

We are working in a unified way as a group to make continuous improvements in our environmental performance.

Our Approach

After the integration that led to the formation of the Konica Minolta Group in August 2003, in October we re-organized the Group into a new set of businesses linked by a holding company. To provide consistent leadership for environmental activities under this new structure, we decided to work towards managing the entire corporate group under one single ISO 14001 certification.

Results and Future Goals

Our goal is to have all Konica Minolta Group companies in Japan recognized under multi-site ISO 14001 certification. In fiscal 2003 we included the holding company and head offices of all our business companies and common-function companies in the scope of the certification. For our overseas operations—including in Asia, the United States, and Europe—we are working on certification on a regional basis.

Environmental Policy of Konica Minolta

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.

Our basic approach is to work steadily to solve environmental issues, based on reliable data and quantitative measurements of performance and impacts.

"Management Based On Facts"

1. A global citizen working toward a sustainable society

To promote sustainable society, we conduct business with the aim of continuously improving our performance in environmental preservation, economic growth and responsibility to society. To this end, all employees make an effort to enhance their knowledge and awareness about the global environment, economy and society, and to act responsibly in the pursuit of a sustainable society.

2. Compliance with laws and other requirements

We comply with legal requirements in countries and regions where we do business, as well as with our own Group standards. We act fairly in responding to the expectations of our stakeholders and recognize the consensus of the international community.

3. Consideration of the environment through the entire life cycle of products and services

We are committed to reducing environmental impacts at all stages of the life cycle of products and services, aware that responsibility for a product rests with its manufacturer.

4. Initiatives to counter global warming

We work to steadily reduce greenhouse gas emissions from the business activities of the entire Group, throughout the life cycle of products and services, aware that global warming is an important issue for all humanity.

5. Initiatives toward a sound material-cycle society

We constantly review what we can do as a corporate citizen to create a sound material-cycle society, while striving to minimize our consumption of natural resources, and promoting activities aiming for "zero waste disposal". We promote initiatives for the recovery and recycling of packaging materials and end-of-life products.

6. Prevention of chemical pollution, reduction of environmental risk

Aware that chemical substances can have serious health, safety and environmental impacts, we take measures to prevent chemical pollution. In order to minimize environmental risk, we work steadily to minimize the amounts of chemicals we use, and to reduce the amounts of chemicals released.

7. Information disclosure

We will be accountable to our stakeholders and strive for harmony with society by actively disclosing environmental information and conducting risk communication. Our Environmental Policy shall be made public.

8. Environmental objectives and targets

We establish and administer environmental objectives, targets, and management programs to translate this Environmental Policy into reality, and work for continuous improvement.

Konica Minolta's approach

Seek consistency and efficiencies through ISO 14001-based multi-site management system

1 We will expand our multi-site ISO 14001 certification to build one unified environmental management system covering affiliated companies in Japan.

We are working to expand the scope of our multi-site ISO 14001 certification, so that it will cover not only our production facilities, but also product development, sales and distribution activities by our affiliated companies in Japan. As a result, we will reduce our direct environmental impacts (such as paper consumption, waste generation and energy usage), as well as create a single environmental management system that considers indirect

environmental impacts, including the development and sale of environmentally sound products. Our multi-site ISO 14001 system will ensure that uniformly high-quality practices are followed without exception for all operations of the Konica Minolta Group; these standardized environmental practices will also increase the efficiency of our activities.

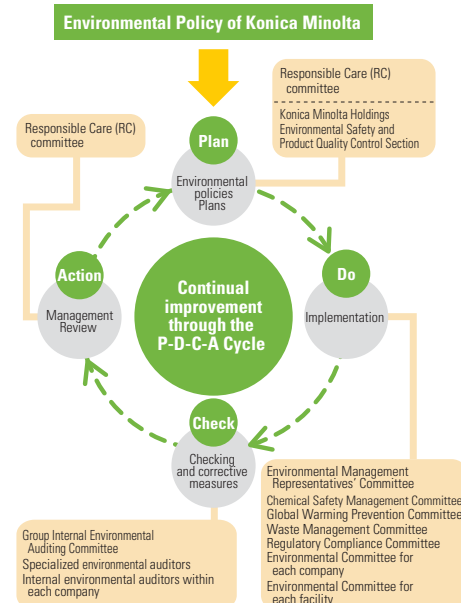
2 We use environmental accounting in our environmental management system

We use an environmental budgeting system since fiscal 2001. We also use environmental accounting criteria to evaluate our environmental efforts and as guidelines for capital investments. By using

environmental accounting, we are able to link our environmental activities with management strategies, strengthening the coherence of our environmental actions.

Environmental accounts: See page 36

Our environmental management system

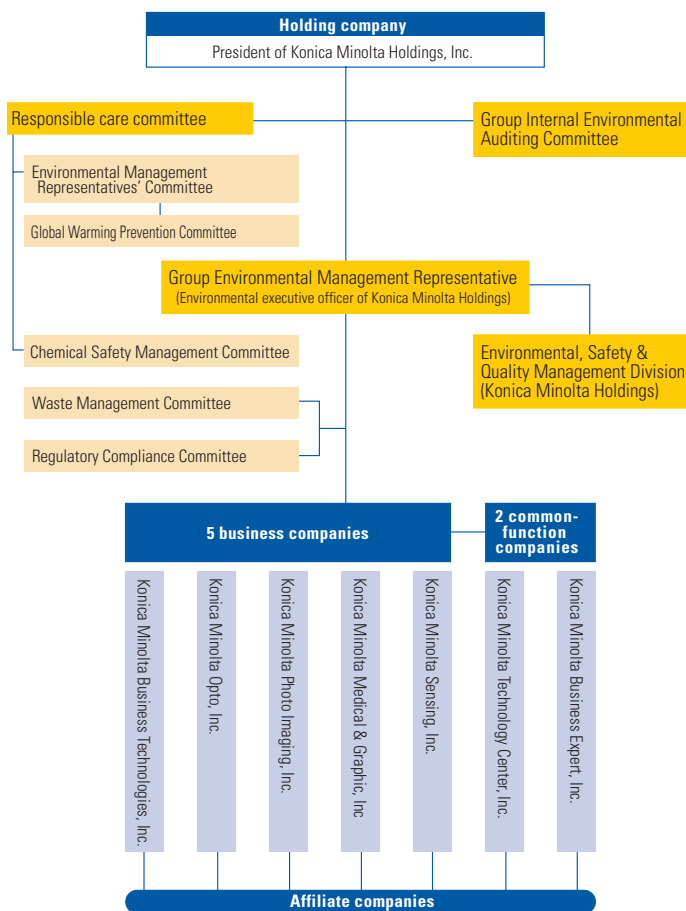


Konica Minolta's Structure to Promote Environmental Activities

We start with the cooperation of the newly formed Konica Minolta Group, and tailor environmental management to fit each business and facility.

Konica Minolta's "environmental activities promotion structure"—led by the President of Konica Minolta Holdings, and including environmental management officers of our five business companies and two common-functions companies, under which our affiliate companies around the world operate—is given strong powers to take appropriate actions throughout the entire Group. The highest decision-making body setting Konica Minolta's environmental goals is our Responsible Care (RC) Committee. We have also established lateral specialist committees that address activities at all of our manufacturing companies, following the ISO 14001 environmental management system's PDCA ("Plan-Do-Check-Act") approach. In addition, environmental management officers are designated for each of our facilities; each carefully manages our operation to reduce environmental impacts.

■ Environmental Activities Promotion Structure



Other measures

Environmental Audits

In keeping with ISO 14001 standards, we conduct external audits (inspections) once each year, and internal audits are conducted more frequently.

Accidents, Fines and Complaints

Konica Minolta did not incur any environment-related fines or charges in 2003. We received one complaint from local residents regarding odors, and four regarding noise. The cause of each of these complaints was investigated, and appropriate measures were taken; we also explained of the cause and measures to those making the complaints.

Green Procurement

In order to reduce our impact on the environment, Konica Minolta avoids attempts to oversimplify the evaluation products as of being "green" or not, but attempts to ensure that the items it procures have a low environmental impact throughout their entire life cycle. Also, we have been a member of the "Green Pur-

Risk Management

The ISO 14001 environmental management system helps to ensure that we properly observe legal requirements and manage risks

Environmental laws and regulations are of two main types, those covering factory operations and those related to products; our ISO 14001 system ensures that we comply with both. We have established a system for the entire Konica Minolta Group to share the latest information on legal requirements regarding business operations, and to check that those regulations are properly enforced. We also double-check our compliance through sharing information in a cross-cutting way among all of our manufacturing companies.



Sampling water at a waste water treatment facility

Environmental Education Efforts for Employees

We conduct a variety of training programs to improve our employees' environmental awareness.

We conduct training for all of our employees, including temporary staff, to ensure that we achieve our environmental goals. We conduct graduated training programs, including through Konica Minolta College. We conduct other activities to raise awareness of environmental issues, including an environmental seminar series by outside experts, and the Konica Minolta Environmental Award.



On-line environmental education developed by Konica Minolta Business Solutions Japan Co., Ltd.



Ceremony for the Konica Minolta Environmental Award. Awardees are recognized from among Konica Minolta employees around the world; seven prizes were awarded in 2003.

chasing Network (GPN)" since its inception, and conduct green procurement for a wide range of items, including office supplies, office and computer equipment, toilet paper, vehicles and forklifts, as well as the paper and ink that we use for company pamphlets and other publications.



Voice

Environmental Management in Medical and Printing Related Businesses Since its launch in 2000, our environmental committee has been tackling all aspects of environmental issues, including planning, development, manufacturing, sales and service. Our key topics in fiscal 2003 included working towards creation of a society with sound material cycles through "zero waste disposal" and using life-cycle analysis to reduce CO₂ emissions.

(Kumio Kanai, R&D Center, Konica Minolta Medical & Graphic, Inc.)