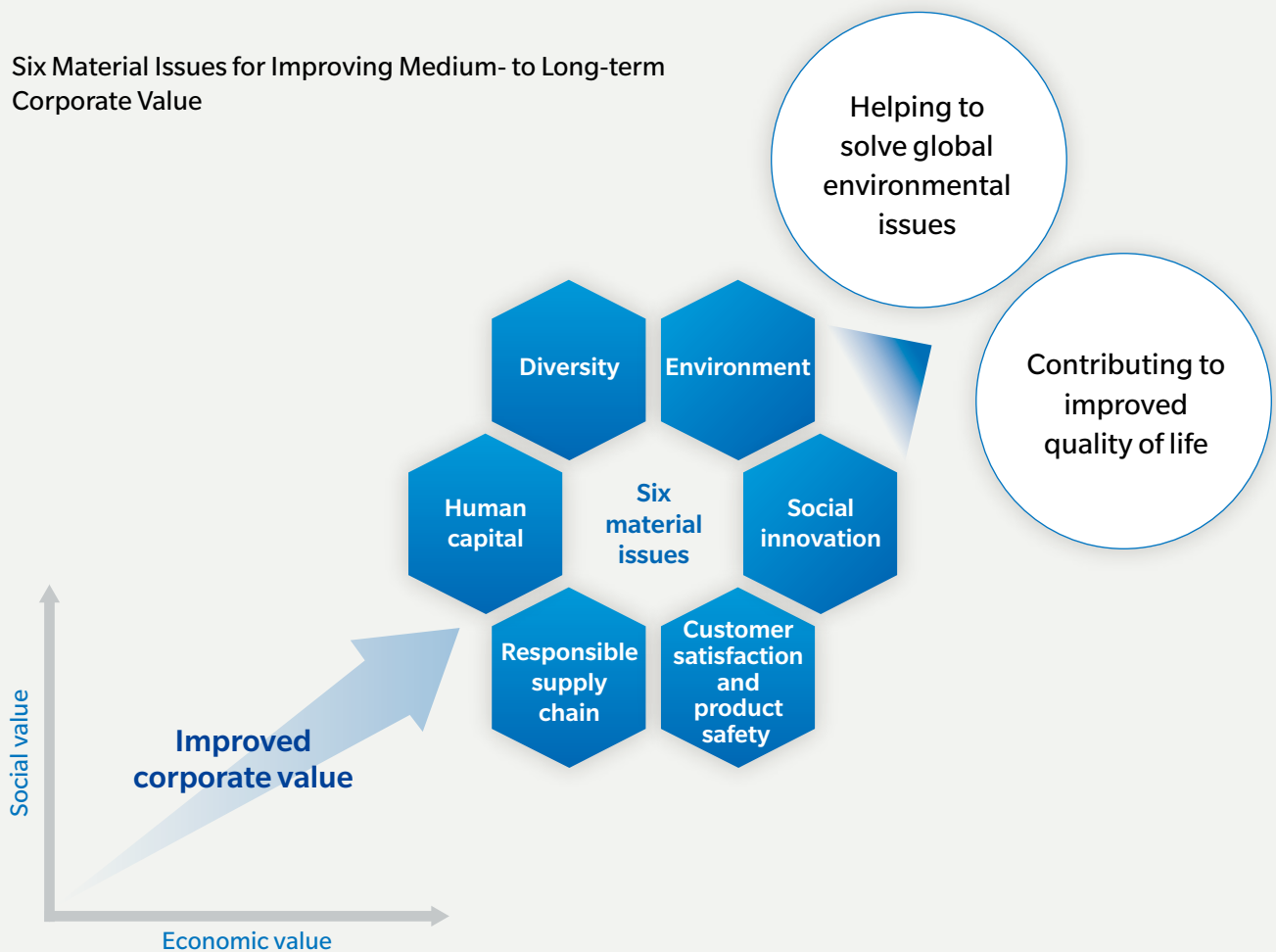
Sustainable Development Goals (SDGs)

With the participation of over 150 Heads of State, the 2030 Agenda for Sustainable Development was adopted as the outcome of the United Nations Sustainable Development Summit in September 2015.

In the 2030 Agenda, the SDGs, consisting of 17 goals and 169 targets, were set as goals to be achieved by 2030.



Six Material Issues for Improving Medium- to Long-term Corporate Value



CSR Management

Basic Approach

Konica Minolta aims to establish itself as a company that is innovative and constantly evolving. Practicing its management philosophy, "The Creation of New Value," Konica Minolta works to remain vital to society. This is why the Group strives to contribute to the resolution of societal challenges by creating value that improves the quality of society through its business endeavors.

Konica Minolta's CSR activities are guided by its management philosophy and vision, which 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 as a basis for understanding and practicing desired behavior. The Group Guidance articulates Konica Minolta's respect for international social norms such as the United Nations Global Compact, to which Konica Minolta, Inc. is a



signatory, and its commitment to acting in compliance with those ideals.

CSR-Related Principles, Charters and Norms That Konica Minolta Endorses or Observes

- United Nations Global Compact
- Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights
- Japan Business Federation
"Charter of Corporate Behavior"
- EICC Code of Conduct

CSR-Related Groups in which Konica Minolta Participates

- Electronic Industry Citizenship Coalition (EICC)
- Conflict-Free Sourcing Initiative (CFSI)
- Japan Electronics and Information Technology Industries Association (JEITA) Responsible Minerals Trade Working Group, Conflict-Free Sourcing Working Group

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

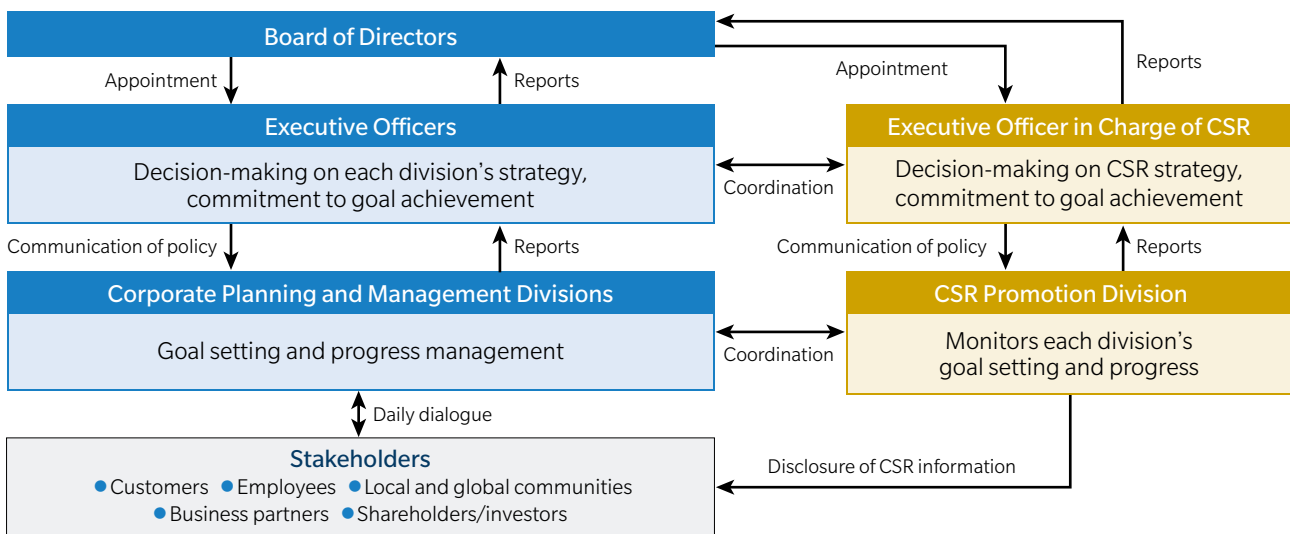
In the event of a violation of the principles of this Charter, in order to solve the problem senior management shall investigate the cause of the violation and develop reforms to prevent its recurrence in accordance with corporate compliance procedures. Prompt public disclosure of precise information 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, Inc., 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 activities. Directly reporting to the officer is the CSR promotion division, which sees to the implementation of CSR management for the entire Group. On a weekly basis, the division reports the progress of CSR activities to the executive officer in charge, while also reviewing measures and

making proposals. Regarding matters of great importance, the executive officers meet in a timely fashion to deliberate, keeping CSR at the forefront of management decisions.

In fiscal 2015, Konica Minolta established the CSR Executive Meeting, with executive officers as core members, to facilitate detailed discussion of CSR issues. At the same time, the company is improving measures and policies by reviewing each issue from a cross-sectional perspective.



	Characteristics of Stakeholders	Tools and Opportunities for Communication
Customers	Konica Minolta does business around the world. The 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
Employees	Konica Minolta employs 43,979 people worldwide. Of those, 27% are in Japan, 24% are in Europe, 19% are in the U.S., 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, 2017.)	<ul style="list-style-type: none"> • Interactive intranet • Group journal • Employee attitude surveys • Dialogue with labor unions • Internal help line systems • Discussion during inspection tours of production sites by senior staff • Town meetings attended by senior staff
Local and Global Communities	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 • Global public relations activities through international publications and websites
Business Partners	Konica Minolta procures raw materials, parts and components from many suppliers for each of the Group's businesses. 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	Since Konica Minolta, Inc. 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

Process for Identifying Material Issues

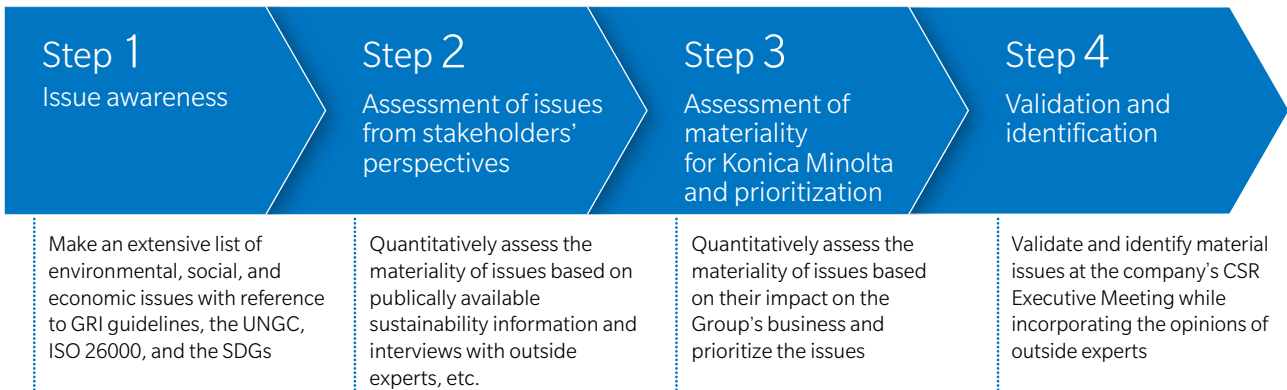
Today's companies must address wide ranging social issues, including human rights, labor ethics, and environmental challenges such as climate change and resource depletion. In light of the changing social landscape and business environment, Konica Minolta identifies material issues that to address with priority, with the aim of ensuring that its initiatives function with a balance between social issues and business objectives.

To identify material issues, first a comprehensive list of issues was created with reference to international guidelines. These issues were given a quantitative rating for two

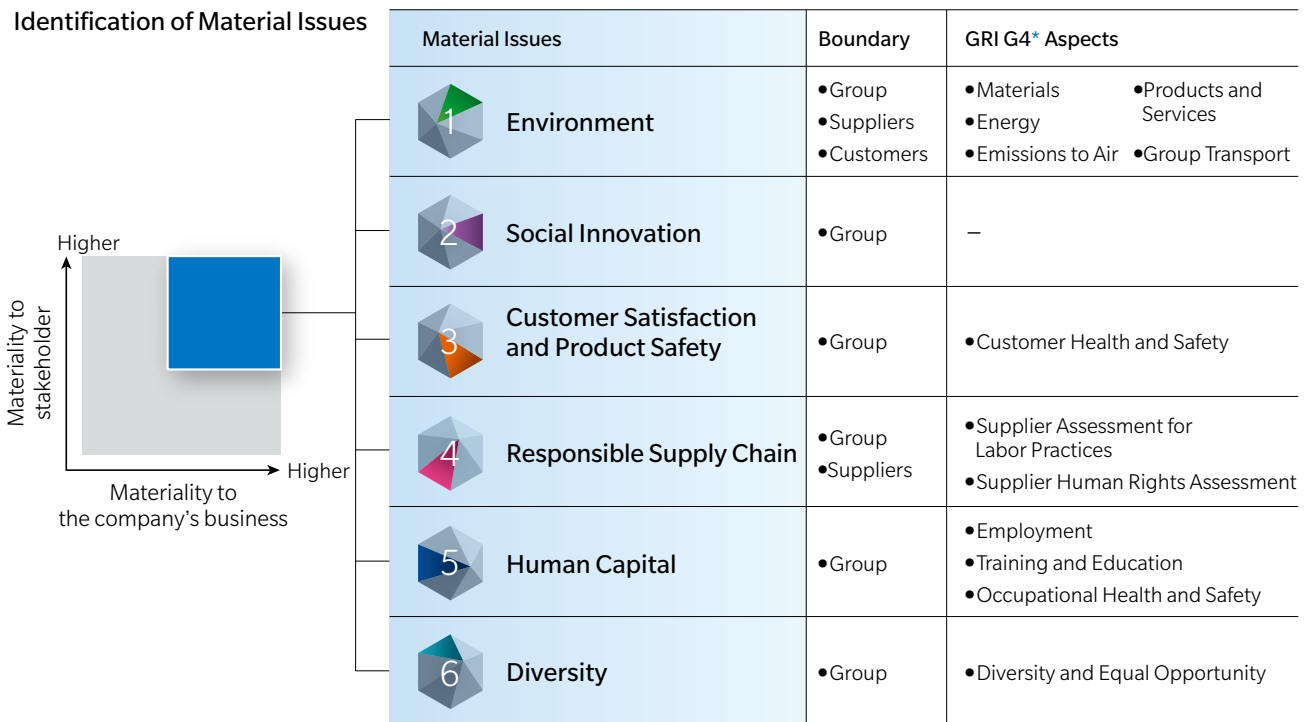
aspects, "stakeholder interest" (materiality to stakeholders) and "impact on the Group's business" (materiality to the company's business) to verify their materiality. Outside experts were asked for their opinions in order to incorporate objectivity into the decisions on the materiality of each issue, which were validated by the CSR Executive Meeting, thereby completing the process for identifying material issues.

Targets and action plans will be established in accordance with these material issues, and action will be taken. This approach will help to ensure that Konica Minolta contributes to the resolution of social challenges, thereby enhancing its competitiveness as a company.

Process for Identifying Material Issues



Identification of Material Issues



*G4: The G4 Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI).

Stakeholder Engagement

When promoting CSR activities, Konica Minolta emphasizes dialogue with diverse stakeholders including customers, employees, the local and global communities, business partners, shareholders and investors. Therefore, the company not only conducts daily dialogue with each division in charge, but also proactively creates opportunities

for communication, including at the executive level, while leveraging communication tools to help people understand Konica Minolta's approach.

The opinions acquired from feedback received and in dialogues with stakeholders are reviewed and urgent concerns are reported to management, facilitating improvements in management, products and services.

■ ESG Briefing Held for Investors

In recent years, "ESG investment," which takes into account not only financial information, but also corporate approaches to the environment, society, and governance, has been rapidly growing. Konica Minolta proactively disseminates information in response to the interests of such investors.

In December 2016, the company held an investor briefing regarding ESG, which was attended by 16 securities analysts and 25 institutional investors, including overseas institutional investors. Additionally, the company constantly disseminates information via various channels, including by participating in ESG briefings held by Daiwa Securities and holding environmental exhibitions at the General Meeting of Shareholders.



ESG briefing held in December 2016

Evaluation of CSR by External Parties

Konica Minolta has earned high praise internationally.

Inclusion in Prominent Investment Indices

- January 2017** Inclusion in the Morningstar Socially Responsible Investment Index (MS-SRI)
- September 2016** Maintained inclusion in the Dow Jones Sustainability World Index for five consecutive years
- August 2016** Selected for inclusion in the MSCI Global SPI Indexes 2016
- August 2016** Maintained inclusion in the FTSE4Good Index for 13 consecutive years

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



FTSE4Good

Evaluations by International CSR Rating Agencies

- January 2017** Ranked Silver Class CSR by RobecoSAM, a world-leading research and rating company in the SRI field
- January 2017** Selected for inclusion in the investment universe of Ethibel Pioneer and Ethibel Excellence by Forum Ethibel, an SRI specialist group
- October 2016** Selected a Climate A List company, the highest rating, by CDP

ROBECOSAM
Sustainability Award
Silver Class 2017



Recognition in Japan

- February 2017** Received Environmental Report Award (Minister of the Environment Prize) at the 20th Environmental Communication Awards
- January 2017** Received second place prize at the 19th NIKKEI Annual Report Awards



CSR Targets and Results

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

Material Issue	Key Action	Priority Issue	Goals of the Medium-Term Environment Plan 2016	
			Business value	Environmental value
Environment	Green Products (planning and development)	(1) Creating and promoting the green products demanded by customers and society	Sales • Sales of Green Products: 640 billion yen (GP sales ratio: 60%) Cost reductions • Reduce cost of product materials	Preventing global warming • CO ₂ emissions reduction during product use: 59 thousand tons • CO ₂ emissions reduction during procurement: 105 thousand tons Supporting a recycling-oriented society • Effective resource utilization: 33 thousand tons Reducing chemical substance risks • Control emissions
		(2) Complying with government procurement standards and environmental label requirements	Sales • Eliminate lost sales opportunities	Environment overall • Reduce environmental impact by complying with standards and label requirements
		(3) Dependably complying with product-related laws and regulations	Risk avoidance • Eliminate effect on sales	Reducing chemical substance risks • Reduce hazardous chemical substance risk by conforming to laws and regulations
	Green Factories (procurement and production)	(1) Translating Green Factory operations into cost competitiveness	Cost reductions • Reduce costs of energy and materials (reduce loss)	Preventing global warming • CO ₂ emissions reduction during production: 4 thousand tons Supporting a recycling-oriented society • Effective resource utilization: 0.3 thousand tons Restoring and preserving biodiversity • Sustainable use of water resources
			Cost reductions • Reduce cost of materials	Supporting a recycling-oriented society • Effective resource utilization: Resource cycle through expanded utilization of reusable materials
		(3) Translating cooperation with suppliers into cost competitiveness	Cost reductions • Reduce costs of energy and materials (reduce loss)	Preventing global warming • CO ₂ emissions reduction at suppliers (established in agreement with each target supplier) Supporting a recycling-oriented society • Effective use of resources at suppliers (established in agreement with each target supplier)
			(4) Dependably complying with production-related laws and regulations	Risk avoidance • Eliminate effect on production
	Green Marketing (distribution, sales and service, and collection and recycling)	(1) Resolving customers' environmental challenges	Sales • Acquire sales opportunities	Environment overall • Reduce environmental impact on customer side
		(2) Optimizing the supply chain and linking environmental initiatives	Cost reductions • Reduce cost of distribution and packaging	Preventing global warming • CO ₂ emissions reduction during distribution: 0.5 thousand tons Supporting a recycling-oriented society • Effective resource utilization: 0.47 thousand tons
		(3) Undertaking product 3R initiatives	Risk avoidance • Reinforce 3R initiatives	Supporting a recycling-oriented society • Use resources effectively through product 3R initiatives

Note: Some of the fiscal 2016 targets have been changed, but the binding target of a 40% reduction in lifecycle CO₂ emissions has not been changed.

Note: "○" indicates the goal was achieved. "△" indicates it was partially achieved.

Fiscal 2016 results				
	Business value		Environmental value	
	Sales •Sales of Green Products: 616.8 billion yen (GP sales ratio: 64%) Cost reductions •Reduce cost of product materials	△	Preventing global warming •CO ₂ emissions reduction during product use: 58.4 thousand tons •CO ₂ emissions reduction during procurement stage: 107 thousand tons Supporting a recycling-oriented society •Effective resource utilization: 33.3 thousand tons Reducing chemical substance risks •Control emissions	△
	Sales •Eliminate lost sales opportunities	○	Environment overall •Reduce environmental impact by complying with standards and label requirements	○
	Risk avoidance •Eliminate effect on sales	○	Reducing chemical substance risks •Reduce hazardous chemical substance risk by complying with laws and regulations	○
	Cost reductions •Reduce costs of energy and materials (reduce loss)	○	Preventing global warming •CO ₂ emissions reduction during production: 8.5 thousand tons Supporting a recycling-oriented society •Effective resource utilization: 0.4 thousand tons Restoring and preserving biodiversity •Sustainable use of water resource	○
	Cost reductions •Reduce cost of materials	○	Supporting a recycling-oriented society •Effective resource utilization: Percentage of recycled plastic used by weight reached about 35%	○
	Cost reductions •Reduce costs of energy and materials (reduce loss)	○	Preventing global warming •CO ₂ emissions reductions at suppliers: 1.8 thousand tons Supporting a recycling-oriented society •Effective resource utilization: 0.19 thousand tons	○
	Risk avoidance •Eliminate effect on production	○	Environment overall •Reduce environmental impact by complying with laws and regulations	○
	Sales •Acquire sales opportunities	○	Environment overall •Reduce environmental impact on customer side	○
	Cost reductions •Reduce cost of distribution and packaging	○	Preventing global warming •CO ₂ emissions reduction during distribution: 0.62 thousand tons Supporting a recycling-oriented society •Effective resource utilization: 0.54 thousand tons	○
	Risk avoidance •Reinforce 3R initiatives	○	Supporting a recycling-oriented society •Use resources effectively through product 3R initiatives	○

Targets and Results Regarding Social Impact

Material Issue	Key Action	Fiscal 2016 Targets
 <p>Social Innovation</p>	Business development that contributes to solving social issues	
	Assuring product safety	<ul style="list-style-type: none"> •Number of serious product-related accidents*¹: 0 •Risk assessment practices: 12 times/year
 <p>Customer Satisfaction and Product Safety</p>	Increasing customer satisfaction	<ul style="list-style-type: none"> •Set indicators to measure customer relationship management in each business
	Promoting CSR in the supply chain	<p>CSR procurement</p> <ul style="list-style-type: none"> •Request that suppliers carry out CSR activities: 100% implementation •CSR assessment: Complete assessments of all 20 Group production sites and about 130 important suppliers by the end of fiscal 2016 •CSR audit: Complete audits of three particularly important Group production sites and two particularly important suppliers by the end of fiscal 2016 <p>CSR logistics</p> <ul style="list-style-type: none"> •CSR assessment: Assess eight logistics partners and complete improvements by the end of fiscal 2016 <p>Response to conflict mineral issues</p> <ul style="list-style-type: none"> •Respond to customers' requests for surveys: 100% response
 <p>Human Capital</p>	Ensuring work-life balance	<ul style="list-style-type: none"> •Promotion of Work-style Reform Project Pursued with the following four task teams <ul style="list-style-type: none"> - Improve labor productivity - Optimize workplaces - Promote information sharing and utilization - Set rules for operation improvements
	Developing human capital	<ul style="list-style-type: none"> •Develop customer-oriented, innovative personnel to win out in global competition •Establish the mindset, actions, capacities and skills required of exemplary employees •Accelerate human capital development •Systematically develop Group managers •Share global success stories (hold global award ceremonies, etc.)
	Occupational safety and health	<ul style="list-style-type: none"> •Serious accidents*²: 0 •Frequency rate of accidents causing absence from work*³: 0.1 or less
	Improving employee health	<ul style="list-style-type: none"> •Curb the number of absences due to illness •Reduce the number of employees with health risks
 <p>Diversity</p>	Supporting women's career building	<ul style="list-style-type: none"> •Appoint women to management: 5.0% of all management positions (fiscal 2017 target) •Actively hire women among new graduates: 30% of hires are women •Encourage women to perform to potential through leadership from top managers
	Globalizing human capital	<ul style="list-style-type: none"> •Proactively hire and train non-Japanese employees •Share global perspective developed by Global Strategy Council (expand membership) •Evaluate managerial staff based on globally standardized evaluation criteria (ongoing) •Share measures to promote diversity on a global basis

*1 Serious product-related accidents: refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product.

	Fiscal 2016 Results	Fiscal 2017 Targets and Plans
		<ul style="list-style-type: none"> Promoting new business development through core technologies and open innovation Promoting business development at the company's five Business Innovation Centers (BICs) Establishing KPIs in the social outcomes of new businesses
	<ul style="list-style-type: none"> Number of serious product-related accidents*1: 0 Risk assessment practices: 12 times/year 	<ul style="list-style-type: none"> Number of serious product-related accidents*1: 0 Risk assessment practices: 12 times/year
	<ul style="list-style-type: none"> To measure customer relationship strength, set indicators for each business and began the satisfaction survey 	<ul style="list-style-type: none"> Continue conducting satisfaction surveys, set targets, and make improvements
	<p>CSR procurement</p> <ul style="list-style-type: none"> Request that suppliers carry out CSR activities: 100% implementation CSR assessment: Completed assessments of all 19 Group production sites and about 136 important suppliers (cumulative total for fiscal 2015–2016) CSR audit: Completed audits of three particularly important Group production sites and two suppliers 	<p>CSR procurement</p> <ul style="list-style-type: none"> Request that suppliers carry out CSR activities: 100% implementation CSR assessment: Complete assessments of all Group production sites and about 120 important suppliers by the end of fiscal 2019 CSR audit: Complete audits of two important Group production sites and two important suppliers by the end of fiscal 2019
	<p>CSR logistics</p> <ul style="list-style-type: none"> Assessed eight logistics partners and completed improvements 	
	<p>Response to conflict mineral issues</p> <ul style="list-style-type: none"> Respond to customers' requests for surveys: 100% response 	<p>Response to conflict mineral issues</p> <ul style="list-style-type: none"> Respond to customers' requests for surveys: 100% response
	<ul style="list-style-type: none"> Diverse workstyles: Prepared for introduction of remote working (trial from January 2017, deployment from April) Eliminate long working hours: Reminded employees of the principle of leaving the office before 8:00 pm Information sharing/network: Began rolling out new information sharing tool (SharePoint), and personnel and organization information from Konica Minolta, Inc. and key sales companies Business process reform: Prepared business definitions document in management divisions and implemented Business Process Outsourcing (BPO) for back-office sections 	<ul style="list-style-type: none"> Define actions and work methods required for each business portfolio and implement discontinuous workstyle reforms based on business process reforms and use of robotics and AI Improve productivity per unit of time, promote collaboration, and promote diversity
	<ul style="list-style-type: none"> Implemented human resource development program (Global E-Juku) for global group managers Defined required skills for digital business personnel Revised general employment evaluation system to accelerate human resource development Held Global Award Event (June), presentation of 10 cases for Global Award 2015 	<ul style="list-style-type: none"> Continue implementing human resource development program (Global E-Juku) for global group managers Define ideal human resources, required abilities and skills to achieve new medium-term business plan Accelerate human capital development for young employees Create business producers who create new businesses from the customer's perspective
	<ul style="list-style-type: none"> Serious accidents*2: 0 Frequency rate of accidents causing absence from work*3: 0.13 (in Japan), 0.21 (outside Japan) 	<ul style="list-style-type: none"> Serious accidents*2: 0 Frequency rate of accidents causing absence from work*3: 0.1 or less Improve global health and safety management by senior management Implement comprehensive risk management to comprehensively reduce equipment, material, work, and work environment risks Strengthen cultivation of safety culture: Involve top management in safety, manage safety in the workplace, and improve individuals' safety awareness
	<ul style="list-style-type: none"> Curbed the number of absences due to illness Number of illnesses resulting in absences: 43 (as of April 1, 2017) Reduced the number of employees with health risks (1) Rate of reduction of people with risk of requiring ongoing hospital treatment for blood pressure, blood sugar, lipids: Down 18.7% from FY2015 (2) Rate of reduction of people with specific health guidance: Down 3.9% from FY2015 	<ul style="list-style-type: none"> Curb the number of absences due to illness Number of absences due to illnesses: 38 (as of April 1, 2018) Reduce the number of employees with health risks (1) Rate of reduction of people with risk of requiring ongoing hospital treatment for blood pressure, blood sugar, lipids: Down 21.3% from FY2016 (2) Rate of reduction of people with specific health guidance: Down 14.9% from FY2016
	<ul style="list-style-type: none"> Formed Women's Committee with the President as the chairperson Conducted workshop for all female employees Conducted company-wide fact-finding survey to assess current situation and identify issues Appointed women to management: Women held 4.4% of all management positions Actively hired women among new graduates: 30% of hires were women 	<ul style="list-style-type: none"> Foster awareness and a culture supportive of diversity, with a focus on promoting participation by women Consider ways of supporting life events affecting both men and women, such as childbirth, child-rearing and care-taking, and consider work styles tailored to these life events Appoint female managers: Women hold 5.0% of all management positions Raise the percentage of women among new graduate hires
	<ul style="list-style-type: none"> Percentage of non-Japanese employees among new Konica Minolta Inc. employees: 15% (joining April 2017) Increased members of Global Strategy Council from three to six Continued evaluation of managers based on globally standardized evaluation criteria Shared measures to promote diversity on a global basis 	<ul style="list-style-type: none"> Proactively hire and train non-Japanese employees

*2 Serious accidents refers to (1) death, illness requiring a long recuperation (or the possibility of such), injuries leaving a disability (or the possibility of such), and/or specific contagious diseases and/or (2) an accident that causes the occupational death, injury or illness of three or more workers at one time (including cases in which leave is not required).

*3 Frequency rate of accidents causing absence from work: The number of persons absent from work per one million total actual working hours for current employees

Environment

In order to achieve sustainable growth in the future, a company must not only pursue economic value but also address important issues of society including environmental problems. Konica Minolta strives to reduce its environmental impact at all stages of business while contributing solutions to social issues by following its management philosophy, “the creation of new value” and the Sustainable Development Goals (SDGs). As it evolves as a company, Konica Minolta’s environmental programs focus on creating new social and economic value.



Related SDGs



Our Vision

“Carbon Minus” by 2050: Evolution of Long-Term Environmental Target Eco Vision 2050

Given the urgency of global environmental issues, global businesses have a great responsibility to help build a more sustainable society by reducing environmental impact.

With Eco Vision 2050, Konica Minolta exemplifies its determination to fulfill its long-term environmental responsibilities. The company has taken a series of actions under the Medium-Term Environmental Plan 2016, which set fiscal 2016 as a target year.

In order to further strengthen environmental action in fiscal 2017, the company added a more ambitious goal, to Eco Vision 2050, the “Carbon Minus” concept. With Eco Vision 2050, Konica Minolta aims to reduce the CO₂ emissions from its products throughout their entire life cycle by 80% compared to 2005 levels by 2050. The

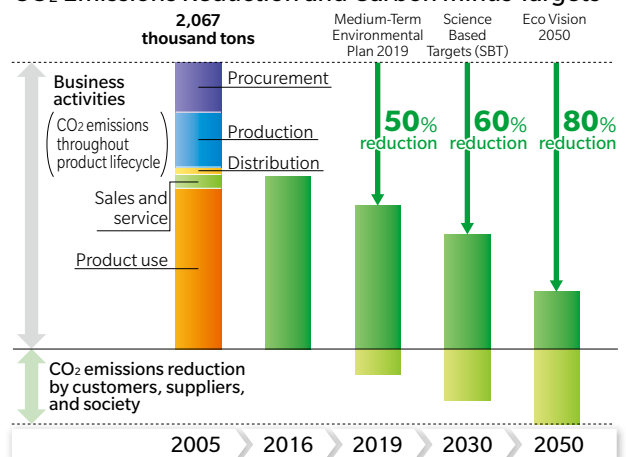
addition of “Carbon Minus” is a new commitment to achieve CO₂ emission reduction effect that exceeds the CO₂ emissions produced by Konica Minolta’s business activities through cooperation with stakeholders such as business partners, customers and local communities.

If the company can reduce its CO₂ emissions by 80% before 2050, the remaining 20% will be approximately 400,000 tons. By helping stakeholders utilize Konica Minolta’s technologies and expertise to reduce their own CO₂ emissions by 400,000 tons or more, the net outcome will be that society’s overall CO₂ emissions resulting from Konica Minolta’s activities will be negative. This is the “Carbon Minus” status that Konica Minolta is pursuing.

New Eco Vision 2050

1. Reduce CO₂ emissions throughout the product lifecycle by 80% by 2050, compared to fiscal 2005 levels. Also through cooperation with stakeholders, achieve CO₂ emission reductions are greater than product lifecycle emissions, and realize Carbon Minus status.
2. Promote recycling and effective use of Earth’s limited resources.
3. Work to promote restoration and preservation of biodiversity.

CO₂ Emissions Reduction and Carbon Minus Targets



CO₂ Reduction Target Approved by the SBT Initiative

When formulating a new medium-term environmental plan, Konica Minolta backcasted from Eco Vision 2050 to set a medium-term goal for the year of 2030, to reduce CO₂ emissions by 60% from fiscal 2005 levels. The goal was approved by the international SBT Initiative*¹ as a target with a scientific basis. The SBT Initiative has granted approval to 38 companies worldwide,*² and Konica Minolta is just the fourth Japanese company to receive it.

*¹ **SBT Initiative:** Jointly established in 2015 by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resource Institute (WRI), and the World Wide Fund for Nature (WWF). The SBT Initiative's aim is to promote the achievement of science-based targets (SBTs) for greenhouse gas emissions reduction, in order to keep the increase in global average temperature to well below 2 °C above pre-industrial levels.

*² Approval acquisition on February 13, 2017



Medium-Term Environmental Plan 2019

Greater Business Contribution by Helping to Solve Social Problems Based on SDGs

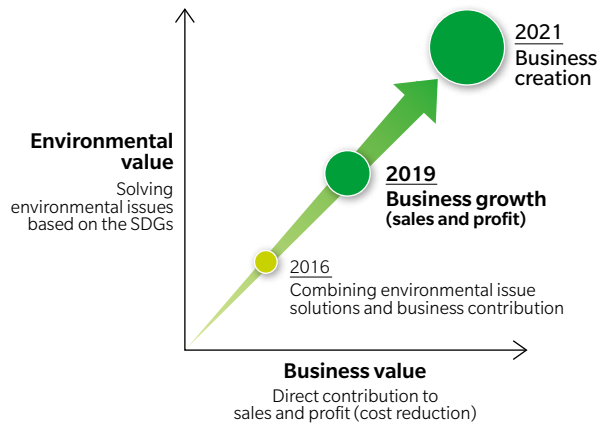
Under its management vision, Konica Minolta aims to be a global company that is vital to society. To realize this vision, it is necessary to identify social challenges as business opportunities and generate innovative solutions, which in turn will drive Konica Minolta's own sustainable growth.

The Medium-Term Environmental Plan 2019 was launched in fiscal 2017. Under this plan, Konica Minolta will continue to pursue both business growth and environmental action, a concept initiated with the Medium-Term Environmental Plan 2016. With a focus on being "global" and "digital," the plan aims to grow the business, including sales and profits, by expanding the company's contributions to solutions for environmental and social issues with efforts to achieve the SDGs.

Medium-Term Environmental Plan 2019 Concept

Solving environmental issues based on the SDGs and expanding business contribution

- Carbon Minus (beyond the company) ... global and digital
- Solving social issues and expanding business contribution at the same time



Creation of Shared Value with Stakeholders to Realize "Carbon Minus" Status

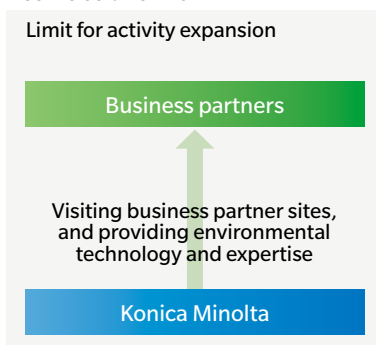
When working to overcome environmental challenges on a global scale, there is a limit to what can be achieved by just one company. This is why it is essential to expand the impact of environmental efforts by working with stakeholders such as suppliers, customers, and local communities.

Under its Medium-Term Environmental Plan 2019, the company is working toward the Carbon Minus goal indicated in Eco Vision 2050. Focusing on being "global" and "digital," the aim is to reduce the environmental impact of society as a

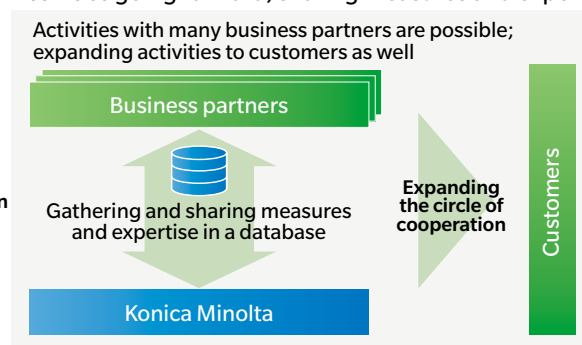
whole by collaborating with a wide range of stakeholders.

For example, by creating a database of energy-saving methods used internally and sharing it with business partners, Konica Minolta can help suppliers to devise and implement their own energy-saving measures. By sharing these activities with customers and expanding the circle of cooperation globally, Konica Minolta believes that it can make a dramatic contribution to solving global environmental problems.

Activities until now



Activities going forward, sharing measures and expertise in a database



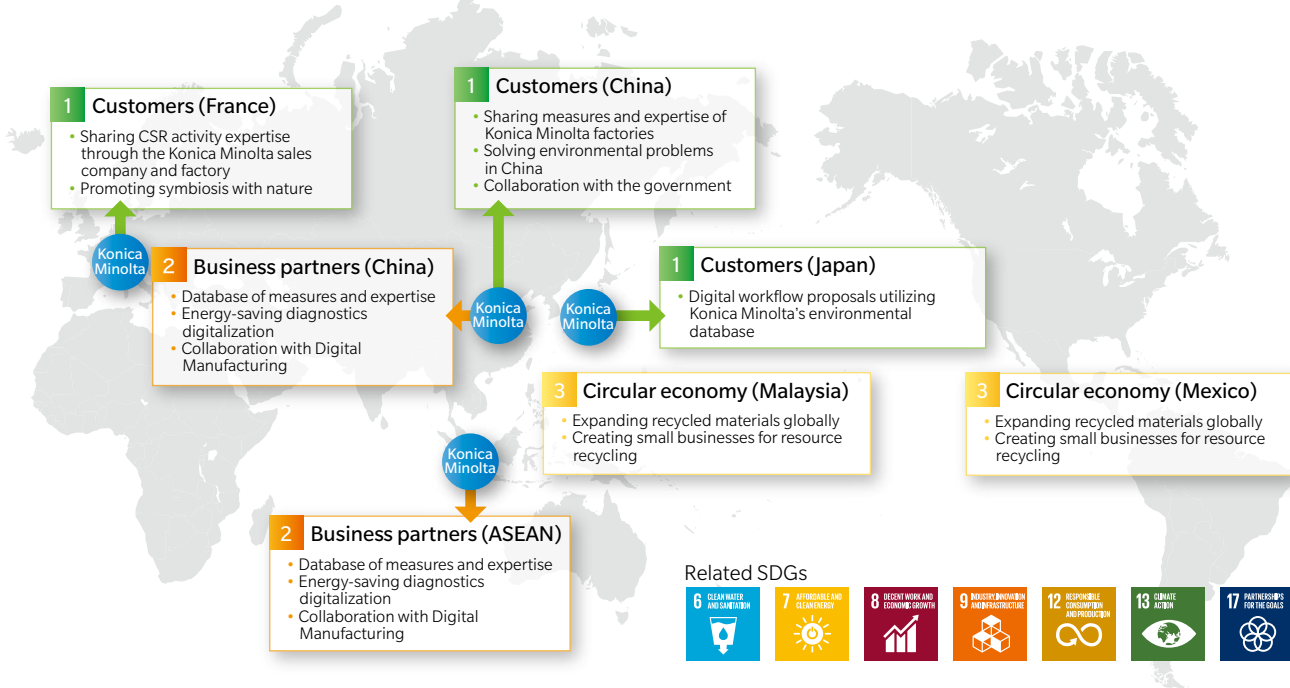
Related SDGs



Environment

Measures to Achieve "Carbon Minus" Status

- 1 **Solutions for customer environmental challenges:** Customer CO₂ emissions reduction, resource saving, and sales contribution
- 2 **Environmental support for suppliers:** Supplier CO₂ emissions reduction, resource saving, and cost reduction
- 3 **Circular economy (recycled materials):** CO₂ emissions reduction for society, waste problem solutions, and creation of new businesses and employment



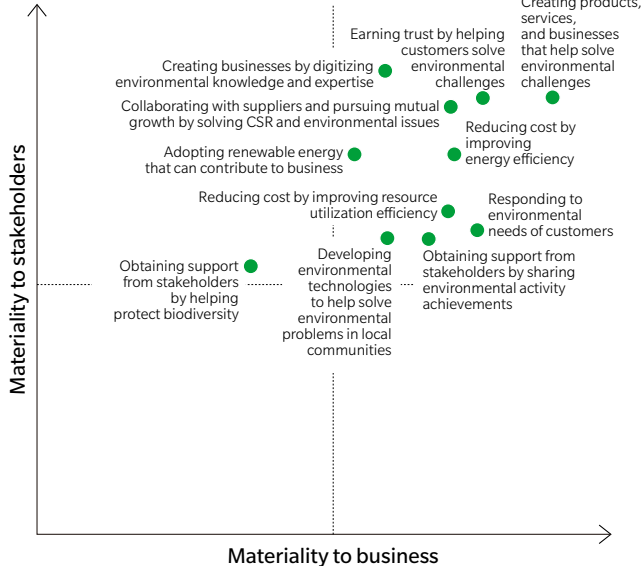
Identifying Material Issues from Both Risks and Opportunities

When formulating the medium-term environmental plan, Konica Minolta identified various environmental factors related to its business in terms of both risks and opportunities. Based on these findings, material issues were selected where solutions can lead to business growth. The company reviews each material issue every year to ensure the issues

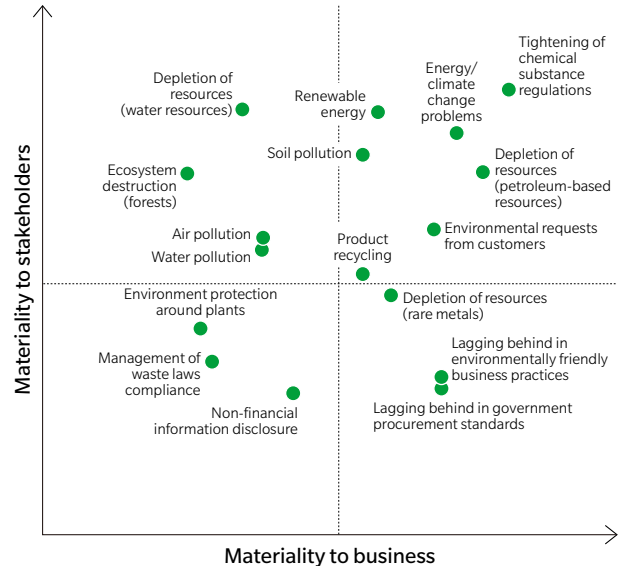
selected and related plans are appropriate.

Through this process, goals for reinforcing the business are matched with environmental targets. The plan then becomes a commitment for both top management and the entire organization, resulting in effective environmental management.

Materiality Analysis (Opportunities)



Materiality Analysis (Risks)



Three Green Activities Covering the Entire Product Lifecycle

With Eco Vision 2050, Konica Minolta is committed to reducing environmental impact throughout the product lifecycle, from planning and development, to procurement, production, distribution, sales and service, to collection and recycling.

To realize this commitment, the Medium-Term Environmental Plan 2019 sets out three green activities: Green Products (planning and development), Green Factory (procurement and production), and Green Marketing (distribution, sales and service, and collection and recycling). By deploying these activities globally, the company is implementing an environmental plan that covers the entire product lifecycle.



Overview of the Medium-Term Environmental Plan 2019

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

Key Action	Priority Issue	Medium-Term Environmental Plan 2019		Fiscal 2017 Targets	
		Business value	Environmental value	Business value	Environmental value
Green Products (planning and development)	Creation of Sustainable Green Products (SGPs) sought by customers and society	Sales <ul style="list-style-type: none"> Sustainable Green Products sales: 770 billion yen (sales ratio: 70%) Cost reductions <ul style="list-style-type: none"> Resource-saving cost reduction 	<ul style="list-style-type: none"> CO₂ emissions reduction during product usage: 17.2 thousand tons CO₂ emissions reduction in the procurement stage: 45.9 thousand tons Effective resource utilization: 11.3 thousand tons Control emissions Social issue solutions based on SDGs 	Sales <ul style="list-style-type: none"> Sustainable Green Products sales: 640 billion yen (sales ratio: 65%) Cost reductions <ul style="list-style-type: none"> Resource-saving cost reduction 	<ul style="list-style-type: none"> CO₂ emissions reduction during product usage: 11.2 thousand tons CO₂ emissions reduction in the procurement stage: 36.9 thousand tons Effective resource utilization: 9.3 thousand tons
	Complying with government procurement standards and environmental label requirements	Sales <ul style="list-style-type: none"> Eliminate lost sales opportunities 	<ul style="list-style-type: none"> Reduce environmental impact through compliance with standards 	Sales <ul style="list-style-type: none"> Eliminate lost sales opportunities 	<ul style="list-style-type: none"> Reduce environmental impact through compliance with standards
	Dependably complying with product-related laws and regulations	Risk avoidance <ul style="list-style-type: none"> Eliminate effect on sales 	<ul style="list-style-type: none"> Reduce hazardous chemical substance risk by conforming to laws and regulations 	Risk avoidance <ul style="list-style-type: none"> Eliminate effect on sales 	<ul style="list-style-type: none"> Reduce hazardous chemical substance risk by conforming to laws and regulations
Green Factory (procurement and production)	Excellent Green Factory activities	Cost reductions <ul style="list-style-type: none"> Energy and resource cost reduction 	<ul style="list-style-type: none"> CO₂ emissions reduction in production activities: 19 thousand tons Effective resource utilization: 2.8 thousand tons Water consumption reduction: 220 thousand m³ 	Cost reductions <ul style="list-style-type: none"> Energy and resource cost reduction 	<ul style="list-style-type: none"> CO₂ emissions reduction in production activities: 17.4 thousand tons Effective resource utilization: 1.9 thousand tons Water consumption reduction: 150 thousand m³
	Expansion of Green Supplier activities	Cost reductions <ul style="list-style-type: none"> Supplier cost reductions Sales <ul style="list-style-type: none"> Measures and expertise database creation, and knowledge commercialization 	<ul style="list-style-type: none"> CO₂ emissions reduction at suppliers: 5 thousand tons Effective resource utilization at suppliers: 0.25 thousand tons Social issue solutions based on SDGs 	Cost reductions <ul style="list-style-type: none"> Supplier cost reductions 	<ul style="list-style-type: none"> CO₂ emissions reduction at suppliers: 3 thousand tons Effective resource utilization at suppliers: 0.15 thousand tons
	Expansion of recycled materials deployment as materials for packaging, etc.	Cost reductions <ul style="list-style-type: none"> Material cost reductions 	<ul style="list-style-type: none"> Effective resource utilization: Resource recycling through expanded recycled materials utilization Social issue solutions based on SDGs 	Cost reductions <ul style="list-style-type: none"> Material cost reductions 	<ul style="list-style-type: none"> Effective resource utilization: Resource recycling through expanded recycled materials utilization
	Expanded adoption of renewable energy	Sales <ul style="list-style-type: none"> Eliminate lost sales opportunities 	<ul style="list-style-type: none"> Renewable energy ratio: 1% Social issue solutions based on SDGs 	Sales <ul style="list-style-type: none"> Eliminate lost sales opportunities 	<ul style="list-style-type: none"> Renewable energy ratio: 0.2%
	Supply chain risk response	Risk avoidance <ul style="list-style-type: none"> Eliminate environmental impact from procurement, production, and sales 	<ul style="list-style-type: none"> Environmental impact reduction through standards compliance 	Risk avoidance <ul style="list-style-type: none"> Eliminate environmental impact from procurement, production, and sales 	<ul style="list-style-type: none"> Environmental impact reduction through standards compliance
Green Marketing (distribution, sales and service, and collection and recycling)	Strengthening relationships with customers globally	Sales <ul style="list-style-type: none"> Acquire sales opportunities 	<ul style="list-style-type: none"> Reduce environmental impact by customers Social issue solutions based on SDGs 	Sales <ul style="list-style-type: none"> Acquire sales opportunities 	<ul style="list-style-type: none"> Reduce environmental impact by customers
	Optimizing the supply chain and linking environmental initiatives	Cost reductions <ul style="list-style-type: none"> Reduce cost of distribution and packaging 	<ul style="list-style-type: none"> CO₂ emissions reduction in distribution: 0.3 thousand tons Effective resource utilization: 0.04 thousand tons 	Cost reductions <ul style="list-style-type: none"> Reduce cost of distribution and packaging 	<ul style="list-style-type: none"> CO₂ emissions reduction in distribution: 0.3 thousand tons Effective resource utilization: 0.005 thousand tons
	Complying with laws on collection and recycling of used products	Risk avoidance <ul style="list-style-type: none"> Eliminate effect on sales 	<ul style="list-style-type: none"> Resource recycling through collection and recycling of used products 	Risk avoidance <ul style="list-style-type: none"> Eliminate effect on sales 	<ul style="list-style-type: none"> Resource recycling through collection and recycling of used products



Green Products

Background and Issues

Given the widespread awareness of environmental and social challenges faced by our world today, the value that people seek is shifting from material wealth to value that contributes to the quality of society. By understanding the evolving values of society and contributing solutions, Konica Minolta is able to continue to develop competitive products which enhance its profitability.

Vision

While working to develop products that help reduce the environmental impact of customers and society, Konica Minolta also aims to encourage widespread adoption of these products by broadly promoting their value. Through initiatives like these, while helping to realize the Sustainable Development Goals (SDGs), Konica Minolta strives to help build a sustainable society, earn social confidence, and achieve sustainable growth alongside the broader society as a company of choice.

Key Measures and KPIs

Creating Sustainable Green Products sought by customers and society

- Sustainable Green Products sales: ¥770.0 billion (sales ratio: 70%)
- CO₂ emissions reduction during product use: 17.2 thousand tons
- Effective resource utilization: 11.3 thousand tons

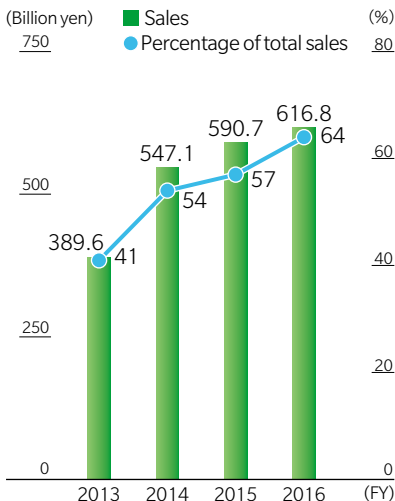
Fiscal 2016 Activity Results and Activity Policies for the Medium-Term Environmental Plan 2019

Fiscal 2016 Activity Results

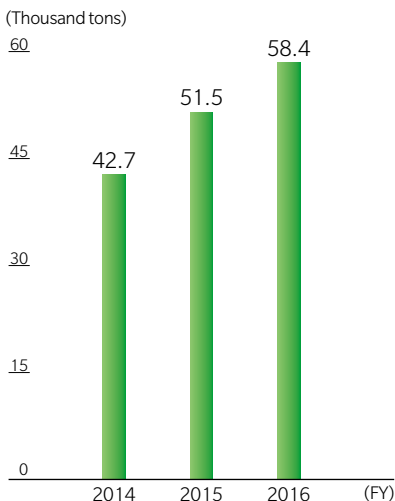
Konica Minolta introduced its original Green Products Certification System to drive the creation of environmental value that matches business and product characteristics. The goal is to reduce the environmental impact of customers and society, while also raising profitability. The company has developed many Green Products over the years.

In fiscal 2016, Konica Minolta placed 22 new models of certified Green Products on the market, bringing the total to 204. Sales of Green Products in fiscal 2016 came to 616.8 billion yen, or 64% of the Group's total sales. In that year, Green Products also had a CO₂ emissions reduction effect during product use of 58.4 thousand tons and represented 33.3 thousand tons in effectively used resources.

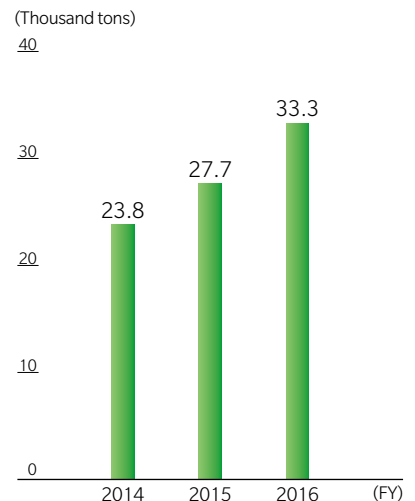
Green Product Sales



CO₂ Emissions Reduction Effect During Product Use



Effective Resource Utilization



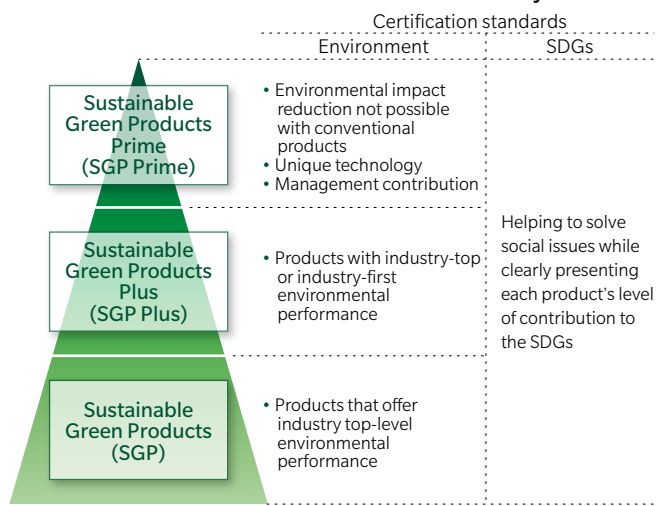
Activity Policies for the Medium-Term Environmental Plan 2019

Under the Medium-Term Environmental Plan 2019, launched in fiscal 2017, Konica Minolta is working to realize “Carbon Minus” status, which is a new goal included in its Eco Vision 2050. The company is combining optical, image processing, measurement, and other technologies with its strengths in digital technology to create products and services that can make a contribution to our planet. The aim is for products to help provide solutions to environmental and social challenges based on the SDGs. For example, in addition to addressing environmental concerns such as resource preservation and CO₂ reduction, the 29-inch

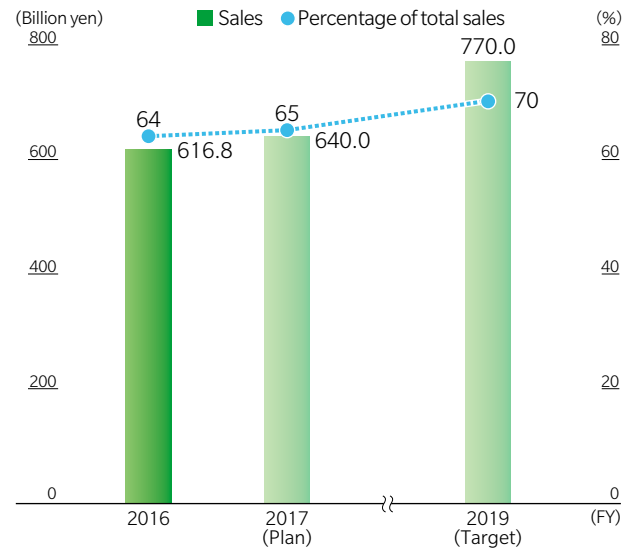
Sheet-fed UV Inkjet Press AccurioJet KM-1 contributes to the improvement of productivity, by helping shorten the printing process for customers.

In order to accelerate these efforts, Konica Minolta has launched a Sustainable Green Products Certification System, by expanding its original Green Products Certification System. In addition to adopting these certification standards for reducing environmental impact and resolving social issues from the perspective of the SDGs, the company aims to increase sales of these products to 770 billion yen (70% of product sales) by fiscal 2019.

Sustainable Green Products Certification System



Sustainable Green Products Sales



Close Up 1

Example of a Certified Sustainable Green Product

29-inch Sheet-fed UV Inkjet Press: AccurioJet KM-1

Environmental and social benefits

- Waste reduction by eliminating printing plates
- Reduction of waste paper through trial printing reduction
- Shortening of the customer's printing process with high-output performance and newly developed UV ink
- Substantial reduction in printing turnaround time with a broad paper-type handling capability and no need for specialty paper



Close Up 2

Creating a Circular Economy via “Upgrade Recycling” Technology

Large volumes of usable resources are still being discarded worldwide. By developing new recycling technology and global waste collection and transportation methods, new forms of resource recycling can be developed.

Although the effective recycling of discarded materials that have accumulated in large quantities has been an issue, Konica Minolta has been conducting initiatives focused on PET bottles and milk containers made from plastic. Through its efforts, Konica Minolta succeeded in the development of a technology called “Upgrade Recycling,” utilizing its proprietary material and production technologies to transform discarded plastic resources into high-performance materials for products such as multi-functional peripherals (MFPs). This technology was shared with partner companies, creating a new resource circulation scheme.

By creating new alliances and partnerships through this initiative, Konica Minolta continues to help reduce environmental impact globally. With this initiative, the company is also helping provide solutions to social issues based on the SDGs, by promoting sustainable economic growth and employment creation.

Examples of “Upgrade Recycling”

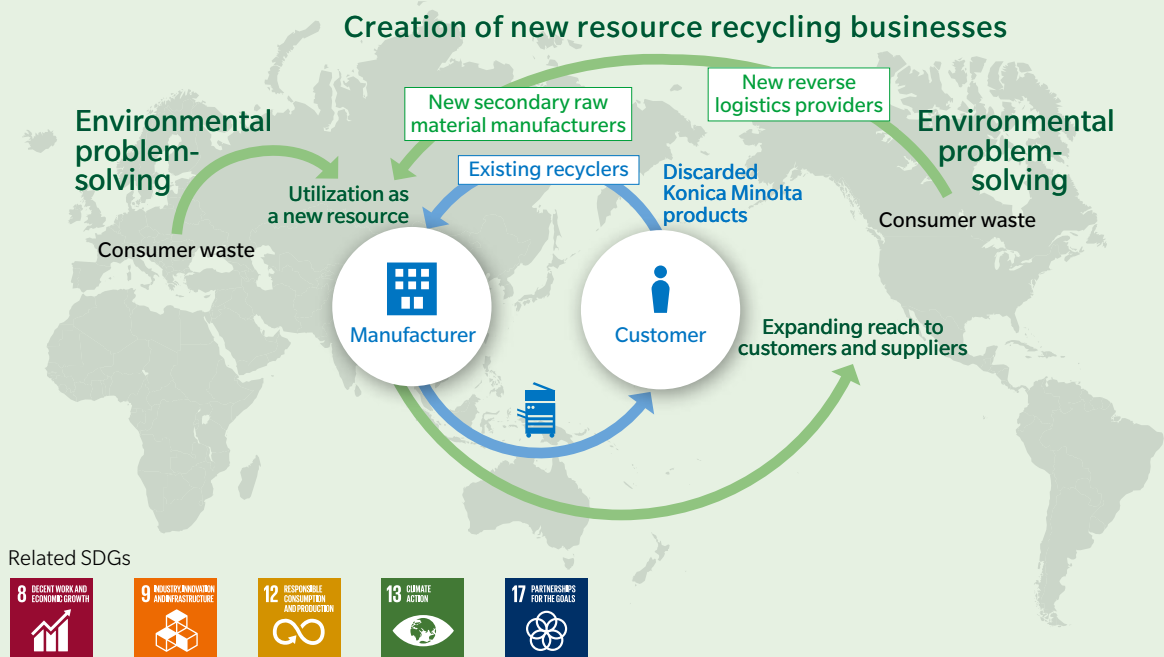


Konica Minolta developed a composite material, recycled PC/PET, made from used plastic PET bottles and recycled polycarbonate. It achieved the industry’s first use of this material in the exterior body of color MFPs.



It also developed cleaning technology to remove microscopic cells from plastic. This enabled the recycling of discarded polyethylene milk containers, widely available in Europe and North America, into toner bottles for MFPs.

Konica Minolta’s Circular Economy Concept





Green Factory

Background and Issues

Today's increasingly urgent environmental challenges require society to use energy and resources more efficiently.

There is a limit to the degree of environmental impact reduction that can be obtained solely by one company. Global companies must increase their positive contribution to global environmental preservation by expanding the focus of their activities to suppliers of parts and materials, throughout the entire supply chain.

Vision

Konica Minolta engages in Green Factory activities to reduce both environmental impact and operating costs. This includes improving efficiency in its production processes, and the development and enhancement of production technology.

The company also promotes Green Supplier activities to further reduce environmental impact. This makes an immense environmental contribution across the company's supply chain, as the company shares its own environmental technologies and expertise and works closely with suppliers.

Key Measures and KPIs

Green Factory activities

- Achieve Excellent Green Factory Certification at major production sites worldwide by fiscal 2019
- CO₂ emissions reduction in production activities: 19 thousand tons
- Effective resource utilization: 2.8 thousand tons

Green Supplier activities

- CO₂ emissions reduction at suppliers: 5 thousand tons
- Effective resource utilization at suppliers: 0.25 thousand tons

Fiscal 2016 Green Factory Activity Results and Green Factory Activity Policies for the Medium-Term Environmental Plan 2019

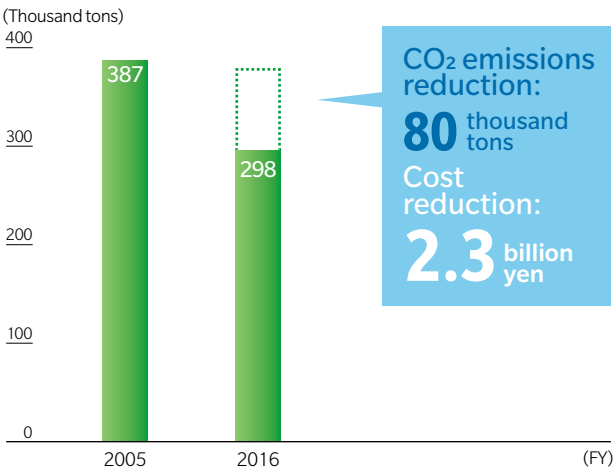
Fiscal 2016 Activity Results

Konica Minolta's Green Factory Certification System aims to reduce both environmental impact and operating costs. As a result, all production sites achieved the highest standard (Level 2) by fiscal 2015.

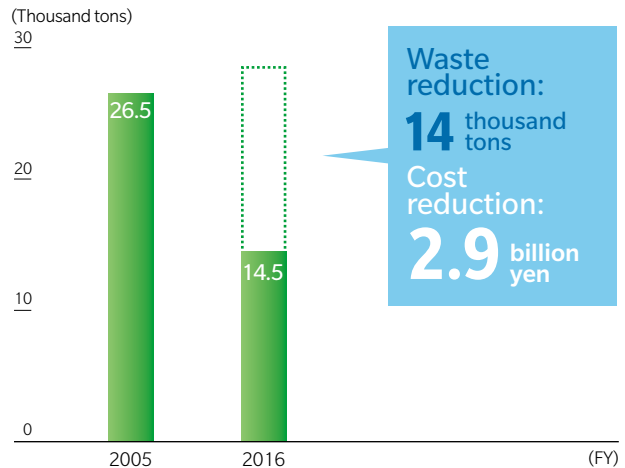
Moving forward, the company launched its Excellent Green Factory Certification System in fiscal 2016. In order

to achieve the newly established activity standards, each production site further reduced its environmental impact and operating costs. As a result of these environmental impact reduction efforts in the production stage, compared to fiscal 2005, 80 thousand tons of CO₂ emissions and 14 thousand tons of waste were eliminated, and a total cost reduction of 5.2 billion yen was achieved.

CO₂ Emissions Reduction Effect during Production



Waste Reduction Effect during Production



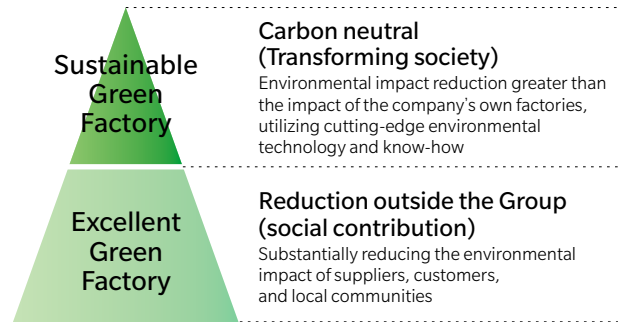
Activity Policies for the Medium-Term Environmental Plan 2019

Under the Medium-Term Environmental Plan 2019, Konica Minolta will continue to expand its environmental impact reduction activities to a broader range of stakeholders including business partners, customers, and local communities, through the Excellent Green Factory Certification System. The aim of the system is for Konica Minolta to reduce CO₂ emissions and achieve Excellent Green Factory Certification standards at all of its major production sites worldwide by fiscal 2019.

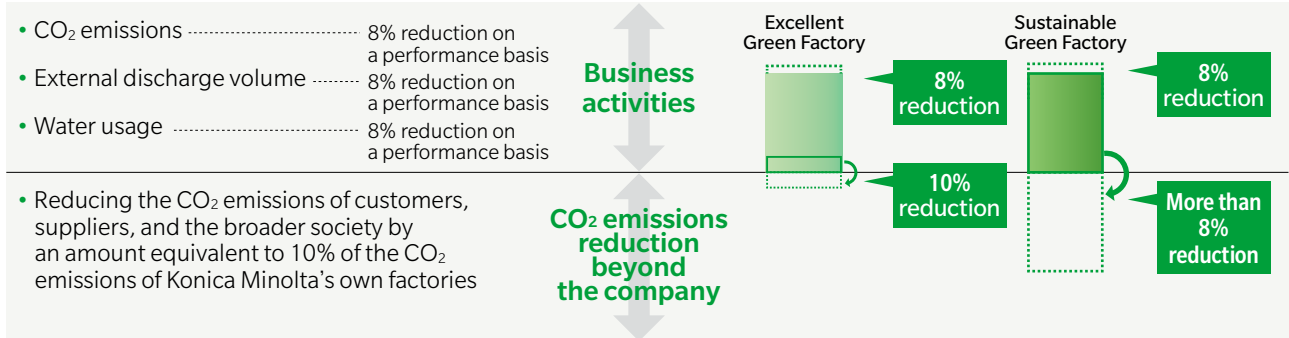
In addition to complying with the previous certification standards for reducing environmental impacts from internal sources, the new system is designed to meet the standards for reducing CO₂ emissions from external sources by working in unison with suppliers, customers and communities. Konica Minolta is also working to achieve the standards for Sustainable Green Factory Certification by sharing its environmental technologies

and expertise with external stakeholders to reduce CO₂ emissions from external sources by an amount that exceeds CO₂ emissions from internal sources.

Excellent Green Factory Certification System



Excellent Green Factory Certification Standards



Fiscal 2016 Green Supplier Activity Results and Green Supplier Activity Policies for the Medium-Term Environmental Plan 2019

Fiscal 2016 Activity Results

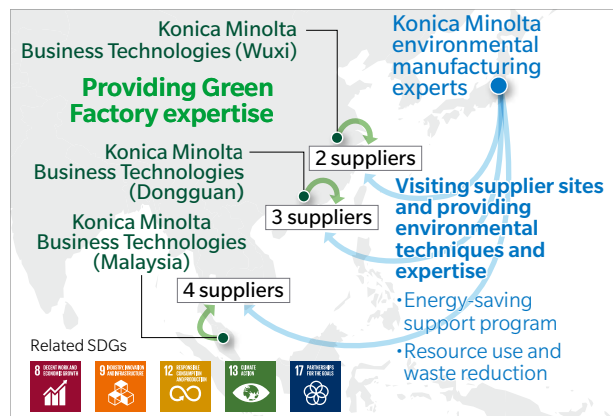
Konica Minolta conducts Green Supplier activities to reduce both environmental impact and operating costs, by providing suppliers with environmental technologies and expertise that it has cultivated through its Green Factory activities. Konica Minolta's environmental experts visit supplier production sites and propose suggestions for improvement outlining cost reduction benefits, investment rationale, and other information. They then work with suppliers to promote actions to



The team at Shenzhen Changhong Technology Co., Ltd. celebrates achieving the Green Supplier activity targets

reduce environmental impact.

In fiscal 2016, activities were initiated with four new companies, meaning that the company is now working with a total of nine companies. By the end of fiscal 2016, three of these companies achieved their Green Supplier Activity Targets, which are equivalent to the level of the Green Factory Certification Standards.



Green Supplier Activity Targets

Issue	Management Index	Target (2.5 years after activity launch)
Prevention of global warming	CO ₂ emissions	5% reduction (compared to the last year before activity launch)
	Energy costs	5% reduction (compared to the last year before activity launch)
Waste reduction	External discharge quantity	12.5% reduction (compared to the last year before activity launch)
	Material / waste costs	Cost reduction greater than waste expenses
	Final disposal rate	0.5% or less
Reduction of chemical risk	Reduction of chemical risk	Compliance with chemical substance guidelines

Companies That Achieved Green Supplier Activity Targets

Achievement Date	Company	Activity Launch
Mar. 2016	Shenzhen Changhong Technology Co., Ltd.	FY2014
Mar. 2017	Toyo Communication Technology (Shenzhen) Co., Ltd.	FY2014
Mar. 2017	Allied Technologies (Saigon) Co., Ltd.	FY2015

Activity Policies for the Medium-Term Environmental Plan 2019

With the Medium-Term Environmental Plan 2019, Konica Minolta is continuing to expand its Green Supplier activities. Until now, Konica Minolta has been promoting its efforts by sending environmental experts to visit suppliers. With this approach, however, the number of improvement cases was limited. To increase impact, the company has digitized its energy-saving diagnosis method and has created a database of resources to share its expertise, and is promoting its utilization. As a result, suppliers can now identify their own areas for improvement, and take action to improve their practices and cost-effectiveness. This database is expected to have a broad impact and result in an even greater contribution to environmental sustainability.

Furthermore, by expanding information sharing and collaboration with customers, in combination with the Digital Manufacturing efforts being advanced by Konica Minolta, the Green Supplier activities are evolving into a system for gathering and utilizing knowledge, and this will enhance the company's contribution to the reduction of environmental impact.

Voice of a Supplier

In our daily lives, we receive much information about global warming, the greenhouse effect, and CO₂ emissions, which are contributing to environmental risk with rising temperatures, rising sea levels and extreme weather conditions that affect the lives of human beings and other living organisms around the world.

Konica Minolta introduced the Green Activity program at Allied Vietnam in 2015. Through the Green Activity program, my team has been introduced to the benefits these activities can have for the company. We understand that it can contribute to cost reduction, increased sales opportunities, reduced business risk, and the environmental awareness of every employee.

Through the program, Konica Minolta, working with Allied, evaluated ways to save energy and reduce waste, took productive measures to make plans, and executed to meet the targets set. This, in turn, met the wider goal

of working to curb global warming and supporting a recycling oriented society.

During the activity, Konica Minolta continuously shared with Allied many methods for reducing energy use, and also shared their experience with best practices to enable us to execute the program effectively.

Moving forward, Allied will continue to sustain the activities that are in place, and will also continue to make plans for reducing energy and recycling waste, working to be part of a company that exercises its social responsibility to the community.

Tung Gee Khim

Group Operation Manager
Allied Technologies (Saigon) Co., Ltd.





Green Marketing

Background and Issues

Environmental issues such as global warming and resource depletion cannot be solved by the efforts of just one company. All companies need to raise their level of contribution to global environment preservation throughout the value chain. This can be achieved by going beyond the company's immediate range of activities, and creating shared value with customers and other stakeholders.

Vision

Konica Minolta seeks to make a substantial contribution to the entire value chain by sharing its expertise and experience with customers to help resolve their environmental challenges. The goal is to strengthen relationships with customers and continually create shared value, building on the foundation of trust they have with Konica Minolta.

Key Measures

Strengthening relationships and helping customers solve their environmental challenges

- Reduce customers' environmental impact
- Generate sales opportunities

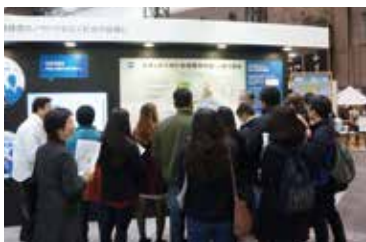
Fiscal 2016 Activity Results and Activity Policies for the Medium-Term Environmental Plan 2019

Fiscal 2016 Activity Results

The solutions provided by Konica Minolta include not only products and services, but also ideas or forms of expertise that are useful to customers. Through Green Marketing activities that provide the environmental expertise already demonstrated within the company, Konica Minolta seeks to build corporate relationships by helping solve environmental issues, and by enhancing appreciation of its environmental management. The aim of these efforts is to become the business partner of choice for companies around the world.

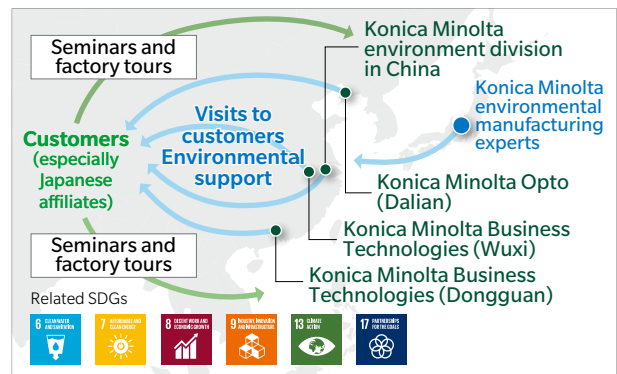
In fiscal 2016, environmental seminars, lectures and factory tours were held throughout Japan, with a total of 328 companies and 446 customers participating. At EcoPro 2016, where Konica Minolta exhibited in December, environmental consultation was provided to 121 companies. As a result of visiting more than 100 companies and exchanging opinions, relationships were strengthened with over 60 companies.

Similar activities were also launched in fiscal 2016 in China, where there has been



At the EcoPro 2016 event

remarkable strengthening of environmental laws and regulations. Environmental management exchange meetings and factory tours were held ten times in five locations in China. A total of 173 companies, 277 customers, and 11 local government officials participated and obtained first-hand knowledge of the expertise developed at Konica Minolta's Chinese production sites. As a result, relationships were strengthened with more than 20 companies. In addition to sharing mutual expertise, not only concerning the environment, but also on a wide range of fields such as quality, production technology, and human resources development, ongoing exchanges were established with some customer factories.



Activity Policies for the Medium-Term Environmental Plan 2019

With the Medium-Term Environmental Plan 2019, Konica Minolta sees its Green Marketing activities as new business opportunities and a way to help achieve the SDGs. In addition to ongoing plans to digitize environmental knowledge and expertise, the aim is to further reduce environmental impact and create business value by expanding customer relationships globally.

Konica Minolta has over two million corporate customers worldwide. While there are limits to what one company can achieve on its own, by collaborating with customers and creating value shared with them, Konica Minolta can further enhance its contribution to the solving global environmental issues.

Accordingly, it is necessary to connect people and information through digitalization. By using data collection and analysis to bring together the environmental information and expertise of Konica Minolta and its suppliers and customers, the knowledge becomes even more meaningful and can lead to solutions for new problems. Konica Minolta will continue to work closely with business partners and customers based on its own environmental know-how and technology.

Close Up

Launch of “biz-Library (Environmental Management)” Content Support Service

Konica Minolta believes that digitizing and sharing the environmental management expertise it has accumulated with even more companies will dramatically increase its contribution to the environment. Accordingly, an online content service, “biz-Library (Environmental Management),” was launched in fiscal 2016. This service provides videos and documents featuring practical case studies from Konica Minolta. The content targets four challenges faced by many companies: formulating environmental strategy, responding to revised environmental ISO standards, energy saving and cost reduction in factories, and management of chemical substances. Customers can also utilize the manuals and tools actually used by Konica Minolta, allowing them to promote effective and efficient environmental impact reduction activities inside their companies.



Online content service

Voice of a Customer

NGK Insulators develops and supplies products related to social infrastructure for secure and comfortable lifestyles, as well as products useful for environmental protection. Our corporate philosophy is to provide products that contribute to a better social environment and to create new value. The sales ratio for NGK Insulators products that help protect the global environment, such as automobile emissions control devices, exceeds 50%.

Launched in fiscal 2016, our 4th Five-Year Environmental Action Plan sets concrete targets for the development and promotion of environmental products, our main business activity, while maintaining environmentally responsible manufacturing. The plan has been adopted by the entire NGK Insulators Group. In fiscal 2015, we started holding information exchange meetings with the Environment



In-house seminar

Division of Konica Minolta, and asked the company to provide us with an in-house seminar in December 2016. More than 100 employees participated in the event, including those from our business divisions and from the CSR and public relations departments of our head office. The discussions were quite lively. In particular, I realized that clearly demonstrating how environmental initiatives can contribute to business activities fosters the understanding of frontline workers, which in turn helps to invigorate environmental activities.

We are celebrating our 100th anniversary in 2019. We believe that actively promoting our environmental activities to stakeholders will lead to new business opportunities. NGK Insulators will continue to deepen cooperation with Konica Minolta, and we hope to collaborate with them to develop even greater environmental contribution activities.

Kazumasa Takeuchi

General Manager, Environmental Management Department
NGK Insulators, Ltd.

Social Innovation

Using our years of experience and expertise to create new, valuable solutions to challenges faced by our customers and society is our mission and motivation. Konica Minolta continues to create new value for society by providing innovative solutions and products with a focus on social and environmental sustainability.



Related SDGs



Our Concept

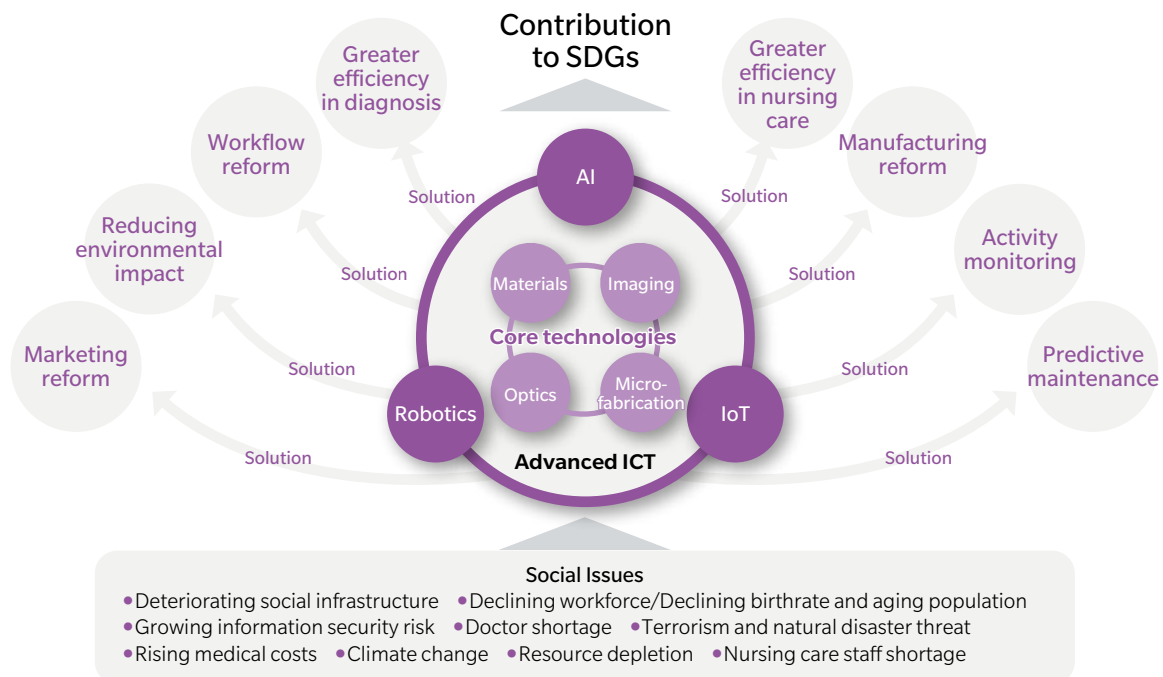
Focusing on Social Issues and Creating New Value

Social concerns such as climate change, resource depletion, and population decline have emerged in recent years. Against this backdrop, the Sustainable Development Goals (SDGs) were adopted at the United Nations Sustainable Development Summit in September 2015. Corporations are expected to play a role in achieving these goals, and positive corporate action has become more important.

Konica Minolta is proactively addressing this need by incorporating state-of-the-art digital technologies, such as

the Internet of Things (IoT), artificial intelligence (AI), and robotics into its core technologies. The company is working to transform its business to focus on providing solutions to pressing global issues.

This transformation seeks to contribute not only to the achievement of the SDGs, but to enriching the lives of the individuals who make up society.





Business Development That Contributes to Solving Social Issues

Background and Issues

To remain a company that is valued by society, Konica Minolta must continue to develop innovative technologies that contribute solutions to social issues. Based on this concept, the company is focusing on increasing its capacity to contribute solutions to social problems when making the decision to develop new businesses.

Vision

Konica Minolta believes that reforming the workflow of people who work in offices, in medicine and industry leads to solutions for various social issues. The company seeks to leverage its technologies, human resources and networks to create a wide range of businesses that help to solve the issues faced by its customers and society.

Key Measures

- Promoting new business development through core technologies and open innovation
- Promoting business development at the company's five Business Innovation Centers (BICs)
- Establishing KPIs in the social outcomes of new businesses

Major Initiatives

Open Innovation Platform Established at the Konica Minolta Hachioji SKT R&D Labs

Konica Minolta is developing new businesses that contribute to solving social issues by leveraging core technologies such as materials, imaging, optics and microfabrication.

The Konica Minolta Hachioji SKT R&D labs were built to serve as the core base for this effort. As a "space for intellectual co-creation," they are engaged in R&D beyond the boundaries of business divisions, and in open innovation in collaboration with outside research institutes and companies.

Worldwide, Five Business Innovation Centers (BICs) with over 100 Projects

Konica Minolta operates BICs in the five major regions of the world—Japan, Asia Pacific, China, Europe, and North America—with the goal of creating innovative businesses with flexible thinking. The BICs recruits people with extensive outside expertise to serve as key members of each center. These centers are currently pursuing approximately 100 projects with local startups and research institutes. In fiscal 2016, multiple projects led to marketable ideas and steady results were recorded.

Examples of Major New Businesses That Solve Social Problems

Social Theme	Konica Minolta Business	Solution
Shortage of nursing care workforce	Care Support Solutions	Contribute to improving work efficiency and quality of nursing care by transforming workflow
Realizing a safe, secure society	Monitoring Solutions	Contribute to the realization of advanced security via monitoring systems with high detection accuracy
Workstyle reforms	Workplace Hub	Support the construction of IT platforms for SMEs and contribute to improved work efficiency and productivity
Realizing personalized medicine	Fluorescent nanoimaging	Contribute to drug discovery research and clinical trials and improve success rate with highly accurate cancer detection

Close Up 1 

Care Support Solutions Monitoring System, for a Society with a Low Nursing Care Burden

Related SDGs



Social Issue

With an Aging Population, Japan's Nursing Care Shortage is an Urgent Issue

Japan is currently facing a super-aging society where one in four people is 65 years or older, resulting in an increased need for nursing care. On the other hand, with the shrinking working-age population, the shortage of nursing care staff is becoming more acute, and the increasing burden on care staff has become a challenge.

Konica Minolta's detailed analysis of the current state of nursing care services identified workflow issues, such as nursing care operations being interrupted by nursing calls.

Konica Minolta's Innovation

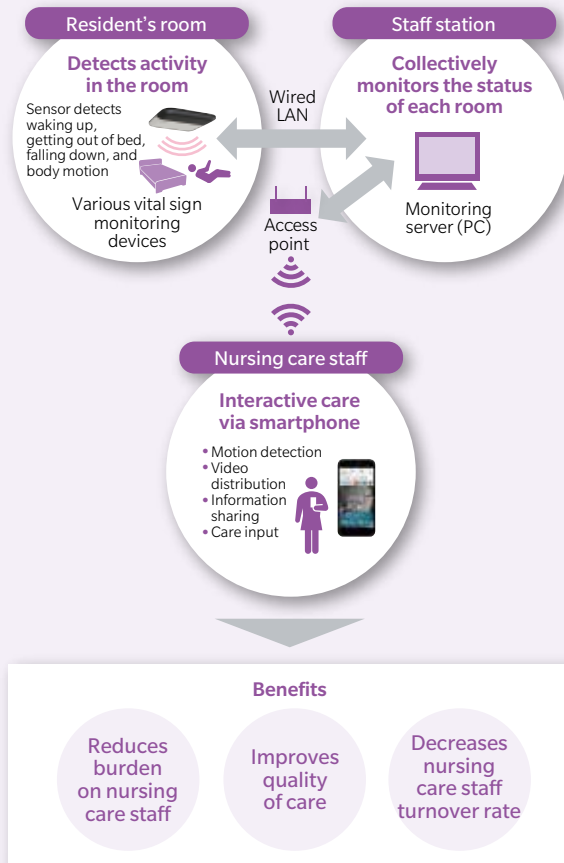
Transforms Nursing Care Staff Workflow and Helps Eliminate Nursing Care Staff Shortages

Konica Minolta has developed Care Support Solutions, a monitoring system for rethinking nursing care workflow by monitoring and analyzing in detail the actual status of nursing care services.

The Sensor Box, the core of this system, performs 24-hour monitoring using near-infrared and microwave sensors. It operates regardless of the room's brightness and the posture of the room's occupant. If a resident sits up on the bed, leaves the bed, falls down, or falls out of the bed, nursing staff are notified via smartphone with video display. They can check the video of the resident, call the room, and then decide whether they need to rush to offer assistance. They can also predict resident behavior, which significantly reduces their workload. When used in an actual facility, there was a sharp decrease in both the quantity of nursing staff activity and working hours.

If the burden on nursing care staff and the number of staff needed can be reduced, more time can be devoted to caring for patients and other tasks, such as extra rehabilitation for residents. Further,

Care Support Solutions Framework



Social Impact of Care Support Solutions

Verified results at facilities where introduced	
Quantity of nursing care staff activity	Staff time needed to complete care records
Day shift: 10% reduction	28% reduction
Night shift: 29% reduction	

17 care staff can handle the care service performed before by 20
15% labor savings

If Care Support Solutions are introduced to 300 facilities with 50 residents and 20 care staff each,
it would be the equivalent of freeing up 900 care staff, thus making it possible to open about 52 new facilities!

because care staff may be freed up to help at other facilities, this could lead to the opening of new nursing care facilities, thereby supporting the acceptance of more elderly residents.

According to Japan's Ministry of Health, Labour and Welfare, there is also data that indicates there will be a shortage of 380,000 workers in the nursing care labor force in 2025. Konica Minolta will more widely provide its Care Support Solutions, striving to eliminate the nursing care staff shortage and build a society in which the elderly can receive nursing care with peace of mind.

Care Support Solutions' KPIs (when newly introduced to a nursing care facility)

Quantity of nursing care staff activity	Day shift: 10% reduction; Night shift: 25% reduction (FY first introduced)
Staff time needed to complete care records	25% reduction (FY first introduced)
Number of caregiver satisfaction surveys conducted	One or more per year

Voice of a Customer 

Because we can now check the situation in the resident's room remotely, we have more time and manpower to deploy than we did before. This means we can spend more time on priority care, such as walking exercise and hydration. Also, as the staff smartphone gets a notification when the resident moves, the resident can be called immediately from the phone, which can help prevent falls. In addition, because the care support solution records the number of calls and video data, if there is a fall, we can use this data to establish evidence-based nursing care service policies. Going forward, we plan to pool various types of care data in order to enable us to provide predictive nursing care.



Akira Negishi
Care Director and Senior Caregiver
Wellcare Garden Kugahara

Close Up 2 

Helping to Improve the Safety of Aging Plant Equipment



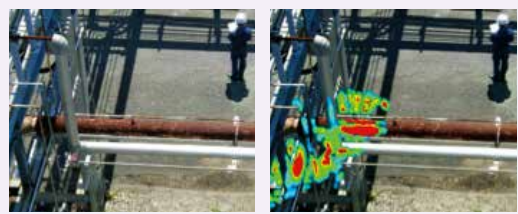
Social Issue
Increased Accident Risk Caused by Aging Plant Equipment and Loss of Veteran Workers

In recent years, the increasing risk of accidents and fires caused by aging has become an issue at plants in Japan. On the other hand, many of the veteran workers with responsibility for maintaining parts of the plant are approaching retirement age, so upgrading maintenance and reducing the workload through use of IoT are urgent issues.

Konica Minolta's Innovation
A Gas Monitoring System That Makes Invisible Gas Visible and Monitors Even the Slightest Abnormalities Over a Wide Area

Konica Minolta's Gas Monitoring system solves those problems. This product monitors gas leaks in plants over a widespread area. By making gas leaks that had been invisible visible, it provides information such as leak location, concentration, and leakage quantity. Because it autonomously detects and reports gas leaks, even unskilled workers can properly respond. Not only can the danger of accidents and fires be reduced, but also the workload of maintenance workers.

The Gas Monitoring System also deploys environmental countermeasures, including against global warming, through gas leakage inspection of shale gas mining equipment.



Gas Monitoring System (right) detects leak points and gas flow; the ordinary camera (left) does not show invisible gas leaks

Customer Satisfaction and Product Safety

Konica Minolta puts customers first; that's why a "customer-centric approach" is one of the company's core values. Konica Minolta employees worldwide strive to practice a thoroughly customer-oriented attitude. This commitment helps to build long-term relationships with customers, allowing Konica Minolta to continue creating new value.



Related SDGs



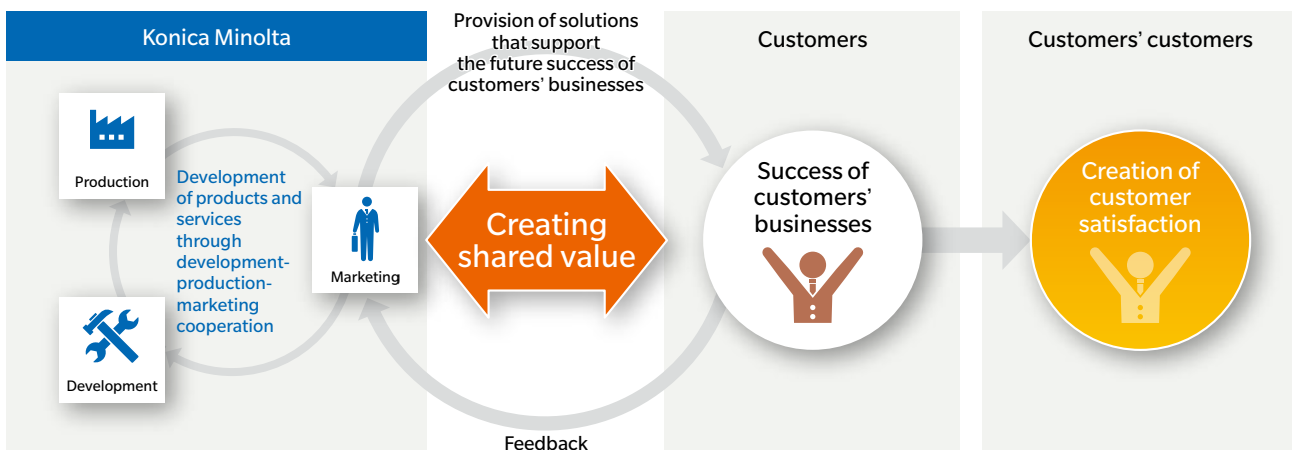
Our Concept

Sharing a Single Global Quality Policy

Konica Minolta aims to maximize customer satisfaction by offering products and services that reflect its management philosophy, "The Creation of New Value." To achieve top-tier, high-value products, the company created the Konica Minolta Quality Policy, a global program that is followed by Group companies and employees worldwide. The policy ensures that emphasis is placed on customer confidence in Konica Minolta products and services. Accordingly, a group-wide quality assurance system has been created, allowing the Group to further enhance reliability throughout the product lifecycle including product planning, development, procurement, production, sales, service, and disposal.

Creating Shared Value with Customers

While striving for excellent customer satisfaction, Konica Minolta is working towards unified growth by creating new shared value in collaboration with these clients. The Medium-Term Quality Plan 2019 lays out a path for Konica Minolta to offer customers the safety and peace of mind that comes with highly reliable products. The plan also looks ahead to the IoT era and expands the focus from hardware to soft solutions, based on the concept of inspiring customers with solutions to their challenges. Konica Minolta strives to both meet current needs and resolve potential customer challenges. The ultimate goal is to help create a prosperous society.





Assuring Product Safety

Background and Issues

Only companies that assure high quality and safe products can survive. With the dawn of the IoT era, quality software and solution products are becoming as important as hardware offerings. This is why the entire Konica Minolta Group is working to ensure that its products and services deliver the highest levels of quality and safety. Konica Minolta believes that this commitment to quality and reliability is the key to sustainable growth.

Vision

To meet the evolving needs of customers, Konica Minolta continually seeks to enhance its products, incorporating cutting-edge technologies. Simultaneously, the company is educating employees about quality and safety, while continuously enhancing quality management activities. The aim is to provide customers with products that offer greater convenience and confidence.

Key Measures and KPIs

- Reducing quality risk throughout the product lifecycle
- Sharing information about quality problems and cross-deploying countermeasures
- Augmenting risk assessment practices as part of product safety training
- Number of serious product-related accidents*: 0
- Risk assessment practices: 12 times/year

* Serious product-related accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product.

Main Initiatives in Fiscal 2016

Risk Assessment and Education to Ensure Product Safety

The company designs its products for safety and confirms the safety of parts in detail, based on the results of risk assessment at the first stage of the commercialization process, in order to provide customers with safe products. At the development stage in particular, the company closely evaluates each product part to thoroughly reduce risk and ensure product safety. In tandem, product safety education is provided to technicians involved in design and development, product technology, procurement and quality assurance, among other fields, throughout the Group to foster an emphasis on the requisite safety and improve skills. After the training sessions, participants fill out a questionnaire, and the results are used to improve future sessions. In this way, the company endeavors to ensure product safety, educate employees on product safety, and improve their techniques.

Number of serious product-related accidents in fiscal 2016

0

Sharing Information about Quality Issues and Cross-Deploying Countermeasures

A production capability assessment was carried out as part of the activities to reinforce productivity, seeking to raise sensitivity to quality issues, resolve problems quickly and raise the level of response.

This assessment rated major production sites using the same checklist for all businesses and focused on five areas: 5S, visualization, elimination of inefficiencies, human development and factory management. The assessment results were made accessible company-wide and success stories from high-scoring sites were shared. The assessment officers' role did not finish with the assessment itself; they also prepared recommendations for improvements and were responsible for supporting efforts to strengthen on-site capabilities.

In fiscal 2016, the assessment standards were revised significantly to promote more effective reforms, and an assessment using these new standards was carried out at 14 sites in and outside Japan.



Production capability assessment



Increasing Customer Satisfaction

Background and Issues

Long-term customer relationships are essential to the success of Konica Minolta's businesses in office equipment, medical devices, measuring instruments, and other products. In order to remain irreplaceable to customers in an era when needs are becoming more sophisticated and diverse, Konica Minolta must be able to meet specific requirements and continually strengthen customer confidence.

Vision

Konica Minolta uses customer feedback to improve its products and services. The company strives to strengthen its relationships by helping customers achieve their unique goals. Konica Minolta aims to continually improve customer satisfaction and form strong relationships that result in a positive reputation and new customer referrals.

Key Measures

- Continue conducting satisfaction surveys and implementation of improvements based on these results

Main Initiatives in Fiscal 2016

Strengthening Customer Relationships

Konica Minolta strives to continuously improve customer satisfaction at all Group companies worldwide, and continues to see the positive effects of using customer satisfaction surveys in each business domain. In fiscal 2016, the survey results from all Konica Minolta companies showed a high-satisfaction rate, at 78.7%.^{*1}

In the Business Technologies Business, one of Konica Minolta's mainstay businesses, the Customer Relation (CR) Division at the Business Planning Headquarters is developing a unique scientific approach, adding NPS^{*2} to its customer satisfaction surveys worldwide. Meanwhile, CR managers from around the world gather at the Global Customer Relations Conference every year, to facilitate continuous improvements in CR. The company also continues to operate its CR Master Program, an education and certification program designed to boost the skills of CR promoters at sales companies around the world.

In fiscal 2016, the number of participants grew to 120 people from 12 companies. Based on feedback from CR managers at the conference, in fiscal 2017 training programs will be offered to all employees, not just CR promoters.

^{*1} Percentage of customers who responded that they were satisfied

^{*2} NPS (Net Promoter Score): An indicator that measures the percentage of customers who recommend the company, its products and services to others

Remote Maintenance System for Call Centers in the Healthcare Business

Konica Minolta is focusing on strengthening call center capabilities in order to minimize diagnostic downtime in the Healthcare Business.

The company has introduced remote maintenance technologies for resolving equipment problems in the early stages at call centers in Japan. They allow call center staff to operate customer equipment remotely over a secure Internet connection to collect information on the error from the customers' product and provide remote support. The ability to resolve equipment problems without dispatching technicians has helped reduce product downtime.

In fiscal 2016, downtime was reduced by about 49,000 hours,^{*1} which represents a 68% improvement compared to the figure seven years ago. The percentage of issues resolved by the call center also improved from about 60%, when the call center first opened in fiscal 2007, to about 80%.

As a result of these improvements, the group earned COPC[®] CSP Standard 5.2,^{*2} the first in Japan's medical industry, in March 2017.

^{*1} Calculated using Konica Minolta's own index

^{*2} Customer Operations Performance Center (COPC) CSP standard: International quality standards for call centers that can only be earned by organizations with impressive performance. COPC[®] is the registration mark of COPC Inc. in the US (head office: Florida).

Close Up

Quality Support Solution Contributes to the Resolution of Customers' Quality Management Issues

Background and objectives

To raise the level of quality management with customers

Konica Minolta's quality management employs a coordinated approach across development, production and sales, worldwide.

Konica Minolta has earned acclaim for these efforts, ranking No. 1 in the general category in the Eighth Corporate Quality Management Survey in 2014 and

second in the general category in the ninth survey. This survey is carried out by the Union of Japanese Scientists and Engineers. This prompted the group to offer new value to society through customer support, leading to the launch of Quality Support Solutions.

Initiatives

Sharing expertise from basic approaches, building mechanisms, and developing human resources

In fiscal 2016, Konica Minolta offered factory and office tours, in addition to Quality Management Seminars.

Quality Management Seminars were held 11 times at seven sites nationwide, with about 200 companies participating. These seminars, which used actual case studies, covered the basic approach for improving product, service and operational quality, the customer orientation that Konica Minolta itself practices, the company's capacity to use and deploy mechanisms,

and human resource development to foster quality management. At these seminars, interested customers were provided individually with additional information.

During this process, customers also provided a wide range of information on quality, creating a win-win relationship that is helping both Konica Minolta and its customers improve and strengthen their quality management.

Voice of a Customer

We asked Konica Minolta to provide training sessions to "improve work quality" at our depots (reuse sites) and factories. Konica Minolta instructed us primarily on "creating people, creating workplaces, and creating value" in all operations. We are grateful not only to the resulting improvements in the quality of products and services, but also for the improvements in management quality, employee quality (satisfaction) and customer and public satisfaction. We hope to continue building on the trust in our relationship.

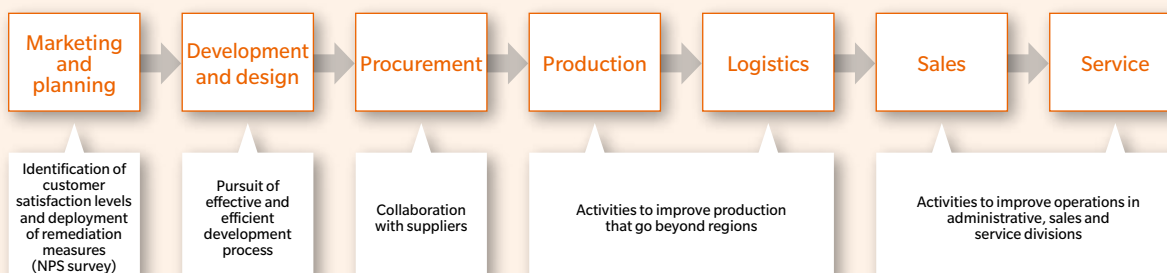


Quality management seminar



Satoru Iwata
Executive Officer
Daiwa Lease Co., Ltd.

Quality Management Expertise for Each Value Chain Provided with Quality Support Solutions



Responsible Supply Chain

Companies that supply raw materials and parts, product manufacturing contractors, and logistics providers are essential business partners that help Konica Minolta contribute to society. To further enhance these partnerships, Konica Minolta is working to promote its CSR activities by cooperating with its suppliers.



Related SDGs



Our Concept

Solving Social Issues with Suppliers through Business Activities

Konica Minolta promotes CSR initiatives throughout its supply chain, helping to create sustainable societies. The company believes that enterprises are not only responsible for their products, but also socially responsible to improve conditions of labor (human rights), ethics, the environment, safety and health, throughout the supply chain that delivers products to customers. Konica Minolta practices CSR procurement in order to realize these improvements at its manufacturing sites, and works closely with the suppliers who supply raw materials and parts for its products.

To further facilitate these efforts, Konica Minolta is not only acting independently; it has joined the EICC^{*1}, which conducts its activities according to internationally recog-

nized standards such as the Universal Declaration of Human Rights^{*2} and ILO International Labour Standards^{*3} and is continuing to work according to the EICC framework in cooperation with member companies.

***1 Electronic Industry Citizenship Coalition (EICC):** An organization that promotes CSR in the supply chain of the electronics industry



***2 Universal Declaration of Human Rights:** Basic human rights to be recognized by all people and countries, adopted in 1948 by the United Nations General Assembly

***3 ILO International Labour Standards:** Standards on human rights and labor adopted by the general assembly of the International Labour Organization (ILO)

Konica Minolta's CSR Activities in the Supply Chain





Promoting CSR in the Supply Chain

Background and Issues

Human rights problems today include forced labor and deplorable working circumstances. Children and foreign (migrant) workers are particularly susceptible to these negative circumstances. In order to help to solve various social problems including labor (human rights), ethics, environmental, and safety and health issues, companies must be responsible not only for their own operations, but also their supply chain including suppliers and manufacturing contractors.

Vision

Konica Minolta seeks to contribute to establishing a sustainable society that respects human rights and addresses social issues. To succeed at this, Konica Minolta is working to solve social problems through its business activities, including procurement, production, and logistics, while cooperating with its suppliers. These initiatives are expected to raise the corporate value of Konica Minolta as well as its suppliers and other suppliers. Supplying products that customers can purchase with peace of mind is a sure way to ensure success in "Creating Shared Value."

Key Measures and KPIs

CSR procurement

- Request that suppliers carry out CSR activities: 100% implementation
- CSR assessment: Complete assessments of all Group production sites and about 120 important suppliers by the end of fiscal 2019
- CSR Audit: Complete audits of two important Group production sites and two important suppliers by the end of fiscal 2019

Response to conflict mineral issues

- Respond to customers' requests for surveys: 100% response

Main Initiatives in Fiscal 2016 (1) CSR Procurement

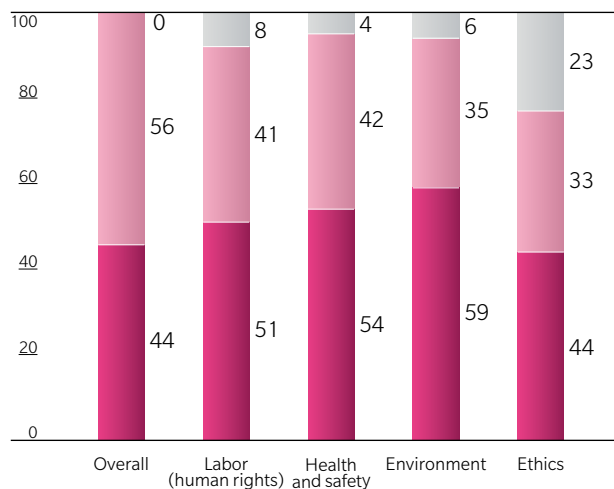
CSR Activity Participation Requests and CSR Assessments

Through its Procurement Policy and Supplier Code of Conduct, Konica Minolta asks its suppliers to participate in CSR activities. With explicit targets and standards set in areas such as labor (human rights), ethics, the environment, and health and safety, these activities aim to promote improvements at suppliers.

In order to ascertain the level of CSR activity implementation, Konica Minolta conducts CSR assessments using Self-Assessment Questionnaires (EICC SAQ) based on EICC standards of its important suppliers and its production sites. Konica Minolta classifies the results of the self-assessment questionnaire from rank A to C. The targets for overall scores are rank A for all Group production sites and rank B or higher for all suppliers.

In fiscal 2016, Konica Minolta conducted assessments at 19 Group production sites and 79 suppliers. All the production sites achieved an overall rank of A, and all suppliers achieved an overall rank of B or higher. Still, Konica Minolta has been asking suppliers whose overall assessment results met the targets but had specific component scores that revealed weaknesses to make further voluntary improvements. The company will continue to conduct periodic checks and provide support.

Suppliers' CSR Assessment Results (Percentage Ranking) (%)



- Rank A (100% - 85%): Almost completely satisfies social demands
- Rank B (85% - 65%): Some issues necessary to be improved
- Rank C (65% - 0%): Significant issues necessary to be improved

CSR Audits and Cooperative Improvement

Konica Minolta is developing appropriate EICC third-party auditing,*1 mainly using Konica Minolta CSR Audits*2 based on EICC standards, for its especially important suppliers and production sites.

Konica Minolta Business Technologies (WUXI) Co., Ltd. is located in China and is one of the Group's main production sites. The company implemented an EICC third-party audit in fiscal 2014 and took corrective actions. In fiscal 2016, an EICC VAP Closure Audit was implemented, confirming that corrective actions in health and safety, environment, and management systems had been completed. Moreover, a Konica Minolta CSR audit was implemented in fiscal 2016 at Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. in China and Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. In fiscal 2017, a follow-up audit will be carried out to confirm the status of improvements.

Regarding CSR audits of suppliers, Konica Minolta conducted a follow-up audit of Allied Precision Manufacturing in Malaysia, where a Konica Minolta CSR audit had been implemented in fiscal 2015. It was confirmed that improvements to ethics, environment, and the management system had been completed. The company is still working on improving certain issues.

In addition, a Konica Minolta CSR audit was done in fiscal 2016 at Dong Guan Konka Mould Plastic Co., Ltd. in China, and corrective actions were taken with Konica Minolta's support. A follow-up audit was implemented,



VAP closure audit at Konica Minolta Business Technologies (WUXI)



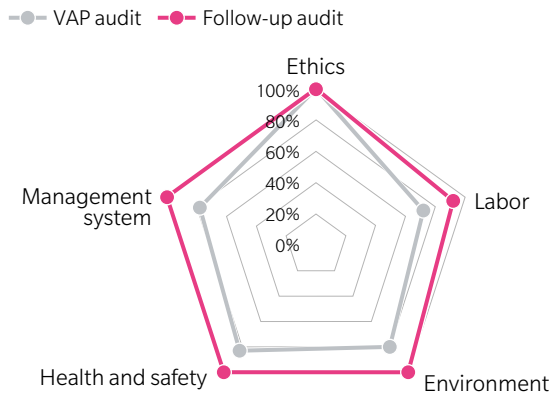
CSR audit at Dong Guan Konka Mould Plastic Co., Ltd.

confirming that improvements to the environmental issues had been completed. The company is still working on improving certain issues.

*1 **EICC third-party auditing:** Using EICC standards, audits are performed by a third-party institution certified by EICC [Validated Audit Program (VAP) audits]

*2 **Konica Minolta CSR Audit:** Using EICC standards, audits are performed by Konica Minolta auditors who have EICC qualifications

Results of an EICC VAP Closure Audit at Konica Minolta Business Technologies (WUXI)



Voice of a Supplier



We improved our level of internal control by working with Konica Minolta on CSR activities.

Beginning in November 2015, Konica Minolta conducted a CSR audit of our company after a survey by questionnaire and on-site review. Based on those results, we were given advice and guidance on improvements. By working on CSR activities over the course of one year, we came to understand EICC standards well and recognized that there were underlying points to be improved regarding labor, ethics and other aspects.

It is a major achievement for us that we could use the EICC-established management system to reduce the gap between the expectations of international markets and the facts in a short period of time, thanks to Konica Minolta's instruction and cooperation. We are confident that we can continue to raise both employee and customer satisfaction through CSR activities and fully enhance our company's competitiveness.



Xu Hao
General Manager
Dong Guan Konka Mould Plastic Co., Ltd.

Main Initiatives in Fiscal 2016 (2) Addressing Conflict Mineral Issues

Ongoing Implementation of Conflict Mineral Surveys

It has been pointed out that certain minerals mined in the Democratic Republic of Congo and adjoining countries have become a source of funding for warring forces who are violating human rights. Konica Minolta carries out initiatives addressing conflict minerals in line with the OECD's Five-Step Framework.*1

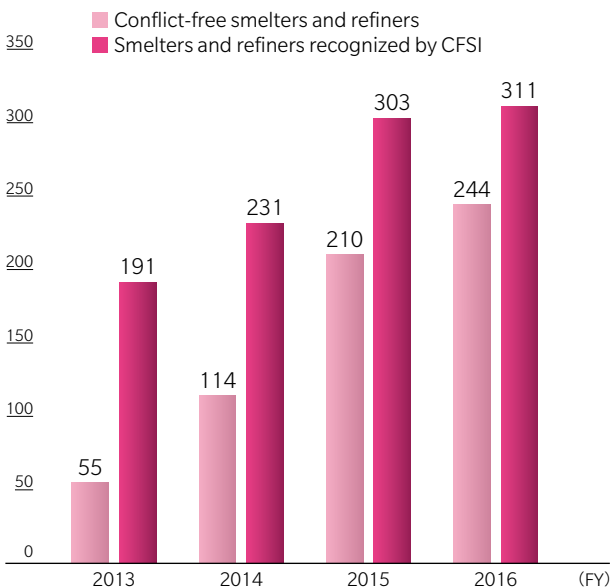
In fiscal 2016, Konica Minolta continued conflict mineral surveys and obtained responses from 97% of suppliers in scope. In addition, when carrying out the survey, suppliers were requested to take any steps needed to ensure transparency in the supply chain and ensure their products are conflict-free.

The survey confirmed that 311 smelters and refiners in the supply chain are recognized by CFSI*2. Of these, 244 were certified as conflict-free. This was an increase of 34 (16% improvement) from the fiscal 2015 result. Also, 52 countries were thought to be country of origin of conflict minerals in the supply chain (as of March 31, 2017).

*1 **OECD's Five-Step Framework:** "Five-Step Framework for Due Diligence based on Risk in the Mineral Supply Chain" in Annex I of "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" issued by the Organization for Economic Co-operation and Development

*2 **CFSI:** Conflict-Free Sourcing Initiative (an international organization that promotes conflict mineral-related initiatives)

Number of Smelters/Refiners Confirmed in the Conflict Mineral Survey



Initiatives under the OECD's Five-Step Framework

Step 1

Establish strong company management systems

- The company established the Konica Minolta Conflict Minerals Policy Statement, requiring suppliers to be familiar with the policies. The policies are also incorporated into contracts with suppliers.
- Konica Minolta's conflict mineral programs are incorporated into its environmental management system led by an executive officer. In addition, a mechanism for implementing conflict mineral surveys, including production sites in Japan and overseas, has been prepared to identify the smelters and refiners in the supply chain.
- The management and staff in the procurement divisions in charge of procurement are given training regarding conflict mineral issues.

Step 2

Identify and assess risk in the supply chain

- Using the Conflict Minerals Reporting Template (CMRT) issued by CFSI, Konica Minolta implements conflict mineral surveys.
- Based on the results of the survey and information from the identified smelters and refiners, Konica Minolta assesses the risk to the supply chain overall, by each suppliers, and by each product. These results are reported to the executive officer in charge.

Step 3

Design and implement a strategy to respond to identified risks

- Based on the results of the risk assessment, Konica Minolta requests suppliers to take any needed steps for conflict mineral issues. Activities such as building awareness about the issue of conflict minerals are also undertaken.

Step 4

Carry out independent third-party due diligence audits for smelters/refiners

- Encourage smelters/refiners to participate in audit program through CFSI and JEITA* activities.

Step 5

Report annually on supply chain due diligence

- Conflict mineral initiatives are posted every year on the company's website.

* **Japan Electronics and Information Technology Industries Association (JEITA):** An association with about 400 corporate and organization members mainly in Japan's IT and electronics fields

Human Capital

Konica Minolta aspires to be a company with insight into implicit challenges. This kind of value creation requires that employees have the skills to understand the challenges customers face and the freedom to apply creative approaches to resolve them. This is why Konica Minolta strives to create work environments that empower every employee to perform to his or her full potential.



Related SDGs



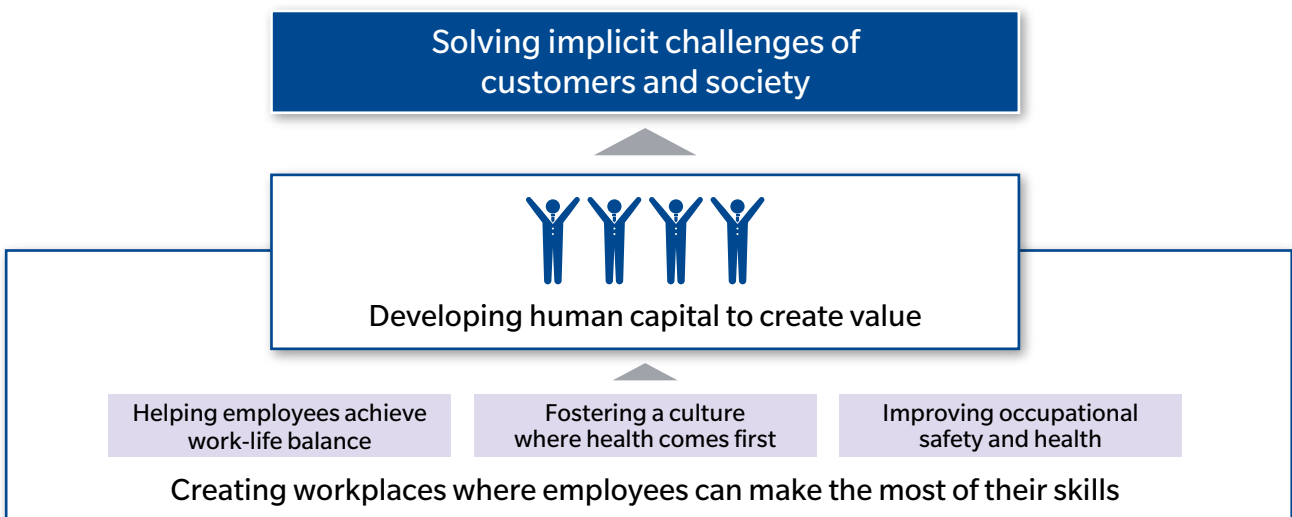
Our Concept

Raising the Value of Human Capital

Konica Minolta is working hard to identify and solve implicit challenges faced by customers and society, recognizing that this is the key to achieving sustainable growth. In today's world, humanity is faced with increasingly complex and unpredictable problems. This means that innovative, flexible employees who take bold action to solve problems are the key to Konica Minolta's success in achieving its growth strategy. Accordingly, Konica Minolta seeks to foster the independent development of every employee by hiring talented individuals and devoting ample resources to their development, while also providing an environment that allows every person to experience meaningful growth.

Workplaces Where Employees Can Make the Most of Their Skills

Creating an environment where every employee can maintain both physical and mental health is essential to ensuring that they can maximize their potential. Konica Minolta helps employees achieve work-life balance, seeks to foster a culture where health comes first, and takes measures to improve labor safety. By rolling out these initiatives globally across the Group, Konica Minolta aims to enhance the human capital of the Group as a whole and empower employees to create value.





Ensuring Work-Life Balance

Background and Issues

Balancing work and personal life is becoming more essential in today's workplace as lifestyles change and values diversify. Pursuing a work-life balance enriches employees' lives and broadens their perspective beyond work, while also raising individual productivity.

Vision

One of the main ways Konica Minolta helps employees achieve work-life balance is by enhancing the efficiency of operations in every area of the organization. The group aims to strengthen its human assets and build trust in order to foster an organization full of vitality. With these efforts, it is pursuing business practice innovation and reinvigorating workplace communication group-wide, while also encouraging employees to educate themselves outside of work and build internal and external networks.

Key Measures

- Improve labor productivity
- Optimize workplaces
- Promote information sharing and utilization
- Set rules for operation improvements

Main Initiatives in Fiscal 2016

Support for Balancing Work and Childcare

In an effort to support work-life balance, Konica Minolta, Inc. has created programs to support working parents. In addition to maternity and childcare leave, a work-at-home program has been introduced. These programs, available to both men and women, were expanded to include employees providing nursing care to family members in fiscal 2014. The company works to familiarize employees with these programs, and to create an environment and infrastructure that makes it easy for employees to use them.

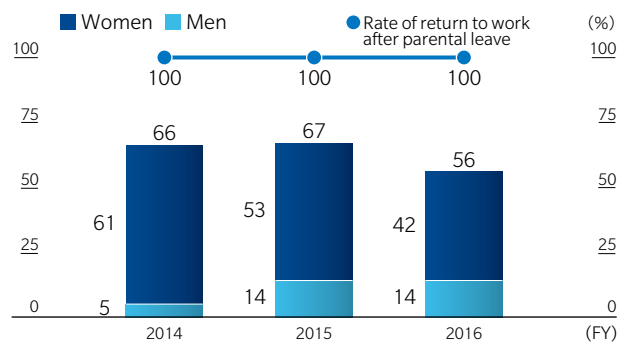
Konica Minolta received the *Kurumin* Mark Certification, recognizing the company as a "corporation that supports parents and children" based on Japan's Act for Measures to Support the Development of the Next Generation.

In fiscal 2016, Konica Minolta strengthened initiatives to encourage men to take parental leave. The company set a target of 13% of eligible men taking parental leave by fiscal 2020, and devised specific measures to achieve this goal, such as reinforcing education and holding interviews. These measures will be implemented in fiscal 2017.

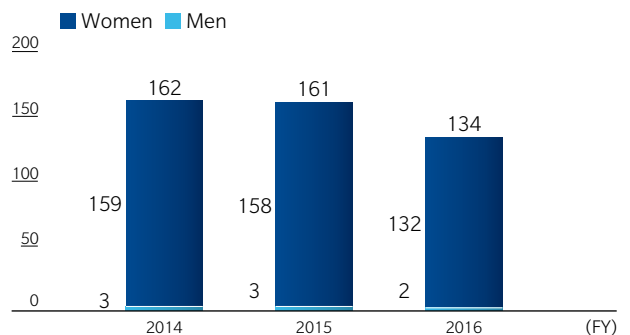
■ Percentage of eligible men taking parental leave:

8%

Percentage of Employees Taking Parental Leave



Number of Employees Taking Shorter Working Hours for Childcare



Human Capital

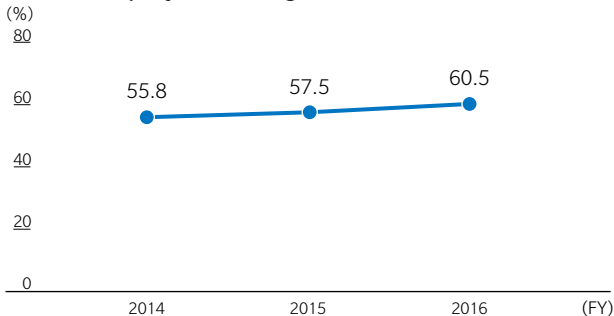
Introducing Work Style Reforms to Reduce Working Hours

Konica Minolta, Inc. has pursued work style reforms since April 2015 with the aim of improving the intellectual productivity of each employee and promoting work-life balance.

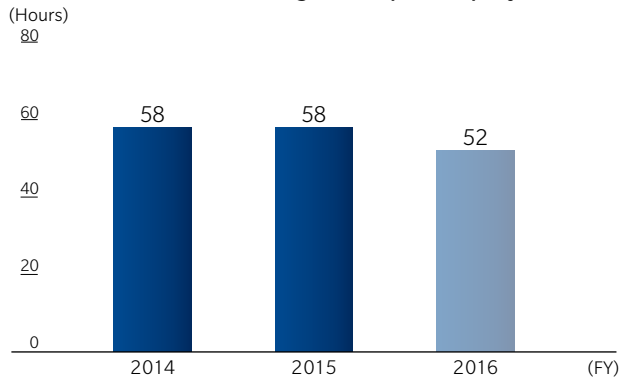
As part of these efforts, the company has prohibited overtime after 8:00 pm, as a general rule, to make employees more aware of time and to encourage everyone to reevaluate their work schedules. Konica Minolta also works to improve efficiency at meetings, eliminate the use of paper, and promote the strategic use of ICT tools.

In fiscal 2016, the company tested "remote work" among managers as one way to diversify working styles. Given the results, this was expanded to general employees in April 2017.

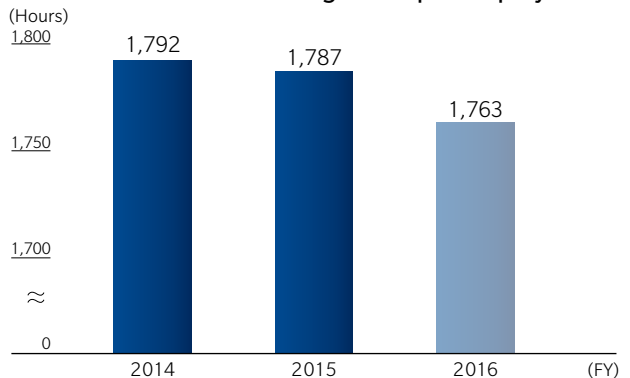
Rate of Employees Taking Annual Paid Leave



Annual Overtime Working Hours per Employee



Annual Total Actual Working Hours per Employee



Close Up

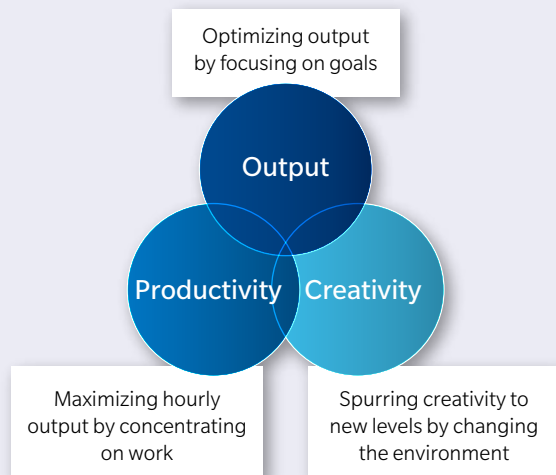
Promoting Remote Work Styles

Konica Minolta, Inc. is working hard to reform work styles. One key element of this effort is enabling employees to work without being tied to a single location. The company is proactively expanding remote work options.

With remote work, employees are allowed to work at home and other places away from the office, which enables them to shorten their commute and other travel time and to work in a variety of different ways.

Since remote work does not tie employees to a particular workplace, it can help them be more systematic about their work and concentrate on output. This style of work generally raises hourly productivity. In addition, moving across workplaces and environments exposes employees to diverse ideas, creates time to concentrate, and helps to spur creativity.

To support the full roll-out of remote work options in fiscal 2017, Konica Minolta devised and distributed implementation guidelines in April. The company was also proactive in setting up an environment that facilitates remote work, such as providing referrals to appropriate sites for remote work from a list of recommended company sites.





Developing Human Capital

Background and Issues

Global competition is intensifying, and the needs of customers and society are becoming more sophisticated and diverse. Konica Minolta seeks to turn these changes into opportunities to achieve continued growth. It has three key strategies: striving to identify the value sought by customers and the broader society; taking the customer's perspective to create and provide innovative solutions that only Konica Minolta can offer; and systematically and continually training personnel who can constructively help solve customer issues and social challenges.

Vision

Konica Minolta aspires to be a digital company that identifies and solves implicit challenges faced by customers and society. The company continues to contribute to the development of a higher-quality society by consolidating the strengths of its human resources. By developing employees as high-performing "business athletes" who can compete globally, Konica Minolta will be able to field a team that drives reform, feels a strong sense of ownership, completes projects to the fullest, demonstrates ingenuity, involves partners, and creates customer value.

Key Measures

- Establish the mindset, actions, capacities and skills required of exemplary employees
- Develop professionals who take the customer's perspective to create new businesses
- Systematically develop Group managers
- Accelerate human capital development for young employees

Main Initiatives in Fiscal 2016

Global Rollout of Human Capital Management Cycle

Konica Minolta has conducted global employee surveys and held open discussions in Japan between top management and employees to identify concerns. It has also globally rolled out a program that spans from off-the-job-training (Off-JT) to assessment, on-the-job training and regular reviews, as part of its efforts to develop and utilize human resources across the entire Group.

The company has established a set of ideal qualities and skills for employees working in each business and is working to help employees achieve these goals.

In fiscal 2016, the company launched a new business leader development program for global executives, which is based on the results of global executive assessments and other criteria.

Program to Foster Business Leaders

Konica Minolta launched its Global e-Juku new business leader education program in fiscal 2016. This program lasts

about six months and is designed for senior managers at Konica Minolta Inc. and affiliated companies around the world. In its first year, the program reached 34 participants from 13 countries and 15 companies. As part of the program, a group session was held in Japan for three days in February 2017. This session aimed to foster a global mindset and develop leadership skills by giving participants a chance to speak with top management, consider the latest business trends, and discuss their insights with other participants.



Group session held in Japan in February 2017



Occupational Safety and Health

Background and Issues

Workplace accidents put employee safety at risk. They can also affect the neighboring environment, and if serious enough, they can even threaten business continuity. Konica Minolta recognizes that preventing work accidents and creating workplaces in which employees can work with peace of mind is a critical management issue.

Vision

Based on its commitment to "safety first," Konica Minolta seeks to foster a culture of occupational safety and health that places a premium on top management engagement and employee awareness. The company takes various steps to create workplaces in which every employee can work with peace of mind and make the most of their skills.

Key Measures and KPIs

- Preventing occupational accidents
- Serious accidents*1: 0
- Frequency rate of accidents causing absence from work*2: 0.1 or less

*1 **Serious accidents:** (1) Death, disease requiring a long recovery period (or the possibility thereof), an injury resulting in a disability (or the possibility thereof), or a specific contagious disease; (2) an accident resulting in the death or injury of three or more workers during work at one point or the contraction of a disease (including accidents not accompanied by lost worktime)
 *2 **Accident frequency rate:** The number of persons absent from work per one million total actual working hours for current employees

Main Initiatives in Fiscal 2016

Occupational Safety and Health at Production Sites

Konica Minolta has been implementing various measures to prevent occupational accidents worldwide, under the company's Occupational Safety and Health Management System (OSHMS) and with the direct supervision of senior management. The officers of business divisions and the heads of Konica Minolta Group safety and health management committees at business sites work together to build the management structure.

Most noteworthy in fiscal 2016, the Konica Minolta Group took further remedial measures following a fire caused by an explosion at a Group company in China in the previous fiscal year. The Group: (1) improved the comprehensive risk management of facilities; (2) strengthened standards for safety evaluations and measures for fires caused by explosions; and (3) provided safety guidance at sites. As a result of these measures, the Group succeeded in

reinforcing safety management mechanisms for dangerous equipment and work linked to serious accidents.

To prevent accidents caused by human behavior, which generally account for about 60% of incidents causing absence from work, ongoing education and inspections were carried out group-wide to prevent any decline in safety awareness, caused by human behavior such as using smartphones while walking.

In fiscal 2016, there were no serious accidents, and the frequency rate of accidents causing absence from work was 0.13 in Japan and 0.21 outside Japan.

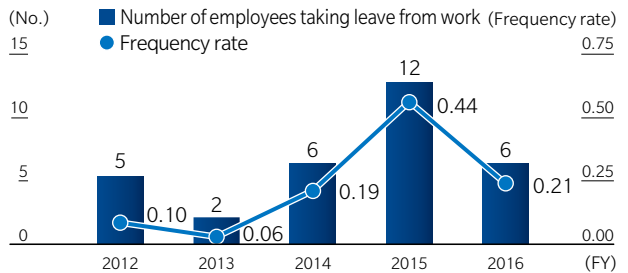
In response, in fiscal 2017 Konica Minolta will review what it has done so far, benchmarking with companies known for having the best safety records. Then, the company will introduce new management indicators that score accidents by their type and extent. With these and other measures, Konica Minolta aims to make safety assessment results easier to share, and understand and to implement the PDCA cycle for accident prevention even more proactively.

Accidents Causing Absence from Work at Sites in Japan



Note: Figures are employees of Konica Minolta Group Japan, including those dispatched from an agency

Accidents Causing Absence from Work at Sites outside Japan



Note: Figures are for employees of major manufacturing companies in China and Malaysia, including those dispatched from an agency, through fiscal 2014. Employees of Group companies in China and manufacturing companies in Malaysia, including those dispatched from an agency, since fiscal 2015.



Improving Employee Health

Background and Issues

Society today is witnessing the rising risk of lifestyle diseases and an increase in the number of people taking leaves of absence from work due to mental health problems. Konica Minolta management gives high priority to supporting employees' efforts to lead physically and mentally healthy lives.

Vision

Konica Minolta aims to create workplaces where all employees enjoy good physical and mental health and can continue to work with vitality. It does this by fostering a "health-first" culture.

Key Measures

- Promoting health management
- Curb the number of absences due to illness
 - Reduce the number of employees with health risks

Main Initiatives in Fiscal 2016

Reducing the Number of Employees with Health Risks

Konica Minolta categorizes those with health risks by physical and mental risks, sets targets for reducing the number of employees in both categories, and takes measures to achieve the targets.

On the physical side, all Group companies in Japan are taking measures to prevent serious disease. In fiscal 2016, 99.8% of Konica Minolta, Inc. employees had a regular health examination. The number of employees with risks related to blood pressure, blood sugar levels, and cholesterol levels that required further checkups was down 18.7% from fiscal 2015.

Specified health checkups for the prevention of lifestyle-related diseases are given every year to employees within the Konica Minolta Group in Japan and their dependents, and health recommendations are provided based on the results. In fiscal 2016, the number of persons needing specific health guidance in Konica Minolta, Inc. was down 3.9% compared to the previous year.

Regarding mental health risks, a stress check is given twice a year to all employees, with the examination rate holding at around 95%. Employees utilize the stress check results in self-care, and the aggregate analytical results for each workplace are shared with managers so that improvements can be planned and implemented in high-stress workplaces.

As a result, as of April 1, 2017 the number of employees at Konica Minolta, Inc. on a leave of absence for mental health reasons was 30.9% lower than on April 1, 2013. In addition, the number of employees taking time off for a second time due to poor mental health in fiscal 2016 was 54% below the fiscal 2011 level.

Working to Promote Health by Visualizing Employee Health Levels

Konica Minolta has established a system for showing employees their health levels. Making health levels easier to see and understand is expected to increase awareness and promote healthy lifestyles. The company also provides support programs designed to help employees manage their health.

The company holds walking events, exercise workshops, and seminars led by nationally registered dietitians, among other things. In April 2014 Konica Minolta opened KENPOS, a health promotion website designed to encourage employees to stay healthy.

In fiscal 2016, 28.7% of employees at Konica Minolta, Inc. reported that they have a habit of exercising for an hour or more per day.

Diversity

Being “Inclusive and Collaborative” is one of Konica Minolta’s core values. This not only means adapting to the diversifying needs of customers and society, but also creating an environment that enables employees from diverse backgrounds to use their skills to their full potential.



Related SDGs



Our Concept

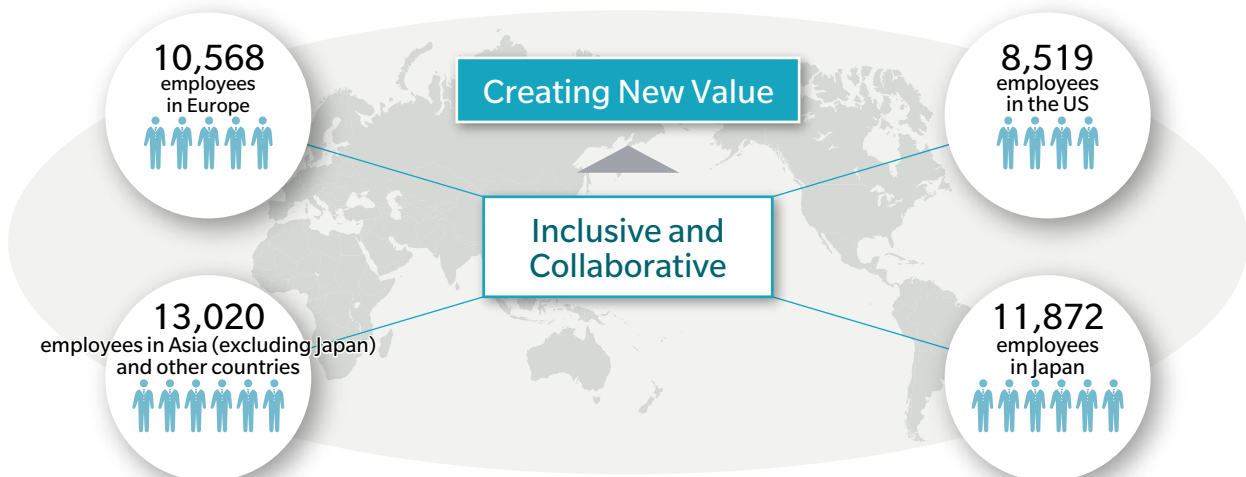
Making the Most of Employee Diversity to Create New Value

One of Konica Minolta’s strengths as a global company is that employees of different national origins, races, beliefs, cultures, languages, genders, ages and expertise work together in regions all over the world. It is this employee diversity that leads to innovative thinking and original ideas, thus generating new value that helps provide solutions for customers and society.

This kind of value creation embodies “Inclusive and Collaborative,” one of the six values that makes up the Konica Minolta Philosophy. This value refers to the power and teamwork generated by embracing our workforce’s diverse backgrounds and ideas. Konica Minolta strives to

live up to this value, respecting diversity and promoting inclusion to create value that leads to progress for customers, society, and individuals.

Konica Minolta not only has a very diverse workforce, but also takes a variety of measures to create an environment where employees can exercise their unique skills while supporting each other and performing at a high level. Recently, in support of these measures, Konica Minolta has focused on promoting the performance of its female employees and training global leaders. These efforts are paying off with the generation of new value.





Supporting Women's Career Building

Background and Issues

Gender equality is an important topic in today's global community. Companies are expected to create workplaces where employees with high potential can perform to the best of their abilities, regardless of gender. In Japan, women's participation in the workplace is still generally inadequate in the industry overall. Konica Minolta recognizes that proactive measures are essential and is taking steps to address this.

Vision

Konica Minolta believes that employee diversity is a source of growth. The company takes measures to create an environment where women can perform to their full potential. In order to support its female employees, Konica Minolta does not limit itself to simply ensuring that they can continue working through various life events, but also aims to expand their access to any career path they want to pursue.

Key Measures and KPIs

- Foster awareness and a culture supportive of diversity, with a focus on promoting participation by women
- Consider ways of supporting life events affecting both men and women, such as childbirth, child-rearing and care-taking, and consider work styles tailored to these life events
- Appoint female managers (target for fiscal 2017: Women hold 5.0% of all management positions)
- Raise the percentage of women among new graduate hires

Main Initiatives in Fiscal 2016

Support for the Advancement of Women

Konica Minolta, Inc. runs a wide range of programs to support the performance of female employees. In fiscal 2016, the company established an action plan, and it has been working to achieve goals based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace.

In fiscal 2016, Konica Minolta formed a Women's Committee headed by the president. This committee serves as the foundation for the full-scale promotion of women's activities. The members of this committee take the lead role in holding workshops at each site and have also implemented a company-wide fact-finding survey using an online questionnaire. The guidelines and measures for future fiscal years are devised based on these results.

In November 2016, the Ministry of Health, Labour and Welfare granted Konica Minolta the highest-level Eruboshi certification mark in recognition of the company's proactive approach thus far to creating a workplace that makes it easy for women to succeed.



Eruboshi certification mark

Number and Percentage of Female Managers at Konica Minolta, Inc. (as of April 2017)

Number of female managers **61**

Percentage of female managers **4.4%**

Action Plan

Plan duration	April 2016 – March 2018
Numerical targets	5% of management positions held by woman
Description of initiatives	<p>Selective training of manager candidates in Performance Grade 3</p> <ul style="list-style-type: none"> • Selection of targets in spring evaluation and rolling • Establishment of training plan (support for each division and staff) • Off-JT programs offered (mentor systems, leadership training)
Timing of initiatives	Implemented as needed from 2016 spring evaluation

Close Up 

Workshops and Other Efforts to Promote Women's Participation

Konica Minolta, Inc. held a series of workshops to promote the advancement of women in the workplace during September 2016. The aim was to spread awareness about Konica Minolta's company-wide initiatives to encourage women and gain feedback from program participants.

All female employees participated in these workshops, with the Women's Committee members taking a central role. Workshops were held a total of 22 times at eight sites in Japan over a period of one month. At the workshops, participants discussed balancing childbirth and childcare with careers, as well as issues such as seeking a flexible work style to boost productivity, motivation to succeed in one's career, and communication with supervisors.

In fiscal 2016, a panel discussion with advisory board member Atsuko Muraki was held for female managers, which helped to create a sense that they are at the core of these efforts to promote women's advancement. Additionally, a special lecture was held for managers and was broadcast live at 17 sites as part of ongoing efforts to promote these initiatives.

In April 2017, a Corporate Diversity Office was established, and it will particularly focus on supporting women's activities.

This organization not only works to raise awareness and create a diversity-friendly culture, but also pursues initiatives that go even further, such as considering ways to support employees of both genders with key life events such as childbirth, childrearing and caring for sick family members, as well as ways to adapt work to these life events.



Lecture



Workshop at Hachioji, the Tokyo site

Voice of an Advisory Board Member

Building a diverse environment capable of drawing on the strengths of every employee, regardless of gender, nationality or age, is a key issue worldwide.

About 30 years ago, a catchphrase was created to spread the word about Japan's new Equal Employment Opportunity Law: "Now individuality trumps gender." This is still true. The real significance of diversity for corporate management is that greater value can be created by capitalizing on each employee's individuality and getting people with different backgrounds involved in the same mission.

Society prizes corporate value, but the real task of management is to improve corporate value over the long term. It is our employees who support management. Therefore, a company can expect sustainable growth only once it has created an environment in which each individual finds

value in the company and is thereby motivated to do great work.

Top leadership creates this environment. The establishment of the Corporate Diversity Office after forming the Women's Committee is a sign of President Yamana's strong leadership.

I am confident that Konica Minolta can make significant progress in encouraging diversity so that women and other employees with a wide range of backgrounds can make the most of their unique characteristics to thrive.



Atsuko Muraki
Former Vice Minister of Health Labour and Welfare, Ministry of Health Labour and Welfare



Globalizing Human Capital

Background and Issues

As the globalization of business continues to accelerate, incorporating a global perspective in management is essential to meeting the needs of diverse customers around the world. Companies like Konica Minolta seek to hire, promote and maximize the skills of employees with diverse viewpoints and backgrounds in order to accurately identify the issues faced by different countries and regions.

Vision

Konica Minolta hires and trains individuals with diverse backgrounds. The company aims to address the needs of customers globally and to create new value that goes beyond previous concepts by building dynamic networks of employees and promoting collaboration among people with different strengths and experiences.

Key Measures

- Proactively hire and train non-Japanese employees in Japan
- Develop talent based on global standardized evaluation criteria
- Share a global perspective through the Global Strategy Council

Main Initiatives in Fiscal 2016

Hiring Global Talent in Japan

Konica Minolta proactively hires non-Japanese employees and Japanese citizens with experience living outside Japan, when hiring new graduates in Japan. These hires are intended to strengthen the ability of the company's workforce to perform in the international community. Konica Minolta is gradually increasing these hires to a target of about 30% of the workforce. The company makes the most of the diverse perspectives and skills that these individuals possess to bring new energy to its business.

Hiring of Global Talent in Fiscal 2016 (Joining in April 2017)

■ Percentage of non-Japanese employees, of new hires in Japan

15%

Dynamically Deploying Global Human Capital Management

Konica Minolta is building a human capital management system in North America, Europe, China and other regions in Asia. Globally standardized evaluation criteria

will be used to assess executives and match employees with job opportunities.

Konica Minolta organizes a Global Strategy Council—a collegial body composed of top managers from both in and outside of Japan—to ensure that the knowledge and perspectives of executives from Group companies outside of Japan are incorporated in the management of the Group. In fiscal 2016, the number of participants from outside Japan was increased from three to six. The Council had invigorating discussions on medium- and long-term management issues with executives from Konica Minolta, Inc.

In addition to two meetings per year in Japan, the Global Strategy Council meets online to ensure that global executives are engaging in active discussions.



Global Strategy Council

Essential Requirements to Fulfill CSR

Corporate Governance

Corporate Governance System

Konica Minolta, Inc. has established a corporate governance framework from the standpoint of supervision. This is based on the conviction that corporate governance that contributes to medium- and long-term corporate value growth must encourage suitable risk-taking in business operations and have a highly effective supervisory function for business operations. In 2003, the “company with committees” structure (currently “company with three committees”) was selected as the organizational structure in accordance with Japan’s Companies Act. In addition, the company has taken steps to ensure its governance system is objective and not overly influenced by personalities, while still operating the system in a distinctive Konica Minolta style.

The company’s basic views with regard to its governance system are as follows.

- Reinforcement of management oversight for corporate value growth by separating the roles of management oversight and operation of business activities
- Election of independent Outside Directors who can perform supervision from the standpoint of shareholders
- Using these measures for improving the transparency, integrity and efficiency of management

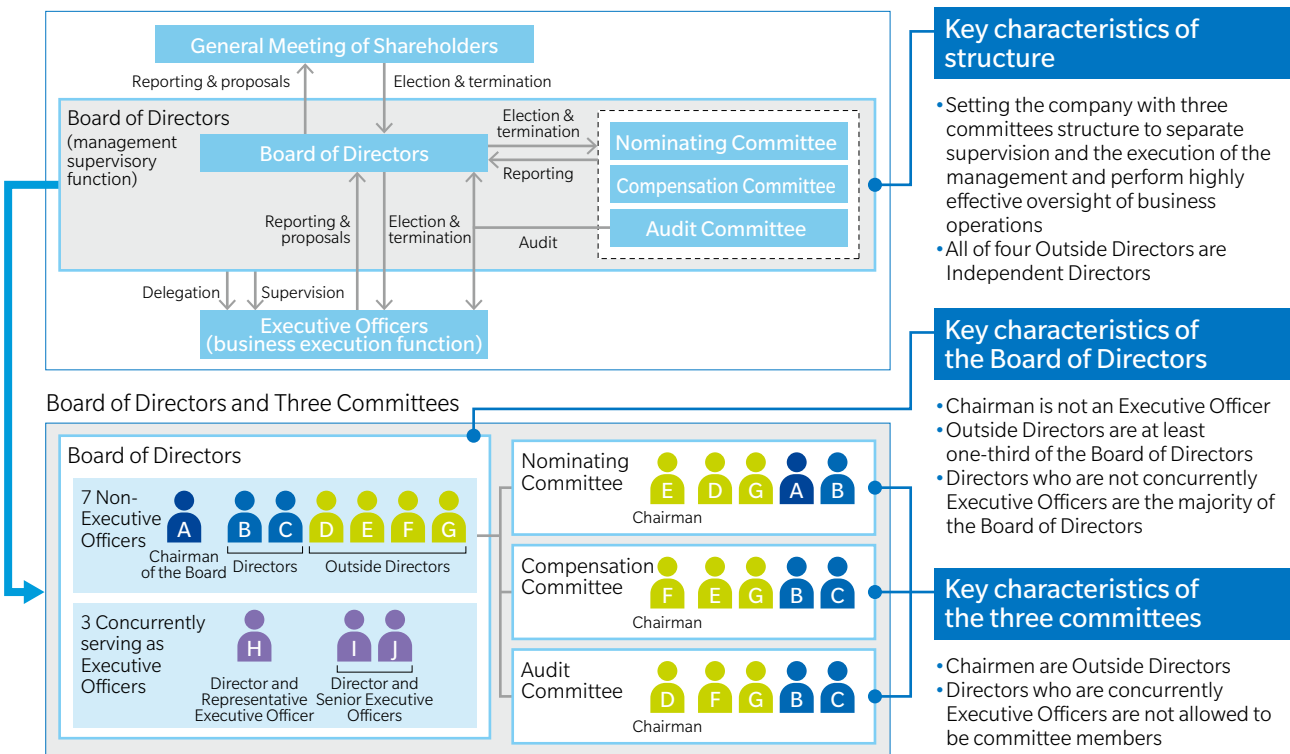
Specifically, the Board of Directors and the three committees are structured as shown in the figure below.

Building a Risk Management System


The executive officers are responsible for managing various risks including strategic risks, financial risks, risks pertinent to environmental regulations and hazard risks. They identify and evaluate risks and develop and monitor countermeasures in their respective spheres of management.

In addition, the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors, is convened periodically. The Committee examines the risks identified by each executive officer, as well as the countermeasures in place, and checks to ensure that the risk management system is functioning effectively, making revisions where necessary. The Group responds as a whole to risks judged to be 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.

Structure of Corporate Governance Systems (As of June 20, 2017)



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Compliance

Complying with Antitrust Laws

The Group takes steps to comply with antitrust laws and provides education aligned with the laws and business environments of each region.

Working to ensure compliance with antitrust laws has been designated a group-wide priority issue in the Group's Annual Compliance Promotion Plan. The Group's compliance support office and the regional compliance coordinators have taken the lead in providing ongoing education aligned with the laws and business environment in each region. The status of education and problems and risks related to antitrust laws are regularly reported to the Chief Compliance Officer in a compliance report.

In fiscal 2016, there were no problems related to antitrust laws.

Preventing Corruption

The Konica Minolta Group Guidance for the Charter of Corporate Behavior provides common compliance guidelines on preventing corruption. It includes a prohibition on extorting gifts and entertainment, a prohibition on extorting or accepting bribes, and a ban on any contact with organized criminal elements.

Preventing corruption is designated as a Konica Minolta group-wide priority issue every year in the Group's Annual Compliance Promotion Plan. The Group's compliance support office, working in cooperation with the regional compliance coordinators, takes the lead in providing education aligned with the laws and practices of each country for divisions and subsidiaries of Konica Minolta, Inc. both in and outside of Japan.

There were no incidents related to bribery or corruption in fiscal 2016.

Information Security

Information Security Management

The utilization of information and IT is essential for corporate activities. Konica Minolta understands that information security is one of the most important issues in utilizing all types of information effectively.

Konica Minolta has established an IT security management system at Group companies worldwide and continuously improves IT security levels under the leadership of the President and CEO of Konica Minolta, Inc. and the chief IT security officer, an officer responsible for IT planning and administrative organization at Konica Minolta, Inc.

Senior management at Konica Minolta recognizes the growing threat of cyberattacks today and understands the importance of displaying leadership on the issue, as highlighted by the Cybersecurity Management Guidelines from the Ministry of Economy, Trade and Industry of Japan. Konica Minolta has implemented global IT security measures such as the establishment of a group-wide system for ensuring that management promptly addresses security incidents.

Protecting Personal Information of Customers

Konica Minolta takes full precautions to protect the personal information of customers.

Konica Minolta, Inc. has established a privacy policy and rules for the protection of personal information. In accordance with this policy and rules, the company has established a system for protecting personal information and properly manages the personal information in its possession. In addition to internal team training on compliance, the company uses e-learning to keep employees informed of the privacy policy and rules for the protection of personal information.

In the event that a leakage of information, including personal information held by Konica Minolta, Inc. is confirmed or liable to have occurred, an event/incident report would be made under the information security management system. The persons responsible for the protection of personal information and for departmental compliance in each department would immediately check the facts and degree of impact and submit a report to the Personal Information Protection Control Officer and the Group Compliance Committee.

In fiscal 2016, there were no problems with leakage of personal information.

Human Rights

The Corporate Responsibility to Respect Human Rights

Human rights are universally valued rights that all people are born with. In today's world, there is a growing awareness that businesses can have a great impact on human rights.

As a company with a globally growing business, Konica Minolta views respect for human rights as one of the basic conditions for its business activities. This is in line with the company's goal of contributing to a sustainable society in which human rights are respected. The Ten Principles of the United Nations Global Compact (UNGC) include statements that "business should support and respect the protection of internationally proclaimed human rights" and "make sure that they are not complicit in human rights abuses." Konica Minolta is a signatory to the UNGC.

Respecting Diversity and Encouraging Work-Life Balance among Group Employees

The entire Konica Minolta Group is committed to showing respect for the human rights of each and every employee. The Group strives to enable all employees to enhance their abilities and expertise and to achieve professional growth. This aspiration is articulated in the Konica Minolta Group Guidance for the Charter of Corporate Behavior and in the Compliance Manual, where Konica Minolta states its commitment to respect individuality, human rights, and the privacy of all of its employees, to eliminate discrimination of all kinds, whether based on race, nationality, gender, religion, belief, or physical disability, to eliminate child labor and forced labor, to endeavor to create a safe and healthy workplace environment.

Konica Minolta makes it a rule to rigorously confirm the age of applicants when hiring new employees in all of the countries where it operates. This ensures that there is no use of child labor by the Group. Steps are also taken to ensure there are no cases of forced labor.

To protect employees against sexual harassment or the abuse of power in the workplace, Konica Minolta has included a prohibition against harassment in the Konica Minolta Group Conduct Guidelines and the Compliance Manual. The Group has also established its Sexual Harassment Prevention Guidelines and strives to educate employees by conducting harassment prevention training.

As part of its efforts to promote compliance, Konica Minolta has established consultation offices for addressing harassment complaints in each of its host countries.

For employees in Japan, Konica Minolta annually confirms items related to human rights including work hours and other work-life balance issues in accordance with

laws and regulations. If any issues are found, the company implements corrective actions.

Human Rights Initiatives in the Supply Chain

Companies are expected to respect human rights in their labor practices throughout the supply chain.

The international community is calling for companies to respect human rights in the supply chain, and these expectations are increasing with globalization. Konica Minolta recognizes as a priority issue the need to avoid human trafficking, forced labor, and child labor throughout the supply chain.

In its own supply chain, Konica Minolta takes initiatives to ensure respect for human rights through its "CSR procurement" initiatives, working with the suppliers from which it sources raw materials, parts, and other materials, and contracts production.

The company uses the EICC's online database "EICC-ON" to check the level of implementation of CSR activities of important suppliers. It checked 57 suppliers in fiscal 2015 and 79 suppliers in fiscal 2016 and confirmed that they all cleared the required level.

Additionally, the company is expanding its initiatives to address conflict mineral issues to its suppliers in an effort to prevent any human rights abuses associated with conflict at the upper most reaches of the supply chain.

Protection of Personal Information

Konica Minolta recognizes the proper management and protection of personal information as a serious obligation in the conduct of its business operations.

Konica Minolta, Inc. appropriately manages the personal information in its possession in line with its Privacy Policy and Rules on the Protection of Personal Information. It conducts information security training at least once a year, making sure that employees are aware of the Privacy Policy and Rules on the Protection of Personal Information, seeking to prevent human rights infringements caused by the leakage of information.

Social Contribution Activities

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.

Konica Minolta aims to ensure good communication with the local communities all around the world where it operates and strives to earn their trust. With this aspiration, the Group aims to contribute to the achievement of SDGs and the creation of a sustainable society, working

together with a wide range of stakeholders, particularly in the three fields of "environment," "health, medicine and sports," and "academics, research and education," which are set out in the Konica Minolta Basic Policy on Social Contribution Activities.

Main Initiatives in Fiscal 2016

Protecting the Natural Environment

Supporting a Marathon to Protect Forests in Ethiopia

Konica Minolta Business Solutions France S.A.S. has provided support for a marathon that helps with reforestation in Ethiopia since it began in 2011. The marathon event held in 2016 made it possible to plant over 115,000 trees in Ethiopia.



Reforestation activities in Ethiopia

Related SDGs



Supporting Scholarship, Research, and Education

Collaboration in Science Education by Providing Guest Lecturers

Konica Minolta, Inc. has sent newly hired employees to serve as guest lecturers at schools since fiscal 2012.

In 2016, newly hired employees served as guest lecturers for 831 students at a total of eight junior high and high schools in Tokyo, Aichi, and Osaka Prefectures in Japan. Konica Minolta, Inc. won the Education Support Grand Prix 2016 for this initiative.



Learning the copying function using a manual copier

Related SDGs



Promoting Community Health and Safety

Activities to Support Early Detection of Breast Cancer around the World

Konica Minolta supplies digital mammography units that are effective for early detection of breast cancer. In relation to this, Konica Minolta also supports the Pink Ribbon campaign, which emphasizes the importance of early breast cancer detection at many Group companies around the world.

Related SDGs



Supporting Scholarship, Research, and Education

Supporting Careers for Women in the IT Industry

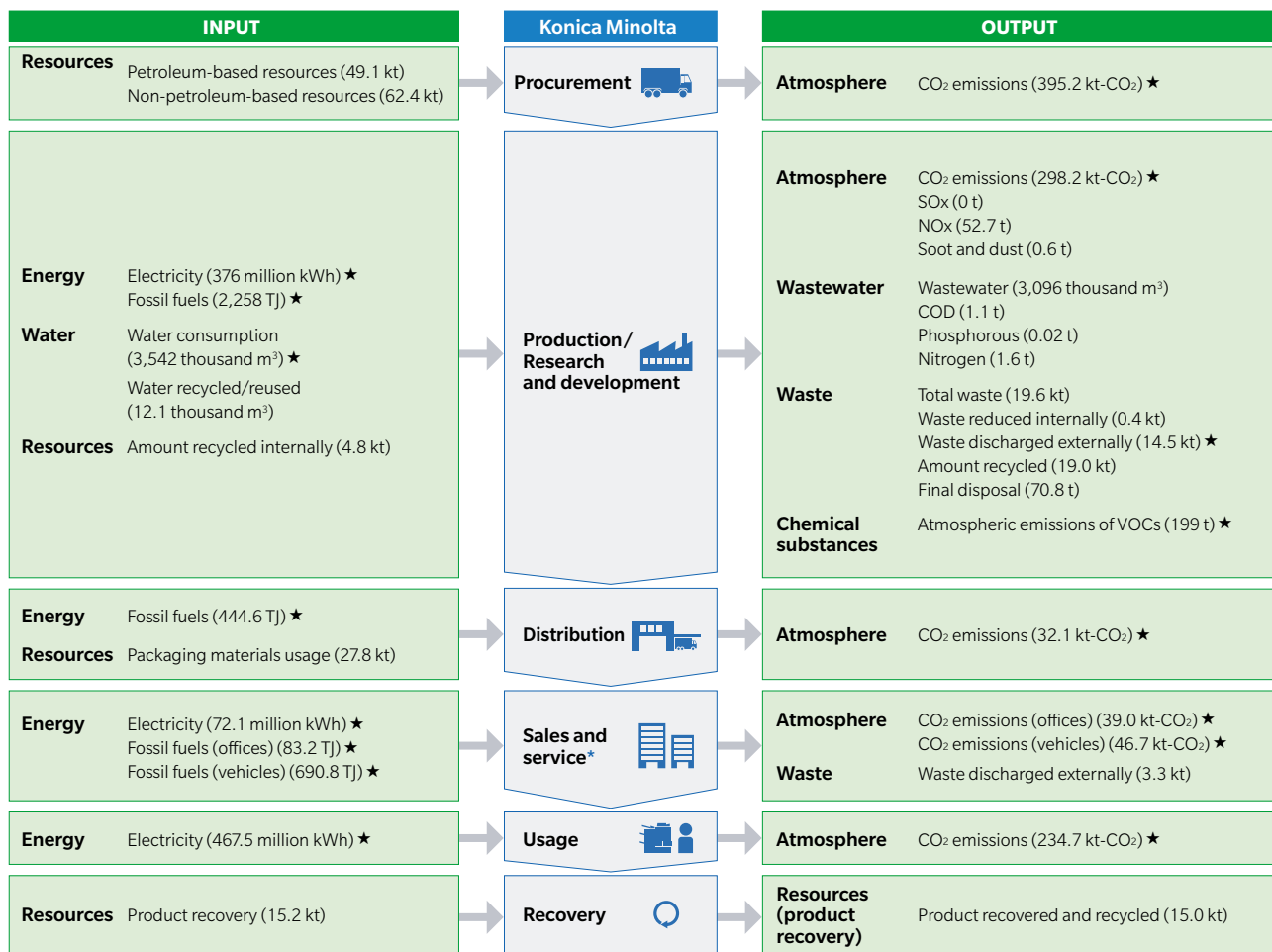
Konica Minolta collaborates with an NGO to run a capacity-building project that supports women building careers in the IT industry in the Czech Republic. In fiscal 2016, the program was expanded to Germany and workshops were held in Berlin and Munich.

Related SDGs



Environmental Data Summary

Overall View of Environmental Impacts Resulting from Business Activities



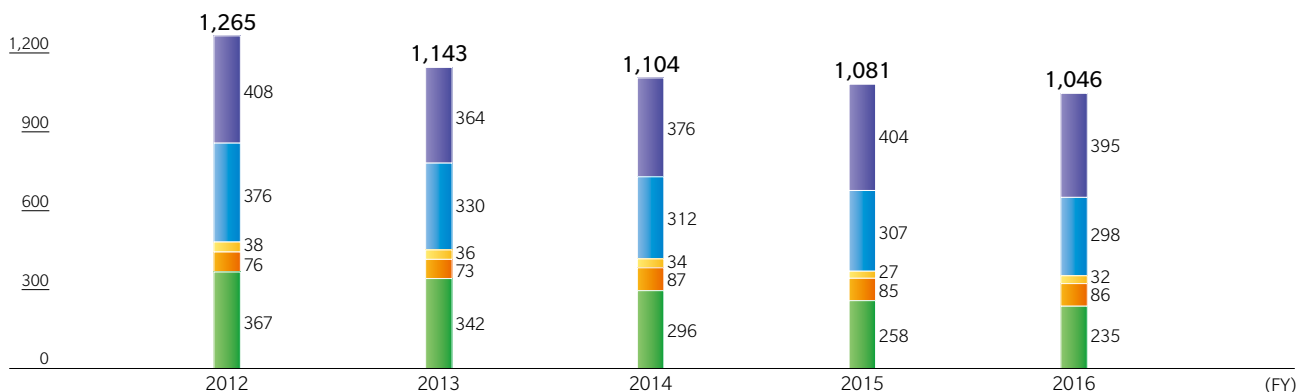
* Boundary: All consolidated sales companies worldwide

Product Lifecycle CO₂ Emissions ★

■ Product use ■ Sales and service (offices and vehicles) ■ Distribution ■ Production ■ Procurement

(kt-CO₂)

1,500



Notes 1. The method used to calculate CO₂ emissions at the procurement stage for business technology products was revised to raise the accuracy of data, starting in fiscal 2015. The effect of this change in the method was an increase of 19.8 thousand tons in CO₂ emissions at the procurement stage in fiscal 2015.

2. Figures do not necessarily add precisely to the total due to rounding.

★: Indicators assured by KPMG AZSA Sustainability Co., Ltd.

Calculating CO₂ Emissions across the Entire Supply Chain

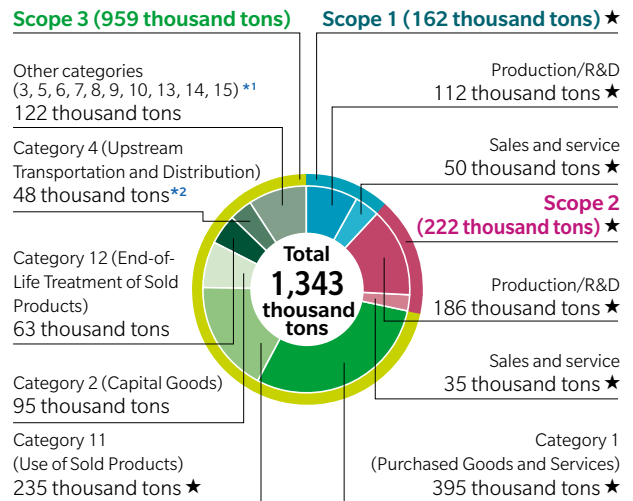
Konica Minolta has calculated the CO₂ emissions associated with the Group's activities across its entire supply chain, from the upstream to the downstream aspects of its operations, based generally on the standards of the GHG Protocol,* the international standard. In fiscal 2016, the calculation showed that CO₂ emissions throughout the supply chain were approximately 1.34 million tons, which represents a decrease of approximately 6% from fiscal 2015. Category 13 (Downstream leased assets) has been included in the calculations this fiscal year. 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) totaled approximately 0.38 million tons, or approximately 29% of all emissions. Other indirect emissions (Scope 3) associated with the Group's activities totaled approximately 0.96 million tons, accounting for approximately 71% of all emissions.

CO₂ emissions for "purchased goods and services," accounted for 29.4% of emissions across the entire supply chain. The Group is continuing its work 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 17.5% 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: Initiatives for developing an international standard for addressing greenhouse gas (GHG) emissions and climate change

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), 9 (Downstream transportation and distribution), 10 (Processing of sold products), 13 (Downstream leased assets), 14 (Franchises) and 15 (Investments)

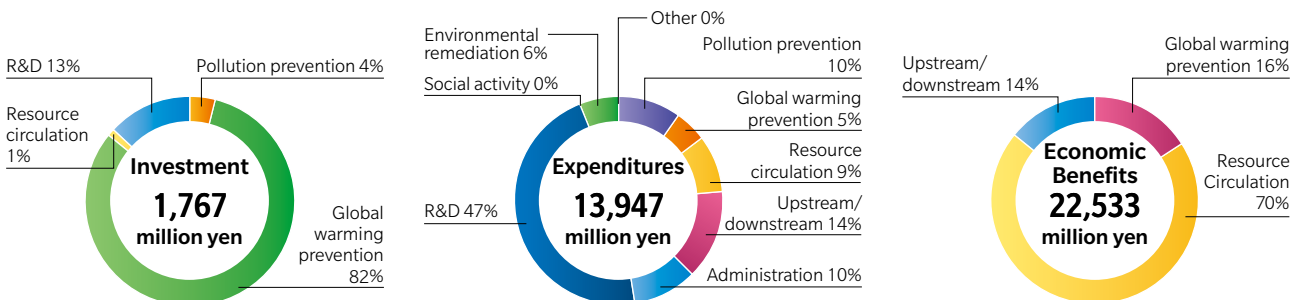
*2 CO₂ emissions attributed to product distribution: 32 thousand tons ★
 Note: Figures do not necessarily add precisely to the total due to rounding.

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.

Expenses in fiscal 2016 were approximately 13.9 billion yen, about the same as in fiscal 2015. Expenses were

primarily incurred for the development of environmentally friendly products in the areas of business technologies and functional products. Investments increased about 1.77 billion yen year on year and consisted primarily of investment in the Kobe site's cogeneration system.



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

Human Resources Data Summary

Employee Composition by Employment Status

(As of March 31, 2017)

	Regular employees* ¹ ★	Non-regular employees* ²	Total
Konica Minolta, Inc.	5,770	1,841	7,611
Group companies in Japan	6,102	943	7,045
Group companies outside Japan	32,107	1,943	34,050
Konica Minolta Group (worldwide)	43,979	4,727	48,706

*¹ Regular employees: Includes employees seconded from other companies, except for those re-seconded to other companies*² Non-regular employees: Includes temporary employees, employees dispatched from an agency, and staff contracted from other companies

Number of Employees, by Gender

(As of March 31, 2017)

	Regular employees★		
	Men	Women	Gender not reported*
Konica Minolta Group (worldwide)	31,044	12,761	174

*Some offices do not count men and women separately.

Percentage of Management Positions Held by Women

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Konica Minolta, Inc.* ¹	2.7%	3.4%	4.4%
Konica Minolta Group (worldwide)* ²	15.1%	15.3%	16.4%

*¹ Includes employees seconded to Group companies. Figures are as of April 1, the day after the end of each fiscal year.*² Konica Minolta Inc. and consolidated subsidiaries representing at least 89% of the total workforce of the Group through fiscal 2015, and at least 93% in fiscal 2016. Figures are as of March 31 of each fiscal year.

Percentage of Employees with Disabilities

	June 1, 2015* ¹	June 1, 2016* ²	June 1, 2017* ²
Employment rate	2.02%	2.03%	2.19%

*¹ Boundary: Konica Minolta, Inc., Konica Minolta With You, Inc., and Konica Minolta Electronics Co., Ltd.*² Boundary: Konica Minolta, Inc., Konica Minolta With You, Inc., Konica Minolta Japan, Inc., Kinko's Japan Co., Ltd. and Konica Minolta Mechatronics Co., Ltd.

Percentage of Local Hires at Subsidiaries Outside Japan

(As of March 31 of each fiscal year)

	Fiscal 2014	Fiscal 2015	Fiscal 2016
President	59%	61%	60%
Senior staff	53%	53%	55%

Percentage of Unionization

(As of March 31 of each fiscal year)

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Konica Minolta Group (worldwide)	72%	86%	85%

Note: Figures are for non-managerial regular employees.

Retention Status of Employees

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Turnover rate	0.7%	0.7%	0.9%
Percentage of new employees leaving within three years	1.8%	6.3%	8.8%

Note: Figures are for regular employees of Konica Minolta Inc. The percentage of new employees leaving within three years is defined as the percentage of employees who leave their job within three years of joining the company (as of April 1, the day after the end of each fiscal year).



Indicators Related to Work-Life Balance

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Percentage of paid leave taken	55.8%	57.5%	60.5%
Annual overtime hours worked per employee	58 hours	58 hours	52 hours
Annual total hours worked per employee	1,792 hours	1,787 hours	1,763 hours

Note: Figures are for regular employees of Konica Minolta, Inc.

Work-Life Balance Support Program Use

(persons)

	Fiscal 2014		Fiscal 2015		Fiscal 2016	
	Women	Men	Women	Men	Women	Men
Maternal health management leave	2		4		2	
Maternity leave	19		32		19	
Spousal maternity leave		115		144		108
Parental leave	61	5	53	14	42	14
Shorter working hours for childcare	159	3	158	3	132	2
Work-at-home during child-rearing	18	2	20	3	27	4
Nursing care leave	0	3	0	1	0	2
Shorter working hours for nursing care	0	0	0	0	1	0

Note: Figures are for regular employees of Konica Minolta, Inc.

Percentage of Employees Who Return to Work after Childcare Leave

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Work resumption rate	100%	100%	100%

Note: Figures are for regular employees of Konica Minolta, Inc.

Accidents Causing Absence from Work at Sites in Japan

(As of March 31 of each fiscal year)

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Number of employees taking leave from work	7	6	4
Accident frequency rate*1	0.28	0.23	0.13
Number of days of absence	216	14	44
Severity rate of accidents causing absence from work*2	0.007	0.0004	0.0012

Note: Figures are employees of Konica Minolta Group Japan, including those dispatched from an agency

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

*2 Severity rate of accidents causing absence from work: The total number of days absent from work per 1,000 total actual working hours for current employees

Accidents Causing Absence from Work at Sites outside Japan

(As of March 31 of each fiscal year)

	Fiscal 2014	Fiscal 2015	Fiscal 2016
Number of employees taking leave from work	6	12	6
Accident frequency rate	0.19	0.44	0.21
Number of days of absence	353	340	52
Severity rate of accidents causing absence from work	0.0091	0.0103	0.0015

Note: Figures are for employees of major manufacturing companies in China and Malaysia, including those dispatched from an agency, through fiscal 2014. Employees of Group companies in China and manufacturing companies in Malaysia, including those dispatched from an agency, since fiscal 2015.

★: Indicators assured by KPMG AZSA Sustainability Co., Ltd.

Expert Opinion of Konica Minolta's CSR Report

We asked Yoshinao Kozuma, Professor of Economics at Sophia University, to give us feedback on this report. His comments are presented below. We will use this feedback to improve our future CSR activities and our 2018 CSR Report.



Yoshinao Kozuma

Professor, Faculty of Economics,
Sophia University

1. Business Model for a Sustainable Society

The company started two new initiatives in fiscal 2017. One is the Medium-Term Business Plan SHINKA 2019, which seeks to solve implicit customer challenges with digital and innovative technologies, with the ultimate aim of contributing to society. The other is the Medium-Term Environmental Plan 2019, which attempts to simultaneously solve environmental and social issues from the perspective of the SDGs.

Both are characterized by the development of solutions businesses required for solving social issues by leveraging accumulated management resources and technical knowhow.

For example, in the first initiative, Konica Minolta is looking to evolve into “a digital company with insight into implicit challenges,” and in the second, it is seeking to expand its carbon reduction consulting business to achieve “Carbon Minus” status, which is incorporated in the targets of its New Eco Vision 2050, which starts in fiscal 2017.

Having promoted the integration of business activities and CSR management based on the creation of shared value with society, Konica Minolta now states its intention to pursue these initiatives with the aim of transformation to build a more sustainable world. This should lead to the full-scale implementation of business model transformation as an adaptive strategy. I look forward to the future results.

2. Transparency of the CSR Report

The company has made improvements in information disclosure every year. This fiscal year, a configuration diagram of communication tools was added to the editorial policy, and information about accidents causing absence from work in and outside Japan was added to the scope of data collection and disclosed. In addition, efforts to improve the accessibility of the CSR Report, such as effectively arranging graphs within the text, can be seen throughout the report.


Konica Minolta not only received outside expert opinion to evaluate and to advise on the appropriateness of its CSR management, but also sought external assurance on the reliability of the information disclosed. The scope of this assurance has expanded even to cover social information. I believe that the careful consideration the company gives to improving the transparency of the information disclosed is a factor that is highly acclaimed by external stakeholders, as shown by the company's inclusion in global environmental ratings and investment indices.

3. Vision for Long-Term Growth

Konica Minolta's structurally evolving CSR management faces a future challenge—the formulation of a vision for long-term corporate growth that is compatible with a sustainable society. While the company has set out its Eco Vision 2050 as a long-term vision for the environment, in reality, it is already significantly integrated with the business strategy. The need now is for a long-term growth vision that holistically integrates corporate growth and CSR management, as well. I believe the company is expected to establish a new CSR management system that links the medium-term business plan and the medium-term environmental plan with a long-term growth vision aligned with a sustainable society.

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); water consumption; and the number of regular employees (by gender) have been measured, gathered and disclosed in accordance with the criteria set by the Group. Indicators that have been assured by KPMG AZSA Sustainability Co., Ltd. are marked with ★.



Independent Assurance Report

To the President and CEO of Konica Minolta, Inc.

We were engaged by Konica Minolta, Inc. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★ for the period from April 1, 2016 to March 31, 2017 (the "Indicators") included in its CSR Report 2017 (the "Report") for the fiscal year ended March 31, 2017.

The Company's Responsibility
The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in its website, which are derived, among others, from the Environmental Reporting Guidelines (2012) of Japan's Ministry of the Environment, the Act on the Rational Use of Energy, the Act on Promotion of Global Warming Countermeasures, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) by World Resources Institute and World Business Council for Sustainable Development.

Our Responsibility
Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with "International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information", "ISAE 3410, Assurance Engagements on Greenhouse Gas Statements", issued by the International Auditing and Assurance Standards Board, and the "Practical Guidelines for the Assurance of Sustainability Information" of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical reviews of the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Visiting to one of the Company's domestic factories selected on the basis of a risk analysis.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion
Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control
We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
August 16, 2017

Period: March to June 2017
On-site audit of the Tokyo Site Hino of Konica Minolta, Inc.



Comment from the Assurance Provider

Chie Uchiyama, KPMG AZSA Sustainability Co., Ltd.

Based on the reevaluation of materiality performed last year, the company identified "social innovation" as a new material issue. Last year's CSR report presented some future directions and several examples, but this year's report goes further to present "Background and Issues," "Vision" and "Key Measures and KPIs." The reasons why the Konica Minolta Group is working on social innovation and the direction it is trying to go have been more clearly presented. In the years ahead, as shown in "Key Measures and KPIs," I think that the question of how to set appropriate KPIs to measure social outcomes based on the characteristic features of individual businesses will become important.

Moreover, social performance indicators are now included in the scope of external assurance. It is advisable that Konica Minolta gradually expands the scope of assurance, while considering the needs of information users.

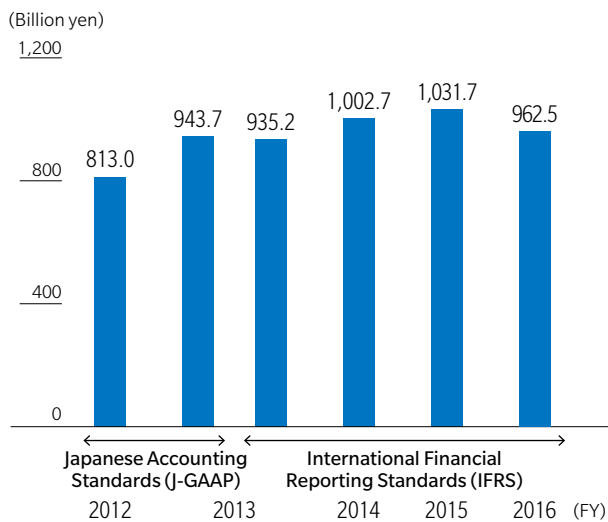
As for the environment, the Eco Vision 2050 declares Konica Minolta's commitment to "Carbon Minus" status, while the Medium-Term Environmental Plan 2019 shows its strategy for increasing contributions to sales and profit by solving issues from the perspective of the SDGs. They both demonstrate Konica Minolta's ambitious approach, which is not limited to merely reducing Konica Minolta's own environmental impact. In this field, too, I think it is important to consider ways to foster understanding of the effective reduction of environmental impact that has been created together with outside stakeholders using Konica Minolta's technology and knowhow, as well as the social outcomes achieved in the execution of the Medium-Term Environmental Plan.

Overview of the Konica Minolta Group

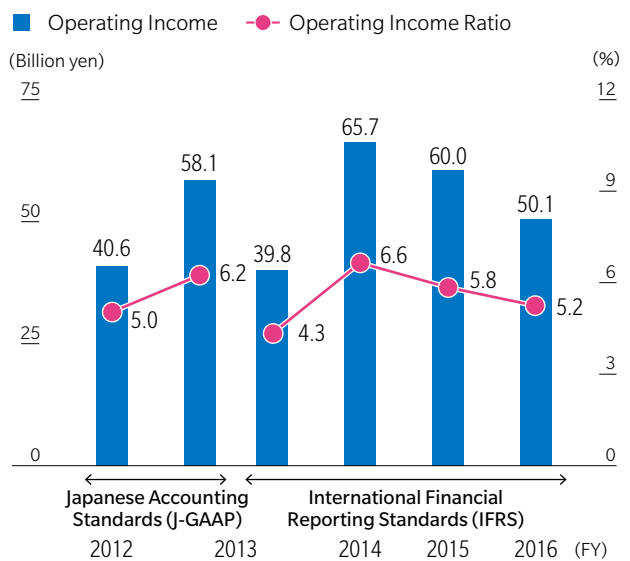
Corporate Data

Company name	Konica Minolta, Inc.	Paid-in capital	37,519 million yen (as of March 31, 2017)
Head office	2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan	Fiscal year-end	March 31
President and CEO	Shoei Yamana	Number of employees	Non-consolidated: 5,770 (as of March 31, 2017) Consolidated: 43,979 (as of March 31, 2017)
Established	December 22, 1936		

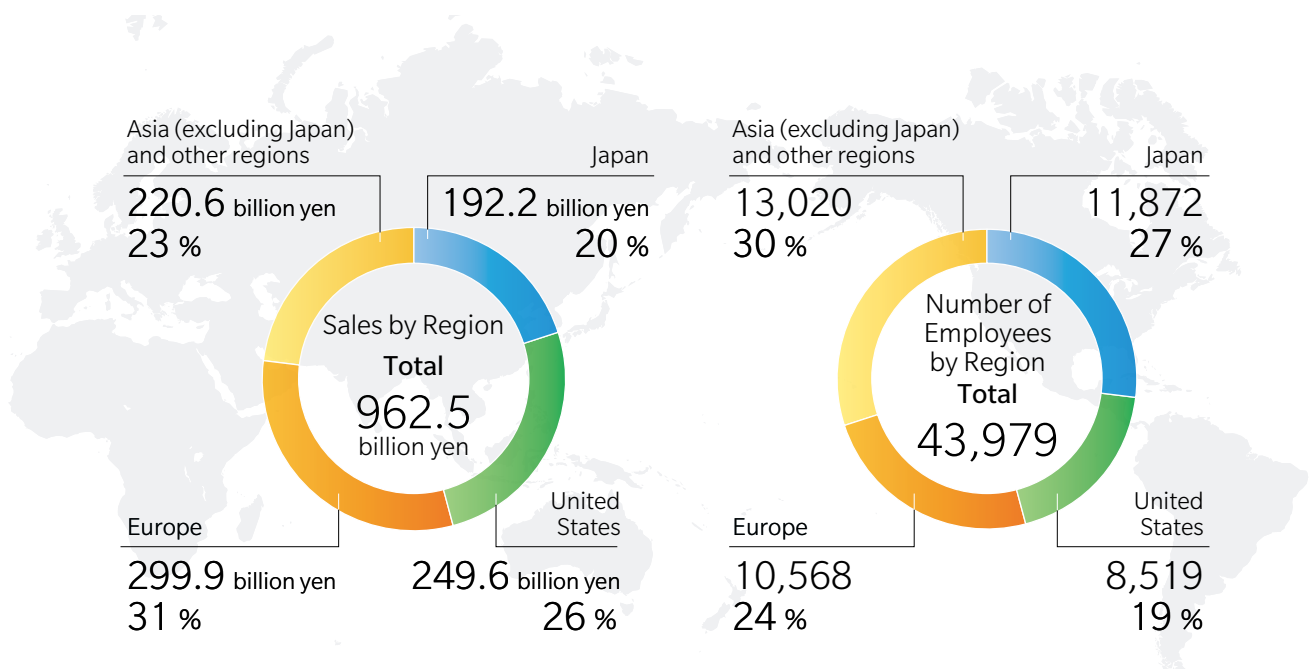
Consolidated Net Sales



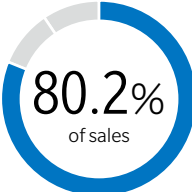


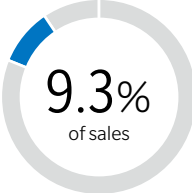

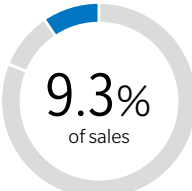


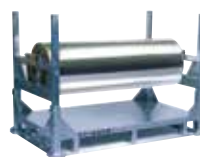

Consolidated Operating Income / Operating Income Ratio



Global Network



Business Domains

Business Segments	Applications	Business Content
<p>Business Technologies Business</p>  <p>80.2% of sales</p>	Office Services	<p>Development, manufacture, and sales of MFPs and IT services; the provision of related consumables, solutions, and services</p> 
	Commercial and Industrial Printing	<p>Development, manufacture, and sales of digital printing systems, various printing services, and industrial inkjet printers; the provision of related consumables, solutions, and services</p> 
<p>Healthcare Business</p>  <p>9.3% of sales</p>	Healthcare Business	<p>Development, manufacture, sales, and provision of services for diagnostic imaging systems (digital X-ray diagnostic imaging systems, diagnostic ultrasound systems, etc.)</p> 
<p>Industrial Business</p>  <p>9.3% of sales</p>	Optical Systems for Industrial Use	<p>Development, manufacture, and sales of measuring instruments, lenses for industrial and professional use, etc.</p>  
	Performance Materials	<p>Development, manufacture, and sales of TAC films used in liquid crystal displays, organic light-emitting diode (OLED) lighting, functional films, etc.</p>  



KONICA MINOLTA

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