

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.

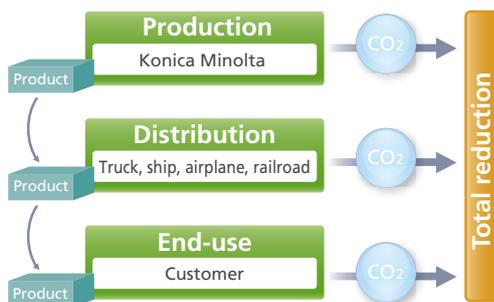
7% Reduction: A Worldwide Challenge

● Reduction of CO₂ Emissions at Business Sites in Japan

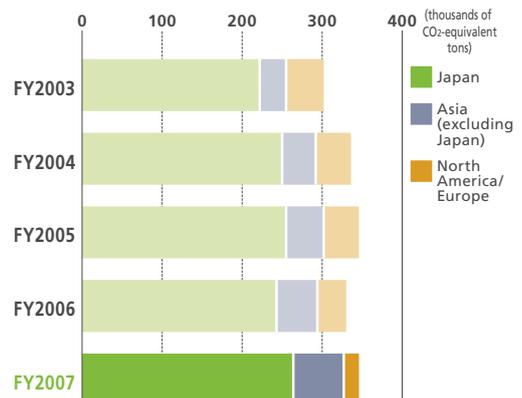
Konica Minolta has set a challenging target: “a 7% reduction of CO₂ emissions from the Group’s business sites in Japan by fiscal 2010 compared to fiscal 1990 levels,” which is even more stringent than the reduction target established under the Kyoto Protocol.

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 Reduction throughout Product Lifecycle

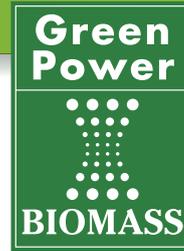


CO₂ Emissions from Konica Minolta R&D and Production Sites



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).

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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).

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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

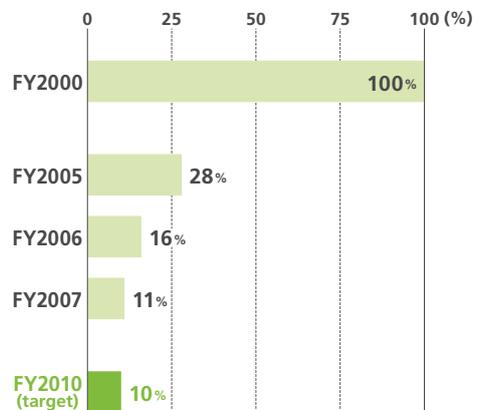
Chemicals Management at Production Sites

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

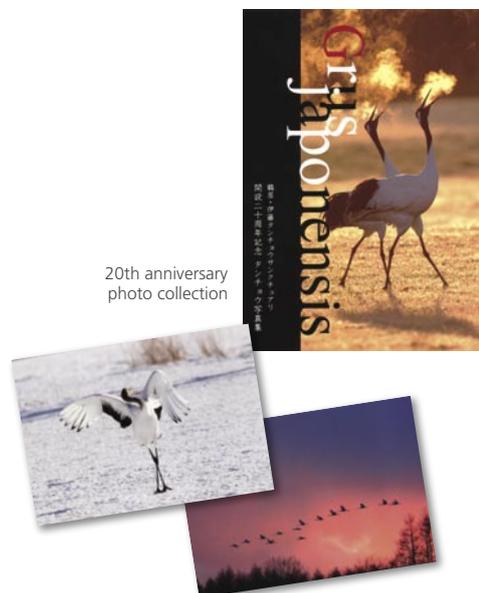
| Twenty Years of Effort in Species Conservation

● 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