

## Initiatives for Environmental Communication

Aim of establishing two-way communication based on "transparency" and "continuity"

### Active promotion of information disclosure

Konica Minolta discloses environmental information about its business sites and products using various tools, based on the principles of "openness," "transparency" and "continuity." Information disclosure tools include this year's CSR Report that outlines the activities of the entire Group, Site Reports that introduce the activities of each business site and the environmental information on our website that offers information on Konica Minolta's environmental activities and content for raising awareness about the environment, including reports published to date and supplemental data.

Some Japanese business sites have established opportunities for regular dialogue with local communities and strive to ensure two-way communication. As a way to communicate environmental risks, each year since fiscal 2002 we have held a Community Environmental Briefing at the Tokyo Site. Beginning in fiscal 2003, the same type of briefing was also held at the Odawara Site. This format was retained in fiscal 2004 as well. At the briefings, plans and achievements are reported vis-a-vis requests made by local residents such as reducing water consumption, accompanied by an exchange of opinions. These activities were one of the major reasons why The Konica Minolta in Japan won the 2004 PRTR Grand Prize. In fiscal 2004, a Risk Communication Model Program was carried out as a trial at the Kobe and Seishin sites aimed at enhancing information disclosure. With the goal of considering better ways of information disclosure and understanding local residents interests and concerns regarding chemical substances, we welcomed various participants and exchanged opinions during plant tours and workshops.



Fiscal 2004 Community Environment Briefing at the Odawara Site in Japan.

### Active information disclosure through environmental labeling

Konica Minolta is promoting initiatives to make the environmental consciousness of its products easier to recognize through environmental labeling. Konica Minolta products account for more than half of the certified registered models in the German Blue Angel Mark system, an environmental labeling system that certifies products with minimal environmental impact, for digital multi-functional devices (fiscal 2004 results). We also accurately disclose environmental information through the environmental label EcoLeaf, which certifies that the environmental impact of the product has been quantitatively measured and disclosed for every part of its lifecycle, from raw material procurement to assembly, sales, use, disposal and recycling.

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**KONICA MINOLTA**

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Konica Minolta Photo Imaging, Inc.  
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**KONICA MINOLTA CSR REPORT**  
Fulfilling Our Social Responsibility

**2005**



**KONICA MINOLTA**

## Message from the President

The Konica Minolta Group places the utmost importance on being a company that continues to gain the strong confidence of its stakeholders, which in turn enables us to increase corporate value and further develop our business. This is why we incorporate the viewpoints of our stakeholders when considering and structuring our ongoing initiatives, including corporate governance, the environment, compliance with laws and regulations, contributing to society and communicating with society. We continue to strive to address the needs of the changing times with flexibility, making continuous efforts with a strong sense of initiative.

To convey our stance toward and activities related to corporate social responsibility (CSR) to our stakeholders, we have issued the *Konica Minolta CSR Report 2005*, which presents all the relevant information in a single publication.

The digest version of the *Konica Minolta CSR Report* was produced with the goal of conveying our approach to CSR and basic information about Konica Minolta's CSR activities to as many people as possible. I hope you will read this digest thoroughly for a better understanding of the activities of our Group, and I look forward to receiving any requests or comments you may have.

August 2005



*Fumio Iwai*

Fumio Iwai  
President and CEO  
KONICA MINOLTA HOLDINGS, INC.

### Our Social Mission— Enriching the World of Imaging

The business domain of Konica Minolta covers the entire field of imaging, from input to output, and we offer a diversity of unique products and services to consumers and business users.

Capitalizing on our strengths in materials, optical, nano processing and imaging fields, we devote ourselves to developing leading-edge technologies that serve to expand the world of imaging.

Konica Minolta desires to become a vital member of society by constantly introducing a new, inspiring world to the field of imaging.

Management Philosophy  
**The creation of new value.**

Management Visions  
**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.

## CSR at the Konica Minolta Group

### Pursuit of management philosophy and implementation of the Konica Minolta Group Charter of Corporate Behavior form the basis of Konica Minolta's CSR

CSR is management itself. We based our CSR stance on our management philosophy to pursue the creation of new value and the Konica Minolta Group Charter of Corporate Behavior, which were implemented when Konica Corporation and Minolta Co., Ltd. integrated. [The Konica Minolta CSR concept is summarized below.](#)

#### Konica Minolta CSR Concept

With the management philosophy "The Creation of new value," the Konica Minolta Group aims to be an innovative global corporation that continues to create inspiring products and services in the imaging field and that leads the market in advanced technologies and reliability.

To this end, we have established the Konica Minolta Group Charter of Corporate Behavior, covering beneficial and safe products and services, fair and transparent corporate conduct, communication with society at large, environmental protection, active contribution to society and respect for employees. Each and every member of the Group is commit-

ted to make CSR the basis for daily activities, and to constantly improve each of these points.

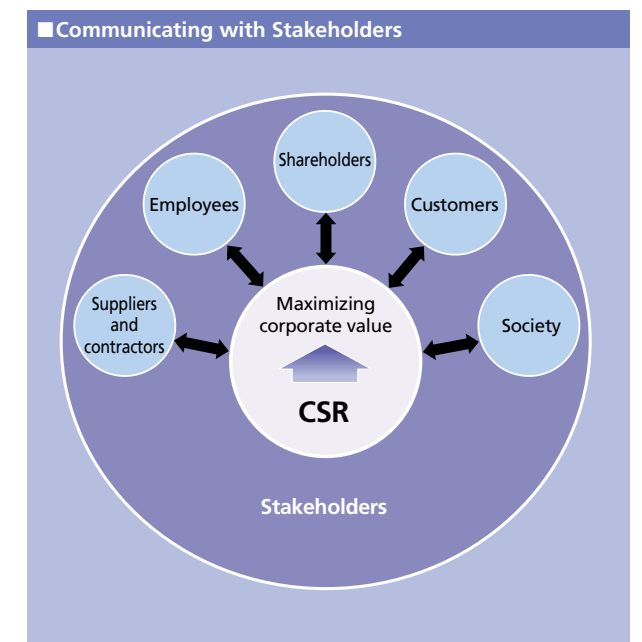
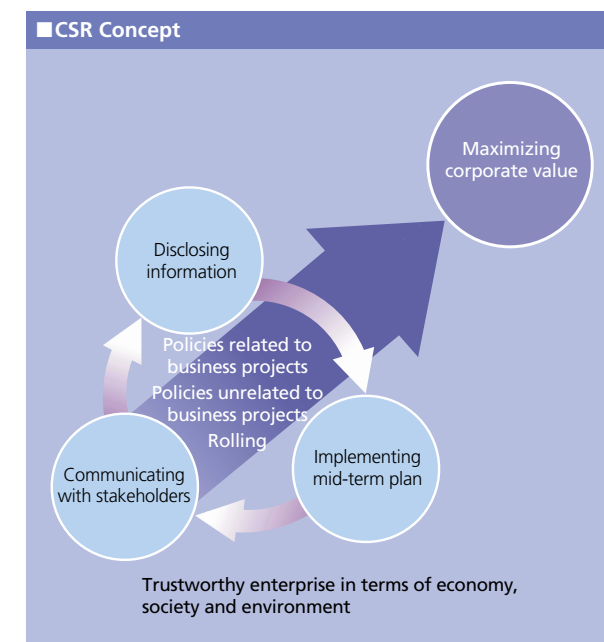
By constantly improving our conduct, we can earn the trust of our customers, shareholders, [suppliers](#), [contractors](#), regional companies, employees and other stakeholders. By fulfilling our corporate responsibilities in the wider economic, social and environmental spheres, we are confident that we will also raise our corporate value.

In the field of imaging, we will continue to maintain our indispensable presence.

#### Striving to raise corporate value through communication

The Konica Minolta Group believes that CSR depends heavily on two-way communication with stakeholders such as our customers, shareholders, employees, suppliers, contractors and residents in the environs of our business sites. We adequately

and fairly publicize our corporate information to gain correct understanding and trust from a wide range of stakeholders. Additionally, we engage in active communication with stakeholders in an effort to win good faith, to build a corporate group that is welcomed and to maximize corporate value.



## Building a management system in order to win the confidence of society and achieve development

The Konica Minolta Group has adopted a structure consisting of a Group of separate companies linked by a holding company, together with a "board-with-committees" system in order to create a global management system that executes strict compliance and highly transparent corporate governance.

### Corporate Governance

A board-with-committees system designed to improve the transparency and speed of our management

#### Konica Minolta's management organization

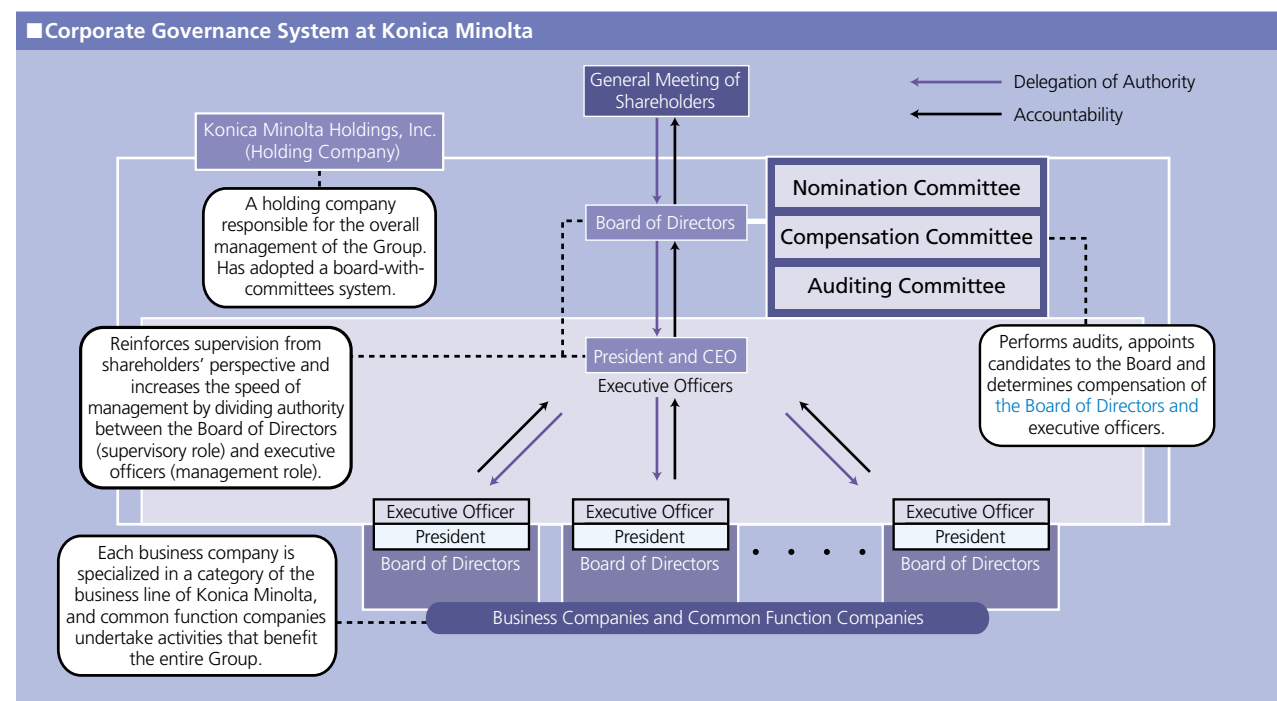
Konica Minolta is a Group of separate companies, currently consisting of Konica Minolta Holdings, five business companies, and two common function companies. By spinning off each business into separate companies, this structure accelerates our decision-making process and bolsters our competitive edge. We assign to each company a certain degree of authority and responsibility in the areas directly related to the execution of their respective business to allow flexible, speedy business operation and management. Two common function companies, on the other hand, collectively perform basic research activities and other indirect operations within the Group, serving to improve overall business and functional efficiencies. The structure also allows Konica Minolta Holdings to concentrate on the management of the Group as a whole.

#### Various mechanisms to increase management transparency

By adopting a board-with-committees system, Konica Minolta Holdings is able to clearly separate the Board of Directors (12 members including four outside members), which performs a supervisory role, from the executive officers who perform a management role, thereby speeding up the management of the entire Group and improving management transparency. The executive officers carry out the work entrusted to them by the Board of Directors, and the activities of these officers are supervised by the Board and reviewed by the Auditing Committee.

The three chairmen of the Auditing Committee, Nomination Committee and Compensation Committee, which have been established to thoroughly increase transparency, are all outside directors, and do not include executive officers.

Konica Minolta strives to fully augment the function of the Board of Directors through its Audit Committee Office and the Board of Directors' Office, and by holding informal discussions with outside directors.



### Compliance

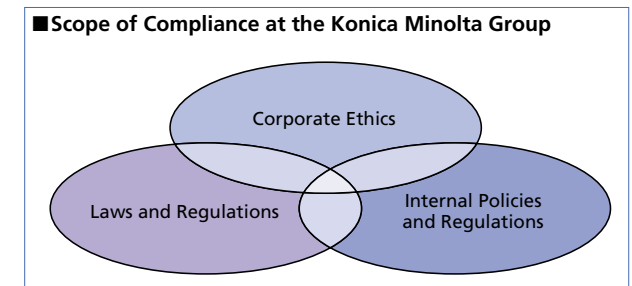
Carrying out strict compliance worldwide that encompasses not only laws and regulations but also a broad range of corporate ethics and company regulations

Konica Minolta views "compliance" in a broader context, covering not only the applicable Japanese and overseas laws but also corporate ethics and internal regulations. In October 2003, Konica Minolta established the Konica Minolta Group Conduct Guideline, which is the foundation for achieving a high level of corporate governance within the Group, and is given the highest priority in every aspect of our corporate activities.

A strong, top-down compliance structure reaching from Konica Minolta Holdings to each Group company is in place at the Konica Minolta Group. Under the guidance from the Group Compliance Committee, the Compliance Promotion Department of Konica Minolta Holdings assumes oversight responsibility governing the compliance activities of affiliate companies, both at home and overseas, to provide direct and indirect support on a global basis. In Japan, we operate a Help Line service that allows an employee to report an act of questionable conduct in view of our compliance stance.

After the preparation and distribution of the Compliance Manual in fiscal 2004 (Chinese language version delivered in May 2004), we distributed the Konica Minolta Charter of Corporate Behavior in nine languages at the beginning of fiscal 2005 in an effort to ensure thorough compliance at our overseas locations.

In September 2004, Konica Minolta developed a policy for protection of personal information (implemented in March 2005), which strengthened the system for protecting personal information at Group companies inside Japan.



### Risk Management

To cope with a variety of risks in corporate activities, Konica Minolta is minimizing risks through accurate, prompt and appropriate handling of such risks.

Our risk management activities are led by the Crisis Management Committee at Konica Minolta Holdings and its subcommittees established within our Group companies operating worldwide. With an eye to upholding our corporate value, the Crisis Management Committee works with the Group Compliance Committee to operate a global corporate governance structure. Each side takes charge of certain risk areas, allowing us to respond to assumed risks more effectively and efficiently.

Risks associated with our corporate activities are divided into 13 categories, with risk factors, details and possible crisis situations defined for each. We implement a three-phase response plan, composed of prediction and prevention during peacetime, actions taken during crisis and post-crisis activities. The Crisis Management Committee at Konica Minolta Holdings maintains close communication with its subcommittees in our Group companies and is able to obtain real-time information on a given incident, even when it is occurring at one of our overseas Group companies.

We swiftly receive reports based on an early reporting approach while the level of risk is still at the indication stage. Periodical reports are made even during peacetime, and the risk status of the Group as a whole is reported to top management on a monthly basis.

Risk Factors and Details (excerpt)		
	Factors	Details
1	Defective products, recalls, product liability suits	Error in design (damaged product, health hazard), error in production process (damaged product, foreign substance contained in product)
2	Defective services	Insufficient and inadequate explanation, discriminating treatment
3	Personnel-related issues	Ambiguous standards used for personnel assessment, undue positional change, employee engagement in crime or scandal
4	Labor-related issues	Labor dispute, occupational health hazard, death or suicide caused by overwork
5	Accidents	Environmental contamination (soil, wastewater, air), industrial accident (health and safety hazard, accident)
6	Instances of unethical conduct	Antisocial force, scandalous act, internal dispute, M&A
7	Results of management and marketing decisions	Risks related to investment, loan, debt and transaction, undue competition
8	Organizational crimes	Illegal act (violating the Antimonopoly Act, Premiums and Representations Act, Subcontract Act, and Tax and Commercial Laws)
9	Blackmailing and other crimes committed against the company	Malicious act (mixing harmful substance into product, etc.), robbery, sabotage
10	Economic or social disturbances	Energy crisis, major power failure, a sharp decline in stock prices
11	International or political disturbances	War, political dispute, trade impediment
12	Disasters and epidemics	Earthquake, storm and flood, fire, infectious disease
13	Inaccurate information giving and impression of management instability	Incorrect information provided to mass media, spreading rumor through various channels, including the Internet

## Placing importance on communication with stakeholders, and taking responsibility as a company

The Konica Minolta Group maintains close relationships with all its stakeholders and is working in a sincere effort to live up to its responsibilities to society through its business and various other activities.

### Investor Relations (IR) Activities

Quick disclosure of accurate IR information to allow everyone to receive the same information at the same time

The Konica Minolta Group is actively carrying out investor relations (IR) activities based on the notion that "No News is Bad News" in order to maintain a fair and strong relationship with shareholders and investors. Therefore, we are striving to provide timely disclosure of accurate information through various channels to give shareholders and investors a clear understanding of what The Group is doing.

In fiscal 2004, the Konica Minolta Group strengthened its IR activities outside Japan. Materials used in the investors' quarterly briefings and other information offered on our website are available in Japanese and English. Teleconferences with overseas locations (London and New York) are also held on the evening after the presentation in Japan.

Investors are also able to visit the company throughout the year, and in fiscal 2004 we received about 400 visits, with the top management taking the lead in this effort to communicate with investors.

In addition to participating in conferences sponsored by major securities companies outside Japan, Konica Minolta during fiscal 2004 held its own briefings in various countries in Europe and North America at about 100 companies. As a result, 36.4% of Konica Minolta's stock is now held by investors outside Japan, as of the end of fiscal 2004.



Investor relations meeting in the U.K.

### Enhancing Corporate Value Through Quality Management

The Konica Minolta Group is always endeavoring to realize customer satisfaction by providing valued products and services.

#### Quality management that puts customers first

The Konica Minolta Group places emphasis on strengthening overall quality management based on our Quality Management Policy, and is promoting quality management under the motto of "brand value improvement."

As an example of stronger quality management, the Konica Minolta Group carries out "quality inspection tours by top management," in which the President and CEO visits business sites to engage in direct dialogue with employees. Quality is now the main focus of these site inspection tours that have been carried out all along.

As an example of stronger on-site capacity, the Konica Minolta Group is developing "Process Improvement Activities" worldwide with the aim of enhancing individual employees' abilities and organizational vitality. As part of this effort, our two QC circles in Japan participated in the All Japan QC Circle Conference in fiscal 2004.

The Konica Minolta Group is also promoting "quality engineering (Taguchi Method)" to promote quality improvements at development sites. Through these efforts, we received the gold and the silver prizes at the 2004 Quality Engineering

Conference (held by the Quality Engineering Society).

As a result of these efforts, Konica Minolta was ranked number two in terms of overall evaluation in the 2004 Nikkei Quality Management Survey.

#### Quality Management Policy of Konica Minolta (excerpt)

The Konica Minolta Group strives for the highest degree of customer satisfaction and trust by putting the customer first and giving a high priority to the quality of products and services.

Our basic approach is to make continuous quality improvements, based on quantitative measurement and analysis of accurate data.

1. Seeking the best customer satisfaction in our industry
2. Anticipating customer needs
3. Global quality system
4. Quality management of products and services throughout the lifecycle
5. Continuous enhancement of quality assurance processes
6. Minimizing product quality risks
7. Disclosure of product safety information

### Universal Design

IT equipment is used frequently by a wide range of people in office environments. The Konica Minolta Group is incorporating "universal designs," which are comfortable, desirable designs for customers, regardless of their age, gender or physical disability. Our development departments are implementing a broad range of design upgrades and conducting continuous assessments and improvements in cooperation with the elderly and people with physical disabilities.



Tilt function of control panels of copiers and multi-functional devices

Angle of control panel can be adjusted to suit individual conditions. By adjusting the angle, persons of different stature or people in wheelchairs can operate it smoothly.

### Information Security

Recently, copiers and printers are evolving as a network information station, with the increasing need for measures to prevent confidential information leaks.

All of Konica Minolta's copiers and multi-functional devices\* launched after the bizhub 7145, which was released in December 2002, obtained ISO 15408 certification, an international certification for information security. These models are the only products with a security mode in the standard specification (optional for some models), plus their high-level, confidential functions are easy to use.

\*Includes products awaiting certification.

### Customer Feedback

We regard customers' opinions received via mail, telephone and e-mail as valuable advice for us to offer products and services that further satisfy our customers. We are developing a system to give feedback throughout the Group.

### Win-win Partnerships with Suppliers and Contractors

The Konica Minolta Group pursues fair and transparent transactions benefiting both sides with suppliers and contractors.

Suppliers and contractors are key stakeholders of the Konica Minolta Group, and we pursue fair and transparent transactions that benefit both sides, sharing the same goals of achieving synergistic growth.

Among our Group companies, Konica Minolta Business Technologies, Inc. has the largest supplier base. The company selects suppliers from around the world in an open, fair and transparent manner in accordance with our five basic procurement policies. The first three of being "Open," "Fair" and "Global," lay down the basics of our procurement activities, while the remaining two, "Compliance" and "Ecology," describe our CSR efforts and requirements for green procurement.

We convey these policies to our suppliers and contractors. Also, we develop partnerships with them for mutual prosperity with the end goal of manufacturing products that are better in all ways, including higher environmental performance, through an active exchange of information, suggestions and ideas.

Konica Minolta Business Technologies selects suppliers on the basis of quality, cost and delivery time, plus environment standards. Paying particular attention to the environmental aspect of procurement activities, in fiscal 2006 we decided to launch a Green Partner program, which honors suppliers promoting Green Procurement in conformance with Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) and other environmental regulations as our "Green Partners."

The program was briefed to our partners in Japan during fiscal 2004. In China, we also provided a briefing to those Chinese suppliers who are required to observe the RoHS regulations. A briefing regarding this matter for other Chinese suppliers will be carried out in fiscal 2005.

By the end of fiscal 2004, we completed preparatory work for our Green Procurement process, including development of a survey format\*, manuals and reference materials in Japanese and English (the latter two are also available in Chinese), and successfully initiated full-scale operations in April 2005. Operation of a verification system began in July 2005.

\*Konica Minolta Holdings participates in the Japan Green Procurement Survey Standardization Initiative (JGPSSI), and all of our five business companies use a common survey format developed under the Initiative.

Basic Procurement Policy (developed by Konica Minolta Business Technologies)	
Open	We conduct procurement in an open and transparent manner from a long term, global viewpoint, to achieve trust-based relationships with suppliers, sharing the same goals of achieving synergistic growth.
Fair	On the basis of free competition, we maintain a win-win approach and implement rational evaluation criteria that benefit both sides.
Global	To achieve market superiority, we globalize our procurement activities to obtain parts/materials in the region that best suits our operational needs.
Compliance	We comply with all applicable laws, corporate ethics and internal policies and regulations.
Ecology	We contribute to global and regional communities by protecting the environment and minimizing the impact on the ecosystem in each region.

### Creating a Work Environment that Encourages Personal Commitment

An excellent work environment and a performance-based Human Resources Management System to value the diversity of people

#### For each and every employee around the world

As of the end of fiscal 2004, the number of employees working for the Konica Minolta Group totaled 33,388 on a Group basis, covering 97 companies in 22 countries. For everyone working in the Group, we provide an excellent work environment that supports our employees in demonstrating their individual abilities and encourages their engagement in reform and innovation.

#### 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, and always strive for continuous innovation with a customer-oriented approach, not adhering to successful achievements of the past nor established customs.

#### Introduction of Human Resources Management System in Japan

In fiscal 2004, Konica Minolta established a new Human Resources Management System in Japan for managers based on mission assessment, which was introduced in fiscal 2004. For general employees, a new system was established to expand the skill and performance-based compensation system utilized in former at Konica and Minolta, which went into effect in April 2005. The new system consists of a competence assessment system and a new career program called "Innovation Course." In order to make the new system as effective as possible, we have prepared various educational programs, including "Rank-based Training" programs, a level-specific training corresponding to changes in roles and positions, and "Knowledge and Skill Enhancement" programs. Konica Minolta Group companies are also carrying out independent training programs to improve specialized skills.



Konica Minolta College

#### Equal career opportunities

The Konica Minolta Group does not discriminate against employees and is promoting global employment and recruitment of diverse personnel. Affiliate companies in Europe have a trainee program to allow college students to experience and learn the reality of working at affiliate companies and gain practical business knowledge for an extended period. (In this program, college students take a leave from college for 1-3 years and learn about business at respective companies. About 30 students are participating in this program in Germany. Konica Minolta also hires full-time employees from many countries, including Poland, Russia, and Italy.)

In Japan, under our new Human Resources Management System, we provide various support programs to employees, including maternity leave, parental support (parental leave and shorter work hours), special leave taken from time to time to tend a sick child as well as family and medical leave, while making our support policies known to all employees.

femaleを削除しました。

The employment rate of disabled persons in Japan improved from 1.64% in fiscal 2003 to 1.72% in fiscal 2004, but Konica Minolta believes that continuous efforts are necessary for progress in this area.

#### Respect for Employees (excerpt from "Konica Minolta Group Conduct Guideline")

1. We shall endeavor to make the lives of employees comfortable and fulfilling.
2. We shall comply with all applicable laws, internal policies and regulations concerning the health and safety of employees at work, and endeavor to create a safe and healthy workplace.
3. We shall respect the individuality, human rights and privacy of employees, and create a cooperative and comfortable working environment that is free of discrimination of race, nationality, gender, religion, belief or physical disability.
4. We recognize that men and women are equal, and shall not engage in any conduct that may be construed as sexual harassment.

#### Constant improvement in occupational safety and health activities

The oversight body at the Konica Minolta Group in Japan for environmental and occupational safety and health is our Responsible Care (RC) Committee chaired by the President and CEO of Konica Minolta Holdings. The Konica Minolta Group's safety and health plan is produced under the RC Committee, which controls safety and health activities of the entire Group, and the Central Safety and Health Committee, which promotes and manages safety and health measures. In fiscal 2004, Safety and Health Managers were appointed at respective business companies and common function companies to develop a safety and health management system involving affiliate companies as a means of preparing for the introduction of an occupational safety and health management system. In order to increase our efforts from eliminating disasters to eliminating risks, we produced the Group's unified Risk Assessment Guide and manuals to objectively assess risk levels in Japan.

### Coexistence with Society and Communities

Along with its business activities, Konica Minolta engages in a variety of social contribution activities as a member of society.

The Konica Minolta Group believes that it is important to establish, maintain and improve cooperative relationships with society through a variety of activities. Through our social contribution activities, Konica Minolta Group pursues activities that arouse extensive empathy from and give satisfaction to society, as well as people and groups involved and our employees who participated in these activities.

Currently, the Konica Minolta Group is categorizing these activities into a global, regional and local program according to the areas and contents of the activities, along with making efforts to make them more effective.

#### Konica Minolta Group Policy on Social Contribution Activities

The Konica Minolta Group engages in continuous social contribution activities that are widely welcomed by society and receive wide empathy from communities, and is an enterprise that engages in the imaging business globally.

#### Global Program

The entire group shares concern for issues faced by all of humankind, and Konica Minolta is carrying out various activities to address these issues. The aim is to pursue activities that everyone in the Group can be proud of, and that can be helpful in a wide range of social fields.



#### Supporting Sumatra Tsunami Recovery Projects

The earthquake and tsunami that took place off Sumatra, Indonesia, on December 26, 2004 was a catastrophic disaster involving not only Indonesia but also Thailand, Sri Lanka and southern India. In relation, three Konica Minolta sales companies in Germany jointly organized a charity drive, responding to calls from employees. Together with contributions from the three companies, the collected money was donated to Action Deutschland Hilft, an organization formed by nine German NGOs to support post-disaster relief efforts. In addition, affiliate companies in the U.S., Spain, Singapore, China and Japan organized charity drives and made donations for restoration efforts through affiliated Red Cross organizations and NGOs in respective countries.

#### Support for Pink Ribbon Campaigns

Konica Minolta supports the worldwide movement to eliminate breast cancer. The Group contributes to breast cancer eradication in the U.S. and Lithuania both financially and through volunteer support, while in Japan we are supporting the "Pink Ribbon Campaign" to raise awareness of the seriousness of breast cancer and the importance of early detection.

#### Local Program

The Konica Minolta Group is a member of respective communities around the world. We are striving to realize the betterment of communities through



#### Support for the 40-foot Container Donation Campaign (Europe)

In the Netherlands, the Konica Minolta Group is participating as a transportation sponsor in a campaign of delivering commodities in 40-foot containers, which are donated to help street children and the disabled, as well as disadvantaged children in Argentina.



#### Support for Shingen-kou Festival (Japan)

The Konica Minolta Group's 10 affiliate companies in Yamanashi prefecture co-sponsor the "Shingen-kou Festival," the largest event in the prefecture held in every spring. As many as 40 employees selected from the Group organize and outfit the Konica Minolta unit with traditional costumes from about 450 years ago and participate in the festival.

#### Regional Program

Emphasizing North America, Europe, China, Japan and other areas, Konica Minolta is carrying out activities to effectively use the management resources accumulated in the field of imaging in a way that suits the characteristics of each region.



#### Mobile Planetarium (Japan)

The Konica Minolta Group offers a small mobile planetarium. Its computer graphics provide viewers with the reality of outer space and space-related stories. In fiscal 2004, Konica Minolta co-sponsored and participated in the festival held in Matsuyama city and also visited various places in Japan to offer the mobile planetarium to a total of 12,500 viewers.



#### Class Held by Konica Minolta (Europe)

In Lithuania, the Konica Minolta Group has been operating the Konica Minolta Class at Kaunas Technical College since 2001. The Group has been promoting understanding and dissemination of the latest precision science as well as the technology incorporated in Konica Minolta's new products among students through classroom lectures and exchanges such as visits to Konica Minolta sites.

various activities and active exchange, while also promoting mutual understanding and trust in the areas where Konica Minolta sites are located.



#### Commemorative Graduation Photographs (China)

In China, in cooperation with local agencies, the Konica Minolta Group presents all graduating elementary and junior high and high school students (approximately 7,000 graduates) in Qingzhou city, Shandong Province, with commemorative graduation photographs every year.

## Aiming to achieve both economic and environmental management by means of a consistent management system

The Konica Minolta Group aims for both sustainable development and profitable growth. We integrate environmental, economic and social perspectives into our business strategies so that all of our activities are conducted in harmony with people and the environment.

In order to realize this, we set up three intensive measures, namely "Measures to Prevent Global Warming," "Minimization of Chemical Risks" and "Initiatives Toward a Sound Material-cycle Society," as the core pillars for our mid-term environmental plan (fiscal 2005–2008).

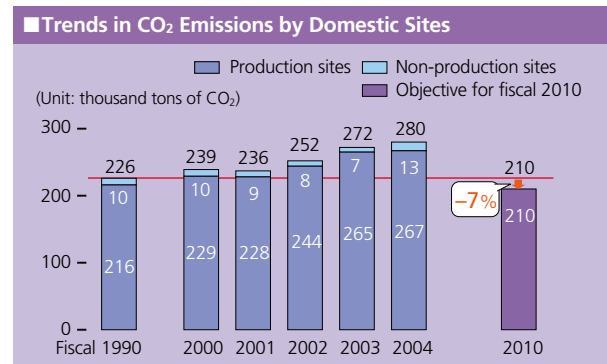
### Measures to Prevent Global Warming

#### Targeting reduction of CO<sub>2</sub> emissions by 7% by fiscal 2010

The Konica Minolta Group is working to help prevent global warming from the lifecycle perspective. Since the Kyoto Protocol came into effect in February 2005, by fiscal 2010 Konica Minolta is focusing on a target to reduce CO<sub>2</sub> emissions from its business sites in Japan by 7% compared to fiscal 1990 levels.

In fiscal 2004, we engaged in reduction measures such as switching boilers from being heavy oil to natural gas for powered, introducing high efficiency manufacturing equipment and converting facilities and equipment into inverter-based equivalents in Japanese business sites.

In fiscal 2005, comprehensive checks will be carried out regarding energy usage conditions at business sites in Japan with high CO<sub>2</sub> emissions, and new reduction measures will be determined. Programs will also be strengthened, including the action systems and rules for equipment investment, in order to expand the effectiveness of global warming prevention activities.



Modification from Sustainability Report 2004: Data collection scope has been amended to comply with the Kyoto Protocol. The CO<sub>2</sub> equivalent coefficient in fiscal 2003 for electricity usage in Japan published after issuance of the above report was used for domestic results for fiscal 2003.

### Management of Chemicals

#### Phased out use of chloroform, formalin and DMF

The Konica Minolta Group defines management of chemicals as part of its environmental management, and has been managing the following points as priorities: "Reduction of atmospheric emissions of hazardous substances," "Elimination of hazardous substances from products" and "Improvement in occupational health and safety." We have incorporated our own original Safety Verification System that is used to integrate chemical risk assessment into the product assessment process in Japan.

Before we introduce a new substance into a product, we reject any dangerous or hazardous substances through repeated safety testing undertaken at every stage of the process. Only substances that fully satisfy our risk assessment standards are utilized.

Out of the many chemical substances used in Japan and RoHS-designated metals, since 1997 the Konica Minolta Group has voluntarily set reduction targets prioritizing eight types of Volatile Organic Compounds (VOC) that are deemed particularly risky based on their toxicity and usage volume. In fiscal 2004, we phased out formalin and DMF\*<sup>3</sup> as planned, and have also achieved the phasing out of chloroform six years ahead of our original schedule\*<sup>1</sup>.

Usage volume			
	Mid-term environmental plan objectives* <sup>4</sup>	Fiscal 2004 target	Fiscal 2004 results
Chloroform* <sup>1</sup>	Phasing out by fiscal 2010	—	Completely phased out
1,2-Dichloroethane* <sup>2</sup>	Phasing out by fiscal 2010	Usage volume: 8 t or less	Usage volume: 3.4 t
RoHS-designated heavy metals	Phasing out by fiscal 2005	—	Completed handling for internal parts
Formalin	Phasing out by fiscal 2004	Phasing out by fiscal 2004	Completely phased out
Atmospheric emissions			
	Mid-term environmental plan objectives* <sup>4</sup>	Fiscal 2004 target	Fiscal 2004 results
Dichloromethane	Fiscal 2006: 120 t or less	Emissions: 169 t or less	Emissions: 161.5 t
Ethyl acetate	Fiscal 2006: 165.5 t or less	—	Emissions: 126.6 t
Methanol	Fiscal 2006: 50 t or less	—	Emissions: 80.1 t
Methyl ethylene ketones	Fiscal 2005: 22 t or less	—	Emissions: 20.4 t
DMF* <sup>3</sup>	Phasing out by fiscal 2004	Phasing out by fiscal 2004	Completely phased out

\*1: Internal usage within the Group \*2: Excluding raw materials for synthesis  
\*3: N, N-dimethylformamide \*4: Revised in fiscal 2004

### Promotion of Zero Waste Disposal Activities

#### Zero waste disposal with due regard to economics

Our zero waste disposal activities reflect our intention to minimize the waste that needs to be reclaimed by promoting its recycling. The Konica Minolta Group is setting targets that are economically feasible in order to steadily promote these kinds of activities.

In fiscal 2004, five more Konica Minolta sites achieved Level 1: Zero Waste Disposal criteria, bringing the total to 19 sites. Furthermore, three sites have achieved Level 2 criteria for the first time within the Group, demonstrating the progress being made by Konica Minolta in environmental protection.

#### •Konica Minolta Group zero waste disposal criteria

##### Level 1 criteria

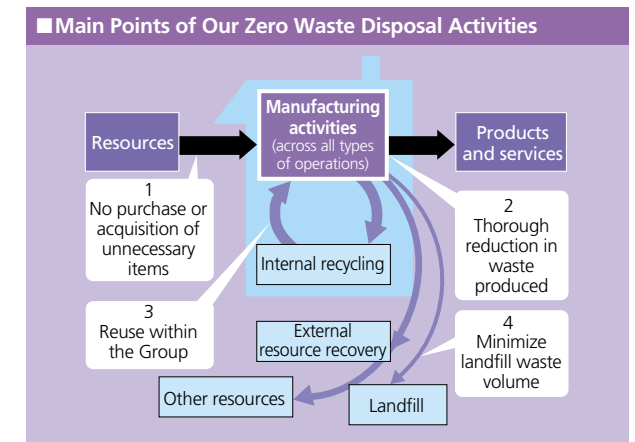
- Resource recovery rate: over 90%
- Final disposal rate: less than 5% (including secondary residue)
- Cost reduction: over 90% reduction in external payments (from fiscal 1998 levels)

##### Level 2 criteria

- Reduce the volume of waste discharged externally by 30% per unit of sales (from fiscal 2001 levels)

#### Sites attaining zero emissions in fiscal 2004

- Level 2: Kobe Site, Kofu Site and Tokyo Hino Site
- Level 1: Itami Site, Konica Minolta Chemical Co., Ltd. Shizuoka and Fukushima facilities, Konica Minolta Components Co., Ltd., Okayama Minolta Seimitsu Co., Ltd. (now ARRK OKAYAMA Co., Ltd.)



### Environmentally Sound Products

#### Creating products that save energy and resources and that do not contain harmful substances

Product development at Konica Minolta involves the concept of environmentally conscious design that takes into consideration all aspects of environmental protection including the prevention of global warming, product recycling and the elimination of harmful substances.

#### Energy saving initiatives

In terms of digital multi-functional devices, we have sought thorough energy savings per model. As a result of our efforts, the bizhub 7222 model that was released in fiscal 2004 uses 57% less energy than the equivalent model released in 2000.



bizhub 7222 multi-functional device

#### Resource-saving initiatives

Konica Minolta is promoting many initiatives for reduced-resource design. We produced the smallest and lightest color laser printer (as of March 2005), the "magicolor 2430DL color laser printer," which has an optical unit a quarter size of its normal size, with an ultra-small print head and reduced optical path of the laser beam.



magicolor 2430DL  
Dimensions: 430 x 395 x 341 mm (W x D x H)  
Weight: approx. 18 kg (excluding consumables)

#### Restriction of Hazardous Substances

Beginning in July 2006, sales in the EU of electrical and electronic equipment that contain any of six specified toxic substances—namely lead, cadmium, mercury, hexavalent chromium, and two types of polybromic fire retardants (PBB & PBDE)—will generally be prohibited (as per the RoHS Directive). In March 2002, Konica Minolta was the first company in the world to use lead-free solder in a single-use camera. Since that time, Konica Minolta has used lead-free solder in all types of single-use cameras in compliance with the RoHS Directive. For multi-functional devices, we have long been promoting the use of plastic that does not include any polybromic fire retardants and have already phased out their use from outer casing of all models. By 2004, preparation for compliance with the RoHS Directive was completed for many products.



FILM-IN Centuria Super 800 Flash

Lead-free solder is used for flash unit.