

Sustainably Growing Corporate Value through Innovation That Delivers Both Social and Economic Value



Presenting a Vision of the Future to Create New Value

At Konica Minolta, everything we do is guided by our philosophy, “The Creation of New Value.” Pursuing this overarching goal, Konica Minolta has grown along with society by providing the new value that each successive decade required.

The world today faces challenging issues including environmental problems, aging populations, and a shortage of human resources. Expectations for companies to take the initiative on sustainability are higher than ever. Witness the announcement of the United Nations Sustainable Development Goals (SDGs) and the growing prevalence of ESG investment with its focus on environmental, social and governance factors. Unprecedented transformations are also taking place in the business world, thanks to the latest digital technologies such as AI, robotics and IoT.

These circumstances have fueled our drive to generate innovation that can help solve social issues in countries around the world. In our Medium Term Business Plan, “SHINKA 2019,” in action since 2017, we have set our sights on making Konica Minolta “a digital company with insight into implicit challenges.” We are determined to tackle the problems facing the world. Our goal is to anticipate not only the obvious problems, but also the latent issues, so that we can propose the solutions our customers need and support their business transformation. Our basic approach to management is all about contributing to the abundant human societies of the future. In order to realize this future, we are incorporating backcasting into our thinking. First, we envision the kind of future we want to promote for the planet and humanity by 2030 and 2050. Then, we work backwards from those objectives to determine what needs to be done. As a company, Konica Minolta is working to create new value by first clarifying what we should and can do now.

Solutions to social problems for 2030 and 2050

- Global environmental protection
- Secure environment and safety
- Quality of life
- Aging society and human resource shortage



Backcasting

What we should and can do now

Generating Innovation That Helps Solve Social Problems and Protects the Global Environment

In my view, social issues are not the only place to start if we want to foster an awareness of the major problems across society as a whole. By helping to solve the problems faced by workers on the frontlines at offices, factories, hospitals, nursing care facilities, and more, we are making real progress toward solving social issues. In other words, even if the ultimate objective is to solve social problems, the initial objective can be helping customers to solve the problems they face. Here's just one example: we are helping to solve nursing care issues in an aging society by providing services that reduce workload for nursing care staff. Konica Minolta is also contributing to the reduction of the overall social cost of medical care by providing drug discovery support for pharmaceutical companies as well as diagnostic support for individual patients through its new precision medicine business, which began in earnest in fiscal 2017.

We want to do more than our part in solving global environmental issues, and we have set the goal of achieving "Carbon Minus" status in our long-term environmental vision, Eco Vision 2050. In addition to reducing Konica Minolta's own carbon emissions throughout the product lifecycle by 80% compared to fiscal 2005 levels by 2050, we intend to deliver an additional CO₂ emissions reduction effect larger than the CO₂ emissions reduction in Konica Minolta's business activities—by providing our accumulated environmental technologies and expertise to business partners and client companies.

Innovation is more than just technological advancement; it is the creation of value for customers. Konica Minolta emphasizes design thinking when practicing this kind of value creation. We are creating innovation to help solve social and global environmental problems by visiting the frontlines, providing even sharper insights, and revealing implicit challenges. This process enables us to create plans for issue resolution and put them into practice.

Building Organizations That Continually Produce New Ideas by Bringing Together Human Resources with Diverse Experiences

Human resources are everything when it comes to creating innovation that helps solve social issues. While making the most of the abilities of its people, Konica Minolta emphasizes the value created by diversity. While continuing to value our heritage, we are transforming our organizations to foster a continual stream of new ideas. We do this by allowing employees with diverse experiences and backgrounds to interact with one another and foster mutual understanding and encouragement.

This is one reason why Konica Minolta has been acquiring skilled and expert human resources in corporate acquisitions. We are also promoting interaction among human resources with diverse perspectives and accelerating open innovation through collaboration with customers, universities, start-ups and others.

We have established a Corporate Diversity Office which reports directly to me, and I am personally leading a variety of organizational and corporate culture reforms.

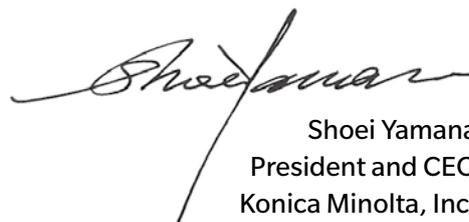
If every one of our over 40,000 employees worldwide enhances their capacity to do the right thing for customers and society, Konica Minolta will become a powerful force for change. I think it is my role as the chief executive to help generate that force.

Enhancing Systems to Address ESG Issues and Sustainably Enhance Corporate Value

Our approach under the Medium Term Business Plan, "SHINKA 2019," is far from a passive effort that merely seeks to minimize ESG risks. Instead, we are planning proactive efforts to become a top-tier company worldwide in the areas of environmental, social and governance performance. I am confident that enhancing our corporate culture from an ESG perspective will lead to an increase in corporate value over the medium to long term.

As part of these changes, we are also working to strengthen our corporate governance. In fiscal 2017, we revised the directors' compensation system to promote management from a medium- to long-term perspective and introduced a medium-term performance-linked stock compensation system. In addition, we have also included non-financial indicators such as ESG criteria in the performance evaluation of executive officers, and the Board of Directors directly monitors these indicators. In fiscal 2018, we integrated our environmental and CSR divisions to establish the Corporate Sustainability Division. Going forward, this division will take the lead in planning a sustainability strategy integrated with the Medium Term Business Plan. As a signatory to the United Nations Global Compact, Konica Minolta aims to be a company that is supported by and essential to the global community. We intend to do this by contributing to the achievement of the SDGs by 2030 while strengthening our management foundation from an ESG perspective.

I invite you to expect even more from Konica Minolta.



Shoei Yamana
President and CEO
Konica Minolta, Inc.