

Environmental Management at Konica Minolta

Konica Minolta implements rigorous management of environmental issues, obtaining reliable environmental data.

Basic Concept

The Konica Minolta Group conducts all of its corporate activities in harmony with people and the environment by integrating environmental, economic and social perspectives into the Group's corporate strategy, as the Environmental Policy of the Konica Minolta Group. The Group's basic approach is to work steadily to solve environmental issues, based on securing reliable data and quantitative measurement of performance and impacts.

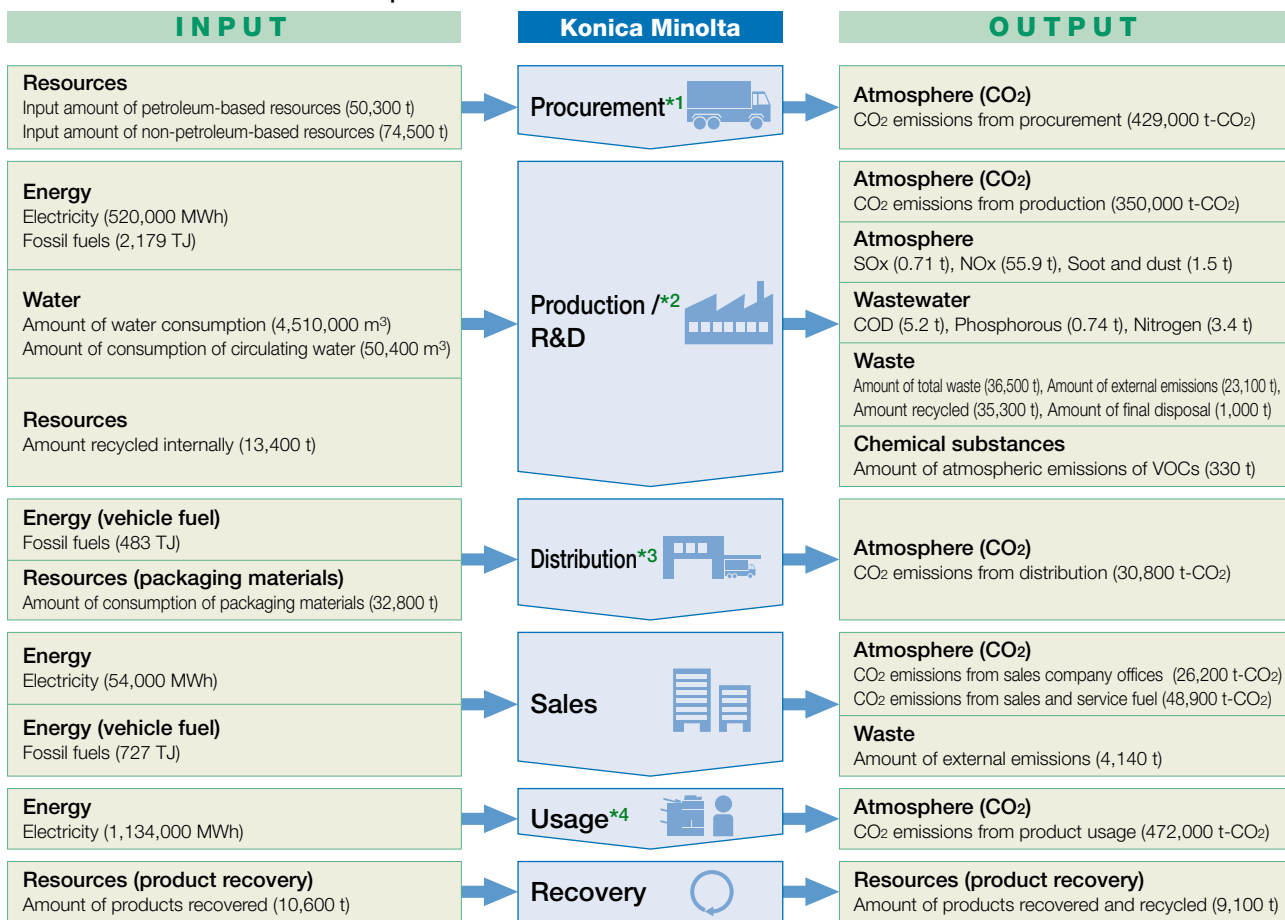
Based on this policy and approach, the Group works to reduce the environmental impact of its products and services over their entire life cycle. The Group places

particular emphasis on preventing global warming, supporting a recycling-oriented society, and reducing the risk of chemical substances.

Environmental Impacts Resulting from Business Activities

Konica Minolta measures the amount of energy and resources used in all its business activities, as well as the amount of greenhouse gases emitted and the amount of waste produced, at each stage of a product's life cycle. These results are analyzed and used to facilitate concrete approaches to improvement.

Overall Picture of Environmental Impact



*1 Input amount of resources refers to the input amount of materials for the major products released in fiscal 2008 (not including parts for maintenance). CO₂ emissions from procurement is the amount of CO₂ emitted by suppliers when manufacturing the items procured.

*2 The figures for atmosphere and wastewater output are total values for factories that are legally required to measure emissions. The figure for amount of atmospheric emissions of VOCs is the total value for sites subject to reduction targets stipulated in the Medium-Term Environmental Plan.

*3 The calculation of fuel consumption amount and CO₂ emissions amount uses the GHG protocol for international distribution and the basic units of the Energy Saving Law for distribution in Japan.

*4 Energy consumption during product usage is calculated based on MIF inferred from the product lifetime.

Environmental Accounting

Environmental accounting is a method for quantitatively assessing the cost and benefit of a range of environmental measures. Konica Minolta uses environmental accounting for rational decision making when planning and implementing effective environmental measures.

An environmental accounting manager is appointed at each Group company and the Group carries out consolidated environmental accounting globally, from research and development to production and sales. In addition, the companies establish their own environmental budget system to manage the environmental costs for the next fiscal year, including investments and expenses. Konica Minolta will continue to undertake effective environmental measures based on this environmental accounting approach.

Results of Environmental Investment and Expense in Fiscal 2008

The amount invested in fiscal 2008 was 69% less than fiscal 2007, at about ¥1.2 billion. Of this amount, 72% was capital investment towards reducing the amount of VOCs emitted into the atmosphere and for energy saving (both are costs within the business domain). Expenses were 8% less than in fiscal 2007, at about ¥14.9 billion, of which 40% was for resource saving in production and products and the cost of reuse and recycling (costs within the business domain—resource recycling, and up/downstream costs). In addition, significant costs went into the development of new products that make a contribution to the environment, while research and development costs accounted for 24%.

Considered by business segment, in the office equipment business, the environmental impact of products usage and recovery of used products is significant, therefore the environmental costs consist mainly of research and development costs and up/downstream costs. On the other hand, in the optics business, the environmental impact of production is most significant, and so environmental costs are concentrated in costs within the business domain.

Environmental Accounting: Results for Fiscal 2008 and Budget for Fiscal 2009

(Unit: ¥1 million)

Types of Environmental Conservation Activities	Major Initiatives	FY 2008 Results			FY 2009 Budget	
		Investment	Expenditures	Economic Effects	Investment	Expenditures
1. Costs within business area		866	4,430	13,986	416	3,731
1) Pollution prevention	Reduced VOC emissions and managed chemical substances in the optics business	417	2,345	53	124	1,894
2) Global warming prevention	Promoted energy conservation	354	556	403	206	557
3) Recycling	Restricted use of solvents and plastics, and recovered silver from waste in optics business	95	1,529	13,529	86	1,280
2. Up/downstream costs	Collected and recycled products, and recovered silver from collected products in office equipment	1	4,553	2,275	7	2,813
3. Management activity costs	Maintained and promoted environmental ISO standards	38	1,338	0	39	1,361
4. R&D costs	Conducted R&D on energy-saving adaptations for office equipment and new products that contribute to the environment	166	3,556	79	1,133	4,056
5. Social activity costs	Conducted nature conservation activities	0	94	0	0	94
6. Environmental damage costs	Restored contaminated soil	140	907	0	35	509
7. Other costs		0	0	0	0	0
Total		1,210	14,876	16,340	1,630	12,565

Fiscal 2008 Results: Environmental Conservation Effect

Stage	Types of Benefit	Effects
Production	Water use reduced (1,000 t)*1	739
	Electricity reduced (1,000 MWh)*1	20
	Natural gas reduced (1,000 m ³)*1	3,335
	Heavy oil reduced (1,000 t)*1	134
	Harmful chemical substances reduced (t)*1	61
	Materials reduced (1,000 t)*1	71
	External recycling and reuse of waste (1,000 t)*2	22
Sales	Packaging reduced (t)*1	37
	Recycling and reuse of materials from used products (1,000 t)*2	9
Usage	CO ₂ emissions reduced (1,000 t-CO ₂)*3	21

*1 The environmental conservation effects are calculated as the difference with the environmental impact produced before the activity was implemented.

*2 The environmental conservation effects are calculated as the volume recycled and reused as a result of the activity specified.

*3 The environmental conservation effects are calculated as the difference in the CO₂ emissions produced by the use of a previous version of the product.

Fiscal 2008 Results: Impact of End User Usage

Stage	Types of Benefit	Effects
Usage	Consumer electricity consumption reduced (1,000 MWh)	55.5
	Consumer electricity bills reduced (¥1 million)	800

Scope of fiscal 2008 results

10 Group companies, including the holding company, business companies, and common function companies
22 Japanese affiliates
22 affiliates outside Japan