

Creating Valuable Innovations and Growing Together with Stakeholders



“Giving Shape to Ideas” to Keep Growing with a Changing Society

In recent years, the world in which we all live and work has undergone drastic changes, including sweeping changes in the global environment and economy. As it turned out, the first year of our Medium Term Business Plan, “G Plan 2013,” fiscal 2011, was a year of trial and tribulation. Immense natural disasters such as the Great East Japan Earthquake and ensuing tsunami and the floods in Thailand threatened the very core of people’s way of life. They also caused interruptions in the supply chain which brought various industries to a halt. Many unpredictable situations remain, not the least of which are the European debt crisis and the dramatically high yen.

We are determined to remain essential to society and stay worthy of its support in these hard times. We recognize this requires very fine attunement to the unceasing change the world is going through. We must correctly identify what tomorrow’s society will need and how we can provide unique value to meet that need.

In September 2011, we announced our new brand communication message to the world: “Giving Shape to Ideas.” The message articulates our commitment to taking on the challenges faced by our customers and the broader society and giving shape to the ideas that will lead to solutions. This is the commitment shared by every person at Konica Minolta; it is our promise to stakeholders, and we pledge to make it a reality.

We hope that this message will better communicate our vision to stakeholders and help make their ideas real and bring their hopes within reach. We are certain that our effort will create new value that inspires both the businesses and lives of people around the world.

Building Businesses which Provide Unique Value to the World

The best opportunity for Konica Minolta to put into practice the concept of “Giving Shape to Ideas” is by developing and delivering valuable products, services, and solutions. To ensure our business is truly valuable to the world, we are determined to understand the problems our customers have and propose uniquely effective solutions for them. At the same time, we will expand the technologies we have

developed over the years in order to create innovative products that make a direct contribution to the broader issues the whole world faces.

To accelerate this process, Konica Minolta undertook a major structural reorganization in April 2012. First, our business in TAC film for LCD polarizers was merged with our new businesses in organic light emitting diode (OLED) lighting and functional film (barrier or heat insulation film), establishing a new company called Konica Minolta Advanced Layers, Inc. We also consolidated our industrial sensing business with our optics business (including pickup lenses for optical disks), calling the new firm Konica Minolta Optics, Inc. The goal of these organizational changes was to leverage technological synergies and optimize sales efforts to strengthen our business potential to create new value.

We constantly strive to improve our customer relationship management, aiming to increase customer satisfaction and maintain the strong relationships we have built with customers, and pursuing further growth by building even deeper bonds. We are working not only to deliver the “essential quality” that everyone naturally expects, but also to offer “appealing quality” that goes beyond customer expectations. Every company in the Group is implementing its own specific steps to achieve these goals.

Addressing CSR Issues as a Global Corporation

When we talk about “Giving Shape to Ideas,” we are not just talking about our business activities: we apply the concept to every effort we make to fulfill our social responsibilities. As a global corporation, Konica Minolta sees it as the Group’s responsibility to help solve the various problems people face around the world.

One example is our Eco Vision 2050, a set of long-term goals that includes helping to stop global warming, promoting resource circulation, and preserving biodiversity. The cornerstone to achieving these goals is our Green Products Certification System. This system drives our efforts to create and offer environmentally responsible products and reduce their environmental impact throughout the entire product life cycle from development, to production, sales, and recycling. Konica Minolta not only holds itself to these high standards, but also expects its business partners

to do the same. Our approach to “CSR procurement” insists on respect for human rights and workplace health and safety, aiming for constant improvement throughout the supply chain.

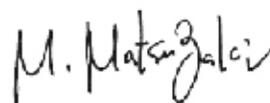
We recognize that, in addressing these issues from a global perspective and with flexible approaches, it is important to have a diverse workforce including a wide range of nationalities and both women and men. This is why we have established an HR system that is focused on making the most of our global workforce.

To facilitate our efforts to implement these goals, in April 2012 we consolidated the CSR Promotion Group and the Corporate Communications & Branding Group in a new organization that reports directly to me. This organizational change reflects how Konica Minolta sees social responsibility—as an integral part of corporate management. Under the new organization, we will further integrate our business and CSR activities, while also enhancing communication so that our stakeholders can better understand our approach.

Continuing to Provide Truly Valuable Innovations for Customers and Society

We believe that the key to our growth is focusing on providing products and services that are truly valuable to customers and society. Traditional product development theory may have emphasized “first in the world” or “best in the world,” but if the results are not considered valuable innovations by customers and society, we have missed the point.

Our goals are to solve the problems faced by customers and society and to provide value that exceeds expectations. “Giving Shape to Ideas” is the message that calls each member of the worldwide Konica Minolta team to live up to these goals. I request your support as we strive to reach our goal of becoming a global company that is truly supported by and considered vital to the entire world.



Masatoshi Matsuzaki
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