



KONICA MINOLTA

KONICA MINOLTA

CSR REPORT

2013

Giving Shape to Ideas



Contents


Contents / Editorial Policy	1
Introduction	2
Message from the President	3
Special Feature	5
The Future of Document Solutions: Bringing Innovation to Global Business	
Overview of the Konica Minolta Group	9
Konica Minolta's CSR Policy	11
<hr/>	
 For the Global Environment	15
Three Green Activities	17
Progress on the Medium-Term Environmental Plan	20
Environmental Data Summary	23
<hr/>	
 Earning the Confidence of Customers	25
Assuring Product Safety and Preventing Quality-Related Problems	26
Increasing Customer Satisfaction	27
<hr/>	
 Cooperating with Business Partners	30
Promoting CSR Throughout the Supply Chain	31
<hr/>	
 Growing Together with Our Employees	33
Promoting and Developing Diverse Human Resources	34
Promoting Occupational Health and Safety	35
Human Resources Data Summary	36
<hr/>	
 Contributing to Society	37
<hr/>	
Management System	39
<hr/>	
Expert Opinion of Konica Minolta's CSR Report	41
External Assurance	42

Editorial Policy

The Konica Minolta CSR Report is published to inform all of its stakeholders about the Group's corporate social responsibility initiatives. The report focuses on issues identified as being very important to society and having a big impact on the Group's business. It describes, in sections arranged by type of stakeholder, the progress made and specific initiatives taken on priority goals that have been set. 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.

* In this report, "Konica Minolta" refers to the Konica Minolta Group. "Konica Minolta, Inc." refers to Konica Minolta, Inc., alone. On April 1, 2013, Konica Minolta Holdings, Inc., the publisher of last year's report, restructured its management system, merging with seven companies, including business companies, and changed its trade name to Konica Minolta, Inc. In this report, the current company name is used even when discussing information dated before the reorganization.  **p. 39**

Reporting Period

In principle, the report covers activities from April 1, 2012 to March 31, 2013. Some sections may include information on earlier initiatives or more recent activities.

In this report, "fiscal 2012" refers to the fiscal year starting April 1, 2012 and ending March 31, 2013.

Publication Date

September 2013 (Next report: scheduled for September 2014; previous report: September 2012)

For Further Information

More detailed information on the Group's CSR activities is available at:

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



Page on the website



Relevant information available on the website

The documents below are available for download at:

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

• Company Brochure • CSR Report • Annual Report

Guidelines Observed in Preparation of the Report

The CSR Report, which consists of the print edition and additional information provided on the company's website, was created with reference to the 3rd edition (G3) of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. Konica Minolta declares that the report meets application level B.



GRI/ISO26000/United Nations Global Compact Content Indices

Disclaimer

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

Giving Shape to Ideas

New Ideas for a Sustainable World

Konica Minolta's brand communication message is "Giving Shape to Ideas." This message symbolizes our determination to give shape to every stakeholder expectation using our own unique way of thinking and solutions, aiming to realize a high-quality society. We seek to understand the challenges stakeholders and the broader society face, and then work hard to apply our innovative technologies to create products and services that contribute solutions. We are determined to work to build a more sustainable world and keep creating the new value that human society needs. This is the very reason Konica Minolta exists.



Continuing to Create New Value that Improves the Quality of Society



Group Reorganization: Preparing for New Growth

The business environment surrounding Konica Minolta continues to change rapidly. To ensure that we can respond to these changes even more quickly, Konica Minolta reorganized its management system on April 1, 2013. Konica Minolta Holdings, Inc., which had been a pure holding company, merged with seven companies in the Group, including business companies. The resulting structure enables the company to run businesses directly while managing the Group as a whole. With this change, the company's trade name became Konica Minolta, Inc.

The main objectives of the reorganization were to strengthen the management of our Business Technologies business and to enable us to leverage management resources more strategically and nimbly. We also expect integration of our core Business Technologies Business with the holding company to further improve the Group's overall competitiveness. The change also enables us to drive the growth of each business more actively by centralizing and redeploying management resources, making strategic organizational changes, and accelerating personnel deployment. I think this kind of agility is essential for the development of emerging businesses in fields such as organic light emitting diode (OLED) lighting, functional films, and industrial inkjet devices. In addition, the Industrial business and Healthcare Business have been made into internal companies and given structures that enable optimal administration for their respective business characteristics. All of these changes help to mobilize the total strengths of the Group in pursuit of greater corporate value.

A Sustainable Company: Meeting the Needs of the Times

Konica Minolta's vision is to become a robust company that is capable of strong growth and is vital to society. I am certain that a sustainable company that meets the needs of

the 21st century is one that creates value for both society and itself by integrating efforts to resolve societal challenges and improve corporate competitiveness and profits. Another benefit of the reorganization is that it makes us better able to deliver on this vision.

The era of mass production and mass consumption to satisfy the endless desire for material riches has come to an end. In the new age, the demand is for value that helps improve the quality of society by reducing environmental impact and redressing disparities. This is why Konica Minolta is focused on creating products and services that offer solutions to societal challenges. Take our Green Products Certification system, for instance. We use it to drive development of highly competitive, environmentally responsible products that not only help our customers and society as a whole to reduce environmental impact but also increase our earnings.

We are also working hard to push sound business practices through the entire value chain involved in the creation of our products and services. Our socially responsible procurement practices, for example, require business partners that supply raw materials and parts to make progress on occupational health and safety and environmental conservation, encouraging them to make CSR a more integral part of their management.

Konica Minolta participates in the United Nations Global Compact, supporting its basic principles in the areas of human rights, labor, the environment and anti-corruption. Our commitment to respecting and complying with these and other universal principles is articulated in the Konica Minolta Group Guidance for the Charter of Corporate Behavior, which guides our people and operations worldwide. Konica Minolta has been included on a number of socially responsible investment (SRI) indexes in recognition of our corporate commitment and the various initiatives it leads us to take.

One Konica Minolta: Creating New Value

Konica Minolta's management philosophy has been "The Creation of New Value" since the beginning. This is why the company exists; it guides everything we do. Now that we have made a fresh start with a new Group structure, we are asking each and every employee to seek an even better understanding of this philosophy and reaffirm its deeper meaning.

"Giving Shape to Ideas," our brand communication message, is designed to convey to customers and other stakeholders our determination to deliver the new value that the coming age demands. It is another way of expressing our management philosophy, a way of saying that we recognize the challenges faced by our customers and the broader society and commit ourselves to generating new ideas and making them into practical solutions. As "One Konica Minolta," our employees around the world are working together to keep the promise stated in this message—to create solutions to the challenges our customers and the global community face.

Konica Minolta's nearly 40,000 employees around the world represent many nationalities, languages, and backgrounds. By sharing the values inscribed in our corporate philosophy and message, our diverse workforce is uniquely positioned to create value that helps improve the quality of society. At Konica Minolta, we are determined to make the most of the abilities of our people and their diverse skills and ways of thinking in pursuit of sustainable growth we share with society as a whole. Heeding the expectations of all of our stakeholders, we are confident that the Konica Minolta Group will keep creating new value that fulfills their hopes and dreams.



Masatoshi Matsuzaki
President and CEO
Konica Minolta, Inc.



© 2013 DB Schenker

Special Feature

The Future of Document Solutions: Bringing Innovation to Global Business

Office needs have dramatically changed with today's constantly evolving business technologies. Konica Minolta's Optimized Print Services (OPS) leverage those changes to bring innovation to offices by streamlining printing infrastructure, reducing costs and environmental impact, and enhancing security. OPS is an optimal solution for multinational corporations with global operations. This case study describes how the global logistics company DB Schenker has benefited from Konica Minolta's OPS.

© 2013 DB Schenker



Chapter 1 Challenges DB Schenker Was Facing

Needed to efficiently manage a massive amount of documentation associated with logistics operations for the entire Asia-Pacific region

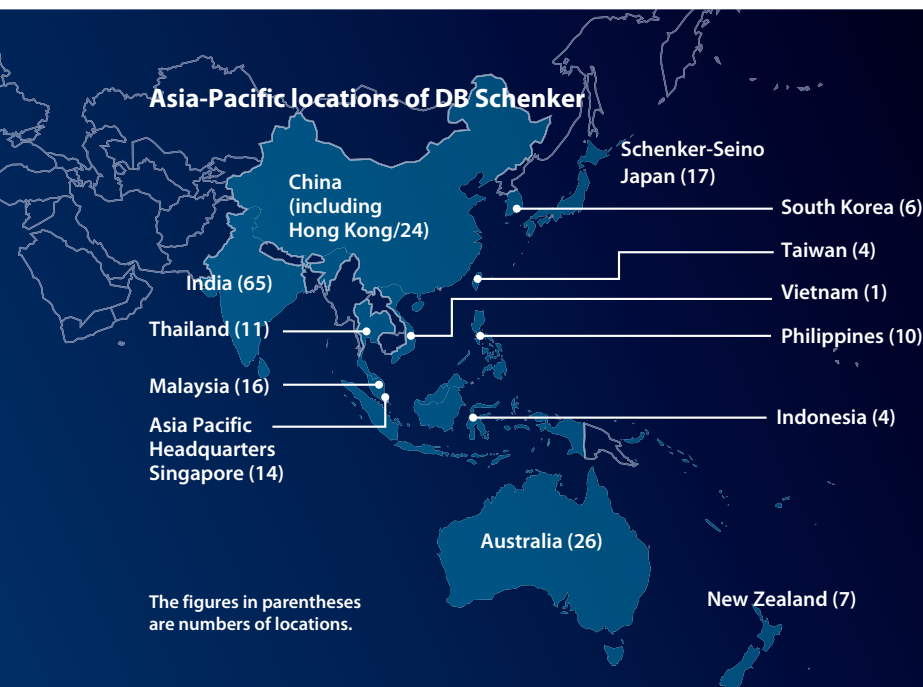
The challenge faced by leading international logistics company DB Schenker was management of a massive amount of documentation.

In logistics operations, the necessary shipping documents are prepared and printed for each item of cargo in addition to usual paperwork. The Asia-Pacific region handles the largest volume and the administrative headquarters in Singapore was preparing as many as 1.9 million pages of shipping documents each month. Not only was it essential to print those documents efficiently and reliably, the management system and security had to be enhanced at the same time.

In this situation, the company was looking to develop an information system covering the entire Asia-Pacific region and to optimize its printing and document management

infrastructure. After scrutinizing the printing equipment and solutions of various manufacturers, DB Schenker chose Konica Minolta's OPS. This involved installing multi-functional peripherals (MFPs) and systems at 205 locations in 14 countries across the Asia-Pacific region, including Schenker-Seino located in Japan.

From start to finish of the project, Konica Minolta took a meticulous approach to each local company while implementing an integrated solution across the region. The goal was to provide solutions that would satisfy both the administrative headquarters and each location by responding nimbly to individual needs while staying aligned with the overall goals of the project.



DB Schenker

DB Schenker is a global logistics company, No. 1 in Europe in land transport, No. 2 worldwide in airfreight, and No. 3 worldwide in ocean freight. Headquartered in Germany, the company has more than 2,000 locations in about 130 countries managed by regional headquarters in Europe, the Americas, and Asia-Pacific.

Schenker-Seino Co., Ltd.

Schenker-Seino Co., Ltd. is a leading provider of integrated logistics solution in Japan. The company has been active in the Japanese market since 1964 and has since established itself as a recognized and quality oriented force in the logistics field.

Konica Minolta's GMA Business

The Global Major Account (GMA) business targets large-scale customers doing business worldwide, providing global solutions tailored to best meet their unique needs. The GMA Sales Division provides strategic planning and works closely with sales companies in each country to ensure a nimble response to customer requests.

OPS Optimizes Office Printing Infrastructure

Konica Minolta's OPS is a solution that delivers benefits including optimal equipment arrangement and improved capacity utilization through an all-in-one contract for the operation of printing devices such as printers and MFPs. OPS consists of three phases: (1) Consult, in which optimal solutions are designed by capturing and analyzing the customer's unique requests and challenges; (2) Implement, which covers everything from installing high-performance, highly functional printing devices to ensuring they are used effectively; and (3) Manage, which leads to proposals for further optimization through continuous monitoring of usage of the new printing infrastructure.





Printing Room of Schenker-Seino



bizhub 751 MFPs introduced at Schenker-Seino

Chapter 2 Konica Minolta's Solutions

Several challenges resolved through the provision of globally integrated solutions

The OPS implemented for DB Schenker featured three main components.

The first was the replacement of printers. Traditional dot impact printers were replaced with MFPs. At Schenker-Seino in Japan, more than 100 dot impact printers were replaced with 55 cutting-edge MFPs at 17 locations. Since all models of Konica Minolta's MFPs use the same printer driver, it is possible to use a mix of different models under the same conditions. An efficient setup was achieved by optimally adopting different MFPs, ranging from low-speed to high-speed machines. Consolidating a large number of printers down into a few MFPs enabled improved printing efficiency and reduced time and costs. Moreover, improved print quality increased legibility and reduced misreading and other mistakes.

Second, a card authentication system was installed for print authentication using ID cards carried by each staff member. This system prevents problems such as leaving printed documents at the printer or taking away other

people's documents. It guards against information leaks and strengthens security. By monitoring printer and paper usage based on information from the ID cards, it will be possible to make further improve device deployment, going forward. Minimizing the number of copies and printouts will also translate into a lower environmental impact.

Third was the promotion of paperless operations. All kinds of documents are currently being scanned and digitized. This will make it possible to print out data stored on core servers at the administrative headquarters in Singapore from any location. Not only will this enable centralized monitoring and management; global information sharing will also deliver greater work efficiency.

What is more, installing this system made it possible to introduce a simple billing system covering equipment, service, and software licensing costs. This helped to reduce costs even further by enabling simple tracking to replace what used to be a much more complicated task of managing printing costs.

OPS Offered Globally

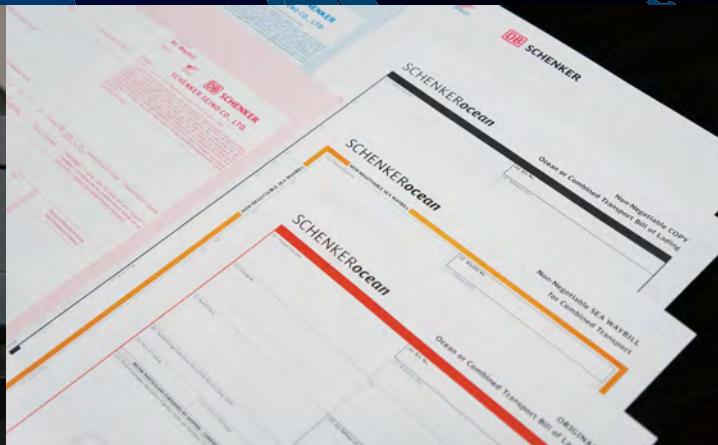
Konica Minolta offers OPS globally. The company has developed worldwide standards for sales and service processes in order to provide uniform service around the world. It also operates its own global credentialing program worldwide to improve the quality of customer engineers.

To date, Konica Minolta has signed global contracts with more than 100 companies in diverse industries—ranging from insurance and financial services to international logistics services, to industrial equipment and consumer electronics manufacturers.





Personal authentication card (left) and card reader (right)



Documents and forms made uniform across entire Asia-Pacific region

Message from the Customer

We look forward to our future partnership, as one global company to another.

We chose Konica Minolta not only because of the performance and cost of their MFPs, but also because of the strength of their network and support capabilities for providing uniform service worldwide. Our strength is that we are a global company with a worldwide market. Through this project I became convinced that Konica Minolta is a global company just like we are. I am now looking forward to partnering with Konica Minolta in other regions of the world beyond the Asia-Pacific and to hearing the various solutions they can propose.

Herbert Wilhelm, President & CEO, Schenker-Seino Co., Ltd.



Message from the Konica Minolta Manager

The trust we built with the people at each location was the cornerstone of the project's success.

The difficulty in this project was transitioning from local rules in each of the 14 countries to rules for the entire Asia-Pacific region in preparation for a complete improvement in the printing infrastructure. Unlike Europe, which is an integrated market called the EU, in this region everything—language, culture, law, and markets—changes when you cross a border. Naturally, customers' challenges and requests are also different. I am proud of how we built relationships and earned trust by staying in close communication with people at every location. We stayed true to the spirit of our motto, "Think Global, Act Local," and that is what led to our success.

Norihiko Ooba, General Manager, Global Major Account Sales Division, Sales Operations, Sales Headquarters, Konica Minolta, Inc.

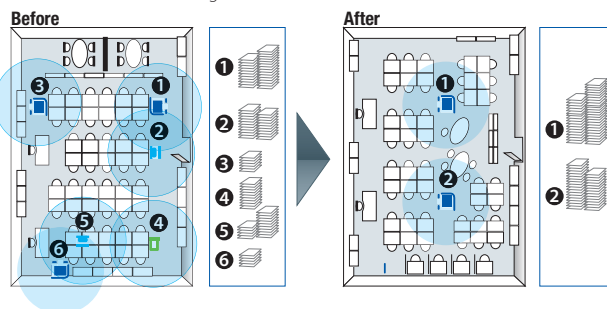


OPS Reduces Both Costs and Environmental Impact

Konica Minolta helps customers reduce both costs and environmental impact by using OPS to optimize the printing infrastructure in all their offices. For example, consolidating several printing devices into an MFP and updating to the latest models with energy-saving features can reduce power consumption significantly. Moreover, continuous monitoring of device usage leads to reduction of wasteful printouts, and digitization of documents translates into reduced storage space and lower consumption of paper resources.

Example of Optimized Device Deployment ■ MFPs ■ Facsimile Machines ■ Printers

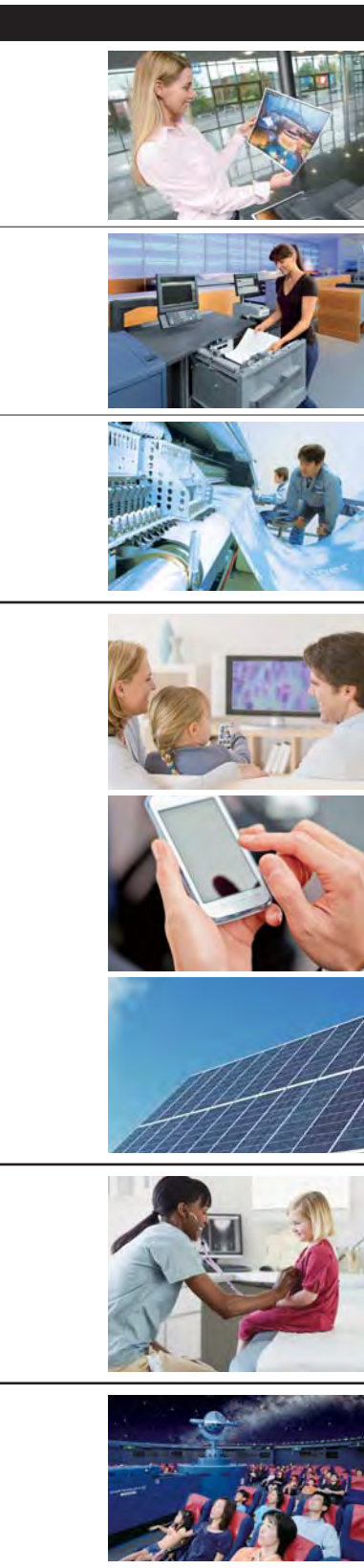
Fewer printing devices strategically placed for user traffic patterns, actually increasing convenience while reducing cost



Overview of the Konica Minolta Group

Creating the new value that society is demanding in the broad scope of the Group's businesses.

Business Segment	Principal Products	Business Fields
Business Technologies Business	<p>Business Solution</p> <ul style="list-style-type: none"> ● MFPs (Multi-functional peripherals) ● Laser printers ● Filing devices ● Facsimile machines ● Software and peripheral devices 	<ul style="list-style-type: none"> ● Corporate offices ● SOHO
	<p>Production Print</p> <ul style="list-style-type: none"> ● Digital printing systems ● Digital color-proofing systems ● CTP (Computer to Plate) ● Remote color management systems ● RGB work-flow products ● Prepress production systems 	<ul style="list-style-type: none"> ● Printing companies ● Corporate printing departments
	<p>Industrial Inkjet</p> <ul style="list-style-type: none"> ● Inkjet printheads ● Inkjet textile printers ● Inkjet print units ● Inkjet inks 	<ul style="list-style-type: none"> ● Digital printing ● Textile dyeing ● Printed electronics
Industrial Business	<p>Performance Materials</p> <ul style="list-style-type: none"> ● TAC film for LCD polarizers ● VA-TAC film for increasing viewing angle ● High-precision photo plates ● Barrier film ● Functional film for windows ● Organic light emitting diode 	
	<p>Optical Devices</p> <ul style="list-style-type: none"> ● Pickup lenses for optical disks ● Prisms for pickups ● Glass substrates for HDDs ● Micro-camera modules ● Lens units 	<ul style="list-style-type: none"> ● Electronics industries ● Factories ● Research institutes ● Hospitals
	<p>Sensing</p> <ul style="list-style-type: none"> ● Spectrophotometers, colorimeters ● Luminance meters, illuminance meters, and luminance colorimeters ● Spectroradiometers ● Non-contact 3D digitizers ● Pulse oximeters ● Solar cell measurement and calibration equipment ● Spectrometers 	
Healthcare Business	<ul style="list-style-type: none"> ● Digital X-ray diagnostic imaging systems (CR, DR) ● Digital mammography ● Diagnostic ultrasound systems ● Medical imaging filing systems ● All-in-one medical imaging information workstations ● Medical management support and service ● Diagnosis medicine 	<ul style="list-style-type: none"> ● General hospitals ● Clinics
Planetarium Business	<ul style="list-style-type: none"> ● Optical planetariums ● Digital full-dome systems ● Dome screen ● Digital full-dome show ● Management and operation for planetarium facilities 	<ul style="list-style-type: none"> ● Planetariums ● Restaurants ● Amusement facilities ● Art museums

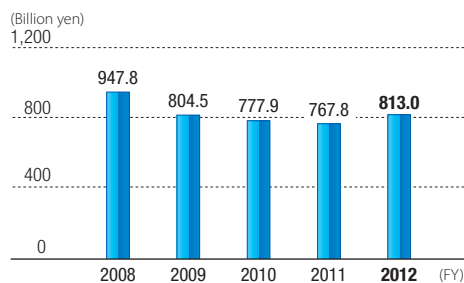


Corporate Data

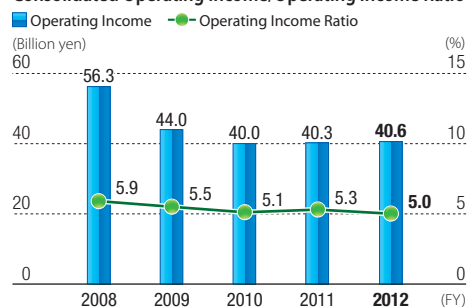
Company Name Konica Minolta, Inc.
Head office 2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
President and CEO Masatoshi Matsuzaki
Established December 22, 1936

Paid-in capital 37,519 million yen (as of March 31, 2013)
Fiscal year-end March 31
Number of employees (Non-consolidated): 6,624 (as of March 31, 2013)
 (Consolidated): 41,844 (as of March 31, 2013)

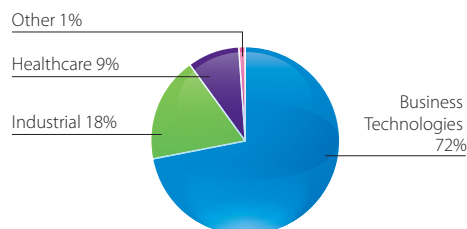
Consolidated Net Sales



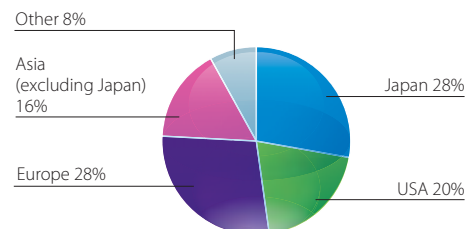
Consolidated Operating Income/Operating Income Ratio



Breakdown of Sales by Business Segment (FY2012)

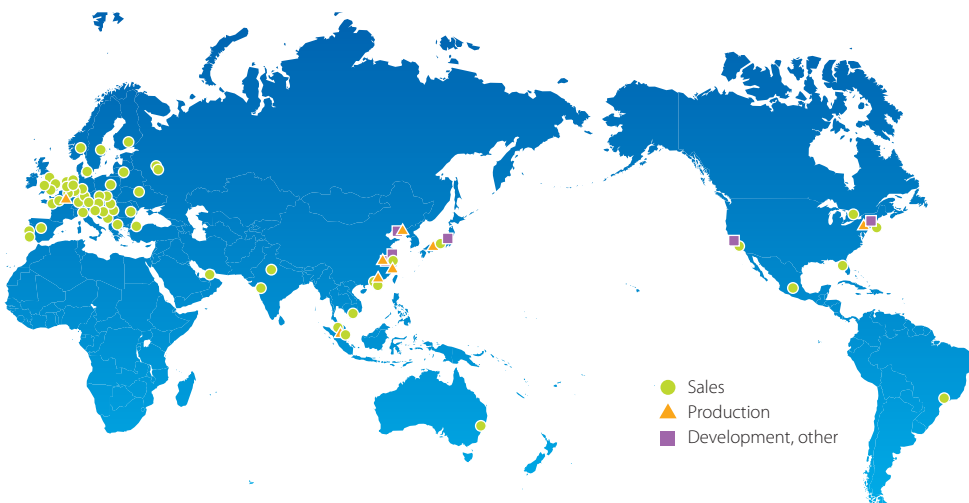


Breakdown of Sales by Region (FY2012)



Global Network

Konica Minolta has subsidiaries in 41 countries. It operates business in 176 countries and regions through the subsidiaries or via other local agencies (as of March 31, 2013).



Konica Minolta's CSR Policy

Konica Minolta aims to remain essential to society and worthy of its support while continuing to achieve robust growth through the practice of its management philosophy, "The Creation of New Value." This is why the Group strives to contribute to the resolution of societal challenges by creating value that improves the quality of society through its business endeavors. Konica Minolta's CSR activities are guided by this management philosophy and based on its Charter of Corporate Behavior. The Konica Minolta Group Guidance for the Charter of Corporate Behavior, which is shared globally, illustrates desirable behavior in each of the categories included in the Charter of Corporate Behavior as a basis for understanding and putting the Charter into practice. The Group Guidance articulates Konica Minolta's commitment to acting in compliance with international social norms such as the Universal Declaration of Human Rights and the United Nations Global Compact, in which the company participates.



The Global Compact's Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Management Philosophy

The creation of new value

Konica Minolta Group Charter of Corporate Behavior

Corporations, in addition to being economic entities engaged in the pursuit of profit through fair competition, should be beneficial to society at large. For this reason, 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

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.

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

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 Implementation System

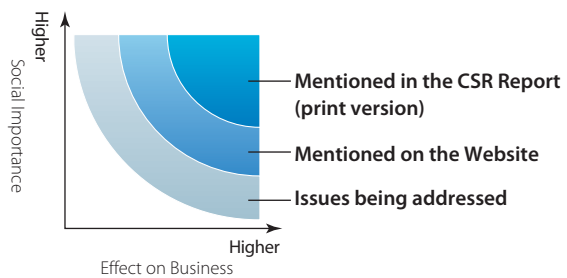
The president and CEO of Konica Minolta, Inc. concurrently serves as the executive officer responsible for CSR, a position that carries with it the duties and authorities concerning the entire Group's CSR. Directly reporting to him is the CSR, Corporate Communications and Branding Division, which sees to the implementation of CSR management for the entire Group. This division also coordinates with corporate planning and management divisions within the Group to establish and monitor the progress of priority goals for CSR activities and to oversee the disclosure of information to the public.

Corporate Social Responsibility Operations, an organization under the direction of the executive officer responsible for environmental management, safety, and quality control, oversees these important themes across CSR activities. It holds meetings of management committees in each of these three areas to create Group policies, construct systems, and manage progress. It also provides information and supports policy measures in close coordination with other divisions. Every week, the head of the CSR, Corporate Communications and Branding Division submits a report on the progress of CSR activities to the executive officer responsible for CSR, in which policy measures are reviewed and proposals made. The Management Council and other bodies also meet in a timely fashion to discuss matters of importance and keep CSR front and center in management.

Establishing Priority Goals for CSR Activities

In establishing priority goals for CSR, Konica Minolta endeavored to understand the wishes and issues that are most important to stakeholders by analyzing feedback obtained by communicating with them in a variety of ways. It also considered international guidelines related to CSR, including the UN Global Compact and ISO 26000. Further, it summarized and organized risks and opportunities considered when formulating business plans in each business field. Based on the results, the Group selected the issues that are very important to society have a great impact on its business and established them as its priority goals.

The CSR Report (print edition) outlines the specific measures being taken and the progress on the goals that are considered most important to stakeholders.









Konica Minolta's Inclusion on Socially Responsible Investment Indexes

In February 2013, Konica Minolta, Inc. was included for the first time in the Gold Class category by RobecoSAM, a world leader in SRI research and rating based in Switzerland. The company has also been included in the FTSE4Good Global index, one of

the world's best-known SRI indexes, for 10 years straight.

Konica Minolta has received high marks from various other SRI research companies, such as inclusion in the World and Asia Pacific categories of the Dow Jones Sustainability Index (DJSI) 2012, the Morningstar Socially Responsible Investment Index (MS-SRI), the Prime rating for CSR by oekom research AG, and Forum Ethibel's Ethibel Pioneer and Ethibel Excellence investment universe (as of June 19, 2013).



The Relationship between Konica Minolta and Stakeholders			Targets and Results
Stakeholders		Tools and Opportunities for Communication	Theme
<p>Customers</p>  <p>p. 25</p>	<p>Konica Minolta does business around the world. The major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.</p>	<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 	<p>Assuring product safety and preventing quality-related problems</p> <hr/> <p>Increasing customer satisfaction</p>
<p>Business Partners</p>  <p>p. 30</p>	<p>Konica Minolta procures raw materials, parts and components from different companies depending on the type of business. Over 90% of these suppliers are located in Japan, China, and elsewhere in Asia.</p>	<ul style="list-style-type: none"> • Holding suppliers' meetings • Procurement Collaboration System • Conducting CSR surveys (self-assessment questionnaires) 	<p>Promoting CSR across the supply chain</p>
<p>Shareholders and Investors</p>  <p>WEB</p>	<p>Konica Minolta has 30,206 shareholders. The breakdown highlights relatively high ownership by institutional and foreign shareholders; foreign shareholders own a combined stake of 44%, while Japanese financial institutions own 40% (as of March 31, 2013).</p>	<ul style="list-style-type: none"> • Shareholders' meetings • Briefings for investors • Visits to investors • Annual reports • IR website 	<p>Enhancing communication with shareholders and investors</p>
<p>Employees</p>  <p>p. 33</p>	<p>Konica Minolta employs 41,844 people worldwide. Of those, 30% are in Japan, 20% are in Europe, 18% are in North America, and 32% are in China and elsewhere in Asia, and others (Figures are based on total regular employees of consolidated companies, as of March 31, 2013).</p>	<ul style="list-style-type: none"> • Interactive intranet • Group journal • Employee attitude surveys • Dialogue with labor unions • Offering internal help line systems • Exchanging opinions during inspection tours of production sites by senior staff 	<p>Promoting and developing diverse human resources</p> <hr/> <p>Promoting occupational health and safety</p>
<p>Local and Global Communities</p>  <p>p. 37</p>	<p>Konica Minolta operates in some 41 countries across the globe, and acts as a responsible member of every community where it operates.</p>	<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 	<p>Implementing social contribution activities around the world</p>
<p>Global Environment</p>  <p>p. 15</p>	<p>As a manufacturer, Konica Minolta engages in various operations that impact the environment, for instance generating CO₂ emissions, which contribute to climate change, using materials derived from petroleum, which is a dwindling natural resource, and affecting ecosystems in various ways.</p>	<ul style="list-style-type: none"> • CSR reports, environmental reports, and websites • Community briefings and explanatory meetings • Collaboration with research institutions 	<p>Preventing global warming</p> <hr/> <p>Supporting a recycling-oriented society</p> <hr/> <p>Reducing the risk of chemical substances</p> <hr/> <p>Restoring and preserving Biodiversity</p>

1 **Serious product-related accidents:** Accidents in which products put the lives of product users at risk or cause serious bodily injury and those in which property other than the products is damaged seriously
 2 **Quality problem index:** An index created by Konica Minolta based on the costs related to quality problems that arise in the process of creating products or those involving products on the market

	Fiscal 2012 Targets	Fiscal 2012 Results	Fiscal 2013 Targets
	1. Number of serious product-related accidents ¹ : 0 2. Quality problem index ² : Halving problems by fiscal 2013 compared to fiscal 2008	1. 0 2. 78% reduction <ul style="list-style-type: none"> Investigated and evaluated 100% of cases registered in the critical accident report database Continued product safety education (about 70% complete) Identified quality-related issues throughout the product lifecycle and considered and implemented measures 	1. Number of serious product-related accidents ¹ : 0 2. Quality problem index ² : 80% reduction compared to fiscal 2008 <ul style="list-style-type: none"> Complete product safety education for all target personnel Visualize quality risk management throughout the product lifecycle
	<ul style="list-style-type: none"> Improving customer relationship management 	<ul style="list-style-type: none"> Established a Customer Relationship Management Improvement and Promotion Managers' Committee; established management indicators and created detailed measures for each business 	<ul style="list-style-type: none"> Achieve management indicators for strengthening customer relationship management established for each business (e.g., loyalty measurements)
	<ul style="list-style-type: none"> Promoting CSR Procurement 	<ul style="list-style-type: none"> Completed incorporation of CSR procurement into supplier evaluations within ISO 9001 quality management system in most business divisions Trained examiners 	<ul style="list-style-type: none"> Finish incorporating CSR procurement into supplier evaluations within ISO 9001 quality management system in all business divisions and start operating it Continue training examiners in all business divisions
	<ul style="list-style-type: none"> Addressing the issue of conflict minerals 	<ul style="list-style-type: none"> Established a promotion system compliant with conflict minerals regulations 	<ul style="list-style-type: none"> Establish management system for compliance with conflict minerals regulations
	<ul style="list-style-type: none"> Enhancing the IR activities through direct dialogues in Asia Enhancing the IR website 	<ul style="list-style-type: none"> Gave briefings at conferences and visited investors in Hong Kong and Singapore Won a gold medal in the Gomez IR Website Ranking 2013, which assesses user friendliness and richness of information on IR websites 	<ul style="list-style-type: none"> Enhance website for individual investors Hold briefings for individual investors
	<ul style="list-style-type: none"> Appointing and developing human resources who can actively participate in the global business environment Supporting career development of female employees 	<ul style="list-style-type: none"> Established a Group-wide platform for human resources development and deployment Continued a program to train global business leaders Promoted the employment of "global human resources" and employee interaction Implemented a support program for the development of women in management positions 	<ul style="list-style-type: none"> Roll out Group-wide platform for human resources development and deployment Expand business leader development program to manager-level personnel and offer program in different regions
	1. Number of serious accidents ³ : 0 2. Frequency rate of accidents causing absence from work: 0.1 or less	1. 0 2. In Japan: 0.11, outside Japan: 0.10 <ul style="list-style-type: none"> Analyzed similar accidents and rolled out recurrence prevention measures Group-wide Increased the number of model facilities for fundamental facility improvement and expanded initiative outside Japan 	1. Number of serious accidents ³ : 0 2. Frequency rate of accidents causing absence from work: 0.1 or less <ul style="list-style-type: none"> Reduce risk of accidents during working hours and prevent recurrences of similar accidents Continue making fundamental facility improvements
	→  p. 37 Typical examples of fiscal 2012		
	→  p. 23		

³ **Serious accidents:** 1. Death, diseases that require or may require long-term care, injuries that cause or may cause disabilities, and specific communicable diseases
2. Accidents that cause three or more employees at one time to suffer on-the-job death, injuries or diseases(including accidents that do not cause absence from work)



For the Global Environment

Konica Minolta established Eco Vision 2050, a set of long-term goals that looks all the way out to the year 2050, focusing on the three aims of preventing global warming, promoting resource recycling, and preserving biodiversity. Governing the Group's current efforts to achieve Eco Vision 2050 is the Medium-Term Environmental Plan 2015, which establishes major objectives and specific goals to be implemented by the target year of fiscal 2015. At the same time, Konica Minolta has committed itself to the "Three Green Activities" that will help it reach its goals for fiscal 2015. In line with the Group's commitment to "Giving Shape to Ideas," Konica Minolta is determined to create environmental innovation at each stage in its business processes, from product development to production, distribution, sales and service, and collection and recycling. This effort will contribute to reducing its environmental impact while also bringing costs down and promoting sales to customers concerned about the environment.



Fiscal 2012 Achievements

- Konica Minolta's commitment to creating green products brought the share of products certified as Green Products Plus to 27% of total sales. These products have industry-leading environmental performance. [p. 17](#)
- The Group achieved nearly all targets for fiscal 2012, including the target for product lifecycle CO₂ emissions, as it focused on the Three Green Activities and made progress in other areas, as well. [p. 23](#)

Share of sales for Green Products Plus:

27%

Reduction in CO₂ emissions throughout the product life cycle:

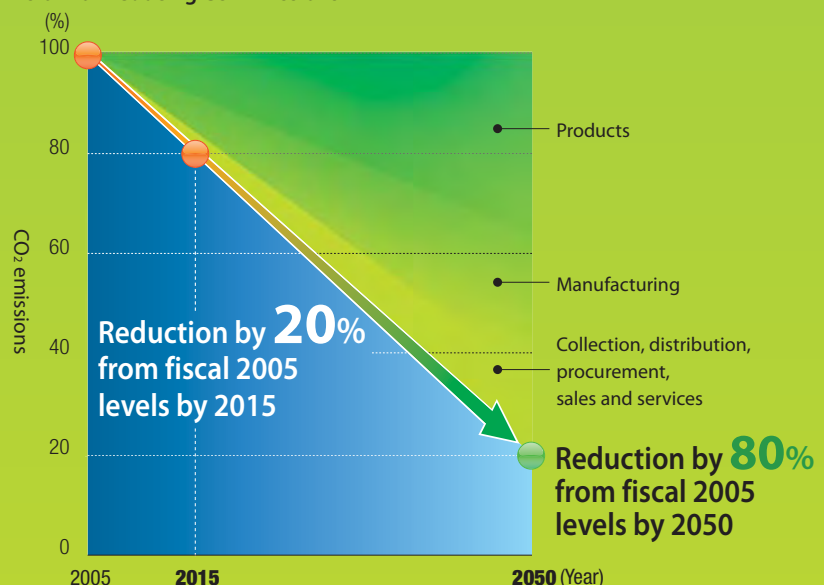
50% from fiscal 2005 levels

Konica Minolta's Long-Term Environmental Targets

According to the Intergovernmental Panel on Climate Change (IPCC), greenhouse gas emissions in 2004 were 49 billion t-CO₂, which, divided by a world population of 6.4 billion people, amounts to 7.66 t-CO₂ per person per year. The amount of greenhouse gases that the earth can absorb naturally is thought to be 11.4 billion t-CO₂. Divided by the projected population of 9.2 billion people in 2050, this means the earth could naturally absorb 1.24 t-CO₂ per person in 2050. That is 80% less than current annual per capita emissions.

These estimates were used to determine the Eco Vision 2050 target of an 80% reduction in product lifecycle CO₂ emissions by 2050, compared to a fiscal 2005 baseline.








Vision for Reducing CO₂ Emissions



Eco Vision 2050

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

Medium-Term Environmental Plan 2015 (Base Year: Fiscal 2005)

Objectives	Product Development	Manufacturing	Distribution, Sales and Service	Collection and Recycling
 Preventing global warming	 CO ₂ emissions throughout product life cycle: Reduce by 20%			
	CO ₂ emissions from product usage: Reduce by 60%	CO ₂ emissions from manufacturing: Reduce by 10% (per unit of sales)	CO ₂ emissions from distribution: Reduce by 30% (per unit of sales)	CO ₂ emissions from sales and service: Reduce by 50% (per unit of sales)
 Supporting a recycling-oriented society	 Petroleum-based resource usage: Reduce by 20% (per unit of sales)			
	Amount of resources such as plastic used in products	Waste such as resin scraps and solvent generated in production	Fuel consumption of sales and service vehicles	
		•Waste discharged externally¹ from manufacturing: Reduce by 50% (per unit of sales)	•Packaging materials usage: Reduce by 25% (per unit of sales)	•Product recycling: Build up product recycling systems in each region and aim for a recycling rate of 90% or more
 Reducing the risk of chemical substances	•Chemical substance management: Maintain strict management of chemical substances, including the entire supply chain ²	•Atmospheric emissions of volatile organic compounds (VOCs): Reduce by 75% (in terms of environmental impact index ³)		
 Restoring and preserving biodiversity	 Help restore and preserve biodiversity			

- 1 **Waste discharged externally:** The amount of waste disposed of outside Konica Minolta facilities, comprising the total amount of waste generated through production activities, minus the amount recycled and reduced internally.
- 2 **Supply chain:** In this case, the process by which raw materials from upstream companies pass through component manufacturers and are delivered to Konica Minolta
- 3 **Environmental impact index:** An index unique to Konica Minolta designed to measure impact on the environment, obtained by multiplying VOC emission volume by a hazard factor (impact on human health and environmental impact) and a location factor.

Note: Until now, Konica Minolta set its targets based on unit of sales as an index for assessing environmental impact reduction outcomes. However, such an index no longer reflects reduction outcomes appropriately due to exchange rate fluctuations and falling prices. Accordingly, for fiscal 2013 a switch has been made to unit of production, or another index that best suits each target, which is not influenced by these factors, to enable appropriate assessment of environmental impact reduction outcomes.

Planning and Development
Green Products Certification System
 Creating and Providing Environmentally Responsible Products

Three Green Activities

Sales and Services
Green Marketing Activities
 Practicing Environmentally Responsible Sales and Services

Production
Green Factory Certification System
 Realizing Environmentally Responsible Production Sites



Three Green Activities

Green Products Certification System

Konica Minolta has introduced a Green Products Certification System, its own unique system for evaluating and certifying products with superior environmental performance. The system aims to create environmental value suited to different businesses and product characteristics with the purpose of helping customers and society at large to reduce environmental impact. Since the system went into full operation in July 2011, 47 products in fiscal 2011 and 28 in fiscal 2012 have been certified. Moreover, the share of sales accounted for by products certified as Green Products Plus, which have industry-leading environmental performance, reached 27% in fiscal 2012. Starting in fiscal 2013, the Group is

adding new standards for creating environmental value for the customer in an effort to help customers and the broader society to reduce environmental impact even further.

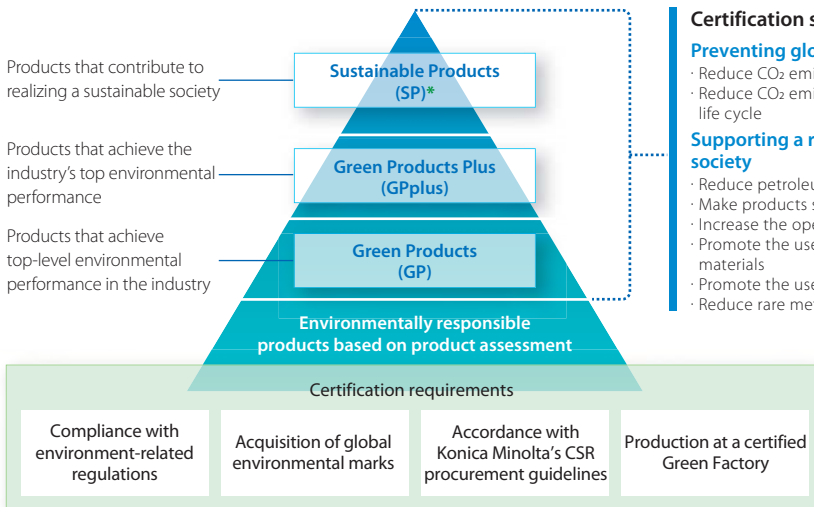


green products

Target of Sales Ratio Setting for Green Products

	Fiscal 2012 Target	Fiscal 2012 Achievement	Fiscal 2015 Target
Sustainable Products (SP)	-	-	1 product
Green Products Plus (GPplus)	15%	27%	30%
Total of Green Products	20%	31%	50%

Green Products Certification System



Certification standards (excerpts)

Preventing global warming

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

Supporting a recycling-oriented society

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

Reducing the risks from chemical substances

- Restrict the use of hazardous chemical substances

Restoring and preserving biodiversity

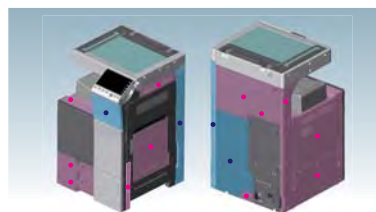
- Use biological resources in a sustainable manner

Manufacturing process innovation

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

Example: Using Originally Developed Recycled Material in Products

Konica Minolta uses recycled material in products in an effort to make effective use of resources. The bizhub C554e series of color MFPs, for example, uses two kinds of recycled material in 20 locations that make up nearly 40% of the outer casing. One of those materials,



● Recycled PET/PC plastic ● Recycled PC-ABS plastic

recycled PC¹/PET², is a mixed recycled material made using Konica Minolta's original chemical processing technology. The material was developed by evenly mixing materials from recovered one-gallon water cooler jugs and plastic drinking bottles to create a material that has the required strength and fire-retardant properties to meet safety standards and that can be mold injected.

1 PC: Polycarbonate, a type of thermoplastic resin

2 PET: Polyethylene terephthalate, a type of polyester



Examples of Green Products Certified in Fiscal 2012

In fiscal 2012, 28 models were certified as Green Products. Of those, 20 models, including the four products below, were certified as Green Products Plus.

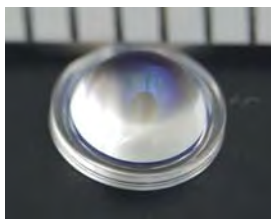
bizhub C554e Color MFP

- More than 39% reduction of power consumption (TEC¹) (compared to our previous model).
- Uses originally developed, fire-resistant, recycled PC/PET.
- Industry-top-class quietness² when operated.



REGIUS ΣII Desktop CR

- Power consumption when in use has been cut by 20%, and 30% on standby (compared to previous model).
- The world's lightest³ cassette CR system, at 28kg.



BD/DVD/CD-compatible plastic single objective lens for optical disks

- The industry's first BD/DVD/CD-compatible plastic single objective lens for optical disks using diffraction optics technology. The use of petroleum-based resources has been reduced by 79% (compared to our previous model).
- Smaller size made possible by reducing approximately 45% off the total length and outside diameter (compared to our previous model).



LED lighting Symfos LED-Tasklight A6KH-200, A6KH-300

- Achieves industry-best level of power consumption efficiency for a surface-emitting lighting using a light guide plate
- Glare and multiple shadows, issues typical of LED lighting, have been reduced to achieve lighting friendly to eyes

¹ TEC: Typical Energy Consumption, a measure of energy consumption established by the International Energy Star Program. ² as of the May 2013 launch ³ as of the June 2012 launch

Green Factory Certification System

Konica Minolta has operated its original Green Factory Certification System for comprehensive evaluation of the environmental activities of its production sites since 2010. The purpose of this system is to bring costs down and reduce environmental impact by developing activities in line with each business's production strategy. The certification requirements in this system include not only the achievement of targets but also the degree of attainment for some 250 guidelines related to the implementation process.

In fiscal 2011, all business units* achieved Level 1 certification as planned. In fiscal 2012, five business units (two in China and

three in Japan) became the first to attain Level 2.

In fiscal 2012, this initiative accounted for significant reductions in environmental impact.

Compared to a fiscal 2005 baseline, CO₂ emissions were down about 100,000 tons and waste discharged externally was down about 10,000 tons.



green factory

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

Green Factory Certification Standards

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

¹ Per unit of production: Environmental impact in terms of production output or production volume.

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

Green Marketing Activities

Konica Minolta carries out green marketing activities as its way of practicing environmentally friendly sales and services. The objectives of these activities are to bring costs down and reduce environmental impact by rolling out efficiency-boosting measures in distribution, packaging, sales, and service. Konica Minolta also aims to provide optimization solutions that help customers reduce their environmental impact.


Specifically, Konica Minolta has introduced various initiatives in these areas in accordance with its Medium-Term Environmental Plan 2015 to reduce CO₂ emissions from

distribution, the amount of packaging, and the amount of fuel used by company vehicles, and to recover used products and reuse their materials. Similarly, in order to facilitate the reduction of the environmental impact when customers use its products, Konica Minolta seeks to promote their adoption of its Green Products and offers Optimized Print Services (OPS)* solutions that help customers minimize cost of ownership and lower environmental impact, while improving workflow efficiency.

* **Optimized Print Services (OPS):** Konica Minolta's consultancy-based services that support the optimization of the printing and documentation environments in corporate offices.  p. 5

Example1: Konica Minolta Wins Hong Kong Green Award

Konica Minolta Business Solutions (HK) Ltd., a sales company in Hong Kong, has developed business-based environmentally friendly activities. The company sells MFPs certified with the Hong Kong Green Label for incorporating numerous environmental technologies, collects and recycles used MFPs, and also proposes OPS to streamline the arrangement of MFPs to help customers save energy and paper.

Furthermore, the company conducts environmental education activities through the Emerald Education Program for children together with the local environmental NGO, Green Sense.  p. 38

In recognition of these activities, the company won a Green Management Bronze Award (Corporate) in the Hong Kong Green Awards 2012 organized by the Hong Kong Green Council.



Example2: Promoting Eco-Driving and an Energy-saving Work Style

Konica Minolta Business Solutions Japan Co., Ltd., a sales company in Japan, has installed a vehicle operation management system in all company-owned vehicles. This system constantly gathers and stores data about the way company-owned cars are being used, such as the rate of sudden acceleration and deceleration, driving time, fuel consumption, and so on. Using the data, drivers of company vehicles are encouraged to implement eco-driving more rigorously to improve mileage and reduce the environmental impact of vehicle use by, for example, cutting down on idling.

Additionally, a system to graph and deliver real-time data on electricity use was installed in the head office building in February 2013 to promote an energy-saving work style. The system measures power consumption on each floor, and displays it graphically on the company intranet, and sends out emails if a designated power amount is exceeded, helping employees to stay focused on saving energy. Also, the main

reception area now features an electronic sign displaying power usage in real time, where it is visible to visitors and facility users alike.



Example of on-screen power usage display

Progress on the Medium-Term Environmental Plan



Preventing Global Warming

As part of its effort to reduce CO₂ emissions throughout the entire product lifecycle, Konica Minolta has set CO₂ reduction targets for each stage, including product usage, manufacturing, distribution, and sales and services. Building on the results of reduction efforts implemented in previous years, in fiscal 2012 Konica Minolta set its reduction targets to make them even more challenging than the goals set for fiscal 2015. These efforts brought lifecycle emissions in fiscal 2012 down to 50% of what they were in fiscal 2005.

In the area of product usage, Konica Minolta is focusing on its Business Technologies Business, which accounts for over 90% of the total CO₂ emissions from product usage, and is pursuing the development of energy-saving product technologies. In fiscal 2012, it strengthened its lineup of products with high energy-saving features, mainly color MFPs, with the release of the bizhub C554 series and bizhub C554e series, both of which can save substantially more energy than previous models.

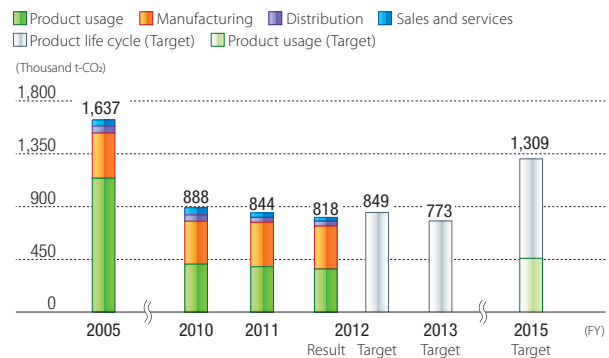
The Group is also striving to improve energy efficiency in manufacturing using its Green Factory Certification System. After all business units achieved Level 1 certification in fiscal 2011, five of them went on to earn Level 2 certification in fiscal

2012 by making even more rigorous efforts to reduce environmental impact. **p. 18**

To reduce CO₂ emissions from distribution, Konica Minolta made efforts to reduce the use of air transport, which included minimizing quality problems, keeping to development schedules, and improving demand forecasts.

In sales and service, the Group strove to manage and reduce CO₂ emissions from the use of sales vehicles at sales companies worldwide and worked to reduce power consumption in offices.

CO₂ Emissions Across Product Life Cycle



Example1: bizhub C554e: Color MFP with One of the World's Lowest Power Consumption Levels

The bizhub C554e color MFP boasts one of the world's lowest power consumption levels. Power consumption during use has been reduced by adopting LED for the scanner light source and further improving the induction heating (IH) fusing technology to increase heating efficiency. Moreover, standby power consumption was cut to a third that of the previous model by implementing finely tuned electricity saving measures during sleep mode. Incorporation of these diverse

environmental technologies resulted in a reduction in power consumption of about 39% compared to the previous model¹ (based on TEC²).

¹ previous model: bizhub C552DS
² TEC: Typical Energy Consumption, a measure of energy consumption established by the International Energy Star Program.



Example2: Production Lines Reorganized to Cut Emissions

Konica Minolta Technoproducts Co., Ltd., which produces medical diagnostic imaging devices, has achieved a substantial reduction in CO₂ emissions at its Sayama location by reorganizing its production lines to reduce production area and optimize lighting and air conditioning. Konica Minolta Opto Products Co., Ltd., which is the mother plant for

production of optical devices such as pickup lenses for optical disks, cross-deployed measures for reducing CO₂ emissions that it had found effective to Konica Minolta Opto (Dalian) Co., Ltd. in China. Thanks to these efforts, these three companies became the first in the Group to attain Level 2 Green Factory certification in fiscal 2012.

Supporting a Recycling-Oriented Society

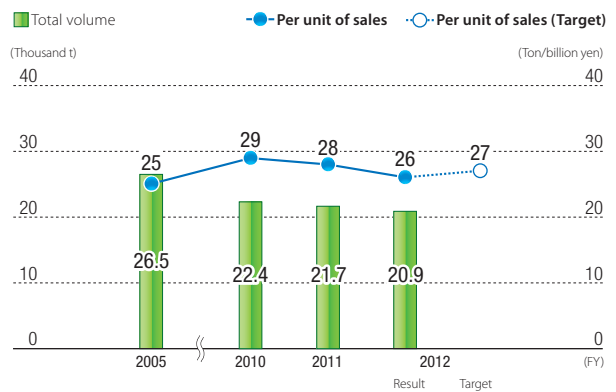
Konica Minolta is reducing the use of petroleum-based resources via initiatives targeting each of the following phases of the product lifecycle: development, production, and sales and service. The Group is emphasizing the reduction of resources used in products, especially plastic material—which accounts for over 60% of total petroleum-based resources consumed. In its Business Technologies Business, the company is aggressively using recycled materials, releasing the bizhub C554 series and bizhub C554e series, both of which contain a good balance of two environmentally friendly plastics: a recycled PC/PET developed in-house and a plant-derived bioplastic. [p. 17](#)

The Group is reducing the amount of waste discharged externally from manufacturing by improving production efficiency and increasing the percentage of internal recycling at each business unit in accordance with its Green Factory Certification System. [p. 18](#)

In terms of reducing packaging materials usage and

promoting product recycling, the Group focused on the Business Technologies Business, which accounts for more than 90% of usage, in slimming down, reusing, and conducting studies on recycling packaging materials.

Waste Discharged Externally from Manufacturing*



* The target for fiscal 2013 was changed from "per unit of sales" to "per unit of production."

Example1: Resources Conserved through Development of Thinner TAC Film

In the area of performance materials, Konica Minolta has drawn on its strengths in manufacturing technology to make thinner and thinner TAC film, which protects polarizers in liquid crystal displays. This has contributed to the conservation of resources while also helping to make IT devices lighter. Until recently Konica Minolta sold a high-quality, thin-film product with a thickness of 40 μm. It has now become the first in the

industry to develop a super-thin TAC film with a thickness of only 25 μm for the mobile market, launching mass production in November 2012.

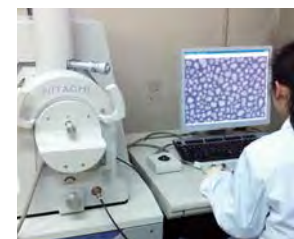


TAC film for LCD polarizers

Example2: Developing Recycling Technology for the Rare Earth, Cerium Oxide

There are only a few supplier countries of rare earth materials worldwide, leading to concern about risks such as limited supply and rising costs. Also, rare elements must be used efficiently to realize sustainable human societies. Cerium oxide is a rare earth element used as a polishing material for glass. There has been a need to reclaim cerium oxide from waste liquid left after polishing, but the challenge was how to remove the glass particles. Building on the advanced materials technology gained in the development of films and toners, Konica Minolta has successfully developed recycling technology able to extract high-purity cerium oxide from polishing waste. The recycling rate for the polishing process overall

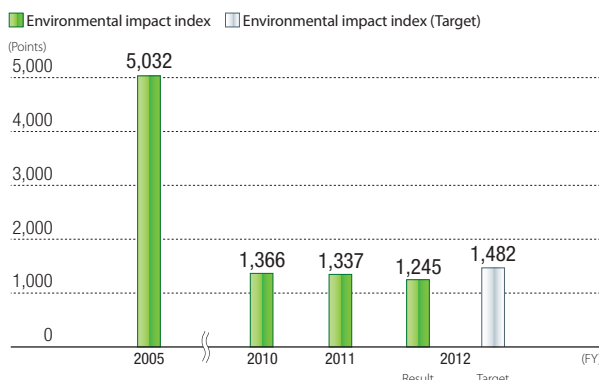
now exceeds 90%, thanks to the new recovery and recycling of cerium oxide also from the waste liquid left over from washing products after polishing. Konica Minolta is currently installing this system at lens and HDD glass substrate production sites in and outside Japan, and it will also sell the recycling technology to contribute to the broader industrial world.



Reducing the Risk of Chemical Substances

Konica Minolta is committed to strict management of chemical substances throughout the supply chain. In fiscal 2012, it selected substances of very high concern (SVHC) under the REACH Regulation for reduction, conducted a study of alternatives, and established reduction management plans for different applications and fields. The Group also requests suppliers to manage substances contained in products, and it practices management in compliance with the revised RoHS directive. Since 1993 Konica Minolta made efforts to reduce the emissions of volatile organic compounds (VOCs) from its production sites, focusing on those VOCs that it determined to have a high risk in terms of hazard and volume of use. In fiscal 2012, the Group achieved the targets for all its businesses by carrying out measures under its Green Factory Certification System.

Reduction of Atmospheric VOC Emissions (Risk-Adjusted) *



* The target for fiscal 2013 was changed from "total points" to "total points per unit of production."

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

Restoring and Preserving Biodiversity

Konica Minolta has been implementing various initiatives, mainly at its production sites, to restore and preserve biodiversity. The Group has made meeting the standards of its Guidelines for Biodiversity Preservation a requirement for attaining Level 2 certification under the Green Factory Certification System, which specifically requires consideration of water resources, consideration of wastewater, and proper management of greenery at factories.

As part of these initiatives, the Group is conducting



ecosystem impact assessment tests based on bioassays using Whole Effluent Toxicity (WET)* testing to verify the impact of wastewater on the surrounding ecosystems. In fiscal 2011, four plants in Japan that emit wastewater from manufacturing processes into public water areas carried out the tests. In fiscal 2012, a plant in Malaysia also carried out the testing, verifying that there was no negative impact on algae and other test organisms. Testing will be carried out in the future as needed, such as when there is a change in production processes.

* **Whole Effluent Toxicity (WET):** A method that assesses the aggregate toxic effect of wastewater on aquatic life rather than the volume of individual chemical substances. Unlike conventional effluent management methods, it enables holistic assessment of the effect of an effluent, detecting the impact caused by any non-regulated chemical substance or the combined impact of multiple substances.

Guidelines for Biodiversity Preservation (excerpts)

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

Environmental Data Summary

Fiscal 2012 Targets and Results

Self-assessment ☆☆☆: Achievement more than 100% ☆☆: Achievement more than 80% and less than 100% ☆: Achievement less than 80%

Objectives	Fiscal 2012 Targets (Base Year: Fiscal 2005)		Fiscal 2012 Results and Key Measures		Achievement
Preventing global warming	CO ₂ emissions throughout product life cycle	-48.1%	-50.0%		☆☆☆
	CO ₂ emissions from product usage	-67.7%	-67.7%	GP Marketed products with high energy-saving performance	☆☆☆
	CO ₂ emissions from manufacturing (per unit of sales)	+32.5%	+27.7%	GF Improved energy efficiency in production	☆☆☆
	CO ₂ emissions from distribution (per unit of sales)	-4.4%	-13.7%	GM Reduced air freight	☆☆☆
	CO ₂ emissions from sales and service (per unit of sales)	-15.2%	-11.4%	GM Increased efficiency in sales and services GM Introduced eco-cars and eco-driving	☆☆
Supporting a recycling-oriented society	Petroleum-based resource usage (per unit of sales)	+15.7%	+10.3%	GP Reduced resources used in products GF Reduced waste in production GM Introduced eco-cars and eco-driving	☆☆☆
	Packaging materials usage (per unit of sales)	+9.7%	+6.1%	GM Reduced packaging through improved design GM Made packing boxes returnable between production facilities	☆☆☆
	Waste discharged externally ¹ from manufacturing (per unit of sales)	+8.1%	+3.3%	GF Improved production efficiency and promoted internal recycling	☆☆☆
	Product recycling : • Market re-manufactured MFPs worldwide • Investigate packaging and parts reuse			GM Creation of next-period scenarios for reconditioned copiers GM Investigation of additional packaging reduction measures	☆☆☆
Reducing the risk of chemical substances	Chemical substance management : • Plan alternatives to materials targeted for reduction • Respond to RoHS ² self-declaration of conformance			GP Initiative plan for substances targeted for reduction GP Measures for the RoHS Self-Declaration	☆☆☆
	Atmospheric emissions of volatile organic compounds (VOCs) (environmental impact index ³)	-70.5%	-75.3%	GF Implementation of the VOC reduction plan	☆☆☆
Restoring and preserving biodiversity	• Pursue compliance with the Guidelines for Biodiversity Preservation • Deploy the ecosystem impact assessment • Establish the procurement standards for paper and prepare global deployment			GF Undertake activities according to the guidelines for biodiversity preservation GF Deploy the ecosystem impact assessment outside Japan GM Prepare global deployment of the procurement standards for paper	☆☆☆

GP Activity under Green Products Certification System
GF Activity under Green Factory Certification System
GM Green Marketing activities



Fiscal 2012 Targets and Results / Fiscal 2013 Targets

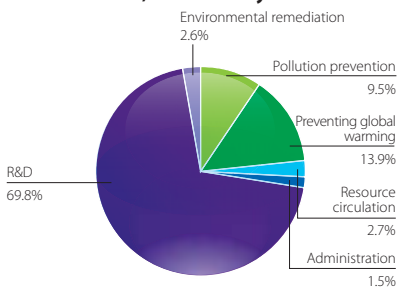
- Waste discharged externally:** Volume discharged outside Konica Minolta sites, obtained by subtracting the internally recycled and reduced volumes from the total waste generated in production processes.
- RoHS Directive:** Regulations enacted by the EU in July 2006 prohibiting the use of specified hazardous substances in electrical and electronic equipment.
- Environmental impact index:** An index unique to Konica Minolta designed to measure impact on the environment, obtained by multiplying VOC emission volume by a hazard factor (impact on human health and environmental impact) and a location factor.

Environmental Accounting

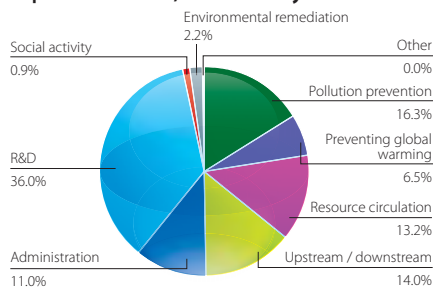
Konica Minolta has implemented global-scale, consolidated environmental accounting in order to quantitatively assess the costs of environmental preservation in business operations and the benefits obtained from those activities. Investments in fiscal 2012 totaled approximately 2.4 billion yen, an 83% increase year

on year. The increase mainly resulted from investment in equipment for production technology development in the field of performance materials. Expenditures totaled approximately 12.5 billion yen, virtually unchanged from the previous year.

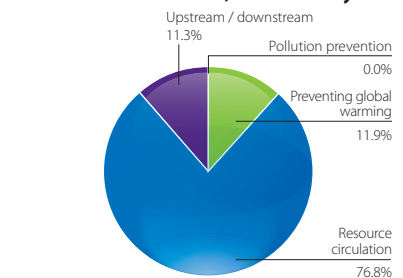
Investment 2,418 million yen



Expenditures 12,474 million yen



Economic Benefits 23,776 million yen



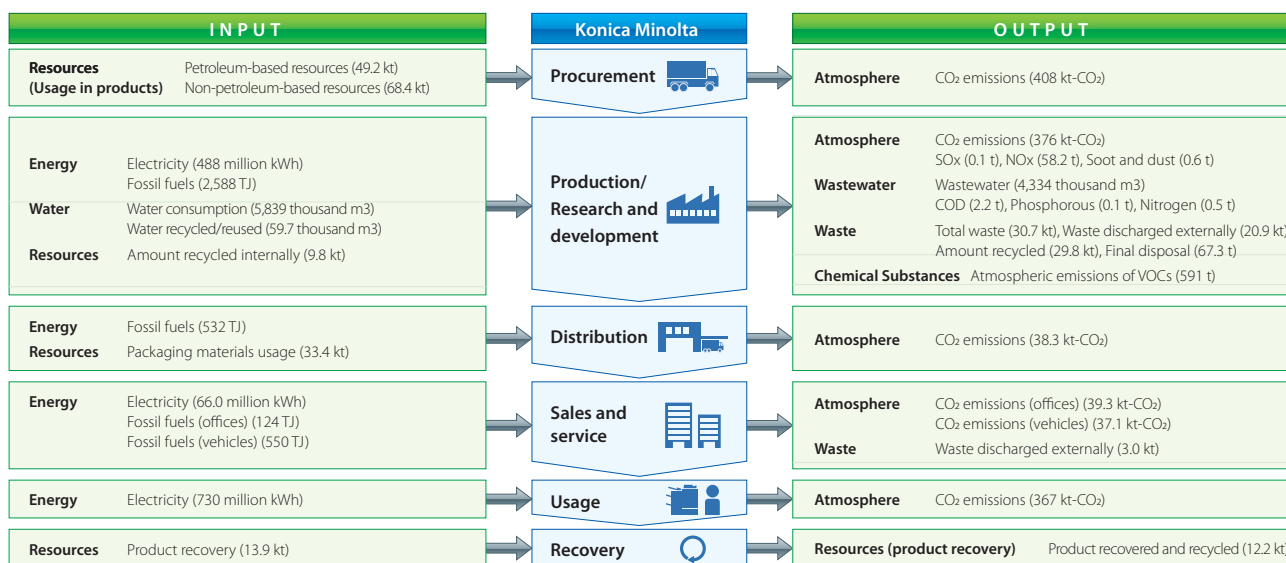
* Percentages do not necessarily total to 100 because of rounding.

Environmental Impacts Resulting from Business Activities



Calculating Environmental Data

Overall Picture of Environmental Impact



Calculating CO₂ Emissions Across the Entire Supply Chain



Calculating CO₂ Emissions Across the Entire Supply Chain

Konica Minolta has calculated the entire CO₂ emissions associated with the Group's activities across its entire supply chain, from upstream to downstream of its operations, based generally on the standards of the GHG Protocol, the international standard. The calculation showed that CO₂ emissions throughout the supply chain were approximately 1.507 million tons.

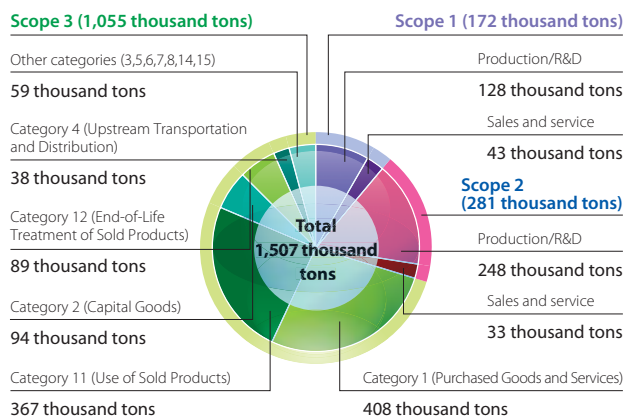
Emissions from the Group's activities—that is, direct emissions from fuel use (Scope 1) plus indirect emissions from consumption of purchased electricity, heat or steam (Scope 2)—total approximately 453 thousand tons, or about 30% of all emissions. Other indirect emissions (Scope 3) associated with the Group's activities totaled approximately 1.055 million tons, accounting for about 70%.

Categories within Scope 3 with high emissions were purchased goods and services (27.1%) and use of sold products (24.3%). These categories are within the scope of its previous calculations, but the Group has now discovered new challenges, including the need to set emissions reduction targets for purchased goods and services and to thoroughly manage appropriate measures. Konica Minolta will share information with relevant stakeholders in the future based on

these calculation results and move forward with CO₂ emissions management and reduction activities throughout the supply chain.

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

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



* Figures do not necessarily match total because of rounding.



Earning the Confidence of Customers

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



Fiscal 2012 Achievements

- The Group conducted a thorough review of market quality issues, identified quality issues at all stages of the product lifecycle, and considered and implemented measures to prevent serious product accidents and quality-related problems. **p. 26**
- The Group started initiatives aimed at improving customer relationship management and established detailed measures for each business. **p. 27**

Number of serious¹ product-related accidents

0

¹ **Serious accidents** : Includes those in which products threaten the lives of product users or cause serious bodily injury and those in which property other than products was damaged seriously

Reduction in quality problem index²

78% from fiscal 2008 levels

² **Quality problem index** : An index created by Konica Minolta based on the costs related to quality problems that arise in the process of creating products or those involving products on the market

Always Putting the Customer and Quality First

In line with its policy of always putting the customer and quality first, Konica Minolta makes every effort to improve quality from every angle, including maintenance and service, as well as the quality of products themselves. For that reason, it assesses every kind of quality risk at each stage of the product lifecycle, from planning to manufacturing, sales, and maintenance, in an effort to prevent quality problems.



Konica Minolta Quality Policy (excerpts)

The Konica Minolta Group ensures maximum satisfaction and trust by our customers, paying the utmost attention to our customers and giving our top priority to the quality of products and services. Our concept is to make steady progress in quality based on quantitative measurement and analysis of accurate data. This basic concept is demonstrated in the following affirmation:

1. Achieving the industry's top level Customer Satisfaction
2. Providing advanced products that satisfy customers' potential needs
3. Establishment and development of a global Quality System
4. Quality Management in the total life cycle of products and services
5. Continued enhancement of Quality Assurance Process
6. Minimization of product quality risks
7. Disclosure of product safety information



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



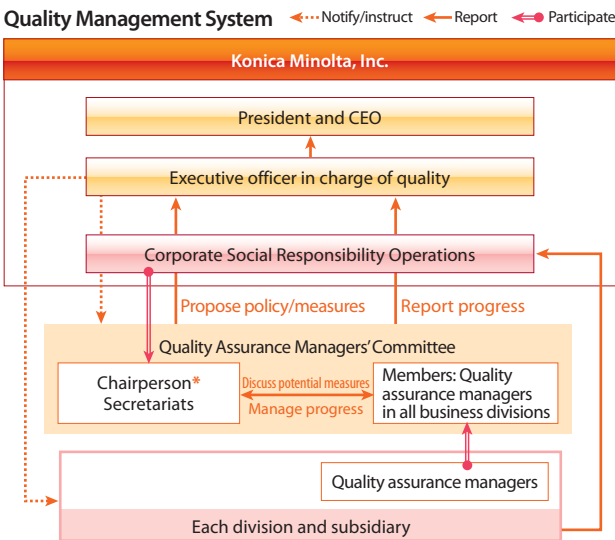
[Universal Design / Security Functions for MFPs](#)

Earning the Confidence of Customers

Assuring Product Safety and Preventing Quality-Related Problems

Group-Wide Quality Assurance System

Konica Minolta, Inc. has established a Quality Assurance Managers' Committee that supervises Group-wide quality management. This committee is chaired by the head of Corporate Social Responsibility Operations and reports to the executive officer who has responsibility for and authority over the entire Group's quality issues. The committee meets on a quarterly basis, in principle, and, in addition to promoting quality planning and monitoring progress, it shares and scrutinizes information concerning quality assurance. Furthermore, each business regularly holds meetings to discuss quality-related issues and work to continuously improve quality by thoroughly implementing the PDCA cycle.



Thorough Investigation of All Quality Problems

Whenever a problem related to product quality occurs, sales sites around the world are required to register information in a Group-wide critical accident report database within 24 hours. Registered information is instantly sent to the appropriate supervisor and shared with relevant departments. Using this system, the Group takes action to prevent a recurrence by thoroughly investigating all registered incidents, analyzing the causes, implementing countermeasures, and reflecting these in technical and assessment standards. In the unlikely event of a safety-related incident, a report will be immediately filed with the supervisor of the individual business and shared with the executive officer in charge of quality as well as the Quality Assurance Department, Corporate Communications, and Legal Department, regardless of the cause of the problem. When a

quality problem with a potentially serious risk arises, a Quality Problem Countermeasure Conference is convened based on the Market Quality Management Rules in order to promptly deal with the issue and ensure thorough information disclosure. In fiscal 2012, there were no serious accidents.

Product Safety Education

Since fiscal 2009, Konica Minolta has conducted Group-wide product safety education for technicians involved in design and development, manufacturing technology, procurement, and quality assurance. The courses are designed to increase technicians' knowledge of product safety issues and increase their awareness of potential problems. Starting in fiscal 2011, experts in relevant fields from each division led courses on such topics as "Product Safety from CSR, Risk Management, and Compliance Points of View," "Product Safety Regulations," "Product Safety Management Systems and Their Operation," and "Methods to ensure product safety," using specific case studies to illustrate key points. Coupled with a hands-on training involving combustion tests, these courses constitute a full-fledged product safety education system. Approximately 70% of the personnel targeted for training had completed the training by the end of fiscal 2012, and the Group plans for all targeted personnel to be finished with the training during fiscal 2013.



A fire experimental course

Preventing Quality-Related Problems

Konica Minolta has continued to identify and fix quality issues at each stage of the product lifecycle, in order to prevent all types of quality-related problems before products appear on the market. In the development, design, and procurement stages, it inspects quality issues in terms of new technology, design changes, customer use, procured parts, and other matters and reconsiders assessment items and methods. The Group also carries out initiatives in manufacturing, which combine the activities of the Production Capability Strengthening Task Force, consisting mainly of executives and organizational managers responsible for production, which identifies issues in manufacturing processes from a wide perspective, with Process Improvement efforts at individual workplaces. These initiatives resulted in a 78% reduction in problems in fiscal 2012, compared to fiscal 2008, based on the Group's original quality problem index.

Increasing Customer Satisfaction

Working to Improve Customer Relationship Management

Konica Minolta aspires to increase the trust and appraisal from customers and to maintain long-term good relations with them. In order to realize this goal, the Group is working not only to satisfy essential quality needs such as consistent quality and complete customer support, but also to create innovative products and solutions to customer problems in order to deliver “appealing quality” that makes a powerful impression by providing customer support that goes beyond what customers expect. In fiscal 2012, it newly established a Customer Relationship Management Improvement and Promotion Managers’ Committee, which oversees Group-wide policies and management. It also sets indices and detailed measures within each business according to their respective characteristics.

Heeding the Voice of the Customer

Konica Minolta provides customer assistance in countries around the world through call centers and websites set up for different products and services. In addition to responding promptly to defect information and inquiries received by each contact point, the Group also centralizes that information in its Voice of the Customer* database in an effort to ascertain the status of quality and customer requests. Additionally, each business division periodically conducts customer satisfaction surveys either through an independent organization or in-house. Moreover, development personnel in addition to sales personnel make visits to customers who use the Group’s products.

* **VOC(Voice of Customer)** : This database stores feedback gathered from call centers, interviews, and the results of market surveys.

Improving the Solutions Provided to Customers

Konica Minolta strives to provide solutions in the form of products as well as customer service and support in order to maximize customer satisfaction and trust. In the Business Technologies Business and Healthcare Business, for example, the Group not only implements globally standardized processes for providing products and solutions, but also strengthens maintenance and support systems and offers new functions reflecting customer feedback.

Examples

Healthcare Business

The Healthcare Business has been strengthening remote maintenance and its call centers in order to minimize the time diagnosing stops due to product trouble and operational mistakes. Also, in April 2012, it moved call centers out of sales companies and centralized them in the Quality Assurance Division at headquarters in order to gather customer feedback worldwide and cross deploy measures.

Spotlight

Group personnel made a focused effort over a two-month period to visit customers around the world who had adopted products from the AeroDR series that was launched in March 2011. They obtained a lot of information that is available nowhere else, such as detailed circumstances of product trouble, instances in which functions are not being used sufficiently, and cases where products are being used in unexpected ways. Within one month, the Group provided answers to approximately 1,000 requests and troubles gleaned from customers through these visits.

Wireless Digital Radiography System “AeroDR 1012HQ”



Features

- Minimizes burden on patients thanks to high image quality with low X-ray exposure
- Improved operability during shooting with increased shooting freedom provided by wireless technology and light weight (1.7 kg, the lightest in the world*)
 - * At time of release in April 2013
- Substantially reduced power consumption while maintaining imaging performance and processing capabilities

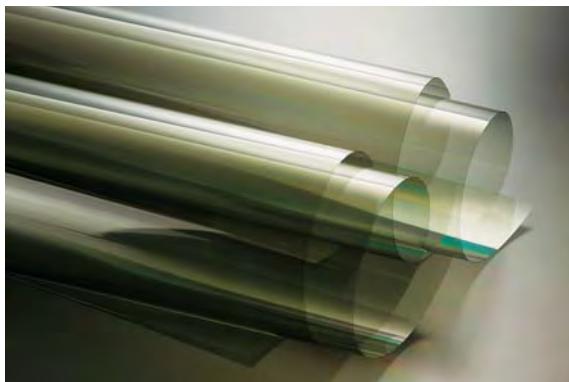
Industrial Business

Performance Materials

Konica Minolta brings together the materials technologies and film-making technologies it has accumulated over the years to deliver film materials with the new added value required by industry and society for a wide variety of applications, such as protection, thermal insulation, water shielding, polarization, and luminescence.

The Group stays in constant contact with customers and exchanges technical information with them in order to make product proposals that go the extra mile to benefit the growth of customers' businesses.

Functional window film "ICE-μ"



Features

- Thermal insulation and UV-cutting function thanks to a high infrared reflectance
- Does not hinder electromagnetic wave transmission thanks to a proprietary construction that does not use metal film



Also provided for automotive glass, which requires absolute safety

Sensing

As a company that supports quality management in a wide range of industrial fields, Konica Minolta aspires to be an entity that can deliver on customers' true needs in response to consultations from the world's leading companies about cutting-edge technology and products. That is why the Group focuses on quality assurance to maintain a high level of reliability even under long use and puts effort into enhancing after-sales service.

Display color analyzer "CA-310"



Features

- Holds an approximately 80% share together with the previous model as a measurement device for adjusting the white balance of displays
- High-speed measurement possible up to 20 times per second
- Reduces measurement errors from variability in LED light emission distribution to less than a third

Spotlight

The High-Speed Non-Contact In-Line Color Measuring System was created with the cooperation of a customer using technology developed thus far by Konica Minolta in response to a request for a way to efficiently measure product color on the production line instead of pulling samples.

High-Speed Non-Contact In-Line Color Measuring System

Features

- Contactless color measurement of uneven samples
 - World's fastest color measuring speed* of 20 times per second
- * At time of release in April 2012





Examples

Business Technologies Business

Business Solution

Seeking to build good long-term relationships with customers, Konica Minolta measures whether it is providing products and services that customers can recommend to others and strives to make improvements. Specifically, it engages in worldwide activities it calls its "CS Approach" together with sales companies. Through these activities, the Group aims to deepen relationships with customers by increasing the quality and response speed of its sales operations and customer support and to win endorsements from more customers by providing experiences that exceed expectations.

Color MFP "bizhub C554e"



Features

- Intuitive multi-touch user interface for the control panel developed with attention to universal design
- Provides access to information and documents stored in the cloud (optional)
- Saves resources by using proprietary recycled plastic
- Encourages low power consumption with a Weekly Timer and ECO Dashboard that come with learning functions

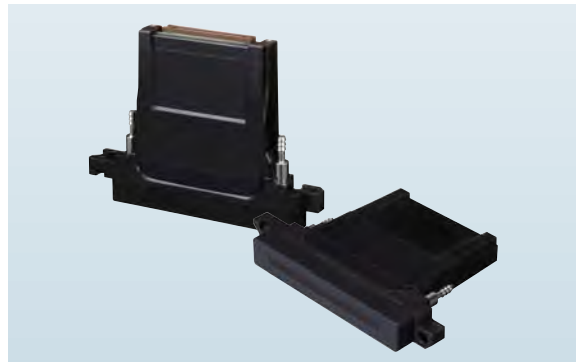


Industrial Inkjet


Konica Minolta is expanding the scope of application of industrial inkjets to electronic circuit substrates, textiles and other fields, by leveraging its proprietary materials technology and precision processing technology to develop high-performance inkjet printheads and multi-functional inks.

It also stays in direct communication with customers to provide advanced maintenance addressing a wide variety of situations.

Inkjet printheads, KM1024i Series



Features

- Multi-row structure inkjet printhead with independent drive system for all nozzles
- Stable ejection performance and printhead structure with superb ink durability
- Certified as a Green Product that is environmentally considerate  p. 17



Top share of heads for large inkjet printers for outdoor applications



Cooperating with Business Partners

Konica Minolta views the suppliers that provide its raw materials and parts as well as those to whom it outsources manufacturing as “essential partners in its business activities.” The Group strives to build strong partnerships with these business partners, based on fair and transparent transactions, with a commitment to the shared goal of providing superior products and services in a timely manner to customers all over the world. Konica Minolta also recognizes that it is essential to promote CSR not just within its own operations but also across its entire supply chain, to win the trust of society as a global company. This is why Konica Minolta promotes CSR procurement on a Group-wide basis and requires its business partners to give consideration to human rights, labor issues, and the environment in their business operations.



Fiscal 2012 Achievements

■ Konica Minolta validated the results of assessments of suppliers and production sites in the Group conducted between fiscal 2009 and fiscal 2011. It also incorporated CSR procurement into supplier evaluation within the ISO 9001 quality management system. p. 32

■ Konica Minolta established a promotion system compliant with conflict minerals regulations. p. 32

Group production sites
Validated as Rank A
based on CSR
procurement
assessment

All **36** sites

Suppliers whose
targets were not
achieved based on CSR
procurement
assessment

17 companies
(total at end of fiscal 2011)

7 companies
(total at end of fiscal 2012)

Konica Minolta Procurement Policy (excerpts)

The Konica Minolta Group pursues customer satisfaction by creating innovative products and services that contribute to the development of society, according to our management philosophy, “The Creation of New Value.” In procurement activities, we establish firm partnerships with our suppliers based on fairness and transparency and aim to build a sustainable society by fulfilling social responsibilities with our suppliers.

- OPEN** We will build transparent and reliable relationships with our suppliers and manage procurement in an open manner, while sharing objectives from a long-term and global perspective.
- FAIR** We will carry out transactions under the principle of free competition with rational evaluation criteria, and seek mutual benefit with suppliers.
- GLOBAL** We will have a global outlook and carry out procurement in the regions that best suit our operational needs.
- COMPLIANCE** We will comply with all relevant laws and regulations, corporate ethics, and internal policies and regulations.
- ECOLOGY** We will contribute to the international society and local communities by striving to take the lead in environmental protection, while reducing the impact of our operations on ecosystems.

Request to Suppliers

Based on strong partnerships with our suppliers, we ask our suppliers to focus on the following areas in order to increase customer satisfaction and fulfill social responsibilities.

1. Excellent quality
2. Reasonable prices
3. Response to changes in demand
4. Compliance with laws, regulations and corporate ethics
5. Environmental protection
6. Respect for the human rights of workers
7. Health and safety
8. Information security
9. Firm management foundation



About Konica Minolta > Sustainability > CSR Activities > Together with Business Partners

Promoting CSR Throughout the Supply Chain

Making Improvements by Tackling Challenges with Suppliers

In the Business Technologies Business, Konica Minolta has been implementing its Procurement Collaboration System in which Konica Minolta and its suppliers work together to mutually promote business environment improvements with the aim of maximizing customer satisfaction. This is an effort in which the company identifies the issues and challenges that suppliers face by discussing their situations with them and visiting their workplaces. It then makes proposals and provides tangible support for solving the problems identified, in order to make comprehensive improvements in terms of quality, delivery, productivity, the environment, and business management. At the same time, Konica Minolta also listens to its suppliers' suggestions and works to address any business problems identified.

Example: Suppliers' Meetings Held in China

Konica Minolta regularly holds suppliers' meetings every year in China as part of its Procurement Collaboration System. The meeting held in March 2013 was an opportunity to directly convey to the top management of suppliers the most important objective of the management structure reorganization made in April 2013, which is to strengthen the management capability of the Business Technologies Business. The company also shared its medium-term priority strategies, its procurement plan for the next year forward, and improvement initiatives being carried out jointly by Konica Minolta and suppliers. It also gave an overview of the conflict minerals regulations that need to be addressed going forward and explained the company's stance on this issue. Attended by 147 companies in the east China region and 123 companies in the south China region, the meeting was a valuable communication opportunity.

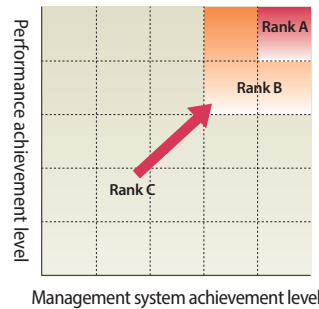


Building a Solid Foundation for CSR Procurement

Konica Minolta is active in its pursuit of CSR procurement to improve the work environment and ensure respect for human rights throughout its supply chain. It expects active participation in CSR initiatives on the part of the suppliers who provide materials. The Group monitors their progress, and requests improvements and offers advice when needed. The Group also sets higher goals at its own production sites when carrying out evaluations and making improvements. As a foundation for these initiatives, the Group has created a Code of Conduct that outlines the criteria for and fields covered by its CSR procurement program and has also created and implemented a survey system that uses self-assessment questionnaires. The evaluation results are classified into four ranks, A through D, based on the levels of achievement. Expectations are set at Rank A for Group production sites and Rank B or higher for suppliers. Sites and suppliers that do not meet expectations must make improvements based on a submitted improvement plan.

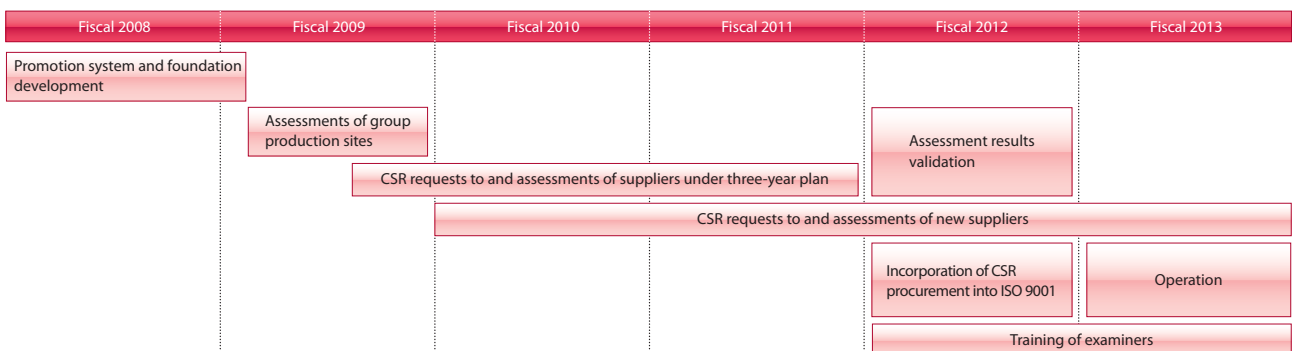
* The Code of Conduct and the self-assessment questionnaires are compliant with standards of the Electronic Industry Citizenship Coalition (EICC).

Rank Based on Achievement Level



- Rank A**
Nearly fulfills all social expectations.
- Rank B**
Some areas need improvement; these improvements can be made voluntarily.
- Rank C**
Many areas need improvement; immediate action and submission of improvement plan required.
- Rank D**
Some areas fall short of mandatory compliance levels determined by Konica Minolta; urgent improvements and submission of improvement plan required.

CSR Procurement Promotion Steps



Rolling Out the CSR Procurement Program

Konica Minolta carried out a survey using self-assessment questionnaires to evaluate the status of CSR implementation at Group production sites and suppliers based on a plan covering the three-year period from fiscal 2009 to fiscal 2011.

In fiscal 2012, the Group reviewed the survey results, made assessments of new suppliers, and expanded the scope of assessments to include production contractors. The validation results confirmed that all 36 main Group production sites that had achieved Rank A maintained that rank. As of the end of fiscal 2012, assessments had been conducted on a total of 622 suppliers. The number of suppliers that had not met expectations went from 17 at the end of fiscal 2011 to seven at the end of fiscal 2012. Additionally, the Group incorporated CSR procurement rules into supplier evaluation within the ISO 9001 quality management system in order to continuously address CSR procurement throughout the Group. Most business divisions completed this process during fiscal 2012. All business divisions should complete the process and have the rules operating during fiscal 2013.

Furthermore, in fiscal 2012 the Group trained 29 examiners, who are essential for promoting CSR procurement, at two Chinese affiliated companies and five sites in Japan. The Group intends to provide training to other relevant personnel in fiscal 2013.

Addressing the Issue of Conflict Minerals

The conflict in the Democratic Republic of Congo and adjoining countries as well as the accompanying serious human rights abuses and environmental destruction are major international problems. There are concerns that the mineral resources mined in this region—to be specific, tantalum, tungsten, gold and tin (“conflict minerals”)—could be used to fund armaments, contributing to the conflict.

Efforts to address this international problem include section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was passed in 2010 in the United States, and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Given these circumstances, companies today are inevitably required to ensure responsibility in mineral supply chains.

Konica Minolta, for some time, has followed its own Procurement Policy, which includes commitments to comply with laws, regulations and corporate ethics, respect for the human rights of workers, and environmental protection. Konica Minolta is determined to fulfill its social responsibilities in all procurement activities, taking the initiative in its activities across the entire supply chain. Konica Minolta has responded to requirements on conflict minerals and is implementing initiatives based on its Procurement Policy to help prevent relevant human rights abuses.

In fiscal 2012, Konica Minolta established a cross-Group promotion system with members including sales and procurement departments. In fiscal 2013, it plans to establish a management system and train relevant personnel in order to create specific initiatives. It will also study the issue in more detail, including the establishment of a survey method, in cooperation with the Japan Electronics and Information Technology Industries Association’s (JEITA) responsible Mineral Procurement Investigative Commission.

Spotlight

Campaign to Raise Awareness of Respect for Human Rights

Konica Minolta uses its intranet in ongoing efforts to deepen Group employees’ understanding of respect for human rights in business. In fiscal 2012, it published a series of seven commentaries, including examples of specific companies, on various topics related to human rights, such as conflict minerals regulations, the International Labor Organization’s (ILO) Eight Core Conventions, expected corporate responsibility in the supply chain, and internationally agreed codes of conduct.



A commentary



Growing Together with Our Employees

With business operations in 41 countries around the world, Konica Minolta employs people of many different nationalities, languages, and backgrounds. The source of the Group's competitiveness lies in how this diverse team shares values and cooperates closely. This is why Konica Minolta respects diversity in ways of thinking and expertise and seeks to train personal make the most of their skills from a global perspective, always aiming of continuing to create new value for society.

Konica Minolta focuses on improving workplace health and safety Group-wide, seeking to create a workplace environment in which each and every employee can succeed while enjoying physical and mental wellbeing.



Fiscal 2012 Achievements

Konica Minolta created a common global system for training personnel and utilizing their skills, and stepped up the development of "global employees." [p. 34](#)

The Group shared information on accidents to prevent the occurrence of similar accidents and focused on "top management diagnoses" implemented for accidents causing absence from work with the aim of fostering safety awareness. [p. 35](#)

Number of participants in the Global Executive Program for nurturing business leaders (total for fiscal 2010 to fiscal 2012):

114

Number of serious accidents*:

0

* Serious accidents : 1. Death, diseases that require or may require long-term care, injuries that cause or may cause disabilities, and specific communicable diseases
2. Accidents that cause three or more employees at one time to suffer on-the-job death, injuries or diseases (including accidents that do not cause absence from work)

Respecting Employees' Human Rights

Konica Minolta's commitment to respecting the personality and individuality of each and every employee is enshrined in its Charter of Corporate Behavior. The globally shared Konica Minolta Group Guidance for the Charter of Corporate Behavior goes into more detail, clearly stating that members of the Group will: seek to eliminate discrimination of all kinds, whether based on race, nationality, gender, religion, belief, or physical disability; seek to eliminate child labor and forced labor; and strive to create an environment with zero tolerance for harassment. Furthermore, Konica Minolta has established consultation offices for addressing these kinds of human rights violations in each of its host countries. Konica Minolta is signatory to the United Nations Global Compact and upholds freedom of association and the effective recognition of the right to collective bargaining. Konica Minolta makes it a rule to strictly confirm the age of applicants when hiring a new employee. By taking such steps, it ensures that there is no instance of child labor in the Group. Similarly, there is no instance of forced labor.

Employee Composition by Region

Worldwide: 41,844

Asia and others: 13,448
(10,195 in China)

32%

Japan: 12,539

30%

Europe: 8,151
(2,178 in Germany, and 1,474 in France)

20%

North America: 7,706

18%

(Total regular employees of consolidated companies, as of March 31, 2013)



[About Konica Minolta](#) > [Sustainability](#) > [CSR Activities](#) > [Together with Employees](#)

Promoting and Developing Diverse Human Resources

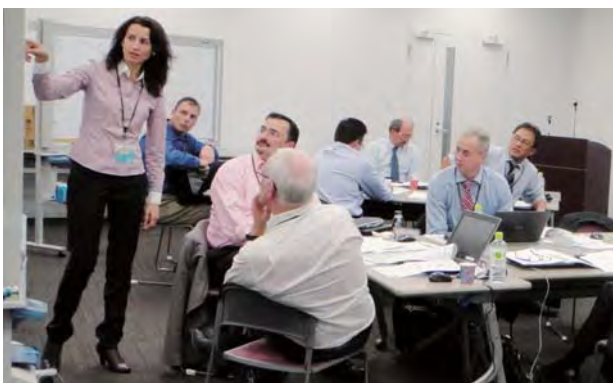
■ Establishment of a Common Global System for Human Resources Development and Deployment

Konica Minolta has created a Group-wide platform (system, tools, and mindset) for training personnel and making the most of their skills and is working to boost the collective strengths of its personnel throughout the Group. It has finished registering executives at Group companies in a common global HR database that is the basis of this effort. The Group runs a Global Executive Program to train people selected from the database. The Group plans to expand registration and training to include manager-level personnel in the future. Moreover, by instilling standards for desired personnel at the global level through each Group company using this platform, the Group will pursue global personnel training and deployment as "One Konica Minolta" that respects the diversity of its human resources.

■ Developing Global Business Leaders

In fiscal 2010, the Global Executive Program was put into action in order to increase awareness among managing executives around the world of their role as leaders for the entire Group and foster network-building among them.

As of the end of fiscal 2012, the program has been held seven times with a total of 114 people from 59 companies participating. During the program, which lasts about one week, participants foster a global mindset and develop their leadership through opportunities to have face-to-face discussions with top managers and debate issues among themselves. The Group plans to open participation to manager-level personnel and to start Regional Global Executive Programs in other locations, including Europe, North America, and Asia, in the future in order to develop potential management executives.



Global Executive Programs

■ Hiring People with International Experience and Promoting Employee Interaction Worldwide

In Japan, Konica Minolta seeks to employ foreign nationals or Japanese persons who have lived outside Japan when hiring recent college graduates, aiming to bring on more personnel who can succeed in international society. Approximately 35% of the 112 people hired in fiscal 2012 were such "global employees."

Furthermore, the Group promotes interaction among employees of Group companies around the world. The Japan Dispatch Program is used to cultivate "global bridge employees," who can serve as bridges between their home country and Japan after gaining experience working in Japan for a period of several months or two to three years. In fiscal 2012, a total of 15 people from Germany, the Netherlands, and China participated in the program. Fiscal 2012 also saw the start of a short overseas training program for young Japanese employees who are sent to the U.S. for six months to receive language training and practical experience. Two employees were sent in the first year.



Training program participant spending time with local people

■ Supporting Career Development of Women

Konica Minolta has put a number of career development programs for women in place since fiscal 2010 in order to further encourage female employees to fulfill their potential. For instance, it has a training program known as Leadership Training for those women at the section chief level who show potential as managers. The Group also holds meetings to explain its promotion policy for female employees to the supervisors of the women chosen for this program and is implementing a support program with mentors other than the supervisors in charge of guidance and training.

Promoting Occupational Health and Safety

Preventing Recurrences of Similar Accidents

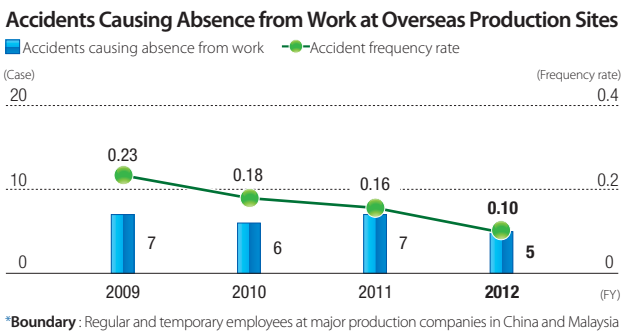
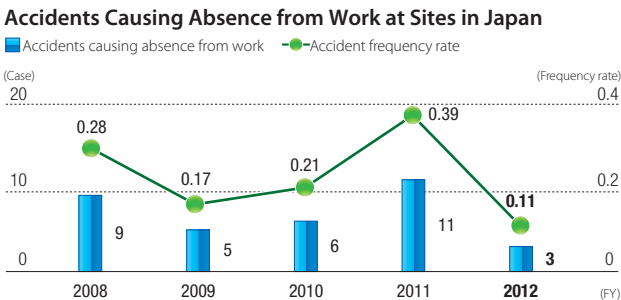
Konica Minolta has implemented various measures to prevent accidents during working hours with the goals of zero serious accidents and a frequency rate of accidents causing absence from work* of 0.1 or less.

In fiscal 2012, accident case studies and countermeasures were shared with Group companies worldwide in order to prevent similar accidents that are on the rise. Reports with photos showing specific situations were created, along with specific countermeasures. These are routinely posted to the Group intranet and bulletin boards.

Additionally, whenever an accident causing absence from work occurs, the officer in charge of safety at that company visits the accident site to perform a thorough "top management diagnosis," in which he or she conducts an on-site investigation. This action is intended to identify the causes of accidents and also increase the safety awareness of each and every employee.

These initiatives resulted in zero serious accidents and a frequency rate of accidents causing absence from work of nearly 0.1, both in and outside Japan. In fiscal 2013 and thereafter, the Group will continue to focus on the prevention of similar accidents.

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



Top management performing diagnosis at a workplace where an accident causing absence from work occurred

Implementing Fundamental Facility Improvements

Fundamental facility improvements are initiatives to increase the safety of facilities and equipment themselves through safety design and risk assessment. The idea is to prevent accidents even when human error does occur, instead of relying on humans for safety. At present, accidents caused as a result of equipment hardly ever occur at Konica Minolta, but the Group is continuing to work on fundamental facility improvements as a measure to prevent serious accidents.

In fiscal 2011, the Group completed training for engineers in charge of safety design for facilities and equipment. In fiscal 2012, 18 sites that installed new equipment in Japan and China were established as model facilities where countermeasures were implemented ahead of full-scale implementation set to begin in fiscal 2013.

Preventing Employee Health Problems

Konica Minolta is implementing its Medium Term Health Management Plan, which includes the following three priority measures: prevention of health problems caused by excessive work, mental health care, and prevention of lifestyle diseases.

With respect to mental health, the Group has developed a rank-based educational system to enhance care and has identified and taken countermeasures for workplaces and occupations with high mental health risk. Also, in fiscal 2012 it shorter working hours for employees returning to work, which enables employees to work shorter hours for a certain period of time, as part of a program to support employees returning to work after a long absence.

Human Resources Data Summary

Employee Composition by Employment Status

(as of March 31, 2013)

	Regular employees	Non-regular employees*	Total
Konica Minolta, Inc.	6,624	1,899	8,523
Group companies in Japan	5,915	1,592	7,507
Group companies outside Japan	29,305	7,758	37,063

*Non-regular employees : Contract or temporary employees

Employee Gender Ratio

(Women : Men)

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Konica Minolta, Inc.	16 : 84	16 : 84	16 : 84

*Note : Includes employees seconded to Group companies

Percentage of Women in Management Positions

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Konica Minolta, Inc.	1.4%	1.6%	1.8%

*Note : Includes employees seconded to Group companies

Percentages of Locally Hired and Women Presidents of Subsidiaries Outside Japan

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Locally hired	42.5%	48.6%	56.5%
Woman	1.3%	2.7%	2.4%

Percentage of Employees with Disabilities

	Fiscal 2010	Fiscal 2011	Fiscal 2012
Konica Minolta, Inc.	1.90%	1.37%	2.01%

Work-Life Balance Support Program Use

	Fiscal 2010		Fiscal 2011		Fiscal 2012	
	Women	Men	Women	Men	Women	Men
Maternal health management leave	5		2		3	
Maternity leave	33		26		37	
Spousal maternity leave		140		129		137
Parental leave	80	1	61	5	51	9
Shorter working hours for childcare	170	0	191	1	166	3
Work-at-home during child-rearing	17	5	13	5	13	5
Nursing care leave	1	3	1	0	3	2
Shorter working hours for nursing care	1	0	0	0	2	0

*Scope : Regular employees of Konica Minolta, Inc.

Committed to Addressing Social Issues around the World

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

 [About Konica Minolta](#) > [Sustainability](#) > [Contributing to Society](#)

U.S.A.

Providing School Supplies for Children for the New School Year

The Konica Minolta Colorful Tomorrow Foundation (CTF) is a nonprofit organization supported by Konica Minolta Business Solutions U.S.A. Since its establishment in February 2007, it has pursued corporate social contributions with particular emphasis on the fields of education, healthcare, the environment, and disaster relief.

In August 2012, CTF ran the Back to School program to provide school supplies to help disadvantaged children get a good start on the new school year. Over 5,500 items gathered by employees at Konica Minolta Group companies across the U.S. were donated to 13 schools all across the country.



France

Sponsoring a Marathon to Fund Tree Planting in Ethiopia

The Green Marathon held in Rennes, the regional capital of Brittany in France, organizes a project to plant trees in Ethiopia in Eastern Africa according to the distances run. This initiative contributes to reforestation in that country, where 1,400 km² of forest is lost every year, and it also helps to create employment through local contracting of the tree planting work. Konica Minolta Business Solutions France has endorsed the project concept and supported the marathon since its first year in fiscal 2011. In fiscal 2012, there were 67,615 trees planted, one for every kilometer that the participants ran. In fiscal 2013, the company increased its cooperation by becoming a title sponsor.



Participating in a Charity Event in Support of Breast Cancer Research

Konica Minolta provides breast X-ray equipment for digital mammography, which is effective for the early detection of breast cancer. As one aspect of this business, the Group companies around the world support Pink Ribbon campaigns, which seek to raise awareness of the importance of detecting breast cancer in its early stages. In the running and walking event in October 2012 organized by the Run for the Cure Foundation, 110 employees from Konica Minolta Business Solutions (Canada) took part. The funds raised, which amounted to more than 21,535 Canadian dollars, will be used to support breast cancer research.



Participants in the Pink Ribbon event



Children who won awards in the painting contest



Supporting Schools for Children with Special Needs

Konica Minolta Business Solutions (China) Co., Ltd. has been supporting six schools in Shanghai and Beijing for children with special intellectual challenges since fiscal 2007. In fiscal 2012, the company presented the schools with color textbooks printed on Konica Minolta high-speed MFPs and donated stationary, and employees again volunteered at the schools. The company has also conducted a Children's Painting Contest at the six schools since fiscal 2011. In fiscal 2012, there were 100 submissions, and 20 paintings were selected as winners of awards for excellence, and the award-winning children were given scholarships.



Environmental Education for Children

Konica Minolta Business Solutions (HK) Ltd. has been running an environmental education program for children—the Emerald Education Program—in collaboration with the local environmental NGO Green Sense since fiscal 2012. The program offers a variety of hands-on experiences such as workshops on making soap from used oil, experiments with solar energy, and eco tours to observe rare creatures.



Eco-tour

Experiment of the solar energy



Experience of the copy



Guest Lectures on the Structure of a Copier

Konica Minolta, Inc. offers guest lectures at junior and senior high schools as part of its educational support activities. The theme of these lectures is the structure of a copier, and MFPs—the company's main business—are the subject material. In fiscal 2012, the first year of the program, 111 new hires visited seven junior and senior high schools in Tokyo, Aichi, and Osaka as guest lecturers and taught approximately 450 students over 13 classes. They explained the principle of copying using static electricity in a clear manner using familiar examples and facilitated understanding through hands-on activities using experiment equipment. Each lecture concluded with a message based on the speaker's own experiences as a clue for the students in choosing their future careers.



Experiment of the static electricity

For the Global Environment

Earning the Confidence of Customers

Cooperating with Business Partners

Growing Together with Our Employees

Contributing to Society

Management System

Konica Minolta considers strengthening corporate governance a management priority. The company is reforming its management system to establish a highly transparent corporate governance structure and ensure effective responses to today's changing business environment.

Corporate Governance

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

Management System Restructured

Improving upon its holding company system, in April 2013 Konica Minolta Holdings, Inc. restructured its management, merging with seven companies, including business companies. It moved from a pure holding company structure to become a company that carries out business directly and changed its trade name to Konica Minolta, Inc. With this change, the Industrial Business and Healthcare Business were also made into internal companies.

Company-with-Committees System

Konica Minolta has adopted a company with-committees system, enabling the management supervisory function of the directors to be separated from the business execution function of the executive officers. The executive officers perform decision-making and business execution, as entrusted by the Board of Directors. The content of this business execution is subject to the oversight of the Board of Directors and to audits by the Audit Committee, which enhances effectiveness, validity, legality and soundness of the management.

The Board of Directors includes four outside directors, who are highly independent and have no significant business relations with the company. A majority of directors do not serve as executive officers.

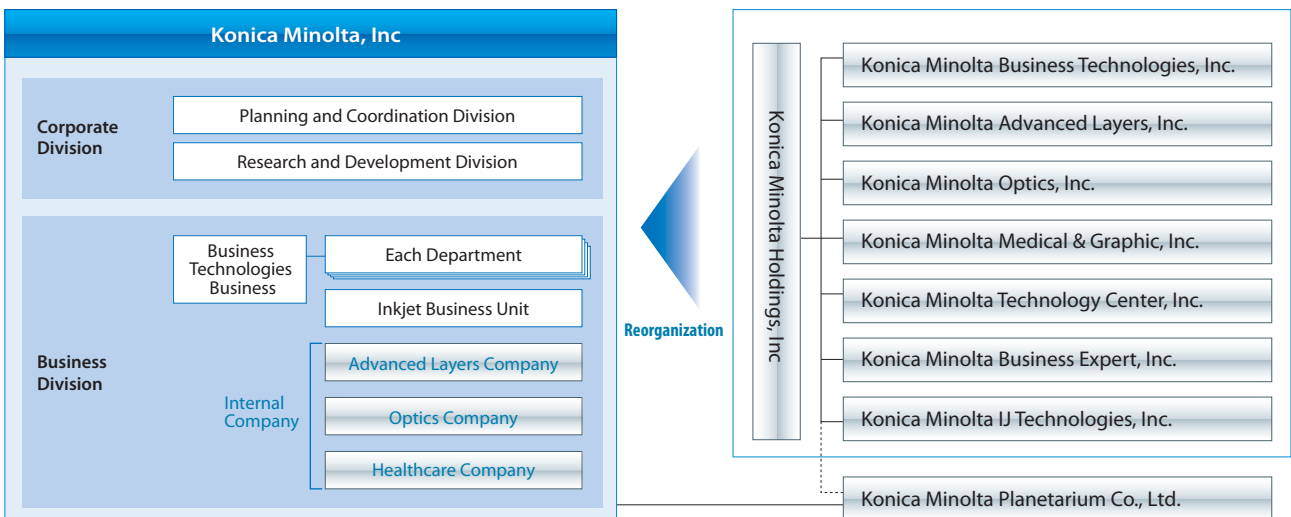
There are three committees within the Board of Directors: Nominating, Audit, and Compensation Committees—all of which are chaired by outside directors. Although the law in Japan only requires that no executive officers serve on the Audit Committee, Konica Minolta has implemented a system in which its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

Board of Directors and Three Committees (as of June 19, 2013)

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

● Chairman
 Four Directors and Executive Officers: President & CEO, two Senior Managing Executive Officers and one Senior Executive Officer

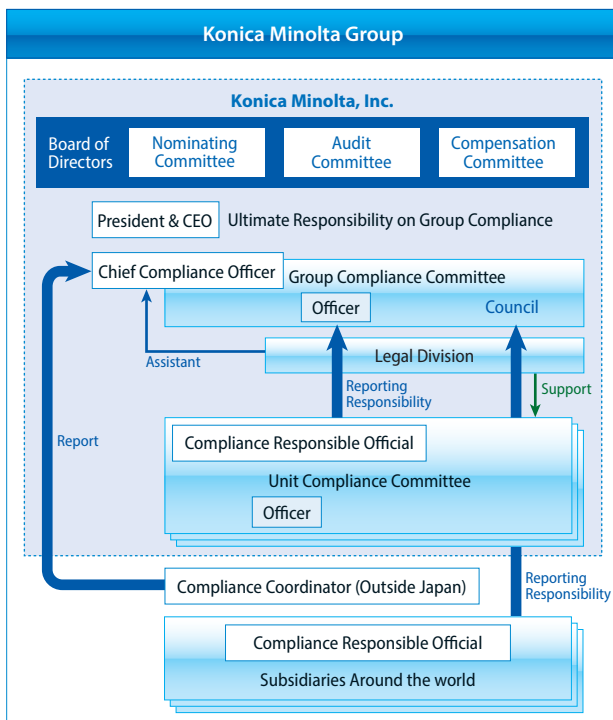
Reorganization of the Management System



Compliance

At Konica Minolta, the Chief Compliance Officer decides important matters for promoting group compliance and has the responsibility to promote and oversee compliance under the President and CEO of Konica Minolta, Inc., who has ultimate responsibility for Group compliance. To fulfill that responsibility, the Chief Compliance Officer convenes the Group Compliance Committee, which is composed of the persons responsible for compliance at each corporate and business department.

Group Compliance Promotion System



Global Compliance Network

Konica Minolta has been implementing compliance measures globally as one theme in the Medium-term Compliance Plan it has been working on since fiscal 2011.

In fiscal 2012, the Group established a Global Compliance Network constituting group companies in key locations such as Europe, the United States, and China and appointed a compliance coordinator for each region. The Group is aiming to ensure that global activities conducted by the entire Group and local activities carried out by each company according to local circumstances complement each other and are functioning

organically by fiscal 2013, which is the last year of the medium-term plan.

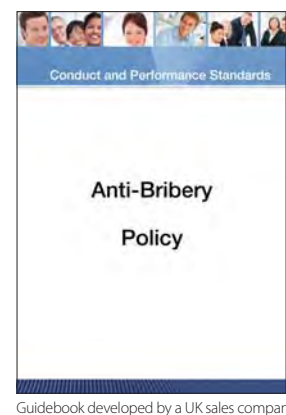
Anti-Corruption Initiatives

Konica Minolta treats compliance as top priority in all of its corporate activities. As a tool for ensuring understanding of that commitment, in April 2011 Konica Minolta published the Konica Minolta Group Guidance for the Charter of Corporate Behavior, which is shared globally and illustrates expected behavior in detail. The Guidance includes specific anti-corruption rules, including prohibition of extortion of gifts, benefits or business entertainment, prohibition of bribery, and a resolute stand against any contact with organized criminal elements.

Moreover, an anti-corruption training program has been released on the company intranet, and group sales companies worldwide are being encouraged to make use of it. Group companies are also asked to share best practices and to produce programs that comply with the laws of their respective countries.

UK Sales Company Initiative

In July 2011, the United Kingdom's Bribery Act came into force. The act broadens the scope of regulations, which traditionally dealt with bribery of public officials, and makes acts of bribery among entities in the private sector punishable for companies that conduct a portion of their business within the UK. The act expands the scope of punishment to acts conducted not only inside the UK but in other countries as well. Before the law came into force, Konica Minolta Business Solutions (UK) Ltd., a sales company in the UK, developed a guidebook and check sheet showing specific steps to prevent any misconduct.



Expert Opinion of Konica Minolta's CSR Report

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



Yoshinao Kozuma
Professor, Faculty of Economics,
Sophia University

1. Management Structure Reorganized

The Konica Minolta Group's CSR management stands out in that the Group has articulated a long-term vision, established a roadmap, and developed an organizational structure to carry it out. This is an essential process for getting things done systematically, and the way in which the Group goes through that process step by step shows the strategic approach it takes to CSR management.

Development of the organizational structure has made progress in recent years. In April 2013, following last year's strengthening of the CSR implementation system, the Group revamped the conventional structure of holding business companies under the umbrella of a pure holding company, reorganizing the structure to integrate those business companies into a single company. A new growth model is being established against the backdrop of a market environment that is shifting toward a more sustainable world, and it is impressive that the newly-formed Konica Minolta, Inc. has earnestly embarked on the path to creating new value. I very much anticipate future accomplishments to emerge from this determination.

2. Management Scope Being Expanded

In addition to the fact that CSR management is being carried out with a medium- to long-term view, the development of the underlying value chain is another matter in which the Group has made marked progress in recent years. This year the Group calculated its CO₂ emissions across the value chain and disclosed the estimates with itemized data following the "Scope 3" GHG standard. So far, Konica Minolta has been expanding the reach of its CSR management across the value chain, including implementing CSR surveys of the supply chain and establishing plans to reduce CO₂ emissions throughout the product lifecycle. The disclosure of Scope 3 data is an initiative of high social concern, and Konica Minolta's leadership deserves praise.

The itemized data reveals that approximately 70% of CO₂ emissions are generated outside the Group's business areas and are spread across the value chain. In that sense, it is clear that CSR management encompassing the entire value chain, including other environmental and social issues, has become an absolute requirement.

3. Transparency Improved

Human resources data, which had been a pending issue, was disclosed in a summary format for the first time this year. This was a major step forward, contributing to improved transparency. The disclosure has become an ambitious initiative, as it included information such as the number of regular and non-regular employees in and outside Japan and the rate of localization of top management of overseas subsidiaries (including the percentage of women)—a disclosure of a kind that is yet to be generally widespread among Japanese companies.

I would like to see the Group push this further and strive for total information management on a consolidated basis. The Konica Minolta Group is a global company in which nearly three-fourths of sales come from outside Japan, and so further detailing of employee information on a consolidated basis is desired. I hope that the Group will continue to strengthen its future initiatives using key performance indicators for CSR management.

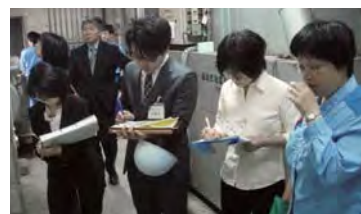
External Assurance

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



Period: March to June 2013

On-site audit of Konica Minolta Tokyo Site, Hino



Comments on the Assurance Process

Naomi Sugo, KPMG AZSA Sustainability Co., Ltd.

Until now, Konica Minolta has disclosed Scope 3 emissions associated with the procurement of raw materials, distribution, and product use and has worked at reducing emissions associated with distribution and product use based on targets set for those areas. Now, the Group has ascertained and disclosed Scope 3 emissions for other categories, as well. I hope that the Group will disclose information in the future on initiatives it takes against the newly ascertained Scope 3 emissions.

This year, the Group disclosed its goals and performance related to the sales ratio of green products. I think that the data

quantitatively show that green product initiatives help to create both social and corporate value.

Meanwhile, although the CSR Report 2013 explains the Group's process for defining the report content, the material aspects identified in that process were not clearly listed. The GRI guidelines, revised in May 2013, now require organizations that wish to publish compliant reports to disclose not only the process for determining report content but also the material aspects and boundaries identified. I hope that the Group will consider disclosure methods in the future that provide increased transparency regarding material aspects in reporting.



KONICA MINOLTA

KONICA MINOLTA, INC.

2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7015, Japan

[For inquiries](#)

CSR, Corporate Communications & Branding Division

Phone: +81-3-6250-2120 FAX: +81-3-3218-1368

E-mail: csr-support@konicaminolta.jp

www.konicaminolta.com



This report is printed on paper certified by the Forest Stewardship Council™ using vegetable oil inks.

Printed in Japan1309BCD