



The Creation of New Value

KONICA MINOLTA CSR REPORT 2008

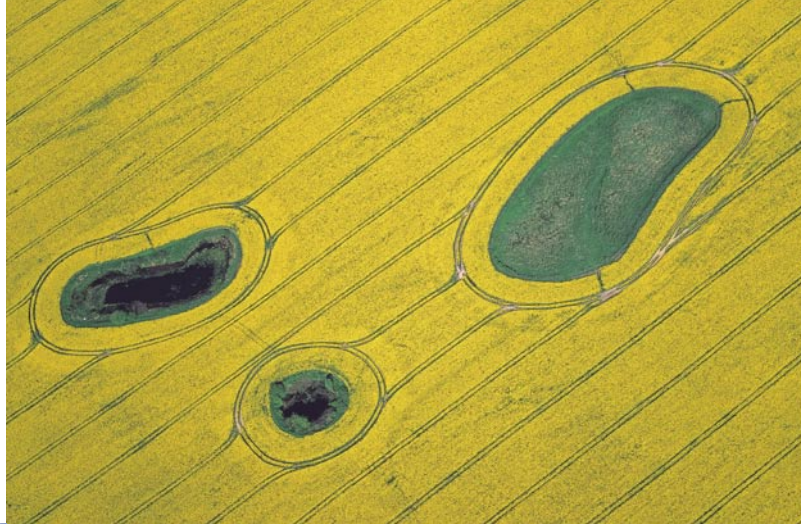


KONICA MINOLTA



CSR Activities in Partnership with the Environment

The Konica Minolta Group carries out operations in many parts of the world. The Group believes that, in order for the company to thrive, it must tackle matters on the global stage and therefore promotes world-class CSR management. Continuing efforts from the previous fiscal year, in fiscal 2007 the company dutifully pursued initiatives that address environmental concerns around the world. Konica Minolta strives to fulfill its responsibilities as a company that harnesses all its strengths to work to protect the environment. The practical application of this goal forms the basis of the CSR activities reported here.



About the Konica Minolta Group

Management Philosophy The creation of new value


Management Vision

- An innovative corporation that continues to create inspiring products and services in the field of imaging
- A global corporation that leads the market by advanced technologies and reliability

Corporate Message The essentials of imaging

The message represents our wish to be acknowledged as an essential company, by offering essential products, services and solutions to our customers in the world of imaging.

Symbol Logo



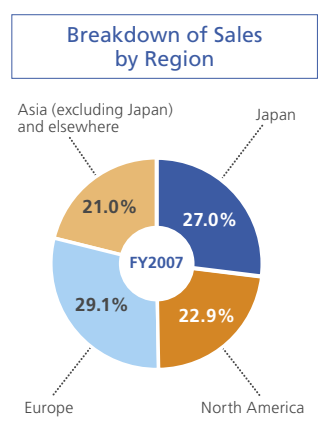
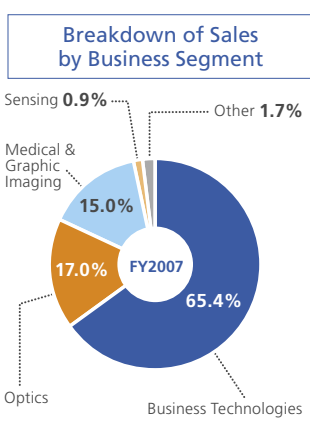
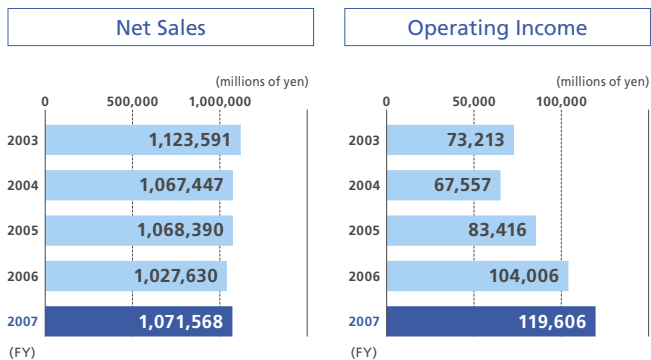
KONICA MINOLTA

This mark is a representation of the Earth. We call it a "globe mark" because it expresses the infinite expansion of Konica Minolta and the offering of innovative value to customers throughout the world.

Company Profile

Company name	Konica Minolta Holdings, Inc.
Head office	Marunouchi Center Building, 1-6-1 Marunouchi, Chiyoda-ku, Tokyo, Japan
Kansai office	Nishi-honmachi Intes, 2-3-10 Nishi-honmachi, Nishi-ku, Osaka-shi, Osaka, Japan
President and CEO	Yoshikatsu Ota
Established	December 22, 1936 (management integrated: August 5, 2003)
Paid-in capital	37,519 million yen
Fiscal year end	March 31
Number of employees	160 (Group employees: 31,717) (as of March 31, 2008)

Financial Highlights (Consolidated)



Core Technologies and Business Fields

The Konica Minolta Group leverages a wide array of specialized technologies, as well as technologies that support the competitiveness and attractiveness of its products. These technologies are defined as core technologies, and include technologies in the materials, optics, nano-fabrication, and imaging fields.

Materials Technology

Materials technology contributes to improvement of image quality, durability, sensitivity, and productivity for such products as color materials, functional films for display panels and products incorporating organic electroluminescence (EL).



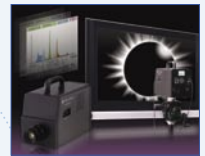
Triacetyl-cellulose (TAC) film for LCD polarizing plates



Organic electroluminescence devices (under development)

Optical Technology

Optical technology is essential for designing compact and high-precision optical units for digital multi-functional peripherals (MFPs) and cameras, and optical measuring units such as three-dimensional measuring instruments and spectrophotometers.



Spectroradiometers



Color MFPs



Imaging Technology

Imaging technology is implemented to improve image quality, usability, and processing speed in image processing and system design. This technology is employed in equipment and systems used in the information, medical, industrial, and measuring fields.



Digital image output systems



Mammography units



Digital image readers

Nano-fabrication Technology

Nano-fabrication technology is essential processing technology to make plastic and glass lenses, glass substrates for hard disk drives (HDDs), and optical units for printers that are compact and highly precise.



HDD glass substrates



Lenses for optical disks

The Konica Minolta Group has adopted a holding company structure. As a holding company, the Group consists of business companies, which have the authority and responsibility required to execute operations autonomously, and common-function companies, which integrate the R&D and administrative functions of the enterprises within the Group.

■ Holding Company

Konica Minolta Holdings, Inc.

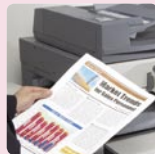
Responsible for drafting and implementing management strategies for the Konica Minolta Group. Also handles the management and supervision of Group-wide operations, as well as coordinating actions across the entire Konica Minolta Group.

■ Business Companies

Konica Minolta promotes flexible and speedy business by transferring the authority needed for business execution, and spinning off each business category into a separate company.

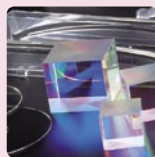
Konica Minolta Business Technologies, Inc.

Manufactures and markets office equipment including copiers, MFPS, printers, and related supplies, as well as providing other services in this field.



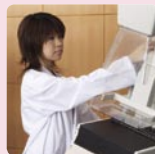
Konica Minolta Opto, Inc.

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



Konica Minolta Medical & Graphic, Inc.

Manufactures and markets medical and graphic imaging equipment and materials, as well as providing related services.



Konica Minolta Sensing, Inc.

Manufactures and markets measuring instruments for industrial and medical applications.



■ Common Function Companies

The Konica Minolta Group's cross-divisional functions are consolidated in its common-function companies, which facilitates efficient business promotion.

Konica Minolta Technology Center, Inc.

Promotes R&D within the Group and incubates and commercializes new technologies. Controls the management of intellectual property and receives consignments of design work.

Konica Minolta Business Expert, Inc.

Provides diverse forms of business support in such areas as production facilities, distribution and procurement, activities concerning the environment and safety, general affairs, human resources, and accounting within the Konica Minolta Group. Also provides indirect functions and services.

■ Affiliates managed by the holding company

The following companies are affiliates supported and nurtured by the holding company.

Konica Minolta IJ Technologies, Inc.

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



Konica Minolta Planetarium Co., Ltd.

Manufactures and markets planetarium equipment and program software. Also constructs planetariums and provides an operation service.



Note: Konica Minolta Photo Imaging, Inc. completed all marketing and sales activities in the camera business by the end of March 2006 and in the photo business by the end of September 2007.



Notes to Readers

■ Purpose of Publication

- This report was published in order to clearly communicate Konica Minolta's CSR¹ initiatives to stakeholders, to solicit feedback, and to enhance communication.

■ Editorial Policy

- The report covers Konica Minolta's main CSR initiatives. The Group sees its CSR initiatives as an integral part of its corporate activity, and promotes them based on the Group's Charter of Corporate Behavior and on its management philosophy: The Creation of New Value.
- The content of the report is organized according to the items of the Charter.

■ Main Characteristics

- Environmental efforts toward the establishment of a sustainable society have become a major challenge for all humanity, and this report is mindful of providing its readers with information on the Group's initiatives in this area. The Special Feature section covers Konica Minolta's environmentally conscious products, while the Environmental Protection section (P19-24) incorporates more content than last year's report to provide a greater vision of the Group's general efforts to care for the environment.
- The report includes descriptions of Group-wide CSR activities, which Konica Minolta is promoting as an enterprise with a global presence, and features "Staff Voice," which are quotations representing the important role all Group employees play in these activities.
- The report covers the Group's main CSR initiatives for fiscal 2007. Detailed descriptions of CSR activities are provided on the Konica Minolta website.
- The report is published in five languages (Japanese, English, Chinese, German, and French) to facilitate communication with as many stakeholders in as many countries as possible.

■ Scope

- This report covers the entire Konica Minolta Group.

■ Period under Review

- In principle, the report covers activities from April 1, 2007 to March 31, 2008. Some sections may include information on earlier initiatives or more recent activities.

■ Publication Period

- July 2008 (next report: scheduled for July 2009, previous report: July 2007)

■ Referenced Guidelines

- *Sustainability Reporting Guidelines, Ver. 3*, Global Reporting Initiative (GRI)
- *Environmental Reporting Guidelines 2007*, Ministry of the Environment (Japan)

¹ Corporate social responsibility: Whereas corporate governance and information disclosure are generally regarded as the responsibility a company has to society, Konica Minolta voluntarily takes further steps for the benefit of society at large, aiming to become a corporate group trusted by society.



Corporate communication tools



Social responsibility website

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

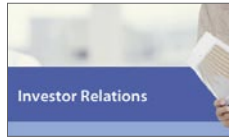
Offers detailed information on the Group's CSR initiatives



Environment website

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

Provides details about environmental initiatives



Investor relations website

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

Offers information for shareholders and investors



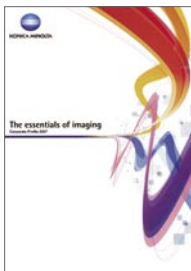
Shareholder magazine*



Annual reports



Financial statements*



Corporate profile

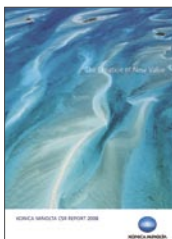


Technology reports*



Intellectual property reports*

These reports can be viewed online at the Konica Minolta website. Items with an asterisk (*) are available in Japanese only.



About the Cover

The cover features the work of the German photographer Bernhard Edmaier. Originally a geologist, Edmaier decided to become a photographer. He uses his knowledge of geology to capture the breathtaking beauty of our planet. The photograph on the cover reflects Konica Minolta's determination to help preserve the miracle of the global environment through the Group's activities around the world.

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The Konica Minolta Group's management philosophy is the Creation of New Value. Our management vision is to be an innovative corporate group that offers inspiring products and services in the field of imaging and also a global presence that leads the market with advanced technologies and unparalleled reliability.

Konica Minolta's fundamental strategies, articulated in our "Forward 08" medium-term plan covering three years from fiscal 2006, include the promotion of growth by leveraging collective Group resources. It was under this strategy that Konica Minolta selected and concentrated on opportunities in growth areas. Having withdrawn from the camera and photography business, we focused our management resources on the Business Technologies domain, which makes up the core of our businesses, and on the field of Optics, which offers strategic impetus to our Group. This strategy of selection and concentration has led to the Group achieving sales and profits exceeding our Forward 08 targets.

Another fundamental strategy is the promotion of world-class CSR management, including economic, social, and environmental initiatives. We regard CSR issues as a positive challenge that can always drive us to new horizons and motivate us to continue to grow and earn society's trust.

CSR Management in the Era of Globalization

Message from the President

Becoming an Environmentally Innovative Corporate Group

In embracing challenges, we make care for the environment a top priority. International society now calls for even greater effort in addressing environmental issues, and I believe that meeting this global challenge must be an integral part of our business development. At Konica Minolta, a global corporate group serving customers around the world, we have committed ourselves to such efforts ahead of the industry. Our engineers believe it to be their foremost mission to develop environmentally friendly products that save energy and conserve resources. Taking energy saving measures in manufacturing processes is a paramount issue at our production sites. We are also working with our parts manufacturers to ensure sustainable, green procurement, and to eliminate hazardous substances from the parts used in our products.

To take one example of our results, we have successfully achieved a significant reduction in power consumption for multi-functional peripherals (MFPs), one of our main product lines. Exemplifying this, the bizhub C650 and C550 won the Agency for Natural Resources and Energy Director-General's Award, which is one of the 2007 Energy Conservation Grand Prizes.

As I mentioned above, Konica Minolta's management philosophy is the Creation of New Value. This does not just mean creating new products with innovative features never seen before. The "new value" that is part of our mission also means new ways of caring for the environment.

In addition to further pursuing innovations in our low energy consuming MFPs, Konica Minolta will promote product development using organic electroluminescence lighting and other environmentally friendly technologies. Using the reduction of CO₂ emissions as one way to measure progress, by 2015 we are aiming to be established as an environmentally innovative corporate group making significant contributions to society.

Dialogue with Stakeholders

Konica Minolta's business activities are underpinned by a wide range of stakeholders. The company actively discloses all of its activities and results to these stakeholders—customers, suppliers, shareholders, investors, employees, and local communities—as part of our responsibility to society. By welcoming feedback from stakeholders and reflecting opinions and requests in our business and CSR activities, we are striving for highly transparent management as well as sustainable growth.

Compliance is the Basis of Corporate Activities

Konica Minolta is striving for improved corporate governance on a daily basis in order to increase management transparency and cement trust in our Group. Compliance means that organizations must conform to society's demands, and a high level of transparency is required. To attain this level, we are strengthening adherence to internal rules and corporate ethics that go beyond the letter of the law. In placing the highest priority on compliance throughout the company's activities, top management at all Group companies is fully aware of their own responsibility and is ensuring thorough training and raising awareness for employees across the entire Konica Minolta Group.

By practicing CSR management, we are pursuing and realizing the creation of new value. We at Konica Minolta will do our very best to meet all our stakeholders' expectations as we promote world-class CSR management.

June 2008



Yoshikatsu Ota
President and CEO
Konica Minolta Holdings, Inc.

Konica Minolta's Policy on Social Responsibility

With CSR as the essence of its management, Konica Minolta creates new value and contributes to society.

Konica Minolta's Management Philosophy and its Charter of Corporate Behavior are the foundation of the Group's CSR activities

The Konica Minolta Group sees the success of its CSR initiatives as the essence of its management. The Group promotes CSR activities based on its Management Philosophy, articulated as the "Creation of New Value," and the Konica Minolta Group's Charter of Corporate Behavior. The "new value" described in Konica Minolta's Management Philosophy refers to financial, environmental, and social value, which meets the needs of the times, and embodies profound value for customers and all other stakeholders.

The Konica Minolta Group Charter of Corporate Behavior provides a guide for the Group to promote the measures required to fulfill its responsibilities to society, while constantly renovating itself through interaction with society. In line with its Charter of Corporate Behavior, which is grounded in its philosophy of creating new value, the entire Konica Minolta Group is pushing forward CSR activities to play an essential role in realizing a sustainable society.



Konica Minolta Group Charter of Corporate Behavior

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

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

1 Beneficial and safe products

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

2 Fair and transparent corporate activities

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

3 Communications with society and information disclosure

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

4 Environmental protection

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

5 Contribution to society

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

6 Respect for employees

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

7 Responsible actions

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

Established on October 1st, 2003

Promoting World-Class CSR Programs

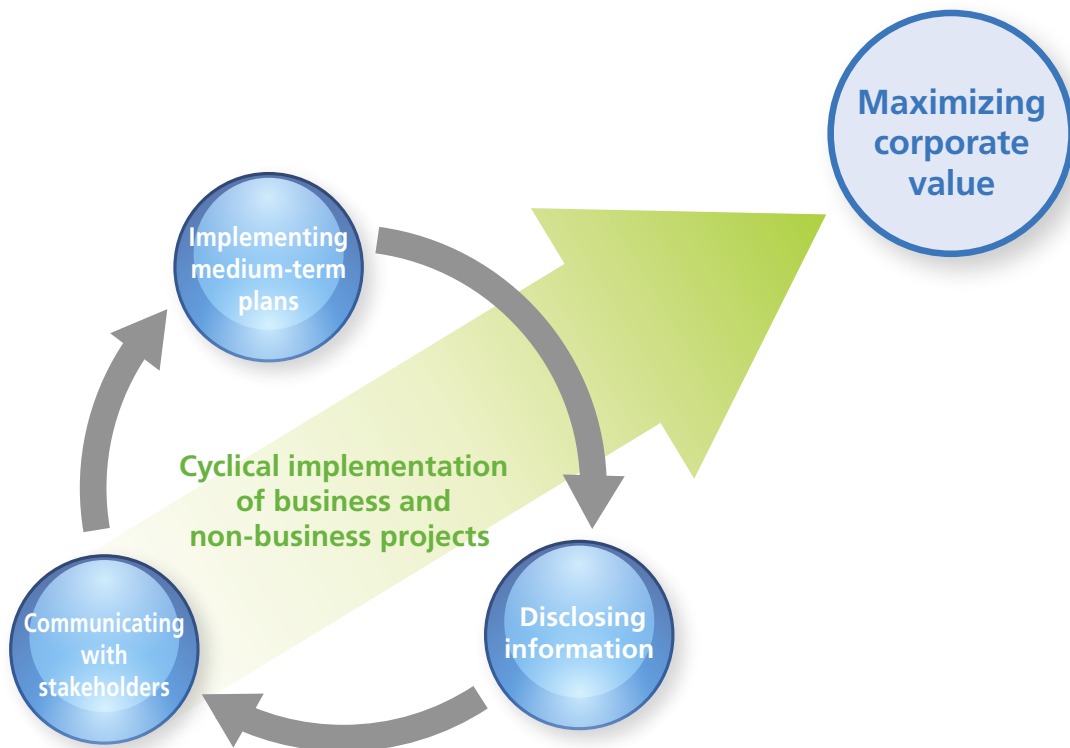
Konica Minolta is a global company with bases in 40 countries worldwide. An overarching objective of the Group is to win trust around the world. This goal requires development of the social and environmental, as well as the financial aspects of Group business. Although this development is on a global scale, there

should be the utmost respect for local customs and cultures. Accordingly, the Group has positioned the promotion of world-class CSR management as a key policy in its "Forward 08" medium-term plan and is promoting CSR programs at Group companies worldwide.



It is absolutely critical that climate change and other environmental issues are addressed in order for our society to become sustainable. Konica Minolta is demonstrating its fresh environmental vision: fulfilling its environmental responsibilities as a global manufacturer, while achieving

sustainable growth. The Group is working to maximize corporate value by undertaking initiatives that live up to the trust of stakeholders around the world and by enhancing its management in terms of finances, the environment and society.



A company whose financial, environmental and social performance can be trusted



Always in harmony

More convenient, more enjoyable, more beautiful
Making society more vibrant and life more rewarding
through technological innovation
That is Konica Minolta's idea of innovation.

Workplace

In the office

MFPs (multi-functional peripherals) featuring less impact on environment in every aspect, in both production and use

MFPs are indispensable in today's offices. Since these products are used frequently and for many hours, Konica Minolta is striving to improve their environmental performance.

IH Fusing Technology

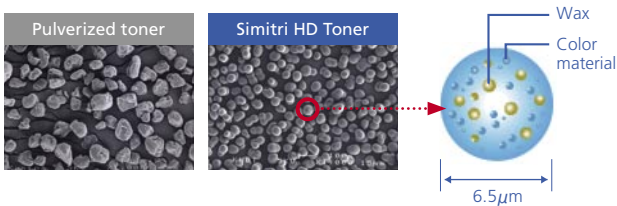
In order to enjoy convenient printing quickly at any time, the device always needs to be on. Therefore, reducing the power consumed by devices in standby mode was an important environmental issue to be addressed. That is why Konica Minolta turned to induction heating (IH) technology, which is already being used for cooktops. Utilizing this technology allows efficient energy conversion from electric power to heat, reduction of device warm-up time, and lower standby power consumption. In other words, Konica Minolta has maintained the same level of convenience for the user, while facilitating substantial energy savings.

The bizhub C550 is a color MFP that features these new technologies, and have succeeded in reducing power consumption by 40% compared with bizhub C450, a model launched two years before, while also achieving even faster copying speed.

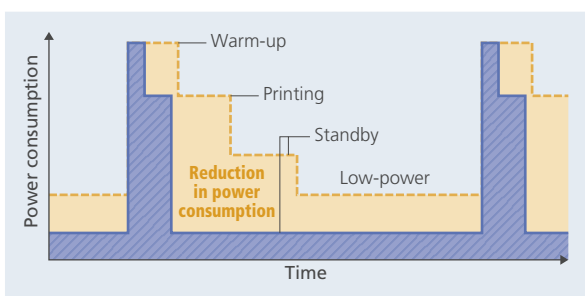
with society



Comparison between pulverized toner and Simitri HD Toner



Copier Power Consumption



Conventional fusing unit
 Fuser with improved heating efficiency

The Simitri HD Toner

Konica Minolta developed the Simitri HD Toner, an upgraded version of its proprietary polymerized toner.

Compared to a conventional pulverized toner, polymerized toner requires less energy during the manufacturing process, thereby reducing CO₂ generation by more than 30%. In addition, the new Simitri HD Toner cuts energy consumption by about 30% during use.

The technology enabling this energy-saving breakthrough is the "core-shell configuration" of the toner particle, where toner particles are soft on the inside, so that they may be melted at a lower temperature, and hard on the outside, which prevents toner particles from adhering each other. This technology enables fixing even at temperatures that is 20°C below that for existing polymerized toners, while still producing high quality images.

The color MFP bizhub C650/C550, featuring these innovations, have earned the Director-General's Award from the Agency for Natural Resources and Energy, which is one of the 2007 Energy Conservation Grand Prizes.



Always in harmony



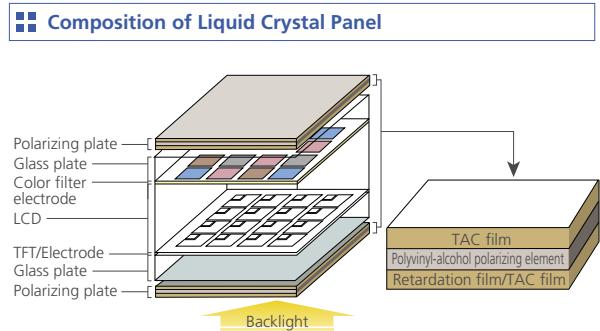
Recreation

In the living room

Thinner, lighter, and more beautiful
Ultra-thin TAC film to protect LCD screens

TAC film for protecting the polarizing plates on LCDs

Liquid crystal displays that are used in TVs, PCs, mobile phones, and car navigation systems enrich our lives in a dynamic way. LCDs are thin and lightweight, and they also lead to energy savings, and can thereby be regarded as an environmental technology that is familiar to most people. Konica Minolta provides triacetyl cellulose (TAC) film for use as a material to protect the polarizing plates on these LCDs, and has developed a new version that is half the thickness of conventional TAC film. With the reduction in the amount of raw materials used, the new film is contributing to resource conservation. Konica Minolta will continue to pursue innovations in this area and to incorporate them into its different product lines, thereby meeting consumer needs for increasingly higher resolution LCDs.



with society

Healthcare

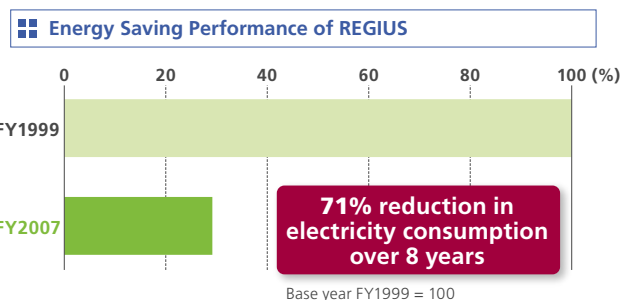
In medical settings

Supporting doctors in local communities
Medical information management systems



REGIUS Clinic System

Computed Radiography (CR) is used for processing and handling X-ray, endoscope, and other images as digitalized data, instead of using traditional film images. As CR devices can easily process and retrieve images and do not require chemicals for image developing, they are attracting attention as environmentally conscious medical tools. In the future, CR technologies will be increasingly used in facilitating information sharing systems that connect multiple medical treatment sites.



REGIUS Clinic System

Konica Minolta's REGIUS Clinic System was developed with the goal of supporting medical practitioners working in clinics and small hospitals that provide medical services to their community. Therefore, the development concept for the system, which includes a CR device, server and viewer, was to make these components more compact, simple, energy-saving, and reasonably priced, as well as to provide high-speed processing performance. In addition to the basic image processing specifications as a CR device, the REGIUS Clinic System offers various other support functions for the medical setting, such as documentation, electronic data saving, and image linkup with electronic medical charts. It also offers the extensibility intrinsic to online connection with a view to future networking with major hospitals. The REGIUS Clinic System also leverages Konica Minolta's expertise in optical, image-processing, and communication technologies.

Company-with-Committees System

Konica Minolta Holdings, Inc. has adopted the company-with-committees system. This system increases the speed and transparency of Group-wide management by separating the functions of the Board of Directors, which oversees management, and those of the executive officers, who are responsible for business execution. The Board of Directors comprises three committees: the Auditing Committee, the Nomination Committee, and the Compensation Committee. Each of the three committees is chaired by an outside director, and does not include members who are executive officers. Business activities are subject to audit by the Auditing Committee and supervision by the Board of Directors.

Board of Directors

Board of Directors			
◎ : Chairman			
Directors who are not Executive Officers	Auditing Committee	Nomination Committee	Compensation Committee
Director (Chairman of the Board)		○	
Outside Director	◎	○	
Outside Director		◎	○
Outside Director	○		◎
Outside Director	○	○	○
Director	○	○	○
Director	○		○

Directors serving as Executive Officers
 President (Chief Executive Officer) and five other directors (Senior Executive Officers)

Dynamic Board of Directors

During fiscal 2007, the Board of Directors met nearly once a month. Overall attendance by outside directors at meetings of the Board of Directors and of its three committees exceeded 90%. Executive officers or the Secretariat staff members provide full briefings to outside directors in advance on upcoming agendas to enable

lively and constructive discussions at meetings of the Board of Directors. Moreover, every year each of the board members provides an evaluation of the Board of Directors. This evaluation is summarized and discussed in an effort to enhance corporate governance.

Group Audit System

Konica Minolta Holdings, Inc. has an Auditing Committee under its company-with-committees system, whereas its business companies, common function companies, and other subsidiaries have their respective auditors. In addition, the company has a Corporate Audit Division, which conducts internal audits of the entire Group. Members of the Auditing Committee and the Corporate Audit Division, as well as auditors of the individual Group companies hold Audit Council meetings every three

months, where participants share related information and strengthen coordination of audit activities across the Group. In addition, with the aim of ensuring effective audits, the same parties hold regular meetings with the accounting auditors in order to review auditing systems and policies, and to examine whether or not the existing system sufficiently enables accounting auditors to fulfill their tasks.

Overview of CSR Activities in Fiscal 2007 and Future Challenges

Putting the Konica Minolta Group Charter of Corporate Behavior into practice is the foundation of the Group's CSR activities. Below is an overview of fiscal 2007's CSR activities and of future challenges.

		Fiscal 2007 activities
Environmental protection	Fighting global warming	<ul style="list-style-type: none"> ● Succeeded in reducing CO₂ emissions throughout the product life cycle¹ to 582,000 tons compared to the target of 705,000 tons for fiscal 2007. ● Succeeded in reducing CO₂ emissions from all Group sites in Japan to 264,000 tons compared to the target of 320,000 tons for fiscal 2007. ● Succeeded in reducing CO₂ emissions from all production sites in the U.S., Europe and Asia (excluding Japan) to 80,000 tons compared to the target of 95,000 tons for fiscal 2007.
	Creating a recycling-based society	<ul style="list-style-type: none"> ● Succeeded in reducing total waste from all production sites worldwide to 23,900 tons as a result of the Group's Zero Waste Activities², which failed to achieve the target of 20,500 tons for fiscal 2007. In Japan, the figure was 13,700 tons, which failed to achieve the target of 13,500 tons. In U.S., Europe, and Asia (excluding Japan), the figure was 10,300 tons, which failed to achieve the target of 7,000 tons.
	Reducing chemical risks	<ul style="list-style-type: none"> ● Succeeded in reducing total atmospheric VOC emissions (per risk conversion,³ as compared to fiscal 2000 level) for all production sites worldwide by 89%, which failed to achieve the target of 90% for fiscal 2007.
Beneficial and safe products		<ul style="list-style-type: none"> ● Started formulating a system for quantitatively evaluating the quality that is expected by customers in a variety of business fields, with the aim of increasing customer satisfaction.
		<ul style="list-style-type: none"> ● Reviewed product components and the assembly processes in light of product safety and reinforced the system further to ensure an increased level of safety.
		<ul style="list-style-type: none"> ● The color MFP (multi-functional peripheral) bizhub C650/C550 earned the Agency for Natural Resources and Energy Director-General's Award, which is one of the 2007 Energy Conservation Grand Prizes.
		<ul style="list-style-type: none"> ● The color MFP bizhub C650/C550/C451 earned the Fall 2007 "Pick of the Year," an award honoring the most outstanding office products and given by the Buyers Laboratory Inc. (BLI).⁴
Fair and transparent corporate activities		<ul style="list-style-type: none"> ● Implementing compliance education programs, addressing the different priorities of issues in Japan, North America, and Europe.
		<ul style="list-style-type: none"> ● Creation of a group procurement policy to pursue customer satisfaction and fulfill social responsibilities.
		<ul style="list-style-type: none"> ● Continued work from 2006 to establish a system to ensure compliance with the Financial Products Transaction Law⁸ and to ensure financial reporting with even greater reliability.
Communication with society and information disclosure		<ul style="list-style-type: none"> ● Implemented programs to proactively disclose information, in order to give shareholders and investors a better understanding of Konica Minolta's corporate activities.
		<ul style="list-style-type: none"> ● Actively promoted communication with customers through exhibitions featuring Konica Minolta products and services.
		<ul style="list-style-type: none"> ● Published the Global Group Magazine for all group employees worldwide as a tool to promote communication, as well as share information.
		<ul style="list-style-type: none"> ● Maintained close communication with suppliers through the Procurement Collaboration System.
Contribution to society		<ul style="list-style-type: none"> ● Enthusiastically supported the pink ribbon campaign to promote early detection and early treatment of breast cancer.
		<ul style="list-style-type: none"> ● Adopted various community-based CSR programs, ranging from support for the education of young people, to environmental and cultural activities.
Respect for employees		<ul style="list-style-type: none"> ● Implemented employee-focused measures such as ensuring a comfortable working environment, developing human resources, and support for childcare.

¹ CO₂ emissions throughout the product life cycle: Sum of CO₂ emissions generated from manufacturing of products in production sites, the distribution of shipped products, and the use of purchased products by customers.

² Zero Waste Activity: An initiative to promote recycling of waste to reduce the amount of landfill disposal.

³ Risk conversion: Konica Minolta's own method of obtaining an index for risk management, where the risk posed by the effects of atmospheric VOC emissions is defined as the sum of direct human health risk and air pollution risk.

⁴ Buyer's Laboratory Inc.: A private corporation in the U.S. offering ratings for business-use office equipment products. The company's reporting is highly credible and widely accepted because it is based on rigorous, practical testing that is carried out over a number of months in an independent manner.

⁵ Universal design: Designing products, buildings, and spaces accessible to everyone, regardless of age, sex, or disability.

Page	Future Challenges
P.19–20 P.22 P.23	<ul style="list-style-type: none"> ● Establish and promote a new Environmental Vision, which will seek to capitalize on the existing three key areas—fighting global warming, creating a recycling-based society, and reducing chemical risks—and build on these with the participation of all employees.
P.25 P.26 P.26–28	<ul style="list-style-type: none"> ● Pursue a greater focus on providing products and services with customers in mind. ● Enhance product safety by strengthening supervision at the development and design stages, in addition to monitoring product safety at the production stage. ● Promote universal design⁵ and information security⁶ features.
P.30 P.31 P.32	<ul style="list-style-type: none"> ● Promulgate more thorough compliance based on the Konica Minolta Group Charter of Corporate Behavior. ● Promote thorough compliance programs that address the different priorities of issues in different regions. ● Advance CSR throughout the supply chain.⁷ ● Continue on the work to upgrade the internal control system to ensure reliability of financial reporting at a higher level.
P.34 P.35–36 P.36 P.37	<ul style="list-style-type: none"> ● Strengthen stakeholder⁹ engagement¹⁰ in order to win the trust of stakeholders.
P.40 P.41–44	<ul style="list-style-type: none"> ● Enhance and develop social contribution programs that contribute to addressing issues at the global and community levels.
P.46–48	<ul style="list-style-type: none"> ● Foster personnel in line with the Group's business growth strategies.

⁶ Information security: Today's network society faces enormous risks from unauthorized access, virus infections, information leaks and so forth. Information security means the protection of customer information by providing products with built-in security functions such as user authentication and auto-deletion of data.

⁷ Supply chain: The system of organizations, people, technology, activities, information, and resources involved in moving a product or service from supplier to customer. The concept goes beyond the corporate framework and covers material and parts suppliers and outside distributors.

⁸ Financial Products Transaction Law: Recent years have seen increasing emphasis on corporate internal control in response to frequent misconduct by companies. In Japan, the Financial Products Transaction Law (aka "Japanese SOX Law") was enacted in 2006 to ensure the reliability of corporate financial reporting. It took effect in 2008.

⁹ Stakeholder: Any party interested in the Group's business activities, including customers, suppliers, shareholders, employees and local residents.

¹⁰ Stakeholder engagement: Listening to stakeholders' opinions and considering those opinions in management decision-making and corporate activities.

Minimizing Impact to the Planet— Maximizing Economic Value to People

It is the mission of Konica Minolta to provide products and services that are beneficial in people’s daily lives and it is inherent in the Group’s social responsibility to minimize its impact on the global environment for the benefit of future generations.

The Group promotes environmental management worldwide that minimizes the environmental impact, while maximizing economic value. Moreover, the Group is committed to comprehensively reducing its environmental footprint through all stages of its products’ lifecycle.

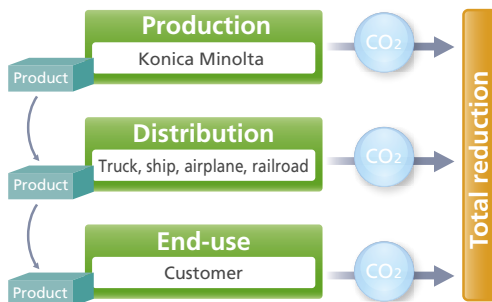
CO₂ Reduction throughout the Product Lifecycle

● Combating Global Warming

Helping to combat global warming is one of the most important social responsibilities of the manufacturing industry today. The Konica Minolta Group is committed to helping combat global warming from the perspective of the entire product lifecycle. The Group’s measures for reducing CO₂ emissions cover emissions from its business sites during both product manufacture and at each stage in the product lifecycle, including during product distribution and use by customers.

With this concept in mind, the Group has set a formidable target: a 20% reduction in CO₂ particulate emissions by fiscal 2010 compared to the 2000 level for the product lifecycle—from production, to distribution, to end-use. In fiscal 2007, CO₂ emissions throughout the product lifecycle were 582,000 tons, achieving a 21.7% decrease compared to the fiscal 2000 level.

CO₂ Emissions Reduction throughout Product Lifecycle



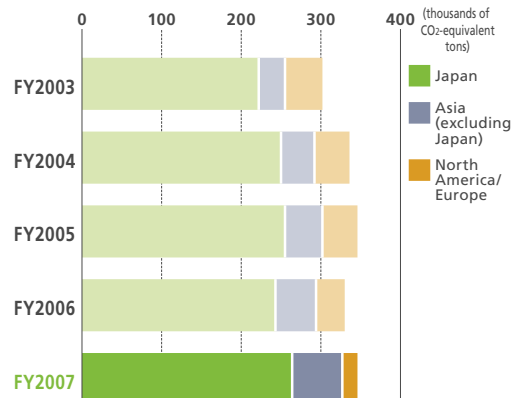
7% Reduction: A Worldwide Challenge

● Reduction of CO₂ Emissions at Business Sites in Japan

Konica Minolta has set a challenging target: “a 7% reduction of CO₂ emissions from the Group’s business sites in Japan by fiscal 2010 compared to fiscal 1990 levels,” which is even more stringent than the reduction target established under the Kyoto Protocol.

In fiscal 2007, CO₂ emissions from all sites in Japan rose 8.2% over the previous year to 264,000 tons (a 43.8% increase compared to the fiscal 1990 level). The Group’s companies in Japan are striving to conserve energy through the incorporation of the latest energy-saving technologies at new plants and by improving production efficiency in all business areas. While the implementation of these energy-saving measures resulted in a decrease of 45,000 tons of CO₂ during fiscal 2007, total CO₂ emissions from business sites in Japan increased, in part due to the construction of new plants. As the addition of more plants and expanded production in the future will likely result in increased CO₂ emissions, Konica Minolta is going to implement various measures to renovate its production processes in order to reduce CO₂ emissions.

CO₂ Emissions from Konica Minolta R&D and Production Sites



Adoption of Green Power

As of March 2008, Konica Minolta Plaza, located in Tokyo, uses only green power, which has a low environmental impact, to cover electrical needs for all its exhibitions. This is achieved by purchasing the environmental added value of electricity made through wind power, solar power, biomass, or other renewable sources, for which it receives a green power certificate for that portion of its power use.



Recognized for Energy Savings Products

Reduction of CO₂ Emissions at Business Sites in the U.S., Europe and Asia

Konica Minolta has set another target, "a 7% reduction of CO₂ emissions from sites in the U.S., Europe, and the rest of Asia by fiscal 2010 compared to fiscal 2000 levels," intensifying its CO₂ reduction efforts worldwide.

In fiscal 2007, CO₂ emissions decreased by 6.5% from the previous year to 80,000 tons (a 2.4% increase from the fiscal 2000 level). Although CO₂ emissions decreased temporarily due to Konica Minolta's withdrawal from the camera and photo business, emissions are expected to increase from fiscal 2008 onward as a result of new plant construction and expanded production. In fiscal 2007, Konica Minolta dispatched energy management professionals to two plants in China. These professionals checked the status of energy use and equipment and started the Energy-Conservation Support Program, which identifies energy conservation measures. These two plants are working to identify measures to reduce their energy use by approximately 10%. In fiscal 2008, these plants will translate their identified measures into action and the program will be expanded to other plants.

Implementing the Energy-Conservation Support Program



Konica Minolta Business Technologies (Dongguan) Co., Ltd.



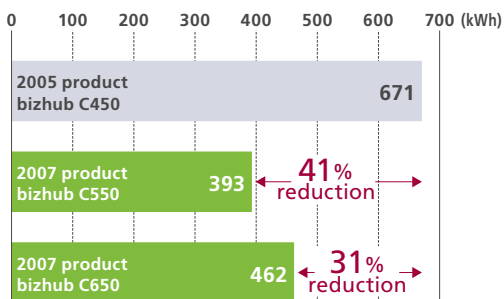
Konica Minolta Optical Products (Shanghai) Co., Ltd.

Energy Conservation Grand Prize

Konica Minolta's color MFP bizhub C650/C550 won the Agency for Natural Resources and Energy Director-General's Award, one of the 2007 Energy Conservation Grand Prizes (in the energy-saving machines and systems category), sponsored by Japan's Ministry of Economy, Trade and Industry.

Compared to products from two years ago,¹ power consumption in these new MFPs has been cut by 30-40% despite achieving copying speeds that are 20-40% faster, thereby helping reduce CO₂ emissions during customer use. Moreover, the bizhub C650 series has a fast startup time of under 30 seconds when turned on with the sub-power switch.²

Annual Power Consumption of Color MFPs³



Staff Voice

Target: Zero energy consumption in "standby" mode

Current discussions on carbon dioxide emissions are forcing stricter energy targets throughout Europe. Konica Minolta already manufactures state of the art products with reduced energy consumption. The ultimate target must now be zero energy consumption for MFPs and printers in standby mode.



Product Safety & Environmental Manager
Konica Minolta Business Solutions Europe GmbH

Wolfram Buchroth

- Product from two years ago: bizhub C450.
- Sub-power switch: The power source for machine operations, which is used as the daily power switch. In contrast, the main power switch controls the power to all of the machine's functions, and so is usually left on at night so that, for example, the machine is always ready to receive faxes.
- Annual power consumption: Obtained by multiplying the Typical Electricity Consumption (TEC) value, a standardized measurement established by the International Energy Star Program, by 52 (number of weeks per year).

Minimizing Impact to the Planet— Maximizing Economic Value to People

Staff Voice

New packaging recycling center

The UK Quality & Environment team has worked closely with warehouse staff to install the new Greenhub Recycling Centre, which consists of four new machines designed to reuse and recycle our packaging waste.



Quality & Environmental Officer
Konica Minolta Business Solutions (UK) Ltd.

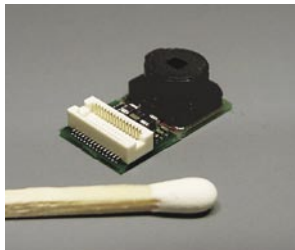
Natasha Ramnarain

Design that Places Importance on Resources

● Resource Conservation through Design

Designing products so as to use fewer raw materials helps reduce the environmental impact throughout the product lifecycle—from obtaining raw materials to product disposal. In keeping with its efforts to introduce environmentally sound products, Konica Minolta is committed to creating ever more resource-saving designs. By pursuing miniaturization and enhanced functionality in the micro-camera units and micro-camera lens units that are installed in camera-equipped cell phones, vehicle cameras, web cameras, and other such products, the Group is helping to minimize the use of materials and resources through reductions in the size and weight of end products.

These efforts have led to weight reductions of over two-thirds in devices related to digital X-ray imaging used in medical settings in the last eight years. The weight of the Regius Model 110, a digital X-ray image reader launched in 2007, was reduced by 71% and the weight of the Drypro Model 832, a dry laser imager, was cut by 79% in comparison with previous models.



Micro-camera unit smaller than a matchstick



Digital X-ray image reader Regius Model 110

Konica Minolta Steps Up Recycling Worldwide

● Recycling during Distribution and Marketing

Konica Minolta has implemented a system for collecting used laser printer toner cartridges in 18 European countries, the U.S., Puerto Rico, and Japan. It has also established a program for collecting and recycling used office equipment in Europe, the U.S., and Japan.

The Group employs practices to reduce packaging and recycling activities in various countries. Konica Minolta Business Solutions (UK) Ltd., an office equipment sales company, has set up a recycling station known as the green hub in its central warehouse and has reduced its used packaging landfill waste to zero. Cardboard, shrink packaging film, palettes, and other packaging are separated according to material, mechanically compressed, and handed over to a recycler. Cardboard boxes are recycled in-house by sending them through a special shredder and using the strips as cushioning material for packaging.



greenhub



Mechanically compacting waste



Cardboard box shredder

| Reducing Waste | Worldwide

● Zero Waste

The Konica Minolta Group is lightening its environmental impact and cutting down on the amount of waste that it produces by setting a goal of reducing its total waste disposal at all sites by 20% in fiscal 2010 compared to the fiscal 2000 level. To achieve this goal, the Group is promoting zero waste campaigns at production bases to minimize landfill waste through recycling. The criteria, which Konica Minolta categorizes as either Level 1¹ or Level 2,² are implemented at each base. Level 1 calls for the reduction of landfill waste by recycling. After reaching Level 1, the production base aims to meet Level 2 standards for reducing the volume of waste per unit of sales. In Japan, all sites met the requisite criteria for Level 1 in fiscal 2006. Six more sites reached Level 2 during fiscal 2007, attaining the Level 2 zero waste goal at all Japanese production bases. In China, three bases had achieved Level 1 by fiscal 2007.

By pursuing its zero waste initiatives, Konica Minolta succeeded in reducing emission of waste globally by 23% in fiscal 2007 compared to the fiscal 2000 level.

Due to future expansion of production, increased generation of waste is expected to be an issue, but the Group's initial goal remains unchanged: it will pursue further waste reduction. Zero waste activities will be implemented at production bases in the U.S., France, and Malaysia with the aim of achieving Level 1 in fiscal 2008 and Level 2 in fiscal 2009 at all production bases.

| 97% Recycling Rate | Achieved

● Chinese Bases Achieve Zero Waste

In January 2008, Konica Minolta Optical Products (Shanghai) Co., Ltd., a base in China producing optical devices, achieved the Level 1 zero waste goal. It introduced an improvement project named "Green Home," in which it continuously carries out activities to improve its recycling rate, including practicing recycling through in-house separation of waste and evaluating disposal companies that can properly recycle waste, using the same criteria as those in Japan. Furthermore, as an in-house recycling initiative, the company recycles plastic scraps from products into trays that are used during the production process.

As a result of these initiatives the company achieved a recycling rate of 97%, a final disposal rate of 3%, and realized an income that greatly exceeded the expenditure on outside treatment companies. This news was covered by newspapers in China and on the Internet, introducing Konica Minolta's environmental management system to Chinese society.

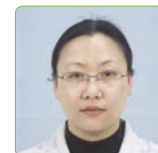


Presentation of achievement trophy

Staff Voice

Company-wide focus on achieving Zero Emissions Level 2

In January 2008, we achieved Zero Emissions Level 1. Now, the entire company is focused on upgrading our activities to achieve the more advanced Zero Emissions Level 2 through attaining reduction targets for waste emissions. We are putting into practice corporate activities that achieve a balance between humanity and the environment.



Environmental Specialist
Konica Minolta Optical
Products (Shanghai) Co., Ltd.

Zhuang Yun

¹ Level 1 zero waste criteria:
Recycling rate must be 90% or higher; final disposal rate should be 5% or lower (including secondary residue); cost reduction is achieved by a gain on sales of recycled materials and/or the cost saving effects resulting from such measures, in excess of the total recycling cost paid to outside parties.

² Level 2 zero waste criteria:
Volume of waste discharged externally must be reduced by 30% per unit of sales (compared to the benchmark fiscal year).

Minimizing Impact to the Planet— Maximizing Economic Value to People

Staff Voice

From product design through recycling

By managing the entire life cycle of products, from designing for the environment through implementing end-of-life recycling programs, Konica Minolta continues to market products that are progressively both environmentally friendly and cost effective for our customers.



Senior Regulatory Specialist
Environmental Protection
Center
Konica Minolta Holdings
U.S.A., Inc.

Timothy D. Ringo, CIH

¹ PPC Paper
Refers to copy paper. PPC stands for Plain Paper Copier.

² VOCs
VOCs are widely used in detergents, solvents, and fuel. In recent years they have been regarded as hazardous substances that cause pollution like photochemical smog and health problems like sick-house syndrome.

³ Risk conversion
Konica Minolta's own method of obtaining an index for risk management, where the risk posed by the effects of atmospheric VOC emissions is defined as the sum of direct human health risk and air pollution risk.

Working Together to Reduce Environmental Impact

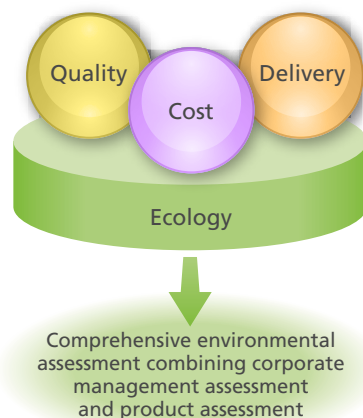
Promoting Green Procurement

The Konica Minolta Group practices green procurement—i.e., the procurement of materials and parts that have a low environmental impact. The Group places special emphasis on the management of chemical substances contained in parts and materials throughout its supply chain.

In the procurement of parts for office equipment, the Group has strengthened chemical management systems by having Group employees visit the manufacturing sites of all suppliers in Japan and China. In fiscal 2007, these efforts resulted in an increase in the overall percentage of suppliers attaining an A rank—the highest environmental management level—from 60% at the beginning of the year to over 80% at the end of the year.

Moreover, Konica Minolta Business Solutions Japan Co., Ltd., an office equipment sales company in Japan, established PPC¹ Paper Purchase Standards. These standards stipulate that copy paper to be sold to customers should be procured with sufficient consideration paid toward minimizing the impact of deforestation and the degradation of forests. The company began to implement this policy from fiscal 2007.

Green Procurement System



Keeping a Close Check on Harmful Substances

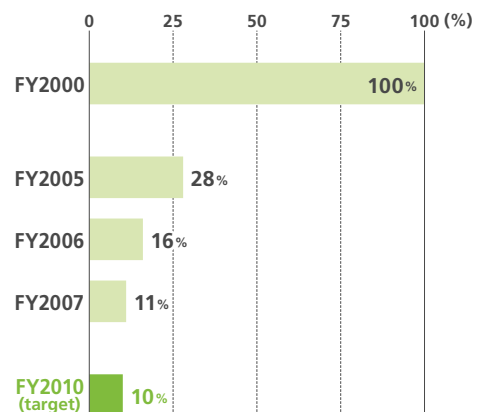
Chemicals Management at Production Sites

A close watch is kept on all chemical substances in products and at plants through the Safety Verification System to ensure that harmful chemicals are used with appropriate care.

Volatile organic compounds (VOCs)² are used at production sites when necessary. Konica Minolta has set a target for the reduction of its total atmospheric VOC emissions (per risk conversion³) to 10% of the fiscal 2000 level by fiscal 2010. In fiscal 2007, the Group reduced the release of VOCs to 11% of the fiscal 2000 level.

Regarding soil and groundwater pollution, Konica Minolta's investigations have detected such pollution at nine sites. Specialized teams were formed to respond, and the Group is continuing to undertake remediation, clean-up and periodic monitoring, and other countermeasures. Detailed information on each of these sites has been disclosed on the Group's website.

Total Atmospheric VOC Emissions (per risk conversion, compared to fiscal 2000 level)



| Learning from Local Residents

● Community Environmental Briefings

In fiscal 2007, Konica Minolta's Tokyo site (Tokyo), Mizuho site (Aichi), and Itami site (Hyogo) all held their annual Community Environmental Briefings, as they have since 2002. The purpose of these briefings is to communicate to local residents details of the environmental protection initiatives taken at Konica Minolta's plants. In fiscal 2007, a briefing was also held at the Osakasayama site for the first time.

During these briefings, greetings by the site representative are followed by a report on the status of environmental initiatives, safety and disaster prevention, community exchanges, and other efforts, based on the content of each Site Report (Plant Environmental and Social Report). Further, after giving local residents a tour of the site, there is a general exchange of opinions and time for Q&A. Every year, the Group learns many things from local residents during these briefings.



Exchanging opinions with local residents

| Twenty Years of Effort in Species Conservation

● Supporting Charities Protecting the Japanese Red-Crowned Crane

Not long ago, the number of red-crowned cranes⁴ indigenous to Japan plummeted due to the deterioration of their native habitat. The bird was, for a time, on the verge of extinction. However, thanks to the establishment of the Tsurui Ito Red-Crowned Crane Sanctuary in 1987 by the Wild Bird Society of Japan, and to the protection activities undertaken by local residents and concerned organizations, the number of cranes has increased to more than 1,000. Konica Minolta has been a supporter of the crane-protection activities since the establishment of the sanctuary.

The year 2007 marked the 20th anniversary of the establishment of the sanctuary. In commemoration, Konica Minolta selected about 40 photos from the prize-winning pieces received for the Konica Minolta Japanese Red-Crowned Crane Charity Photo Contests and created a photo collection, which it used for its charity activities.

⁴ The red-crowned crane is a large bird with a white body and a patch of red on the crown of its head. Its habitat extends from eastern Eurasia to Hokkaido in Japan.



20th anniversary photo collection

Delivering Added Value to Customers

Konica Minolta believes that it is not just a mere supplier of goods and services. In each division, the overriding objective is to provide customers with the value they seek. As part of this effort, the Group strives to offer office products with unparalleled functionality, utility, and features.

A Management System Responsible for Quality

Quality Management System

The executive officer in charge of CSR is responsible for quality Group-wide. Within each business company and common function company, directors in charge of quality are responsible for the quality of their respective product categories. In addition, the Group maintains a Quality Committee, chaired by the executive officer in charge of CSR and composed of executive officers in charge of quality, as a Group-wide consultative organization responsible for promoting quality management throughout the Group.

In fiscal 2007, the group also started formulating a system for quantitatively evaluating the quality that is expected by customers in a variety of business fields with the aim of increasing customer satisfaction.

Prompt Response Guards against Quality Problems

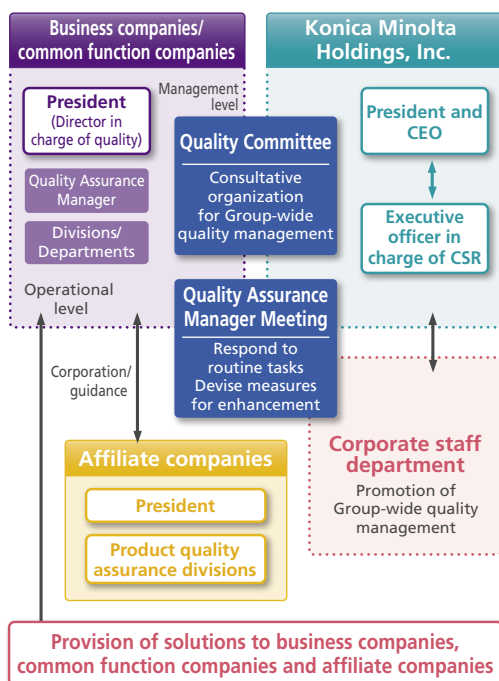
Worldwide Information Sharing and Response

In accordance with its primary policy of "customers and quality first," the Konica Minolta Group takes prompt, appropriate, and thorough action when quality problems are discovered. The Group then implements measures to ensure there will be no recurrence of the problem.

If a quality-related accident occurs anywhere in the world, sales and marketing offices input a report into Konica Minolta's Market Quality Quick Report Database, operated worldwide, within 24 hours and that information is then immediately shared with business companies and Konica Minolta Holdings, Inc. As necessary, reports are promptly given to the group's top management from the executive officer in charge of CSR.

In the unlikely event of an emergency accident involving product safety, Konica Minolta holds a Quality Problem Response Meeting in accordance with its Market Quality Management Rules and is prepared to take prompt responsive action.

Group Quality Management System



bizhub C650 Series Wins Energy Conservation Grand Prize



Konica Minolta's color MFP bizhub C650/C550 won the Agency for Natural Resources and Energy Director-General's Award, which is one of the 2007 Energy Conservation Grand Prizes in the energy-saving machines and systems category. The Simitri HD toner, with its lower melting point and other technologies that helped achieve a dramatic reduction in energy consumption, were highly praised.



Voluntary Efforts Exceeding Legal Standards

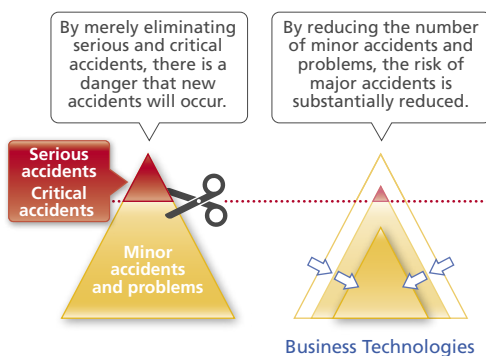
● Framework for Ensuring Product Safety

Product safety is the foremost issue that every manufacturer must address with the highest priority, and this is true at Konica Minolta as well.

Konica Minolta Business Technologies, Inc., (Business Technologies) has set strict safety standards that go beyond the level required by laws and regulations. The company has established its own Electrical Safety Design Standards and Safety Evaluation System, which are shared by all departments. With these cross-divisional frameworks the company promotes product safety.

To prevent the occurrence of serious accidents, it is extremely important to make sure that products do not have any small defects or problems that can lead to serious accidents. In fiscal 2007, Business Technologies reviewed product components and the assembly processes in light of product safety. Subsequently, the system was further reinforced, ensuring an increased level of safety.

■ Product Safety Concept (Business Technologies)

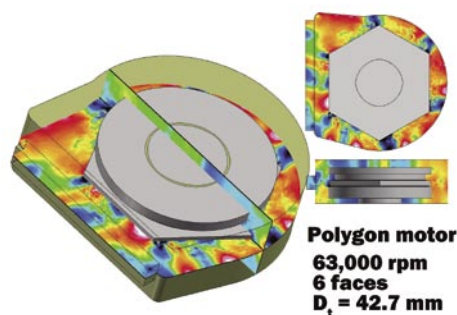


● Product Analysis Methods Keeping Abreast of Technological Advancement

Information technology and the complexity of software are constantly advancing. The Business Technologies' quality assurance department is continually enhancing its technology to reliably assess even the newest technology. This means customers receive the latest innovations with any flaws already fixed.

For example, the company jointly developed a technology with the University of Tokyo for analyzing the mechanisms of noise generation. The product noise issue is easily overlooked during the development stage for office products. This technology has facilitated the development of quieter products that help create comfortable office environments.

■ Pressure distribution around the polygon motor¹



(Joint research with the Kato Chisachi Lab at the University of Tokyo)

Staff Voice

Continuing to offer the most value from the customer's point of view

No matter how advanced the technology and functionality of a product, they only have value when the customer accepts them. "Is this product or service providing the most value possible to the customer?" At Quality Assurance Operations, this is the question we ask ourselves, a crucial question in assessing our products and services.



Manager
QA Planning Division
Quality Assurance Operations
Konica Minolta Business Technologies, Inc.

Keisuke Tobita

¹ Polygon motor: A motor used in laser writing systems for MFPs and other equipment to rotate a polygon mirror at high speed.

Staff Voice

Designs that people want to try

It is a given nowadays that products have the necessary functionality and are reliably usable. Moving on from this, our designs provide value that allows customers to experience comfort and fun while at work. We are striving for universal design that makes customers feel, "I want to try this."



Chief Industrial Designer
Design Center
Konica Minolta Technology
Center, Inc.

Yoshitaka Isogai

1 RoHS: Stands for "the restriction of the use of certain hazardous substances in electrical and electronic equipment."

2 Registration, Evaluation, and Authorization of Chemicals (REACH): A European Union regulation that requires manufacturers and distributors that produce or handle more than one ton of chemical substances to perform risk evaluation.

3 Framework Directive on Eco-design of Energy-Using Products (EuP): Directive on energy-saving design requirements for electronic products.

The Added Value of Safety

● Safe, Reliable, User-Friendly Products

To supply safe and reliable products to its customers, Konica Minolta evaluates products from the perspective of product liability during the various stages of product development. The Group strives to develop products that meet its voluntary standards. These internal standards are even more rigorous than the safety criteria established by Japanese regulations and the national safety standards of the countries in which the Group operates.

In addition, all the Group's products comply with the European RoHS¹ Directive, which tightly restricts the use of hazardous substances in products. Further, the Group is steadily moving toward compliance with the Registration, Evaluation, and Authorization of Chemicals (REACH)² regulations that are going to come into force in Europe, and the Framework Directive on Eco-design of Energy-Using Products (EuP)³.

When designing MFPs, laser printers, and other image information products, the Group is committed to making every effort to ensure comfortable use by developing products that fulfill the requirements for Japan's Eco Mark and satisfy the strict criteria of Germany's Blue Angel Mark (BAM), which rigorously restricts operation noise, vibration, and the emission of volatile organic compounds (VOCs).

In fiscal 2007, BAM added new criteria for color printers in ozone emission and noise level, and even stricter standards were set for ozone emission and energy-saving properties. These new standards were swiftly incorporated in Konica Minolta's bizhub series and 13 models were certified with the German Blue Angel Mark.



Blue Angel Mark

The Added Value of User Friendliness

● Pursuing Universal Design

Konica Minolta is committed to manufacturing products based on the concept of universal design—products that can be used comfortably and easily by all people. Konica Minolta believes that products that are easy and comfortable to use come from paying attention to and putting all the little details into each one. The bizhub series of MFPs, for example, features meticulous efforts to enhance the ease of operation of every detail: displays with greater visibility, buttons that are easier to press, paper outlets with surface treatment that helps users retrieve their print-outs, and paper trays with grips that are easier to handle.



| Security through User Authentication

● Serious Information Security

Konica Minolta's MFPs are loaded with a range of security functions including user authentication, section management, IP filtering for preventing unauthorized printing over the network, and data erasing that completely erases document information read to the HDD by overwriting it when the job is finished and again when the HDD is discarded.

Data encryption is included as a standard specification in all but a few products, as a basic and necessary security function to give customers peace of mind when using Konica Minolta products.

Furthermore, the AU-101 Biometric Authentication Unit is included as an option for the bizhub C550/C650. This biometric finger vein reader allows highly secure, simple, and quick user access to the bizhub. The Biometric Authentication Unit eliminates the bother of entering passwords or carrying an ID card, since the unit can authenticate users simply by scanning a finger. Discriminating users by vein pattern, an individual characteristic that is difficult to forge, this system prevents fraudulent access using a stolen password or card.



The AU-101 finger vein reader for biometric authentication

| Customer-Focused Product Nets Prestigious Award

● Pick of the Year Award

Konica Minolta's color MFP bizhub C650/C550/C451 were given the Pick of the Year award by the Buyers Laboratory Inc. (BLI) in the U.S. in autumn 2007. For over 45 years, BLI has been highly trusted in the United States as a private evaluation body that tests office equipment. The Pick of the Year Award is given to office equipment that demonstrates exemplary performance throughout BLI's rigorous evaluation testing. The bizhub C650/C550/C451 won the award for their outstanding operability, high picture quality, user-friendly design, and suite of security functions.

As one of Konica Minolta's flagship product lines, the bizhub C650/C550/C451 are color MFPs that bring together a diversity of added value for office use, including universal design, information security, and networking functions. Winning the Pick of the Year Award is high praise for Konica Minolta's technical capabilities and an endorsement of the Group's customer-oriented products.



The Pick of the Year Award

Paramount Objectives for Konica Minolta

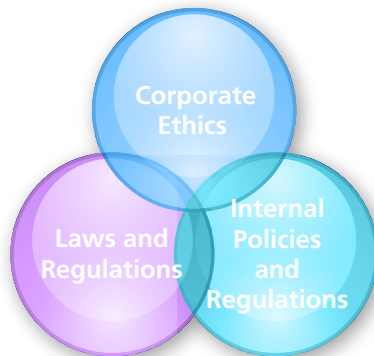
Fairness and transparency form the most important principles of Konica Minolta's corporate activities. To uphold these principles, all people working in the Konica Minolta Group take responsibility for their actions based on corporate ethics that go beyond simply obeying the law. The following is an overview of the Group's compliance system for ensuring fair and transparent corporate activities.

Konica Minolta's Compliance System

● Scope of Compliance

Konica Minolta's view of compliance comprises much more than just adhering to relevant laws in a particular country, and extends to living up to other important standards such as corporate ethics and in-house rules.

■ Scope of Compliance at the Konica Minolta Group



The Konica Minolta Compliance Manual has been prepared and distributed in order to ensure that the Konica Minolta Group Conduct Guidelines are being followed diligently in employees' daily activities. A Chinese-language version has also been prepared that reflects the legal requirements in China.



Konica Minolta Compliance Manuals

Guidelines for Each Employee

● Konica Minolta Group Conduct Guidelines (excerpts)

Basic Approach

We will observe all relevant laws and regulations, along with in-house rules and codes.

We will respect social norms and will act in full awareness of corporate ethics, as well as common sense, so as to be accountable for our acts.

We will seek to understand the Guidelines thoroughly, and to comply with them always.

We will not violate the Guidelines under any circumstances, even to benefit the Company or increase profits, even if so instructed by our superiors; or if the Guidelines have long been violated by our predecessors and many other companies, or their violation has become industrial or national practice.

The Konica Minolta Group Conduct Guidelines are of a universal character, adhered to throughout the Group's corporate governance, and given the highest priority in all Group activities. Based on this fundamental approach, a total of 40 conduct-guideline items have been established in the categories of Products and Services, Fair Transactions, Export and Import Procedures and Regulations, Protection of Confidential Information and Intellectual Property, Communication and Information Disclosure, Environmental Protection, Contribution to Society, Respect for Employees, and Internal Policies and Regulations.

Multilingual Handbook of Konica Minolta Group Charter of Corporate Behavior



To share the spirit of the Konica Minolta Group Charter of Corporate Behavior globally, Konica Minolta prepared a multilingual handbook written in nine languages (Japanese, English, Chinese, German, French, Spanish, Portuguese, Italian and Russian) and distributed it to all people working in the Konica Minolta Group around the world.

Worldwide Compliance throughout the Konica Minolta Group

Compliance Promotion System

The Konica Minolta Group makes fair and transparent corporate activities an integral part of the corporate culture wherever the Group operates around the globe. Even before the Japanese New Company Law came into effect in May 2006, Konica Minolta had been building a compliance system in line with the law concerning the company-with-committee system. The executive officer responsible for Group compliance, who is appointed by the Board of Directors of Konica Minolta Holdings, Inc., convenes the Group Compliance Committee, an advisory board comprising the chairpersons of compliance committees in the Group's business and common function companies. Thus, a powerful compliance system has been created, in which ultimate responsibility is assigned to the top management at Konica Minolta Holdings, Inc. and at each Group company. In this way, consistency is ensured for compliance activities at all affiliated companies worldwide.

From Policy Creation to Practical Application

Progress in Promoting Compliance

In fiscal 2007, the Konica Minolta Group held thematic compliance seminars nationwide in which the Group employees can voluntarily participate. Topics included the prevention of harassment (1,305 participants), the Antimonopoly Act (632 participants), the Subcontracting Law (372 participants), and the Personal Information Protection Law (256 participants), among others. The Group also conducted position-based compliance education for a total of 500 individuals in different positions. In North America, local staff members (company lawyers) held educational sessions on issues including competition laws, sexual harassment, and import and export regulations. In Europe, education was provided through such means as the publication of handbooks on matters including environmental directives and competition laws.

The Group's business companies and common function companies are required to report such compliance promotion progress to the Group Compliance Committee every month.

Staff Voice

Values shared by all employees

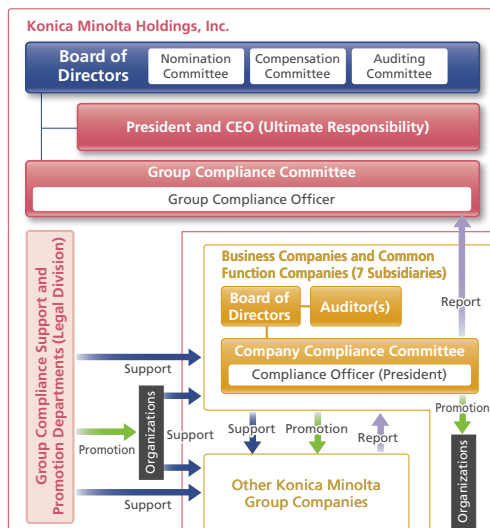
We are working to promote compliance so that all group employees can go forward with a sense of pride in their work. At Konica Minolta, we think that the passive approach to compliance of adhering only to explicit laws and regulations is not enough. We are striving to set a higher ethical tone and create a shared value: Wanting to do the right thing.



Manager
Legal Division
Konica Minolta Holdings, Inc.

Yuji Taguchi

Compliance Promotion System



Seminar raises employee awareness

Paramount Objectives for Konica Minolta

| An Open and Fair Partnership with Suppliers

● Group Procurement Policy

On April 1, 2008, the Konica Minolta Group established a new procurement policy for the entire Konica Minolta Group, in order to pursue customer satisfaction and fulfill social responsibilities.

Konica Minolta Procurement Policy

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 them to focus on the following areas in order to increase customer satisfaction and fulfill social responsibilities.

1) Excellent quality

Ensuring the safety of products and services, including compliance with the safety standards of each country and region and improving quality to meet the demands of customers

2) Reasonable prices

Pursuing prices with market competitiveness

3) Response to changes in demand

Developing a stable supply system that can respond flexibly to changes in demand

4) Compliance with laws, regulations and corporate ethics

Complying with all laws and regulations of each country and region, and with corporate ethics

5) Environmental protection

Undertaking environmentally conscious business activities and material procurement

6) Respect for the human rights of workers

Respecting basic human rights, including the prohibition of child labor, forced labor, and discrimination based on ethnicity, sex, and any other grounds

7) Health and safety

Providing safe and clean work environments

8) Information security

Continuously improving information security

9) Firm management foundation

Building a firm management foundation to ensure a continuous and stable supply of materials

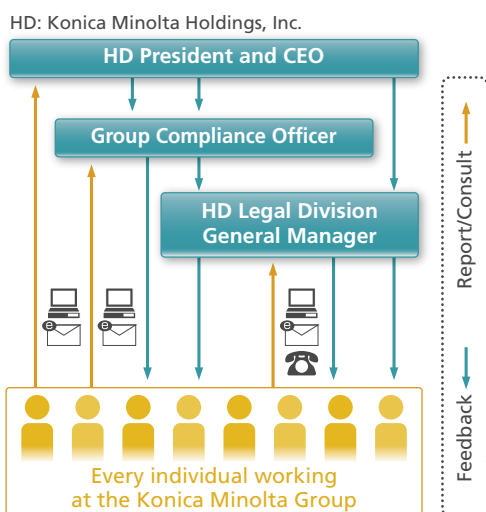
Hotlines to Promote Compliance

● Establishment of the Hotline

In Japan, the Konica Minolta Group maintains a Group-wide hotline that allows employees to report any compliance violations that are discovered. Employees can consult with the hotline by telephone, email, or letter. In addition, independent hotlines have been set up at each business company in Japan for the business company's organization, including its subsidiaries. Likewise, some of the Group companies outside Japan also maintain their own hotlines.

In fiscal 2007, the Group Hotline was operating effectively. Investigations were made into the content of the reports, while ensuring that the identities of the whistleblowers remained protected. These efforts were immediately followed up, as necessary, with measures for improvement. Those contacting or making reports to the hotline have not suffered any negative consequences.

■ Konica Minolta Group Hotline (Japan)



Creating Mechanisms to Prevent Accounting Improperities

● Complying with the Financial Instruments and Exchange Law

As part of worldwide efforts to prevent improper corporate accounting practices, the Japanese Financial Instruments and Exchange Law (J-SOX) came into effect in fiscal 2008. The Konica Minolta Group has implemented measures to comply with this law in four phases. Phase one covered the overall planning and was completed in fiscal 2006. The next three phases were completed in fiscal 2007. Phase two covered the documentation of internal controls, phase three involved evaluation of the design and operation of business processes, and phase four took care of identifying and resolving the deficiencies discovered in the phase three evaluation. Currently, the implementation system has been put in place, and evaluation of internal controls is being carried out. Konica Minolta will continue to promote Group-wide efforts to create mechanisms to prevent any errors by reviewing the report preparation process, and will publicize the efficacy of the reporting process.

Staff Voice

Prepared for full enforcement of J-SOX Law

We have been supporting the preparation of more trustworthy financial statements mainly through Process Level Control (PLC) and IT General Control (ITGC), which are part of the internal controls that are the foundation of reliable financial statements. Thanks to the efforts of each company, we are prepared for the full enforcement of J-SOX.



Chief
Business Systems Development
Headquarters
Konica Minolta Information
System Co., Ltd.

Kenichi Kunitomo

Earning Public Confidence: Adding to Corporate Value

In order to fulfill its corporate social responsibilities and to meet the needs of various stakeholders, Konica Minolta carries out communication activities with broader society, and fully and fairly discloses corporate information. The Group is aiming to increase its corporate value in terms of stakeholder confidence by reflecting public opinion in management decisions.

| Direct Dialogue with Individuals

● Relations with Stakeholders

In order to consider the opinions of stakeholders when making management decisions, Konica Minolta maintains two-way communication with customers, shareholders, investors, government agencies, members of local communities and people from other companies using various tools, as described below. The objective is to give large numbers

of people an accurate understanding of the Group's business activities and of its relations with society. In addition, in order to earn trust, the Group not only discloses financial information, but also other information such as corporate and environmental activities, in a fair and timely manner.

■ Communication with Stakeholders



CSR Reports Published in Five Languages

Since 2005, to help its global stakeholders gain a better understanding of the Group's CSR activities, Konica Minolta has been publishing its CSR Reports in five languages: Japanese, English, Chinese, German and French. The reports cover topics from around the world, and feature individual employees from a variety of countries—all playing an important role in the Group's CSR activities.



Proactive Information Disclosure to Shareholders and Investors

● IR Activities

Konica Minolta proactively provides substantial investor relations (IR) information to give shareholders and investors a good understanding of its corporate activities. In fiscal 2007, the Group continued to hold results briefings for investors each quarter. Konica Minolta also promoted IR activities for investors outside Japan, through overseas visits and participation in investor conferences held in Japan and other countries, in addition to holding international conference calls on the same days as the briefings in Japan.

Based on the idea that direct communication with top management is important, company executives participate in investor meetings whenever necessary. In fiscal 2007, meetings were held with over 400 large institutional investors, in and outside Japan. Discussions with about 120 of these institutions were handled by the president or executives from Konica Minolta. Moreover, the Group actively visits institutional investors, and strives to reflect shareholder and investor opinion in its management plans.

In order to distribute information to individual investors in a timely manner, presentation materials and audio recordings of results briefings are made available on the Konica Minolta website.

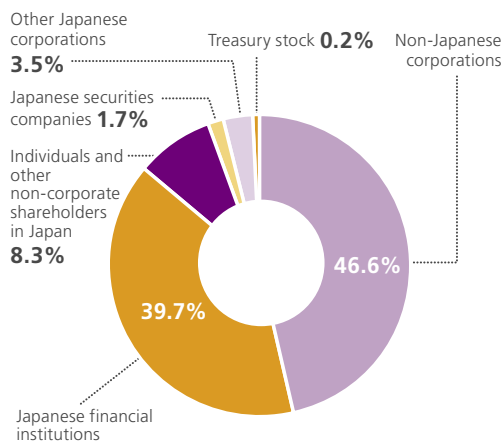
Results briefings	Four briefings (interim, year-end, first and third quarters)
Business and technology briefings	Two briefings
Participation in investor conferences	Seven conferences (three in Tokyo, three in U.S., one in Europe)
Trips to visit investors	Five trips (two in Japan, two in North America, one in Europe)
Separate meetings	Meetings with over 400 institutions

Facilitating Shareholders' Participation

● Electronic Voting via the Internet

Starting with the General Meeting of Shareholders in June 2007, shareholders have been given the means to exercise their voting rights via the Internet. Konica Minolta joined an electronic voting system that is being used by 2400 financial institutions worldwide (mainly in the U.S. and U.K.), and thus enabled its institutional investors outside Japan, as well as all investors in Japan, to vote online. In the past, the institutional investors outside Japan were notified of the agenda for the General Meeting of Shareholders through related institutions including financial agencies, which did not give the investors much time to review the details of the agenda. With the introduction of the electronic voting system, shareholders both in and outside Japan are able to review the information on the same day that the invitations to the General Meeting of Shareholders are sent out. As a result, the voting rate for institutional investors outside Japan has increased from the previous year.

■ Shareholder Breakdown (as of March 31, 2008)



Earning Public Confidence: Adding to Corporate Value

Staff Voice

New solutions from a customer-oriented atmosphere

In order to realize new printing solutions, I think it is important to create an atmosphere in which customers feel free to ask about the smallest details. We are making the best use of the Konica Minolta Digital Imaging Square by inviting customers to, "Try it together" with us.



Business Promotion Section,
Production Print Division
Konica Minolta Business Solutions Japan Co., Ltd.

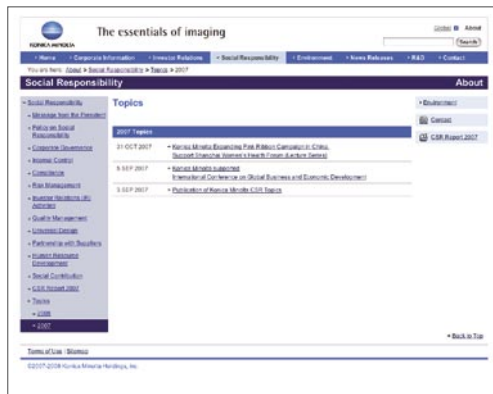
Yoko Sakairi

Reporting Konica Minolta's Latest CSR Activity News

● CSR Topics

Konica Minolta has been publishing CSR Topics on its website since September 2007 to help provide the wider society with the latest information on the Group's CSR activities.

Konica Minolta will continue to provide information through CSR Topics, about its products and services that have earned the confidence of customers, as well as the fairness and transparency of its corporate activities and progress toward environmental protection.



CSR Topics

A Place to Experience Production Printing

● Konica Minolta Digital Imaging Square

In October 2007, the Konica Minolta Digital Imaging Square (DIS) was opened as Konica Minolta's new showroom in Shinagawa, Tokyo. The showroom is a venue for disseminating the latest information on production printing, and allows customers to experience Konica Minolta's printing solutions first hand. DIS is based on the idea of providing solutions, rather than just selling products. The staff offer customers new business models, and a variety of solutions to their digital printing needs, with a focus on production printing. DIS has earned high praise from customers as the place to go to find answers to the questions that confront them in their work. Konica Minolta will strive to continue providing the latest information to customers in the printing industry.



Konica Minolta Digital Imaging Square

Fostering Relationships with Customers on a Mini-cruise

● Discovery Cruise

In October 2007, Konica Minolta Business Solutions (Belgium) N.V., an office equipment sales company in Belgium, organized an event called the Konica Minolta Discovery Cruise. The "Seastar" canal cruiser was set up as a Konica Minolta show space and customers were invited to board, in Liege, Antwerp, and Ghent.

Six business corners were set up in different areas of the boat for guests to learn about the new bizhub lineup and the latest Konica Minolta business solutions. A total of 250 customers enjoyed the cruises during the three days, and it proved to be an excellent opportunity for Konica Minolta and its customers to get to know each other better.



All aboard for the exhibition

Worldwide Employees Play a Leading Role in Communication

● A Global Group Magazine

In spring 2008, Konica Minolta began publishing the Konica Minolta Global Magazine. The Group will publish this magazine quarterly for its employees worldwide. The launch of the magazine is another illustration of Konica Minolta not limiting itself to disseminating information, but further enhancing bilateral communication with its employees, using the Intranet, questionnaires, and other media to seek feedback. Konica Minolta will use this publication, as well as the Group Magazine in Japan, to foster employees' understanding and empathy for the Group, and to encourage them to represent the Group, building sound communication channels with both customers and society.



First issue of the Konica Minolta Global Magazine

Staff Voice

Striving for sustained innovation

By providing a solid exchange platform to discuss with our customers, real added value is created around our knowledge and technology. To ensure a sustained innovation, this type of communication has an important value for Konica Minolta.



Manager
Strategies & development
Sales and Marketing
Konica Minolta Business
Solutions Belgium nv/sa

Kim Limbourg

Earning Public Confidence: Adding to Corporate Value

Staff Voice

Collaborating with suppliers for responsible procurement

Partnerships with suppliers are a priority issue in Asia, where the components procurement environment is often uncertain. Our entire staff is striving to create a company with a strong sense of reliability, a company that can be trusted. We try to carry out procurement activities in collaboration with business partners, sharing the same embedded values and high CSR standards. This adds to corporate value and customer satisfaction.



Deputy Senior Manager
Corporate Control Division
Konica Minolta Consulting
(Shenzhen) Co., Ltd.

Joe Ho

¹ Carbon offset: The act of offsetting emissions of CO₂ and other greenhouse gases produced in economic activities by investing in reforestation, clean energy (e.g. wind and solar power) projects, and other CO₂ emission reduction activities that may have an equivalent value.

Business Improvement Proposals for Suppliers

● Procurement Collaboration System

Konica Minolta is also actively promoting communication with its suppliers. Every year, Konica Minolta Business Technologies, Inc. holds meetings for suppliers to offer briefings on the company's procurement policies and results, and on its procurement plans for the upcoming fiscal year. In addition, the company operates a Procurement Collaboration System to support suppliers in quality, cost, delivery period, environmental protection, and business management. Konica Minolta personnel visit supplier sites to gain an understanding of the conditions on site, and offer proposals for improvement.

In order to prevent supply problems for parts and materials, the company operates a management evaluation system, and helps to prevent any unforeseen risks from arising at suppliers.

In March 2008 the Company held a large-scale meeting for suppliers on the Procurement Collaboration initiative. The meeting, where 240 suppliers from Southern China and 170 suppliers from Eastern China attended, provided a chance to reaffirm ties marking the start of the new fiscal year.



Meeting for suppliers

All Employees Play a Leading Role in CSR

● CSR Training

As part of communication activities with employees, Konica Minolta carried out CSR training for new hires, as well as newly appointed managers and executives, in order to promote the understanding and application of CSR by both management and general employees. The training was provided to a total of about 270 participants.

A questionnaire was given to new managers after the training, and many responses were received to questions such as "What are your impressions of the CSR training?" "What future CSR activities do you think Konica Minolta should pursue?" and "What kind of CSR activities would suit the functions of your department?" The individual responses to these questions will be used when planning future initiatives.

■ Questionnaire Responses by New Managers

Some of the responses to the question "What future CSR activities do you think Konica Minolta should pursue?"

- "Development of MFPs for 100% recycled paper. What about solar or wind power generation on each business site and emergency power provision to the neighboring community?"
- "We should pursue MFPs that use less paper and toner, products with a higher recycling rate."
- "Promotion of a reduction in paper use on a long term basis—a must for an imaging company."
- "Introduction of carbon offsets* for CO₂ emissions caused by future office equipment use (by financing reforestation, etc.), and donation of medicines to developing countries, associated with the medical equipment domain."

Employees and their Families Interact with Local Communities through Cleanup Activities

● Cleanup Event in Dalian, China

In November 2007, some 200 employees of Konica Minolta Opto (Dalian) Co., Ltd., an optical lens production company in China, and their families participated in a cleanup at Paotaishan Park in the Dalian Economic and Technological Development Zone. In China, the profusion of litter, including plastic shopping bags, has become a social issue. Under the slogan "community environmental protection begins with you," the employees got together to collect rubbish in the park, and filled 30 garbage bags, each with a 90-liter capacity. Many employees participated in the activity with an awareness of the need not just for the park cleanup, but also for environmental protection, and the event was widely reported by local TV stations and newspapers. Many children of employees also volunteered to participate in the event. The interaction between Konica Minolta and local communities through the actions of employees and their families is part of the company's communication efforts.



Cleanup event in Dalian

Showing the Next Generation the Allure of Product Creation

● Internships

An internship course entitled, Experiencing Core and Advanced Technologies through Products, was offered to university students aiming to become engineers. The course was held at Konica Minolta's Tokyo site in September 2007, and 21 students participated. The internship course placed emphasis on having students experience the allure of creating products and giving shape to dreams. For example in the class on mechanical and electrical information systems, the students got an actual sense of the advanced technology contained in products, through the process of taking apart MFPs and then reassembling them. The Group will continue to provide students with opportunities to learn what it means to work at a company, and help them to find careers that fit their abilities and interests.



Students try taking apart and assembling an MFP

Staff Voice

Employees organize community cleanup

Our first try at a Dalian community cleanup went off without a hitch thanks to the enthusiastic suggestions and specific proposals made by employees. I was so impressed when I saw the Paotaishan Park after some 200 employees spent nearly two hours cleaning it.



Chief
General Affairs Department
Konica Minolta Opto (Dalian)
Co., Ltd.

Jin Zhe Jiu

Helping create a better society—a vital role for Konica Minolta

Konica Minolta is determined to help create a better society through the Group's regular business activities. Accordingly, the Group continually acts in line with the aim of being an excellent corporate citizen and maintains a global perspective, while working to gain a solid understanding of regional values and concerns and ensuring that its activities are in tune with those values and concerns. Through its operations, the Group seeks to show respect for regional cultures, histories, and customs, while taking on regional issues as its own issues and striving to resolve them.

| Contributing to Society through Corporate Activities

● Basic Stance on Social Contribution

Konica Minolta believes that it is important to establish, maintain, and enhance collaborative relationships with society through a variety of activities. The Group approaches this collaboration from three viewpoints: "stakeholders' trust and approval," "planning and implementation," and "employees' awareness, enjoyment and sense of accomplishment." Konica Minolta engages in activities that receive warm approval from society, and from the people, groups and our employees who participated. We hope the activities give everyone involved a great deal of satisfaction.

Konica Minolta Group Policy on Social Contribution Activities

The Konica Minolta Group sees itself as a global provider of imaging solutions and engages in continuous social contribution activities that are of value to society at large and supported in communities around the world.

| Technology to Support the Visually Impaired

● Three-Dimensional Copying System (Japan)

In June 2007, Konica Minolta launched the PartnerVision bizhub 360, a three-dimensional copying system that can reproduce Braille texts and copies of graphic materials in three-dimensional format to help facilitate the communication of information to the visually impaired. The system comprises a customized copier and a developing machine, and makes three-dimensional copies simply by making a copy on capsule paper (a special-purpose paper) with a customized copier and feeding it into the developing machine. Using this system, it is now easy to communicate content that used to be difficult such as graphs, and maps, as well as letters (Braille).

In 2007, Konica Minolta provided support for an art exhibition featuring contemporary Japanese style paintings, which will go on tour around different art museums in Japan until 2010. The Group offered the three-dimensional copying technology for the creation of posters and guide materials that are readable by touch to help the visually impaired enjoy the exhibition, which has some tactile exhibits.



PartnerVision bizhub 360, a three-dimensional copying system

Holding Running Classes

Konica Minolta launched the Konica Minolta Running Project in 2006, and has offered classes at various venues in Japan to inspire people with the fun of running. The Fun Jogging Class in Hino was held in October 2007 in Hino City, Tokyo, attracting 80 participants, who received practical coaching from members of the Konica Minolta Track and Field Club.



Supporting Breast Cancer Awareness Activities

● Early Detection of Breast Cancer

With the aim of using technology to protect as many women as possible from breast cancer, Konica Minolta developed and is offering digital phase contrast mammography (PCM) X-ray systems, which enable the early detection of breast cancer. In conjunction, the entire Group supports the Pink Ribbon campaign, which raises awareness of breast cancer. In 2007, Konica Minolta undertook a variety of activities aimed at the early detection of breast cancer, including providing special support for the Pink Ribbon Festival, an educational event concerned with early detection and early treatment of breast cancer. The company held a Pink Ribbon T-Shirt Design Exhibition at the Konica Minolta Plaza located in Tokyo, and hung banners supporting the Pink Ribbon campaign at Konica Minolta's Hino and Hachioji sites in Tokyo.



Konica Minolta's Pink Ribbon campaign symbol

Advancing the Pink Ribbon Campaign in China

● Pink Ribbon Campaign in China

In China, breast cancer takes the lives of nearly 40,000 women every year. Konica Minolta is therefore helping to expand the Pink Ribbon campaign in China as well. At the end of 2006, Konica Minolta donated digital phase-contrast mammography (PCM) systems to Fudan University Cancer Hospital in Shanghai and Peking University First Hospital.

In October 2007, Konica Minolta started to sponsor the Women's Health Forum, a lecture series on women's health in Shanghai, to help spread the word among Chinese women of the importance of early detection and early treatment of breast cancer through regular examinations. These lectures introduced scientific methods of breast cancer prevention and knowledge of the disease. Attendees asked many questions, reflecting significant interest in the topic.

Year by year, the Pink Ribbon campaign is gaining more momentum around the world, and Konica Minolta will continue supporting it enthusiastically.



Women's Health Forum Sign (Shanghai City)

Staff Voice

Helping early diagnosis of breast cancer in China

Breast cancer has received a lot of attention here in China. In addition to our social contributions made by donating digital phase contrast mammography (PCM) X-ray systems to hospitals in Beijing and Shanghai, we are hoping to help diagnose breast cancer as early as possible by marketing and selling our PCM systems in China.



General Manager
Konica Minolta Medical & Graphic (Shanghai) Co., Ltd.

Koji Yamada

Helping create a better society—a vital role for Konica Minolta

Protecting Wildlife

● Working for the Protection of the Green Peafowl (China)

Konica Minolta Business Solutions (China) Co., Ltd., an office equipment sales company in China, donated laser printers to the steering committee and regional offices of the China Wildlife Conservation Association (CWCA) to support the protection of the green peafowl, which is listed as Grade I in the Chinese Catalog of Wildlife under Key State Protection.

In addition, the company enthusiastically undertakes a range of other social contribution activities, including, for instance, supporting schools and lending and donating printers and lending MFPs for use in the Special Olympics held in Shanghai for people with intellectual disabilities.



Certificate given from China Wildlife Conservation Association (CWCA) for the donation



Green peafowl, a Grade I species designated for protection by the Chinese Government

Contributing to the Development of Imaging Science

● Konica Minolta Imaging Science Foundation (Japan)

Tracing its origins back to 1966, the Konica Minolta Imaging Science Foundation has pursued ongoing initiatives focusing on the promotion of imaging science by providing support for research projects in this field. Every year the Foundation seeks out research projects based on new ideas in the field of imaging science on the theme of “the quest for new imaging technology,” and it presents the Konica Minolta Imaging Science Award for outstanding research.

In fiscal 2007, the Foundation solicited applications on three important research topics, including “image-related materials and devices.” The five persons listed below won the award.

Fiscal 2007 Award Winners

Yukikazu Takeoka
Associate Professor, Graduate School of Engineering, Nagoya University
Creation of active photonic crystal, exhibiting angle-independent structural color, with the aim of developing an all-reflective display

Daisuke Nagao
Assistant Professor, Department of Chemical Engineering, Tohoku University
Development of a light-emitting dielectric pattern film using laser-induced pyrolysis

Satoshi Nishimura
Researcher, Department of Cardiovascular Medicine, the University of Tokyo
Elucidation of the cell network and function abnormalities in metabolic syndrome using an in vivo molecular imaging technique

Fumiaki Miyamaru
Assistant Professor, Department of Physics, Faculty of Science, Shinshu University
Development of a terahertz light imaging system for cancer diagnosis

Takayuki Yanagida
Assistant Professor, Institute of Multidisciplinary Research for Advanced Materials, Tohoku University
Development of a high resolution gamma camera using an inorganic fiber scintillator

Experience Space Travel with Konica Minolta

● Manabipia Okayama (Japan)

In November 2007, Konica Minolta participated in the 19th National Lifelong Learning Festival, “Manabipia Okayama 2007,” where it provided an opportunity for children as well as older people to develop an interest in space and astronomy.

Konica Minolta has exhibited the Mediaglobe, a small portable digital planetarium, at the Manabipia festival every year since the festival was held in Yamagata in 2001. A full-dome digital planetarium with multimedia projection capabilities, the Mediaglobe lets spectators blast out beyond our solar system and experience interstellar flight by projecting galaxies and other celestial bodies as three-dimensional models. Konica Minolta also supports the spread of knowledge of astronomy by providing many and varied programs created with computer graphics software.



Image projected by the Mediaglobe II

Providing Mobile 110 Emergency Refuges for Children

● Participating in a Community Movement to Protect Children (Japan)

In support of the 110 Child Emergency campaign promoted by the Osaka Prefectural government to ensure the safety of children in the community, Konica Minolta’s Kansai Office joined the campaign in February 2008 with the wholehearted participation of Group employees.

Konica Minolta provides the campaign with approximately 210 sales vehicles in the Kansai region. Child Emergency stickers are put on these vehicles. When a child seeks help, the drivers protect and, depending on the circumstances, contact the emergency services and keep the child safe until police or firefighters arrive. In cooperation with local communities, Konica Minolta will continue putting effort into activities to help raise our children who represent the future.



Child Emergency Sticker



Vehicle with sticker attached

Staff Voice

Protecting children from crime and danger

A broad response to the demands of society is expected of CSR activities today. We will continue contributing to local communities through activities like the Mobile 110 Emergency Refuges for Children campaign, which protects children—society’s future—from crime and danger.



General Manager
Nishi-Honmachi Site
Site Service Division
Kansai Service Center
Konica Minolta Sogo Service Co., Ltd.

Kayoko Akada

Helping create a better society—a vital role for Konica Minolta

Staff Voice

Helping the disabled integrate into society

Our support of ONCE (an organization helping visually disabled persons) and other foundations is a natural outcome of our concept of universal design. We go further: taking part in and contributing to the organization's activities and charity events. Through these activities, we help disabled people become integrated into society.



Marketing Communications
Marketing Department
Konica Minolta Business
Solutions Spain, S.A.

Ignacio J. Cumbreño

Social Contribution in Communities across the U.S.

● Konica Minolta Colorful Tomorrow Foundation (United States)

In February 2007, Konica Minolta Business Solutions U.S.A., Inc., an office equipment sales company in the U.S., established the Konica Minolta Colorful Tomorrow Foundation (CTF), a nonprofit organization, with the goal of expanding its social contribution initiatives.

CTF is run with active assistance from a number of sources such as KIP America, one of the company's business partners, sales dealers and the company's employees, as well as Konica Minolta Holdings, Inc. The fund provides support for the KIPP McDonogh 15 School for the Creative Arts, which offers education to all children, including those from disadvantaged families, in New Orleans. In 2007, CTF began a scholarship program for graduating students from the school. The fund also assisted the school in repairing the school buildings and donated color printers and scanners.

Besides McDonogh 15, CTF also offers assistance for Project Literacy U.S., an NPO in New Jersey, for improving the adult literacy rate, for the Five College Center for East Asian Studies co-operated by Smith College, and another four colleges in the state of Massachusetts, for the International Rett Syndrome Foundation, the world's largest private funder of scientific research seeking a cure for Rett Syndrome, and for other institutions. CTF aims to expand the scope of its activities across the U.S. with the aim of promoting its mission even more vigorously.

Helping Disadvantaged People around the World

● Donating to NGOs (Spain)

Konica Minolta Business Solutions Spain S.A., an office equipment sales company in Spain, has undertaken global social contribution activities through the support of NGOs that provide help to disadvantaged people. For example, it makes donations and provides other cooperation to ONCE, the largest organization for the visually impaired in Spain and South America, providing care to 67,000 persons with visual impairments. Thus, Konica Minolta Spain's cooperation goes toward helping a lot of people. In addition, Konica Minolta Spain contributes to different charitable undertakings and donates money and equipment to NGOs active around the world, including Colegio La Encina, which provides education to children with learning disabilities, Fundación Vanesa Valtay, which supports children with osteogenesis imperfecta (brittle bone disease), Infancia con Futuro, a project for children living in the Third World, as well as benefit raffles.



Konica Minolta Colorful
Tomorrow Foundation Poster

Cheering on People, Overcoming Disabilities

Supporting Participation in Multi Disabled World Bowls Championship (UK)

In 2007, Bizclub, a social club formed by employees of Konica Minolta Business Solutions (UK) Ltd., raised money to cover the travel expenses for Lea Davis to go to Sydney, Australia to take part in the Multi Disabled World Bowls Championship. In addition to the contributions raised by Bizclub through charity events, Konica Minolta Business Solutions (UK) Ltd. provided donations.

Besides the efforts it made for Lea, Bizclub holds raffles, barn dances, quiz nights, golf days, and other events in order to make donations to a range of local charities and good causes.



Lea Davis and Konica Minolta Group people

Supporting Art Museums with Technology that Creates Beauty

Supporting a Poster Art Museum (Poland)

Konica Minolta Business Solutions Polska Sp. zo.o., an office equipment sales company in Poland, has started supporting the Wilanów Poster Museum with the aim of sponsoring and holding art events. The Wilanów, the world's first poster museum, has an art poster collection currently comprising 55,000 titles, giving it an important worldwide position.

Support of the museum started when Konica Minolta Business Solutions Polska was invited to the opening ceremony of a modern Japanese poster exhibition, held in October 2007, for which it was in charge of printing promotional material. The support provided to the museum takes the form of preparing printed material using Konica Minolta's products and technology. As the next stage, Konica Minolta plans to support the holding of the museum's 40th anniversary event and its 21st International Poster Biennale.



An exhibition at the Wilanów Poster Museum

Staff Voice

Popularization of poster art is an appropriate topic for us

It's no coincidence that we have started supporting the Wilanów Poster Museum, since promotion of poster art is an exceptionally close topic to us, a leading imaging solution provider. We support the museum in creating the publications and other materials for the exhibitions.



PR Manager
Marketing Department
Konica Minolta Business
Solutions Polska Sp. zo.o.

Magdalena Rudecka

Employees are Invaluable Assets

Konica Minolta's greatest assets around the world are its employees: it is they who are the major contributors to significant increases in corporate value. In order to maximize the potential of its workforce, the Group strives to improve the quality of life of its employees, by creating safe and supportive workplace environments and respecting the individuality of all of its employees.

Creation of Values through Human Resources

● Konica Minolta's Personnel Philosophy

Konica Minolta is promoting the development and utilization of human resources worldwide under the Konica Minolta Personnel Philosophy, which is based on the Group's Management Philosophy, "The Creation of New Value." While respecting the cultures and customs of the regions where the Group operates, Konica Minolta is building workplaces that are supportive of every employee working under the Konica Minolta name, including regular, temporary, and part-time employees. This allows them to display energy and abilities that are necessary for innovation.

■ Konica Minolta's Personnel Philosophy is Based on its Management Philosophy

Management Philosophy
The Creation of New Value

Corporate Message
The Essentials of Imaging

Personnel Philosophy
Konica Minolta values people who...

- are committed to shared corporate goals of becoming a global company with market leadership in the imaging business domain.
- always strive for continuous innovation through a customer oriented approach, not simply adhering to successful achievements of the past nor established customs.

Appraising Employees Based on Abilities and Results

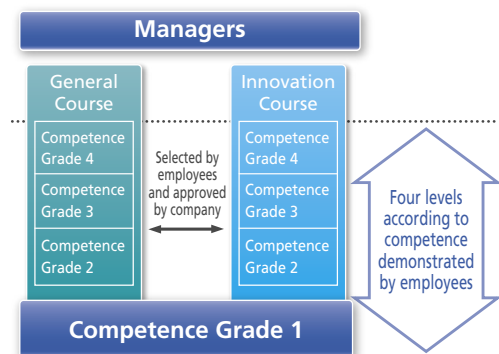
● Personnel System

Konica Minolta's personnel system honors employees who are endeavoring to unlock their potential and are willing to take on challenging tasks. It is a performance-based system to ensure that employee salaries and promotions are based on ability and performance.

For ambitious employees willing to strive more vigorously to achieve lofty goals, Konica Minolta has established a new career program titled the Innovation Course for its Group companies in Japan. Those who select the program can act more on their own discretion with greater focus on actual performance, which is thus more clearly reflected in compensation.

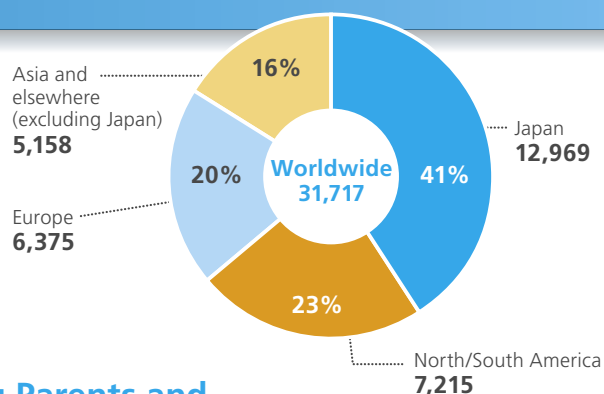
With the aim of inspiring employees to take on challenging tasks, the Group is continuing to promote the enhancement of its personnel system worldwide.

■ Competence Grading System (Japan)



Global Human Resources

As of March 2008, the Konica Minolta Group comprises 85 companies in 25 countries with 31,717 employees in total. Close to 60% of these human resources are outside Japan—in Europe, North America, South America, Asia (excluding Japan), and elsewhere. Konica Minolta is represented by a truly global workforce.



Developing Versatility through Various Programs

Human Resources Development

Konica Minolta promotes human resources and skills development through on-the-job development (OJD¹). The Group runs various training programs, including the Strategic Capacity Building Programs for the development of next-generation leaders, a variety of Knowledge and Skill Development Seminars, and Position-Based Training for employees who assume new positions and roles. In fiscal 2007, the Group carried out training for all managers with the aim of improving vertical communication, and worked to enhance the human resources development function in the workplace.

In fiscal 2007, a total of 5,231 employees received 6,691 hours of training, costing 2.71 million yen. Furthermore, the Group provides programs with the goal of fostering various abilities, including the Konica Minolta College for skills improvement, the Challenge Engineers Forum, and the Business Leader Program.



Konica Minolta College (Japan)

Supporting Parents and Eliminating Harassment

Creating Supportive Workplace Environments

With the goal of helping employees balance their work and personal lives, Konica Minolta has enhanced the availability of various parental support programs for both male and female employees at levels that exceed requirements under Japanese law. The effort has been promoted by the Committee for Fostering the Next Generation, which was established in July 2006. In May 2007, Konica Minolta Business Technologies, Inc. and Konica Minolta Technology Center, Inc. obtained *Kurumin* certification from the Japanese Ministry of Health, Labour and Welfare. This certificate is given to enterprises whose parental support programs satisfy the Ministry's criteria.

The Group has also made efforts to prevent sexual harassment, the abuse of power in the workplace, and similar conduct. In December 2007, other harassment liaisons were placed at all the main offices of the Konica Minolta Group in Japan to promote workplace environments wherein harassment can be easily reported. The Group has also held harassment awareness seminars on these issues for approximately 1,600 managers at Konica Minolta Group companies in Japan.

¹ On-the-job development (OJD): Developing employee abilities through the performance of tasks in the workplace under the guidance of a superior



Kurumin logo: certification for efforts in fostering the next generation.

Usage of Maternity Leave and Parental Support Programs by Konica Minolta Employees in Japan

Number of employees who took maternity leave (FY 2007: out of the 1,280 female employees)	53
Number of employees who took parental leave	113 women 4 men
Number of employees who selected shorter working hours for childcare	156 women

Staff Voice

Excellent "Road to Tier 1"

I cannot thank Konica Minolta Business Solutions U.S.A., Inc. enough for my upcoming trip to the national meeting in Canada this summer. I am proud to say that I work at a wonderful company that rewards the hard work of its employees with fun, inventive gifts, and a variety of programs.



SAP Business Warehouse Analyst
Konica Minolta Business Solutions U.S.A., Inc.

Sajani Menon

A Tier 1 Company Starts with Tier 1 Employees

● Road to Tier 1 (USA)

Konica Minolta Business Solutions U.S.A., Inc., an office equipment sales company in the U.S., has introduced an employee initiative called, Road to Tier 1. This program is supported by e-learning and offers MVP (Most Valuable Player) awards for employees.

The Road to Tier 1 program offers online corporate learning through the company intranet, and employees who complete the required modules become members of the Passport Club. Members of the Passport Club are able to participate in corporate events such as lunch with the company president. Furthermore, the company awards MVP status to three deserving employees each month. The candidates are nominated by their fellow employees, and selected by a committee made up of representatives from each department. The monthly MVP recipient is announced during a live corporate event and followed up with a corporate-wide email and is also posted on the intranet, which further increases employee motivation to participate in the program. By increasing the competencies of employees, the company is developing its own potential as the Road to Tier 1 program offers a direct route to becoming a premier company.



MVPs introduced on the website

Recreation for Employees Nationwide

● First Employee Sports Day (China)

Konica Minolta Business Technologies (Wuxi) Co., Ltd., an office equipment sales company in China, is promoting company-wide CSR activities. As part of these efforts, some 3,000 employees from across China gathered at Jiangnan University stadium under sunny skies in June 2007 for the 1st Sports Day. The meet consisted of eight individual and five team events, including men's and women's running, long jump, jump rope, soccer, and basketball.



Opening address



Bilingual Kindergarten for Employees' Children

● Support for Daycare (Germany)

Konica Minolta Business Solutions Europe GmbH and Konica Minolta Business Solutions Deutschland GmbH, office equipment sales companies in Germany, are helping employees raise their children by establishing and subsidizing a kindergarten near the head office. The daycare uses the Montessori educational method, and offers bilingual education in German and English. Every child receives systematic instruction according to age, including early education in English and music as well as helping with reading, writing, and arithmetic. The children also enjoy playtime, sports, and local excursions.

The kindergarten is open throughout the year, and children may attend on an hourly basis in the case of parental needs such as overtime or illness. This makes the service highly useful for employees with small children. The kindergarten also benefits the company since it facilitates an early return to work for employees.

Educational Support for Employees

● Skills Improvement Support Program (Norway)

Konica Minolta Business Solutions Norway AS, an office equipment sales company in Norway, has created a training program that provides employees with monetary support. It allows workers to obtain qualifications for new jobs within the company, or to acquire skills and knowledge to keep pace with changing technology. This program has been operating since April 2004 and is available to all employees.

The program is divided into three areas: technical and commercial subjects, university and high-school levels, and information technology. Employees undergo training during their spare time, except for examinations where leave time during working hours is given. The standard amount of monetary support is 2,500 euros for six months, but employees also pay a certain percentage of the total expenses themselves.

This system for providing real education and skill improvement to employees is almost like a school within the company with scholarships provided.

Staff Voice



Assistant to the General Manager International SCM Division
Konica Minolta Business Solutions Europe GmbH

Returning to work with peace of mind

I'm currently expecting a child and would like to return to work one year after giving birth. As the kindergarten is open from 06:30 to 21:00, I will be able to return to full-time work without worry. There is a big need in Germany for this kind of service and Konica Minolta is pioneering the practice.

Simone Nolte

Staff Voice



Product Manager Local Marketing Division
Konica Minolta Business Solutions Norway AS

Studying to develop my career

After many years in a technical position, I wanted to make a career change to a more marketing-oriented job. The company gave me its full support. I am now studying part-time at a business school where I am in a marketing management program and aiming to obtain a Bachelor's Degree.

Thomas Gronli



Third Party Opinion of Konica Minolta's CSR

Ms. Sachiko Takami, Chief Executive of The Natural Step, Japan, an international NGO, offered her perceptions and opinions of the Konica Minolta Group's CSR activities.



Sachiko Takami

Chief Executive
The Natural Step, Japan (an international NGO)
<http://www.tnsij.org/>

Impressive Goal for the Reduction of Absolute CO₂ Emissions

I have two links to Konica Minolta. First, I am a user of Konica Minolta's products. In the 1970s, the first camera I ever used was a Minolta. Now, I regularly use my Konica Minolta digital camera. Personally, I feel the quality is very high. My second connection to Konica Minolta is the SRI rating¹ of Japanese companies that The Natural Step, Japan, of which I am the Chief Executive, conducted in 2005 at the request of a financial institution. An environmental organization launched in Sweden in 1989, the Natural Step evaluates corporate initiatives in terms of the scientific principles of a sustainable society. In 2005, Konica Minolta's SRI rating was the fourth highest of the chemical companies on the Nikkei 225 (a stock market index for the Tokyo Stock Exchange). The company was rated highly for its clear definition of the issues it faced, the direction it was going in, and the degree of success it was having in attaining its goals.

Now, after reviewing Konica Minolta's activities for the first time in three years, I am surprised to see how global its business is. I am also very pleased to see that the company is providing new value in the fields of healthcare and printing. Looking at its CSR activities up through fiscal 2007, I think that the goal of reducing "absolute" CO₂ emissions throughout the product lifecycle by 20% by fiscal 2010 is very impressive. Konica Minolta's development of the bizhub series of color MFPs, organic electroluminescent (EL) technology, and other innovations and products that are making excellent contributions to sustainability can also be highly evaluated. Further, in terms of contributions to international society, I think that from a global viewpoint the donation of digital mammography systems for breast cancer diagnosis to hospitals in China is an exceptional CSR activity.

Long-term Vision Closely Allied with the Core Business is Needed

As for Konica Minolta's future, I would like the Group to have a strategy based on a long-term vision of CSR. The European Union (EU), for example, has established the goal of reducing CO₂ emissions by 75-90% by 2050. From there it takes a backcasting² approach, feeding information back from this target to come up with the measures required for the present. By focusing a generation into the future and without getting caught up in short-term targets, we can generate new ideas and strategies like developing renewable energy.³ Contributing to a sustainable society is part and parcel of the core business of a company, and is the driver of innovation. First of all, perhaps, Konica Minolta should establish a long-term vision closely allied with its core business and action plans.

In relation to the environment, a major component of this long-term vision must be the realization of carbon-neutral operations through the reduction of CO₂ emissions. Stakeholders in the West, in particular, are paying attention to activities in China, where environmental pollution has become a particular problem. For instance, Konica Minolta purchases green power, such as wind power, for its gallery in Japan, so how about expanding this initiative to adopt renewable energy at offices and plants in China, such as through solar power generation? Furthermore, China is faced with many societal challenges, including upgrading people's work environment. I think that Konica Minolta can win worldwide trust as a company that demonstrates leadership in CSR by taking the initiative in addressing these types of issues, which are being discussed intently the world over.

¹ SRI rating: SRI stands for socially responsible investment. An SRI rating takes into consideration a company's CSR activities in terms of the environment, society, and economy.

² Backcasting: A way of thinking or tool that is often described as the opposite of forecasting. Envisioning the success first and then making a plan to reach the goal from the current situation.

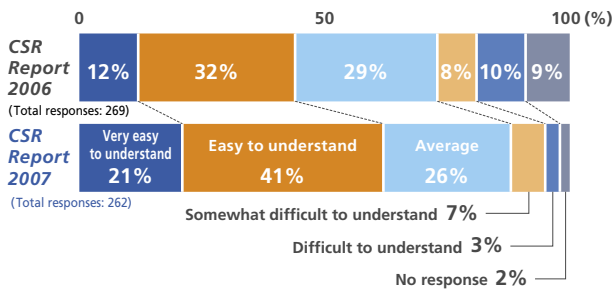
³ Carbon-neutral: Of or relating to the effort of offsetting emissions of CO₂ and other greenhouse gases produced in economic activities by investing in reforestation, clean energy (e.g. wind and solar power) projects, and other CO₂ emission reduction activities.

⁴ Renewable energy: Energy produced from natural resources, such as sunlight and wind, which may be naturally replenished. Unlike coal, oil, and other fossil fuels, renewable energy sources do not diminish however much they are used; that is, they can be used semi-permanently.

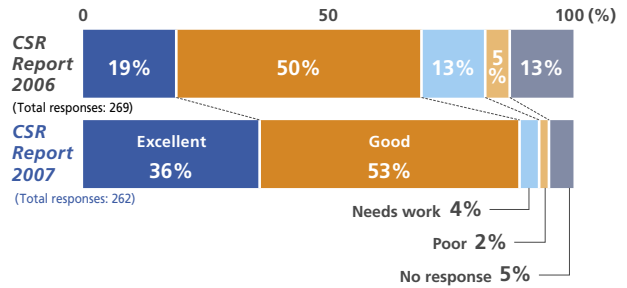
Comments and opinions on the *Konica Minolta CSR Report 2007*

Konica Minolta regards this CSR report as an important tool for two-way communication with stakeholders. The following are some of the comments and opinions on the *CSR Report 2007* that were received from individual Japanese shareholders and some of the measures that Konica Minolta has taken to respond to this feedback in the *CSR Report 2008*.

Opinions on the CSR report overall



Konica Minolta's CSR activities



The Konica Minolta CSR activities that readers were particularly interested in:

- Beneficial and safe products
- Environmental protection
- Contribution to society

The CSR activities that readers want Konica Minolta to focus on more:

- Environmental protection
- Beneficial and safe products
- Contribution to society

Comments and opinions from readers were reflected in the *Konica Minolta CSR Report 2008* in the following ways:

"The report is satisfactory as a CSR report, but I would like more detail about management strategy."

The following sections were added: "About the Konica Minolta Group," "Core Technologies and Business Fields," and "Policy on Social Responsibility."

"I would like to see Konica Minolta continue efforts to address environmental issues, which have become our primary concern."

More pages with detailed content were devoted to environmental issues in this year's CSR report. Konica Minolta is now working on the formation of a new environmental vision for the coming years.

"With too many technical and foreign words (in the Japanese version), the report was difficult to read."

Technical and foreign words were kept to a minimum and explanatory footnotes were included.

"The writing style should be uncomplicated and the fonts large."

Care was taken to ensure clear, concise writing, and attention was paid to the size of fonts.

Response to third party opinions introduced in the *CSR Report 2007*

The *CSR Report 2007* included opinions from persons who had a link to Konica Minolta featured in "Giving Feedback to Konica Minolta." The Group made use of these opinions in the following ways.

- Asuka Yoshikawa, Staff Writer, Toyo Keizai Inc.

Konica Minolta should publicize its internal changes more effectively.

Konica Minolta is making an effort to introduce its organic electroluminescence technology and other new initiatives as suggested, using a variety of tools, including its website.

- Shigeharu Nakachi, Chairman, Toxic Watch Network Japan

It is unfortunate that numerical and other data have been reduced in the CSR report (printed version).

This year's CSR report includes more graphs and numerical data, mainly in the section on environmental protection. On its website, the Group aimed to disclose data in such a way that anyone can access it.

Editorial Note

In planning this year's CSR report, we positioned the report as a means of providing an overview of the Group's main CSR initiatives carried out in fiscal 2007. The company website, on the other hand, provides detailed information on the Group's CSR activities.

Konica Minolta is determined to continue preparing clear, understandable, and easy to read CSR reports in the future. The company welcomes all readers' comments and opinions.

Corporate Social Responsibility Division



KONICA MINOLTA

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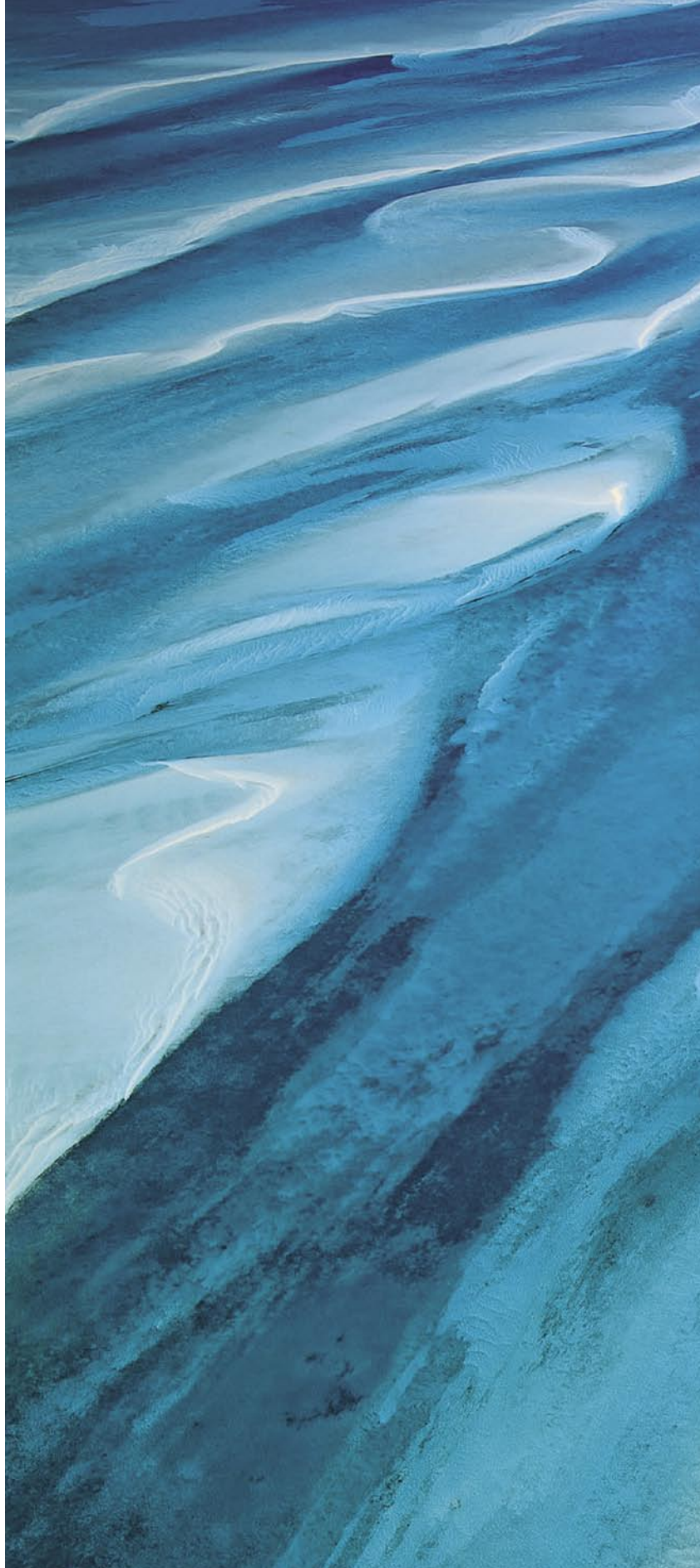
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