



KONICA MINOLTA

KONICA MINOLTA

CSR REPORT 2019



Giving Shape to Ideas

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Editorial Policy

The Konica Minolta CSR Report is published to inform all stakeholders about the Group's corporate social responsibility initiatives.

Konica Minolta has identified the priority issues which have social significance and substantial impact on its business. The company sets targets for these issues and reports on specific initiatives and progress.

This report has been prepared in accordance with the Global Reporting Initiative Standards: Core Option.

To facilitate communication with stakeholders around the world, the report is published in two languages: Japanese and English.

Report Boundary

This report covers Konica Minolta, Inc. and its consolidated subsidiaries. When data is given on a specific subset of companies, the boundary is separately indicated.

Note: In this report, "Konica Minolta" refers to the Konica Minolta Group.

Reporting Period

In principle, the report covers activities from April 1, 2018 to March 31, 2019. Some sections may include information on earlier initiatives or more recent activities. In this report, "fiscal 2018" refers to the fiscal year that started April 1, 2018 and ended March 31, 2019.

Publication Date

August 2019 (Next report: scheduled for August 2020; previous report: August 2018)

Disclaimer

In addition to facts about past or present circumstances, this report contains descriptions of the Group's current plans and projections for the future. These descriptions are based on information that is currently available and have been deemed reasonable based on the Group's current status. The Group's actual performance could differ from its predictions due to future changes in the business environment.

Note: Indicators that have been assured by KPMG AZSA Sustainability Co., Ltd. are marked with ★.

Communication Tools

CSR Information



CSR Report (this publication)

Reporting on targets and specific initiatives for priority issues



Environmental Report

Compiling information on environmental activities from the website in booklet format in PDF



CSR (social/environmental activities) website

<https://www.konicaminolta.com/about/csr>
Reporting comprehensive information on Konica Minolta's CSR activities

IR Information Shareholder Newsletter Integrated Report
Securities Report (in Japanese)

The documents below are available for download at:

<https://www.konicaminolta.com/us-en/corporate/document-download.html>

- Company Brochure
- CSR Report
- Environmental Report
- Integrated Report
- Intellectual Property Report

The CSR report, which consists of the printed pamphlet and the web-based information, is prepared in accordance with the Global Reporting Initiative Standards: Core Option.

 GRI / ISO 26000 / United Nations Global Compact Content Indices

Navigation

All pages have category tabs to make navigation easier.

Category Tabs

Move to the pages on the applicable report category.

Contents / Editorial Policy	Message from the President	Special Feature	Corporate Social Responsibility at Konica Minolta	Material Issue	Essential Requirements to Fulfill CSR	Data and Third-Party Statements
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New Value for a Sustainable World

Konica Minolta's mission is "The Creation of New Value."

The company exists for this very purpose: to use creative ideas to deliver tangible new value in order to resolve the challenges faced by customers and the broader society.

In order for companies to be sustainable in the times ahead, they will have to contribute to the resolution of social challenges while continuing to grow. In other words, they will be required to create value for both the company and society.

In cooperation with its stakeholders around the globe, Konica Minolta aims to establish itself as a company that is vital to society by continuing to create new value that brings innovation to the world.

Our Philosophy

The Creation of New Value

6 Values

Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

Open and honest

We are convinced that only by acting with integrity and communicating with all our partners in an open and honest way can we create long-lasting partnerships of mutual trust and true significance.

Customer-centric

We exist solely for our customers; always thinking on their behalf, undertaking challenges together with them, and working tirelessly to bring them success and provide excitement that exceeds expectations both now and in the future.

Innovative

Innovation is what drives us. We constantly strive to develop ground-breaking ideas that will form the basis of everything we do going forward, every step of the way.

Passionate

Being passionate, strong-willed and determined is essential to making a meaningful contribution to our customers' businesses and society as a whole.

Inclusive and collaborative

We believe that the power of inclusiveness and collaboration with customers, partners and each other is the best way to come up with game-changing ideas that provide ultimate benefits.

Accountable

Not only must we be individually and collectively responsible and accountable for what we do, all our actions should contribute to the creation of a sustainable society and Konica Minolta.

Our Vision

A global company that is vital to society

Possessing a mindset that drives us to best serve and improve the quality of society in all our activities, we are determined to become a company that is vital to the global society by providing excitement that exceeds the expectations of all.

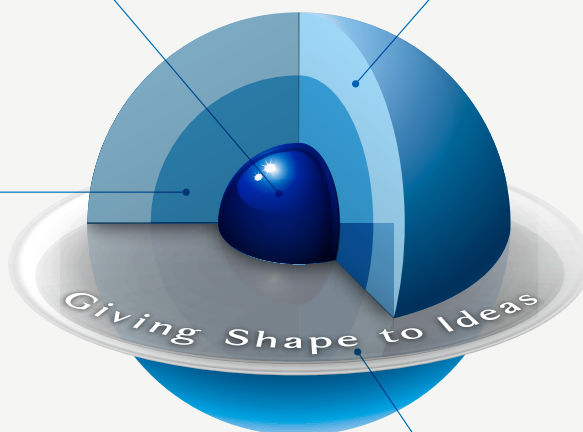
An innovative company that is robust and constantly evolving

We are committed to becoming an innovative company that stands tall in difficult times with a solid and quality business base, ensuring we remain courageous to provide new value in the face of any challenge.

Brand Proposition

Giving Shape to Ideas

It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high-quality society.



Contributing to the Evolution of Society by Transforming into a Digital Company with Insight into Implicit Challenges



Becoming a Leader in a Time of Transformation

Since our company's management integration in 2003, Konica Minolta has conducted business under the philosophy, "The Creation of New Value." I view this concept as the creation of economic value through business activities, while simultaneously creating social value by providing innovative solutions that help solve the myriad challenges our world is facing.

With the massive advancement of digital technology, including AI, robotics, and IoT, the world has entered a time of great transformation. The business landscape is also changing drastically and at an unprecedented pace, demanding innovation in all industries. Transformative times such as these are a major opportunity for Konica Minolta. That is why we have our sights set on becoming a company that provides new value to the world by spearheading innovations, instead of following in the wake of changes in the competitive environment.

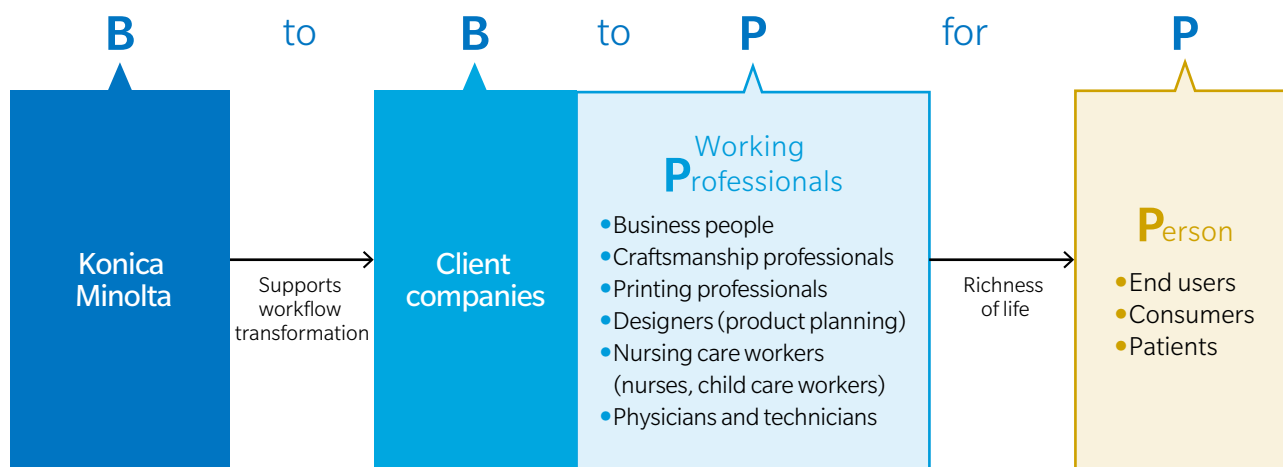
With our current Medium Term Business Plan, "SHINKA 2019," we have set the goal of transforming into "a digital company that provides solutions with insight into implicit challenges." We are determined to contribute to the evolution of society by working with our customers to create solutions not only to the challenges that are already obvious, but also to the more latent ones. We believe that this type of approach will allow businesses to be sustainable into the future.

Creating New Value Under the Concept of "B to B to P for P"

Konica Minolta is a B-to-B enterprise serving some two million companies worldwide. But the value we provide is actually intended for the professionals working on the front lines in those companies. Our immediate goal is to raise the productivity and quality of operations by helping revolutionize the workflow of professionals working in manufacturing, medicine, nursing, and other professional settings. The result, however, contributes to the richness of human life for consumers and end users. This is the social value that we create, the value that leads to evolution of society. Our Care Support Solutions (→P. 6), for example, reduce the workload of staff members at nursing care facilities, allowing them to concentrate on nursing care service, which in turn helps improve their patients' quality of life.

Backcasting is key to creating this kind of business. First, we identify latent issues in various segments of society and envision the kind of world we want to see 10 and 20 years down the road. Then, we work backwards to determine what needs to be done. The United Nation's Sustainable Development Goals (SDGs) are also important challenges for our company to consider. Envisioning a better world, the Konica Minolta Group is working to create value that will help achieve these goals by the target year, 2030.

Concept of B to B to P for P



Pursuing “Carbon Minus” Status by Applying Backcasting to Global Environmental Challenges

Addressing climate change is a challenge shared by all of humanity. We recognize that a company's environmental efforts affect its corporate competitiveness. For example, reducing energy and resource usage not only reduces environmental impact, it also translates into cost savings.

As a guideline to tackle global environmental issues head on, we established the Eco Vision 2050, our long-term environmental vision, which we conceived by backcasting from 2050. As part of that vision, we set the goal of achieving “Carbon Minus” status. This means that in addition to reducing Konica Minolta's own CO₂ emissions, we intend to deliver carbon reductions above and beyond Konica Minolta's own emissions—by sharing our accumulated environmental technologies and expertise, and the knowledge obtained through our endeavors with business partners and customers to help them reduce their CO₂ emissions.

Konica Minolta is also a signatory to and participates in international initiatives to address environmental issues. In July 2018, we declared our support for the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In January 2019, we joined RE100, through which we will contribute to the achievement of a decarbonized society with the goal of sourcing 100% of Konica Minolta's electricity consumption from renewable sources by 2050.

Human Capital: The Source of Our Ability to Create New Value

Konica Minolta's purpose is to continue creating new value that helps resolve the challenges our world faces. The source of that ability is the approximately 40,000 people working at the Konica Minolta Group worldwide. After all, the innovation that drives the creation of value is generated by none other than our employees, as they work together with customers and take action. That is why Konica Minolta is working to strengthen the abilities of its employees, ensuring that

individuals thrive, and to establish systems of innovation, in a two-pronged approach to driving greater innovation.

To further strengthen the skills and abilities of Konica Minolta Group employees, we are promoting diversity, reforming work styles, investing heavily in young employees, and working on health and wellness initiatives. In April 2019, we changed the name of the Corporate Diversity Office to the Corporate Diversity & Inclusion Office. We feel that this change is in line with our efforts to promote inclusion and our belief that the diversity of our employees is one of our greatest strengths. We are also considering the introduction of a personnel system that rewards employees who go above and beyond to generate innovation.

One way we are driving innovation as an organization is through our five Business Innovation Centers (BICs), which are located across the globe. Our BICs serve as organizations dedicated to the creation of new businesses. We have also established open R&D sites in the cities of Hachioji and Takatsuki in Japan, and developed a system that enables collaboration with partner companies in a wide range of fields.

I believe that my most important mission as chief executive is to continually drive innovation by leveraging the strengths of Konica Minolta employees. I will continue to find new ways to drive “The Creation of New Value” in collaboration with Konica Minolta Group employees around the world while doing my utmost to strengthen our management foundation from an ESG perspective.

Shoei Yamana
President and CEO
Konica Minolta, Inc.

Special Feature

Konica Minolta Social Innovation: Solving the Challenges Facing the World

The recent worldwide emergence of social concerns such as climate change, resources and energy, a declining birthrate, and an aging population has spurred calls for innovation that can help solve these issues.

Konica Minolta is integrating the strengths developed in its business over the decades with the latest digital technologies to provide high value-added products and services to different types of customers in various industries. By doing so, Konica Minolta aspires to contribute to the achievement of the Sustainable Development Goals (SDGs) while also helping business and human societies to evolve.

**A company that continues to
create new value to **SHINKA (evolve)**
business and human societies**

Contribute to achieving the SDGs

**SUSTAINABLE
DEVELOPMENT GOALS**
17 GOALS TO TRANSFORM OUR WORLD

**Providing high value-added
services to different types of
customers in various industries**

Commercial
and
industrial
printing

Value provision

**One
Konica
Minolta**

Optimization

Creativity
improvement

Prediction
and
forecasting
support

Productivity
improvement

Operation
efficiency
enhancement

Decision-
making
support

Mobile object

Office

Retail and
distribution

Manufacturing

Medical

Nursing care

Business
Domains

Industrial
Business

Office Business

**Our Philosophy
The Creation of
New Value**

Healthcare
Business

Professional
Print Business



CASE
01

Care Support Solutions

Providing Nursing Care Solutions
to Address the Issues of
a Super-Aged Society

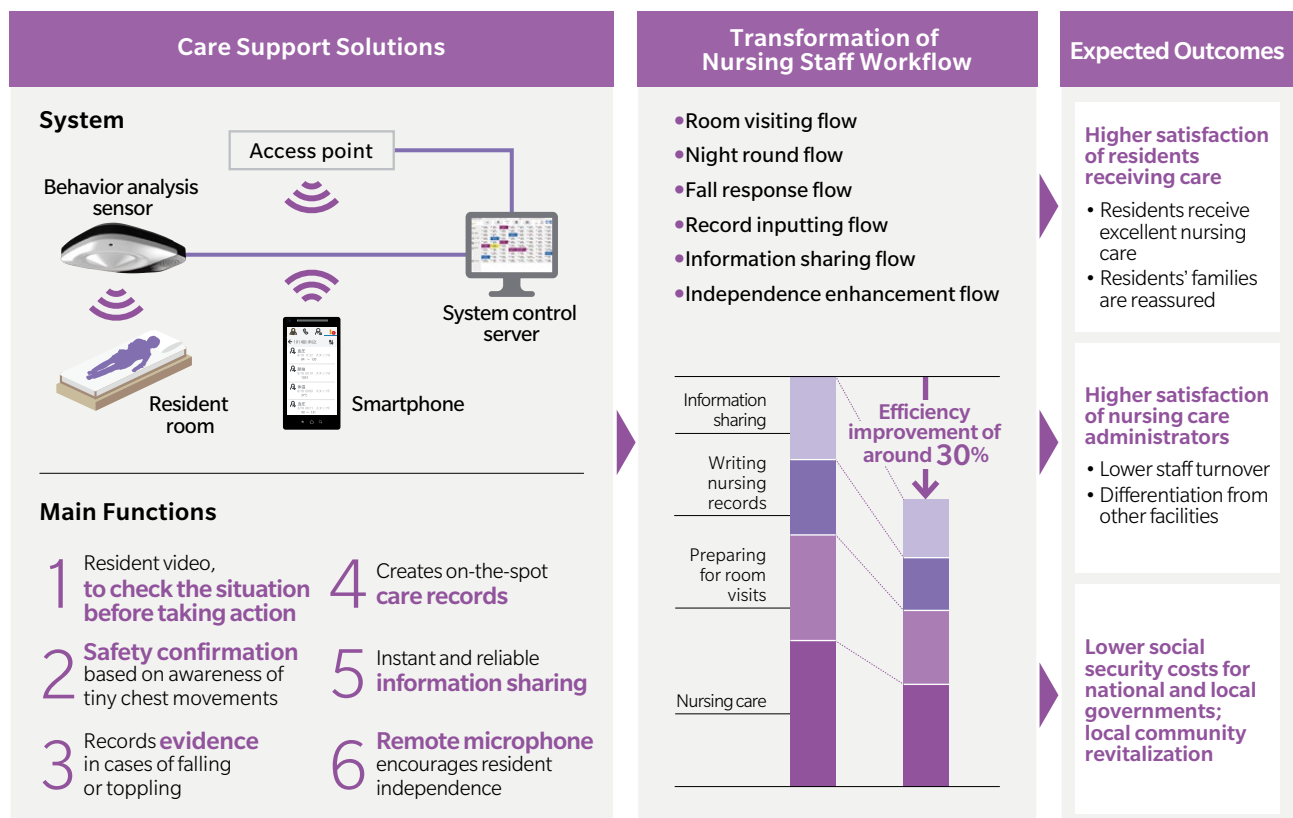
Related SDGs

Transforming Nursing Care Staff Workflow and
Helping to Eliminate Chronic Nursing Care Staff
Shortages

With the number of people needing nursing care in Japan increasing in recent years, the shortage of care workers has become a social issue. To address the situation, Konica Minolta developed and offers Care Support Solutions that transform nursing care workflows.

This solution detects certain resident behaviors using near-infrared cameras installed on the ceiling along with sensors that detect movement, and then notifies nursing care staff through their smartphones. It helps the staff to

determine the best response after grasping the situation and enables information sharing among staff in real time, greatly improving the efficiency of work. One facility where this solution was introduced reported an average efficiency improvement of 30% for nursing care staff. The extra time saved can now be used to enhance resident self-sufficiency, such as through rehabilitation assistance, and for education and training for nursing staff. This, in turn, enables provision of higher quality care, which has improved the satisfaction of residents and their families as well as nursing staff and facility administrators.



CASE
01

Care Support Solutions

Moving toward Greater Use of IT in Nursing Care Settings

Pioneering the Future of Nursing Care
in Japan through Diverse Partnerships

Masanori Miura

President and Representative Director
Konica Minolta QOL Solutions, Inc.Dispatching Care Directors to Nursing Care
Facilities to Propose Workflow Improvements

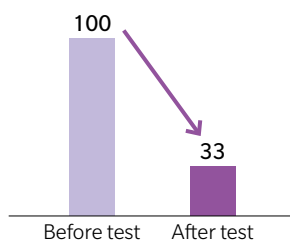
Care workers often need further training to master the use of IT devices on the job. This is the key to transforming the frontlines of nursing care using IoT, and also the reason Konica Minolta developed Care Support Solutions. Accordingly, we dispatch Care Directors to nursing care facilities to provide on-site training in system use.

Care Directors also analyze data accumulated by the system to produce various reports and propose workflow improvements. For instance, our data analysis showed that night rounds actually disturb residents' sleep. So, we tested what would happen if night rounds were stopped. The number of times residents got out of bed decreased and they got better sleep as a result. Fewer times getting out of bed also lowers the risk of falls. Moreover, the nursing staff's workload was also decreased by reducing the number of times they visit rooms at night.

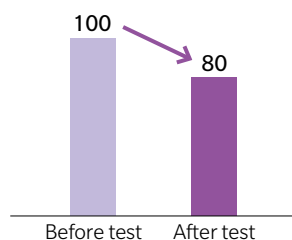
Making use of data in this way should also allow the care needed by individual residents to be predicted in the future, changing the way the nursing staff works and increasing the quality of care.

Test Result of Stopping Night Rounds

(1) Reduction in nursing staff's workload at night (index when the number of nighttime room visits before test is 100)



(2) Increase in residents' quality of life (sleep) due to (1) (index when number of times getting out of bed before test is 100)

Gathering Colleagues Who Share Our
Philosophy and Strategy and Recommending
Use of IT in the Nursing Care Industry

The Japanese Ministry of Health, Labour and Welfare estimates that in 2025, there will be a shortage of 340,000 nursing care staff members. This shortage is a social issue that Japan cannot afford to put off addressing. At this rate, supply and demand will go out of balance, and we could end up with a society where people cannot receive adequate nursing care.

Out of awareness of this problem, Konica Minolta started a social business collaborative effort—the Care Philosophy Partners Conference (CPPC)—with care providers, IT service companies specialized in nursing care, and others. Around 50 companies have joined so far. Among them, Konica Minolta has built especially strong collaborative relationships with Welmo, Inc.,^{*1} BI Brid Co., Ltd.,^{*2} and Zenkokuai.^{*3} The thing that each company has in common is a shared philosophy and strategy to “achieve a world of harmonious co-existence that increases quality of life in the form of greater independence for seniors and greater job satisfaction for caregivers.” While they each have a high degree of specialization, the companies do not take an individual-company approach but rather leverage their individual strengths combined, sharing the same philosophy and strategy, in an effort to solve issues faced by the nursing care industry.

Additionally, Konica Minolta carries out demonstration testing in collaboration with universities and business operators to improve frontline efficiency in nursing care. We hope to use the results to make recommendations to the Council on Investments for the Future^{*4} regarding improvements to staffing standards for nursing care facilities based on use of IT.

^{*1} Welmo, Inc.: Provides a regional care information platform to professionals. It has also developed an AI system to support the production of care plans requiring medical and nursing knowledge.

^{*2} BI Brid Co., Ltd.: Operates an IT help desk/support business specializing in the nursing care, welfare, and medical fields, an IT consulting business, and a business supporting product development for the nursing care field.

^{*3} Social Welfare Corporation Zenkokuai: Business includes operation of special nursing homes and group homes for people with dementia. Actively adopts various kinds of technology with the aim of visualizing operations and practicing scientific nursing care.

^{*4} Council on Investments for the Future: A council, chaired by Japan's Prime Minister, that convenes with the purpose of accelerating growth strategies and structural reform aimed at expanding investment in future economic growth fields.

CASE
01

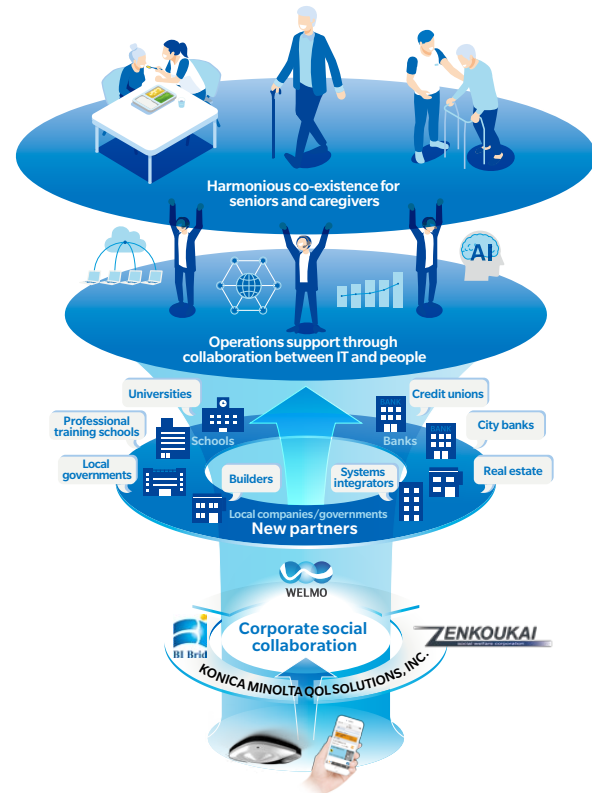
Care Support Solutions

Coverage Including the Home Care/Nursing Field under the Concept of “Connected Care”

We believe that behavioral record data on seniors can be utilized not only in nursing care facilities but also in home care and preventive care. In home care, for example, we think that sensible care plans can be made as much as possible without changing people's lifestyles by gathering and analyzing data on the behavioral patterns not only of seniors but also their families.

Our Care Support Solutions are based primarily on acquisition of data in bedrooms, but in the future, we plan to provide new value by sharing, interconnecting, and analyzing data held by companies that have joined CPPC. I call this “connected care.” The goal is to work with various stakeholders to create a mechanism that allows the same level of care to be received at home as in a facility.

In preparation for such an era of scientific nursing care, we are developing an educational program using our Care Support Solutions in nursing care schools. By creating opportunities for people hoping to go into nursing care to be exposed to IT, we intend to train care workers who have a strong command of IT.

Solving Social Issues with Corporate Social Collaboration**Voice of a Corporate Social Collaborator****Using IT to Co-create a Standard of Nursing Care**

Kouhei Takeshita
President, BI Brid Co., Ltd.



The introduction of IT in nursing care facilities is still in the early phases. It is still the common practice to write out care records on paper by hand, and being up to one's neck with such production of records is a burden. In some cases, that is the reason people leave their jobs. The truth of the matter is that care staff members in many frontline care settings do not feel the need to adopt IT and are unfamiliar with computers. The IT system provider, on the other hand, has hardly any products that match the IT skills of users, as it does not know the nursing care industry or frontline needs. This unfortunately results in many cases where IT has been introduced but then goes unused.

In other words, just introducing IT is not enough. It is only when IT is used properly that it leads to improved efficiency. Thus, it cannot be achieved without suitable support for users. That is why BI Brid gives advice to

system providers about making products that will be useful in nursing care settings and also gives advice and support to care staff so that they can make the most of those products.

I hope that Konica Minolta will produce best practices in IT adoption in nursing care settings across the country through Care Support Solutions. I hope that it will become the standard for nursing care operation.

The issues faced on the frontlines of nursing care are a problem that will impact the future of this country — the future of each of us. I believe this is a matter that can no longer be addressed by individual companies; it must be tackled by lots of companies working together. I hope to take advantage of this corporate social collaboration with Konica Minolta to leverage IT to change the future of nursing care.

CASE
02

Workplace Hub

Supporting Corporate Work-Style Reform

All business sites nowadays have a rising need to utilize digital innovation to generate greater efficiency and productivity. However, many small and medium-size enterprises face challenges in making use of IT due to issues such as a shortage of IT personnel and administrative burdens.

Konica Minolta's Workplace Hub, which is being rolled out globally after its launch in Europe and the US in fiscal 2018, is an all-in-one IT service package that is customizable to corporate clients' business challenges. It combines IT infrastructure/services, multi-functional peripherals (MFPs), and maintenance/management. Workplace Hub provides an IT environment safeguarded by world-class security, setting clients free from the massive burden of IT management work and thereby enabling them to focus on higher productivity and more creative work.



Workplace Hub, a workflow transformer

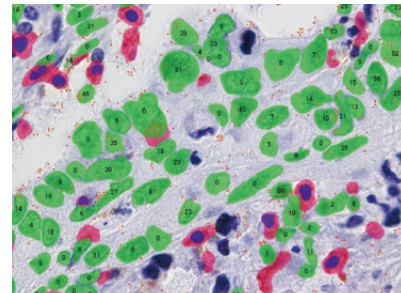
CASE
03

Precision Medicine

Supporting Drug Discovery as Well as Accurate and Efficient Cancer Diagnosis

The significant side effects and ballooning costs of cancer treatment have become social issues. Precision medicine, in which medications are chosen for patients who have been grouped according to their physiological characteristics as analyzed based on genes and proteins, is gaining attention as a solution. Konica Minolta makes accurate and efficient cancer diagnosis a reality by combining its original technology for making visible specific proteins such as those found in cancer cells with technologies of two Konica Minolta Group companies in the US.

In July 2018, Konica Minolta established Konica Minolta Precision Medicine Japan, Inc., a new company that will provide services in the field of precision medicine in Japan. The new company will move forward with the full-scale provision of services to pharmaceutical companies, academia, and medical institutions.



Original technology differentiates cancer cells

CASE
04

Gas Monitoring Solution

Contributing to Safety and Security as Well as Environmental Performance by Making Gas Leaks Visible

In recent years, rising risks due to deterioration of plants in Japan, such as gas leakage accidents and fires, have become an issue. At the same time, there are fewer skilled maintenance personnel as the workforce is shrinking due to a declining birthrate and aging population. This has created a need for regular monitoring not dependent on staff and a need to ensure the safety of restoration work.

Konica Minolta provides a solution that enables early discovery and handling of abnormalities via continuous plant monitoring. Using optical and image processing technology to make visible the location and concentration of gas leaks makes appropriate maintenance possible without skilled maintenance personnel.

Additionally, in North America, Konica Minolta is planning to roll this solution out to petroleum and natural gas mining facilities as well to facilities seeking to reduce leaks of greenhouse gases. This solution will also contribute to a more sustainable world by helping to improve the workflow of data management required by laws and regulations.



Gas monitoring solution makes gas leaks visible

CASE
05

Remote Healthcare Using Portable Medical Devices

Addressing Medical Challenges in Emerging Countries with Remote Healthcare



In Bangladesh, lifestyle-related diseases are skyrocketing, and quickly responding to patient needs is a critical issue in the healthcare field. In rural areas, where 60% and more of the population lives, there is a shortage of medical facilities, equipment, and doctors. In order to receive medical treatment, patients must travel considerable distances to urban areas.

To address this challenge, Konica Minolta devised a remote diagnostic system that allows a rural clinic to take patient X-rays using portable equipment and upload the imaging data to the cloud, allowing doctors in the city to view the X-rays and make the appropriate diagnosis. After conducting a diagnostic pilot in 2017, a paid medical examination trial was begun in September 2018 in the capital of Dacca and the surrounding region, in a project adopted by the Japan International Cooperation Agency (JICA). Going forward, Konica Minolta will increase the number of examination sites and also work to reduce the cost of diagnostic services by analyzing collected data and introducing AI-based screening.



X-ray exam using mobile imaging equipment

CASE
06

Digital Inkjet Printer AccurioJet KM-1

Using Digital Technology to Reduce the Environmental Impact of Commercial Printing



Rising environmental awareness is driving demands for the field of commercial and industrial printing to break away from conventional methods where large amounts are printed and surplus is discarded. In the world of marketing, meanwhile, labels and packages for each event are being produced in small lots, and product/marketing strategies targeting individual consumers, such as including specific people's names, is gaining ground.

Konica Minolta's digital inkjet printer AccurioJet KM-1 produces high image quality comparable to that of conventional offset printing and can handle a wide range of printing papers. It enables production of printed matter in just the quantity needed, at the time needed, to suit the customer's exact needs. This, in turn, reduces environmental impact by minimizing waste. This solution also helps to reduce the labor-hours needed in the printing process due to its user-friendly operability, even for unskilled workers.



Digital inkjet printer AccurioJet KM-1

CASE
07

WoundAide Automatic Wound Measurement System for Medical Institutions

Improving Workflow in Medical Settings



Konica Minolta operates Business Innovation Centers (BICs) in the five major regions of the world—Japan, Asia Pacific, China, Europe, and North America—with the goal of generating new thinking and creating innovative businesses. The BICs are carrying out about 100 projects, in which they collaborate with universities and venture firms and employ diverse innovative perspectives.

In 2018, based on the work of the BICs, BIC Asia Pacific commercialized WoundAide, an automatic wound measurement system for medical institutions, and began marketing it in Singapore. This system enables instantaneous measurement of wounds, which is conventionally done by hand, through diagnostic imaging, as well as digitization of the results. This helps to improve the workflow of clinicians and nurses. Moreover, WoundAide can be expected to improve patients' quality of life because it assists with more appropriate wound monitoring and treatment by enabling accurate and consistent measurement.



Automatic measurement using WoundAide

Message from the Sustainability Officer

Leveraging Sustainability Concepts to Create Innovation

Takenori Takahashi

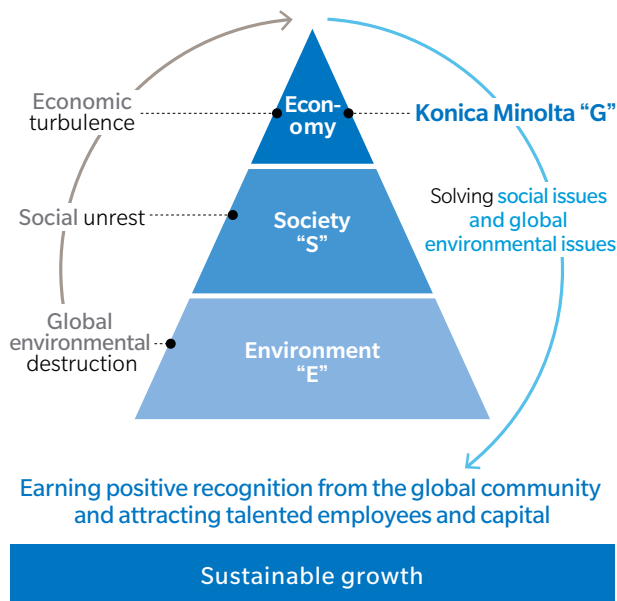
Group Executive and General Manager,
Corporate Sustainability Division
Konica Minolta, Inc.



Growing Business While Contributing to the Creation of a Sustainable Society

We aspire to be a digital company that provides solutions with insight into implicit challenges. This means that we will become a company that contributes to the realization of a

Our Sustainability Strategy



sustainable society that continues to advance through innovation, together with our customers. We continue to create new value for the environment and human society and take up the challenge of innovation that drives business growth.

Pursuing a sustainable society also leads to enhanced sustainability for companies. Our sustainability strategy is based on this kind of awareness. If society breaks down due to environmental destruction, it will affect the economy, as well. I am convinced that resolving environmental and social issues will create growth opportunities for Konica Minolta.

Integrating Management Strategy with Environmental and Social Management

The environment and society are closely linked in many ways. An integrated approach, rather than thinking of them as separate entities, is crucial. Based on this approach, in April 2018 we consolidated the departments responsible for our environmental and social performance, forming the Corporate Sustainability Division, which also includes the strategic planning function. This is intended to strengthen integrated management in tandem with business management.

In fiscal 2019, we will devise a sustainability strategy linked to our next management plan. We look ahead to our vision for the environment and society in 2030 and beyond, and then backcast from there to determine what we should do now and where to set the significant milestones.

Evolving as a Digital Company That Provides Solutions with Insight into Implicit Challenges

The Corporate Sustainability Division works closely together and collaborates with business divisions to align our sustainability strategy with our business.

We believe that social innovation is one of our material issues, and we have created Care Support Solutions, Workplace Hub and gas monitoring solutions, which utilize Konica Minolta's core technologies and innovation to help resolve social issues (→P. 5). We must resolve environmental and social issues with an eye on the future based on business strategies in order to continue contributing to a sustainable society and grow sustainably as a company. To this end, the related divisions will collaborate with divisions working on technology strategies, management planning and sustainability promotion to discuss issues and policies, and establish medium- and long-term management plans from 2020.

Comprehensively Addressing the World's Environmental Issues and Sharing Joy with Our Stakeholders

The efforts of one company alone are not enough to create a sustainable society. We believe that opening up the core technology and expertise that Konica Minolta has built up and allowing customers, business partners and local communities to use it will be meaningful in our efforts to help resolve environmental, energy and other global social issues.

Konica Minolta has established its Eco Vision 2050, a long-term environmental vision looking ahead to 2050, and set a "Carbon Minus" target. This is a commitment to achieve a CO₂ reduction effect that exceeds CO₂ emissions

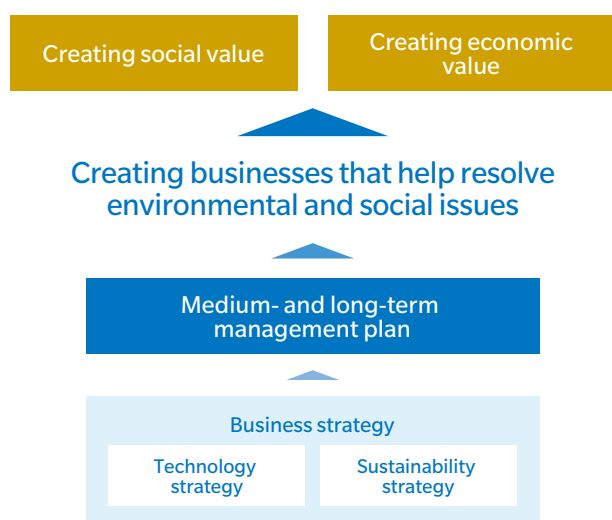
produced by our business activities by 2050, in cooperation with stakeholders.

To achieve our "Carbon Minus" target, we have pursued activities—together with stakeholders, including customers, business partners—designed to raise both environmental value and corporate value, based on our Medium-Term Environmental Plan. At present, we are promoting our Environmental Digital Platform, which aims to digitize the environmental expertise we have offered on an individual basis thus far, to make even more substantial contributions to the environment. By having more stakeholders participate in this platform and accumulating more technology and expertise for mutual use, we think we can help achieve significant reductions in society's overall environmental impact.

Konica Minolta has joined the Task Force on Climate-related Financial Disclosures (TCFD) and RE100, international recommendations and initiatives related to climate change and energy (→P. 16). We have to be careful to secure our procurement of energy and raw materials in consideration of impact on climate change, and we believe that it is important to disclose this information to investors and other stakeholders. For example, we think that a society that uses all renewable energy will arrive by 2050, or even as early as 2030. Operating a business that is aligned to this kind of society is a prerequisite for sustainable growth. Moreover, if Konica Minolta can contribute to the resolution of these social issues by utilizing its technologies in fields such as materials, imaging, and edge IoT, it will create business opportunities. The medium- and long-term business plan that we are currently considering clarifies the risks and financial impact of climate change as well as countermeasures, and we will disclose these in an integrated report.

I am confident that incorporating a sustainability perspective in management and business will create a positive cycle for the company overall. Konica Minolta creates innovation as a digital company that provides solutions with insight into implicit challenges and helps to create a sustainable society.

Creating Value by Integrating Business and Sustainability



Responding to the Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD), established by the G20 Financial Stability Board (FSB), released its final report, entitled "Recommendations of the Task Force on Climate-related Financial Disclosures," in June 2017.

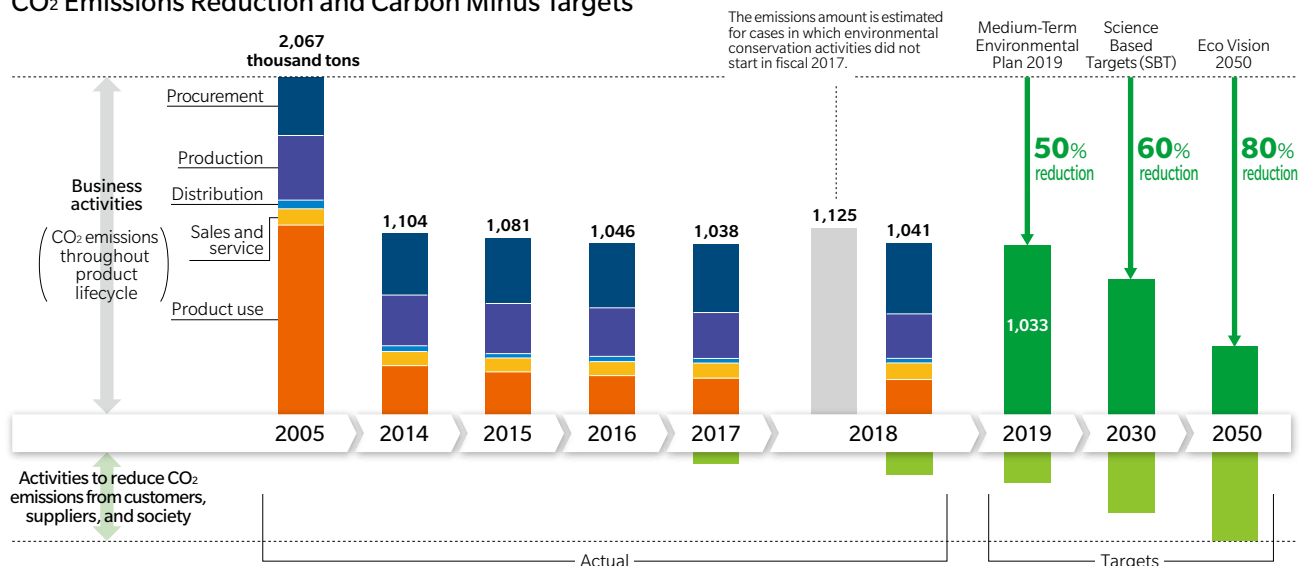
Konica Minolta believes that accurately assessing the risks and opportunities related to climate in its business

operations and actively disclosing information to investors and a wide range of other stakeholders is essential for a company capable of sustainable growth. Being one of the supporters of the TCFD, Konica Minolta agreed to support the final report. As its first action based on the recommendations, Konica Minolta will begin using the TCFD's framework when disclosing its climate change initiatives.

Items	Description of activities	Point of reference
Corporate Governance	Konica Minolta recognizes that global warming is a serious risk for companies and, as a result, in 2008 the Board of Directors approved Eco Vision 2050, the company's long-term environmental vision. This plan sets the ambitious target of reducing CO₂ emissions throughout the product lifecycle by 80% by 2050, compared to fiscal 2005 levels. Konica Minolta views climate change as an opportunity, and with this approach, in 2017 the company made a new commitment to becoming "Carbon Minus," in other words helping to reduce society's overall CO₂ emissions through its business activities. Konica Minolta is pursuing programs across its supply chain to achieve this goal. The President and CEO, who has the ultimate responsibility for as well as authority over climate change issues, appoints the Director of Environmental Management from among the executive officers. The Director of Environmental Management prepares the Medium-Term Environmental Plan, which is approved by the Board of Directors as the company's overall management plan. The Director of Environmental Management reports to the President every month on the progress made in pursuing environmental management. The President and CEO reports to the Board of Directors on operations every month.	▶ Eco Vision 2050 (P. 25) ▶ Medium-Term Environmental Plan 2019 (PP. 26–27) ▶ Corporate Governance (P. 54) ▶ Environmental management (Environmental Report)
Strategy	As climate change becomes more apparent, it will create social problems and economic impacts, resulting in both risks and opportunities for Konica Minolta's business. In the manufacturing industry in particular, it will be essential over the long term to find alternatives for fossil resources, pursue the optimal energy efficiency for production and products, and take mitigation and adaptation initiatives to fight climate change. In the short and medium terms, Konica Minolta anticipates rising prices for fossil resources, demand for energy savings, interruptions in the supply chain due to weather abnormalities, and a shift to a paperless system in industry. If steps are not taken to address these challenges, it will lead to substantial capital investments and higher costs, and a loss of business opportunities. This is why Konica Minolta is transforming itself into a digital company that provides solutions with insight into implicit challenges, creating solutions that help to solve social issues by actively incorporating cutting-edge technology into products and integrating them with digital input and output technology, which is Konica Minolta's strength. The company is also working to address environmental issues such as climate change, the depletion of resources, and waste, all as integral parts of its medium- and long-term business strategy. Companies in the manufacturing industry can reduce their environmental impact by decreasing production volumes, transport, inventory and waste. Konica Minolta is helping to resolve these issues, for example, by providing on-demand equipment for industrial printing for packages, labels and textiles. To reduce the consumption of paper in offices, Konica Minolta provides digital workplace solutions that foster the shift to a paperless system while improving the efficiency of operational flows. Addressing the problem of the massive amount of energy data centers use to analyze big data, Konica Minolta's edge-computing technology helps minimize energy consumption by enabling as much data analysis as possible to be done on-site. In all these ways and more, Konica Minolta is integrating business growth with its efforts to redress environmental issues and views environmental management as a key business strategy (refer to page 15 for details on risks and opportunities).	▶ Participation in International Initiatives (P. 16) ▶ CSR Targets and Results (PP. 21–22) ▶ Eco Vision 2050 (P. 25) ▶ Medium-Term Environmental Plan 2019 (PP. 26–27)

Items	Description of activities	Point of reference
Risk Management	Konica Minolta views environmental risk, including climate change, as one of its management risks. These risks are addressed by the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors. This Committee conducts risk assessment on corporate activities, and confirms the risks thus identified as well as countermeasures, while also checking that the risk management system is functioning effectively and making changes as necessary. The Risk Management Committee regularly reports to the Audit Committee, which consists of directors who are not also executive officers.	▶ CSR Targets and Results (PP. 21–22) ▶ Eco Vision 2050 (P. 25) ▶ Medium-Term Environmental Plan 2019 (PP. 26–27) ▶ Corporate Governance (P. 54)
Metrics and Targets	Konica Minolta has established its Eco Vision 2050, which aims to reduce CO₂ emissions over the product lifecycle and bring carbon emissions to negative levels, as its metric for managing the risks and opportunities posed by climate change. Results are reported every year. The goal for reducing CO₂ emissions across the product lifecycle includes all of Scopes 1 and 2 (CO₂ emissions generated during the production stage and the sales and service stage) and the main components of Scope 3 (CO₂ emissions generated during the procurement stage, transportation and distribution stage, and product use stage). In the long term, Konica Minolta aims to reduce CO₂ emissions by 60% by 2030 and by 80% by 2050, and in the short term, the company aims to cut emissions by 50% by 2019, all compared to fiscal 2005 levels. In fiscal 2018, emissions were down 49.6% (refer to the graph below for the targets and results). The Medium-Term Environmental Plan, which designates 2019 as the target year, sets the target for the company's Green Factory activities of reducing CO₂ emissions in the production stage by 19,000 tons and also sets cost-cutting targets. In fiscal 2018, Konica Minolta succeeded in reducing CO₂ by 26,500 tons and also achieved its cost-cutting targets. In its Green Products initiative, Konica Minolta has set targets of reducing CO₂ emissions in the product use stage by 17,200 tons in fiscal 2019 and generating 770 billion yen in sales of Certified Sustainable Green Products. In fiscal 2018, Konica Minolta reduced CO₂ by 15,000 tons and recorded sales of Sustainable Green Products amounting to 778.5 billion yen. "Carbon Minus" refers to Konica Minolta's commitment that its business will have a net minus impact on the overall CO₂ emissions of society. If the company can reduce its CO₂ emissions throughout the product lifecycle by 80% by 2050, the remaining 20% will be approximately 400,000 tons. Accordingly, the company's Carbon Minus goal is to reduce the CO₂ emissions of society by at least 400,000 tons by 2050. There are limits to what a single company can do on its own to achieve Carbon Minus status, so Konica Minolta is expanding its activities to include business partners and customers, with the aim of more broadly reducing CO₂ emissions. Konica Minolta expects this effort not only to boost its contributions to the environment across the entire supply chain, but also to reduce costs and increase sales.	▶ CSR Targets and Results (PP. 21–22) ▶ Eco Vision 2050 (P. 25) ▶ Medium-Term Environmental Plan 2019 (PP. 26–27) ▶ Green Products (PP. 28–29) ▶ Green Factory Activities (PP. 30–32) ▶ Environmental Data Summary (PP. 58–59)

CO₂ Emissions Reduction and Carbon Minus Targets



Konica Minolta's Climate-Related Risks and Opportunities

The Paris Agreement provides a framework for the world to move more quickly and ambitiously to build a low-carbon global society. At the same time, there are concerns that the needed changes will not happen fast enough and climate change will have a harsh impact on the world.

If Konica Minolta does not take measures to address climate change, it faces a risk of higher costs and loss of business opportunities. Konica Minolta recognizes that it can

create opportunities by taking action sooner. For example, Konica Minolta's proprietary IoT technology, such as edge computing, which does not require large-capacity servers, goes far in reducing energy load and reducing greenhouse gas emissions. Environmental issues could be an opportunity for higher demand for this kind of technology and stronger sales. As part of its ongoing energy conservation activities, Konica Minolta not only reduces costs at its own factories, but also strives to create new business initiatives by collaborating with suppliers and business partners.

Climate-related Risks and Opportunities along the Supply Chain

	Impact on procurement	Impact on direct operations	Impact on product and service demand
Transition risks and opportunities	Higher procurement and manufacturing costs - Higher prices for fossil resources and fossil fuels - Response to emissions regulations and laws in line with measures to mitigate impact of climate change - Temporary suspension of production due to restrictions on electric power supply		Increase in product development costs - New regulations on product energy efficiency and the market in line with measures to mitigate impact of climate change - Decline in product competitiveness due to unsustainable use of resources and non-reusable design
	Reduction in procurement and manufacturing costs Manufacturing and supply chain development that achieves sustainable use of energy and resources		Higher sales - Edge computing, which does not require a data center - Digital workplace to support a paperless society - Technology for upgrading recycled plastics - Digital on-demand printing
Physical risks and opportunities	Lower revenue due to a reduction in production capacity - Supply chain interruptions following large-scale natural disasters - Depletion of water resources and restrictions on water intake		Higher sales IoT solutions to improve farm employees' food productivity

Participation in International Initiatives

Participation in RE100, Which Aims to Run Businesses with 100% Renewable Energy

In January 2019, Konica Minolta joined RE100, a global leadership initiative that brings together businesses committed to sourcing 100% renewable energy for their operations.

Konica Minolta aims to procure 100% of the power used in its own business activities from renewable energy sources by 2050. By doing so, Konica Minolta will accelerate its efforts to achieve Eco Vision 2050 while also helping to reduce global CO₂ emissions by expanding the use of renewable energy.

At Konica Minolta Business Technologies (Dongguan) Co., Ltd., one of Konica Minolta's MFP production sites in China, 100% of the energy consumed has come from renewable energy sources since 2019. In November 2017, the company installed a solar power generating system (25,000 m² footprint, 1.8 MW power generating capacity), accounting for about

15%*¹ of power usage, and beginning in January 2019, it also switched the source of the remaining power to power purchased with green power certificates.*² As a result, the manufacturing site now sources 100% of its energy from renewable sources.

Konica Minolta will adopt the optimal method for each world region, starting with manufacturing sites such as the aforementioned site in China, in order to strengthen its efforts to expand energy procurement from renewable sources.

*¹ Achievements from March 2018 to February 2019

*² I-REC certification that can be used domestically in China (International Renewable Energy Certificate)



Konica Minolta Business Technologies (Dongguan) Co., Ltd.



Solar power panels installed on the roof

Medium-Term Goals for CO₂ Reductions Approved by SBT Initiative

When formulating the Medium-Term Environmental Plan 2019, Konica Minolta backcasted from Eco Vision 2050 to set a medium-term goal for the year 2030, to reduce CO₂ emissions by 60% from fiscal 2005 levels. The goal was approved by the international SBT Initiative* as a target with a scientific basis.

***SBT Initiative:** Jointly established in 2015 by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resource Institute (WRI), and the World Wide Fund for Nature (WWF). The SBT Initiative's aim is to promote the achievement of science-based targets (SBTs) for greenhouse gas emissions reduction, in order to keep the increase in global average temperature to well below 2°C above pre-industrial levels.



CSR Management

Basic Approach

Konica Minolta aims to establish itself as an innovative company that is constantly evolving. Under its management philosophy, "The Creation of New Value," Konica Minolta works to remain vital to society. This is why the Group strives to contribute to the resolution of global challenges by creating value that improves the quality of society through its business endeavors.

Konica Minolta practices CSR, guided by its management philosophy and vision, which are based on the Konica Minolta Group Charter of Corporate Behavior. The Konica Minolta Group Guidance for the Charter of Corporate Behavior is shared globally and illustrates desirable behavior in each of the categories included in the Charter as a basis for understanding and practicing desired behavior. The Group Guidance articulates Konica Minolta's respect for international social norms such as the United Nations Global Compact, to which Konica Minolta, Inc. is a signatory, and its commitment to acting in compliance with those ideals.



CSR-Related Principles, Charters, and Norms That Konica Minolta Observes

- Universal Declaration of Human Rights
- Sustainable Development Goals (SDGs)
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- ISO 26000
- The Japan Business Federation's Charter of Corporate Behavior

CSR-Related Organizations in Which Konica Minolta Participates or Is a Signatory

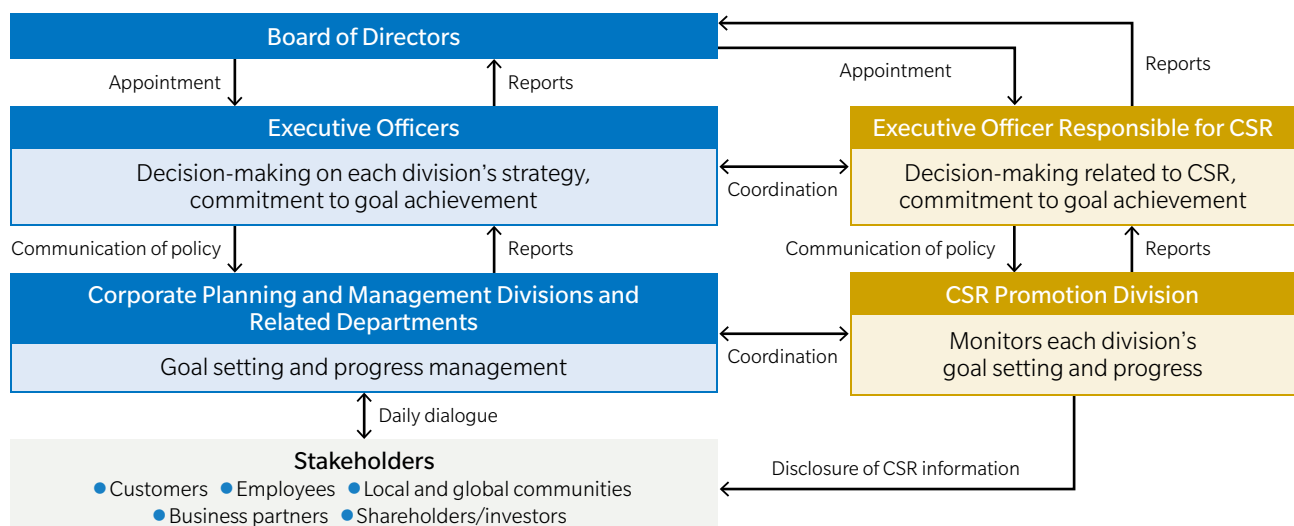
- United Nations Global Compact
- Responsible Business Alliance (RBA)
- Responsible Minerals Initiative (RMI)
- Japan Electronics and Information Technology Industries Association (JEITA), Responsible Minerals Trade Working Group, Conflict-Free Sourcing Working Group

CSR Management System

At Konica Minolta, Inc., the executive officer responsible for CSR, who is appointed by the Board of Directors, carries out the duties and authorities concerning the entire Group's CSR activities. Directly reporting to the officer is the Corporate Sustainability Division, which sees to the implementation of CSR management for the entire Group.

On a weekly basis, the division reports initiative progress to the officer, while also reviewing measures and making proposals. The officer consults with the manage-

ment executive meeting and the management council meeting, which addresses important matters as appropriate, and also reports to the Board of Directors once a year. Since fiscal 2017, CSR has been positioned as an integral part of business management, and non-financial performance indicators such as criteria related to the environment, society, and governance (ESG) are being used to evaluate executive officers.



Process for Identifying Material Issues

The companies of today must address a wide range of social issues, including human rights, labor ethics, and environmental challenges such as climate change and resource depletion. In light of the changing social landscape and business environment, Konica Minolta identifies material issues to address with priority, with the aim of ensuring that its initiatives function with a balance between social issues and business objectives.

To identify material issues, first a comprehensive list of issues was created with reference to international guidelines. These issues were given a quantitative rating for two aspects, "stakeholder interest" (materiality to stakeholders) and

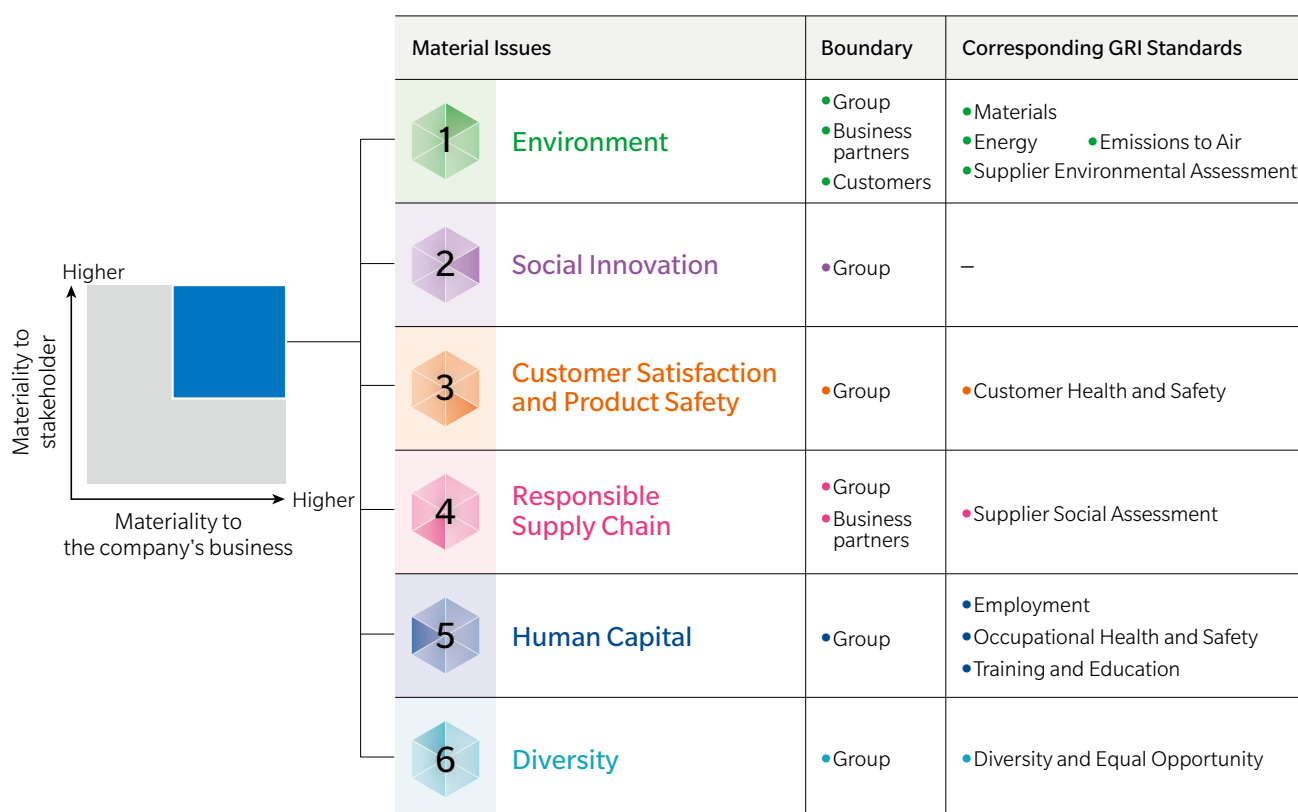
"impact on the Group's business" (materiality to the company's business), to verify their materiality. Outside experts were asked for their opinions in order to incorporate objectivity into the decisions on the materiality of each issue, which were validated by a meeting attended by executive officers, thereby completing the process for identifying material issues.

Targets and action plans will be established in accordance with these material issues, and action will be taken. This approach will help to ensure that Konica Minolta contributes to the resolution of social challenges, thereby enhancing its competitiveness as a company.

Process for Identifying Material Issues



Identification of Material Issues



Stakeholder Engagement

Konica Minolta believes that dialogue with diverse stakeholders including customers, employees, the local and global communities, business partners, shareholders and investors is essential to create both social and business value. Therefore, each division in charge engages in daily dialogue, and the company also proactively creates opportunities for communication, including at the executive level,

while disclosing information using various communication tools to help people understand Konica Minolta's approach.

The opinions acquired from conversations with stakeholders are reviewed and urgent concerns are reported to management, facilitating improvements in management, products and services.

Stakeholder Engagement Activities

Stakeholders	Tools and Opportunities for Communication	Main Issues	Incorporation of Feedback into Management, Products and Services
Customers Konica Minolta does business around the world. The major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.	● Providing customer service via websites and call centers ● Providing product information via websites and newsletters ● Conducting customer satisfaction surveys ● Exchanging information via visits to customers ● Exchanging information at showrooms and trade shows ● Holding seminars	● Increasing customer satisfaction by providing top-tier quality and reliability from the customer's perspective	● Improving product and service quality based on results of customer satisfaction surveys ● Solving customers' issues
Employees Konica Minolta employs 44,360 people worldwide. Of those, 25.4% are in Japan, 25.4% are in Europe, 20.9% are in the U.S., and 28.3% are in China and elsewhere in Asia and other locations. (Figures are based on total regular employees of consolidated companies, as of March 31, 2019.)	● Interactive intranet ● Group journal ● Employee engagement survey ● Dialogue with labor unions ● Internal help line systems ● Discussion during inspection tours of production sites by senior staff ● Video messages from the CEO	● Enhancing human capital—the source of value creation—based on health management ● Enhancing human capital so that individuals thrive by fostering a culture that increases productivity, creativity, and job satisfaction	● Establishing environments that spark innovation to create value ● Implementing various human resources development programs ● Improving lifestyle habits by presenting future disease risk for each individual
Local and global communities Throughout its global operations, Konica Minolta acts as a responsible member of every community where it operates.	● Activities that contribute to local communities ● Community briefings and invitational events ● Sending speakers to lectures and places of education ● Industry group activities ● Environmental reports and websites ● Global public relations activities through international publications and websites	● Communicating with local communities and disclosing corporate information in a timely and fair manner ● Existing in harmony with local communities ● Developing the next generation of employees	● Enhancing information disclosed in a timely manner via international publications and websites ● Planning activities that contribute to local communities
Business partners Konica Minolta procures raw materials, parts and components from many suppliers for each of the Group's businesses. The majority of these suppliers are located in Japan, China, and elsewhere in Asia.	● Holding suppliers' meetings ● Procurement Collaboration System ● Conducting CSR surveys (self-assessment questionnaires) ● Visiting suppliers to exchange information	● Co-creation of shared value by business partners, customers, and Konica Minolta ● CSR in the supply chain	● Strengthening relationships by sharing information with business partners
Shareholders and investors Since Konica Minolta, Inc. has relatively high ownership by institutional and foreign shareholders, the company is expected to proactively take part in IR initiatives on a global basis.	● Shareholders' meetings ● Briefings for investors ● Visits to investors ● Briefings for business analysts and institutional investors ● Integrated reports ● IR website	● Sustainable growth and increasing corporate value through constructive dialogue	● Increasing management quality through constructive dialogue with shareholders and investors

Taking the Podium at Seminars for Institutional Investors

In recent years, ESG investment, which considers corporate approaches to environmental sustainability, social responsibility, and governance in addition to their financial performance, has been growing rapidly. Konica Minolta proactively disseminates information in response to the interests of such investors.

In February 2018, Shoei Yamana, President and CEO of Konica Minolta, Inc., took the podium at a seminar for finance executives organized by a major Japanese telecommunications company. He conveyed Konica Minolta's ESG initiatives by delivering a keynote speech and participating in a panel discussion at this seminar, which was attended by top executives of financial institutions.



Keynote speech at a seminar for finance executives

ESG Evaluation by External Parties

Konica Minolta has earned high praise internationally. (Information is as of June 2019)

Inclusion in Prominent Investment Indices

- Inclusion in the Dow Jones Sustainability World Index since 2012, and as an Industry Leader for two consecutive years
- Inclusion in the MSCI ESG Leaders Indexes (formerly the MSCI Global SRI) since 2010
- Inclusion in the FTSE4Good Index Series since 2003
- Inclusion in all three investment indicators adopted by the Government Pension Investment Fund (GPIF), Japan: FTSE Blossom Japan Index, MSCI Japan ESG Select Leaders Index, and MSCI Japan Empowering Women Index from the beginning of its establishment in 2017

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



**FTSE Blossom
Japan**

Evaluations by International ESG Rating Agencies

- Ranked Gold Class for two consecutive years by RobecoSAM, a world-leading research and rating company in the ESG field
- Certified as a Supplier Engagement Leader for two consecutive years by CDP, an international NGO that works to achieve sustainable economies
- Inclusion in the 2019 Global 100 Most Sustainable Corporations in the World ranking by Canada-based Corporate Knights
- Awarded Prime Status as a global electronics industry leader by ISS-oekom since 2011

SAM
Sustainability Award
Gold Class 2019



2019

Recognition in Japan

- Ranked first place in the overall manufacturing sector in the 22nd Environmental Management Survey by Nikkei Inc.
- Included in the Health and Productivity Stock Selection, a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange
- Awarded the top position overall in the tenth Quality Management Level Research



健康経営銘柄 2019
Health and Productivity

CSR Targets and Results

Medium-Term Environmental Plan 2019, fiscal 2018 targets and results

Material Issue	Key Action	Priority Issue	Medium-Term Environmental Plan 2019	
			Business Value	Environmental Value
Environment	Green Products (planning and development)	(1) Creation of Sustainable Green Products (SGPs) sought by customers and society	Sales ● Sustainable Green Products sales: 770 billion yen (sales ratio: 70%) Cost reductions ● Resource-saving cost reduction	● CO₂ emissions reduction during product use: 17.2 thousand tons ● CO₂ emissions reduction in the procurement stage: 45.9 thousand tons ● Effective resource utilization: 11.3 thousand tons ● Control emissions + Social issue solutions based on SDGs
		(2) Complying with government procurement standards and environmental label requirements	Sales ● Eliminate lost sales opportunities	● Reduce environmental impact through compliance with standards
		(3) Dependably complying with product-related laws and regulations	Risk avoidance ● Eliminate effect on sales	● Reduce hazardous chemical substance risk by conforming to laws and regulations
	Green Factory (procurement and production)	(1) Excellent Green Factory activities	Cost reductions ● Energy and resource cost reduction	● CO₂ emissions reduction in production activities: 19 thousand tons ● Effective resource utilization: 2.8 thousand tons ● Water consumption reduction: 220 thousand m³
		(2) Expansion of Green Supplier activities	Cost reductions ● Supplier cost reductions Sales ● Measures and expertise database creation, and knowledge commercialization	● CO₂ emissions reduction at suppliers: 5 thousand tons ● Effective resource utilization at suppliers: 0.25 thousand tons + Social issue solutions based on SDGs
		(3) Expanded adoption of renewable energy	Sales ● Eliminate lost sales opportunities	● Renewable energy ratio: 1% + Social issue solutions based on SDGs
		(4) Supply chain risk response	Risk avoidance ● Eliminate environmental impact from procurement, production, and sales	● Environmental impact reduction through standards compliance
	Green Marketing (distribution, sales and service, and collection and recycling)	(1) Strengthening relationships with customers globally	Sales ● Acquire sales opportunities	● Reduce customers' environmental impact + Social issue solutions based on SDGs
		(2) Optimizing the supply chain and linking environmental initiatives	Cost reductions ● Reduce cost of distribution and packaging	● CO₂ emissions reduction in distribution: 0.3 thousand tons ● Effective resource utilization: 0.04 thousand tons
		(3) Complying with laws on collection and recycling of used products	Risk avoidance ● Eliminate effect on sales	● Resource recycling through collection and recycling of used products

Note: Fiscal 2018 CO₂ emissions throughout the product lifecycle totaled about 1.04 million tons, representing a 49.6% reduction, compared to fiscal 2005 levels. Under Eco Vision 2050, Konica Minolta's long-term goal is to achieve an 80% reduction by 2050.

Self-assessment of performance 100% or above: ○ 80% or above, less than 100%: △ Less than 80%: ×
 ● Preventing global warming ● Supporting a recycling-oriented society ● Reducing chemical substance risks
 ● Environment overall ● Restoring and preserving biodiversity

	Fiscal 2018 Targets		Fiscal 2018 Results	
	Business Value	Environmental Value	Business Value	Environmental Value
Green Products (1)	Sales ● Sustainable Green Products sales: 700 billion yen (sales ratio: 65%) Cost reductions ● Resource-saving cost reduction	● CO ₂ emissions reduction during product use: 13.2 thousand tons ● CO ₂ emissions reduction in the procurement stage: 39.8 thousand tons ● Effective resource utilization: 10.4 thousand tons	Sales ● Sustainable Green Products sales: 778.5 billion yen (sales ratio: 74%) Cost reductions ● Resource-saving cost reduction	● CO ₂ emissions reduction during product use: 15.0 thousand tons ● CO ₂ emissions reduction in the procurement stage: 41.8 thousand tons ● Effective resource utilization: 12.6 thousand tons
(2)	Sales ● Eliminate lost sales opportunities	● Reduce environmental impact through compliance with standards	Sales ● Eliminated lost sales opportunities	● Reduced environmental impact through compliance with standards
(3)	Risk avoidance ● Eliminate effect on sales	● Reduce hazardous chemical substance risk by conforming to laws and regulations	Risk avoidance ● Eliminated effect on sales	● Reduced hazardous chemical substance risk by conforming to laws and regulations
Green Factory (1)	Cost reductions ● Energy and resource cost reduction	● CO ₂ emissions reduction in production activities: 23.4 thousand tons ● Effective resource utilization: 4.8 thousand tons ● Water consumption reduction: 213 thousand m ³	Cost reductions ● Energy and resource cost reduction	● CO ₂ emissions reduction in production activities: 26.5 thousand tons ● Effective resource utilization: 7.1 thousand tons ● Water consumption reduction: 274 thousand m ³
(2)	Cost reductions ● Supplier cost reductions	● CO ₂ emissions reduction at suppliers: 5.4 thousand tons ● Effective resource utilization at suppliers: 0.35 thousand tons	Cost reductions ● Supplier cost reductions	● CO ₂ emissions reduction at suppliers: 9.1 thousand tons ● Effective resource utilization at suppliers: 0.63 thousand tons
(3)	Sales ● Eliminate lost sales opportunities	● Renewable energy ratio: 0.6%	Sales ● Eliminated lost sales opportunities	● Renewable energy ratio: 1.5%
(4)	Risk avoidance ● Eliminate environmental impact from procurement, production, and sales	● Environmental impact reduction through standards compliance	Risk avoidance ● Eliminated environmental impact from procurement, production, and sales	● Environmental impact reduction through standards compliance
Green Marketing (1)	Sales ● Acquire sales opportunities	● Reduce customers' environmental impact	Sales ● Acquired sales opportunities	● Reduced customers' environmental impact
(2)	Cost reductions ● Reduce cost of distribution and packaging	● CO ₂ emissions reduction in distribution: 0.4 thousand tons ● Effective resource utilization: 0.02 thousand tons	Cost reductions ● Reduced cost of distribution and packaging	● CO ₂ emissions reduction in distribution: 0.6 thousand tons ● Effective resource utilization: 0.03 thousand tons
(3)	Risk avoidance ● Eliminate effect on sales	● Resource recycling through collection and recycling of used products	Risk avoidance ● Eliminated effect on sales	● Resource recycling through collection and recycling of used products

Targets and Results Regarding Social Impact

Material Issue	Key Action	Fiscal 2018 Targets and Plans
Social Innovation	Business development that contributes solutions to social issues	- Promote new business development through core technologies and open innovation - Promote business development at the company's five Business Innovation Centers (BICs) - Continue to survey nursing care staff about satisfaction with Care Support Solutions and implement improvements for any issues identified
Customer Satisfaction and Product Safety	Achieving top-tier quality and reliability	- Number of serious product-related accidents^{*1}: 0 - Number of serious security incidents^{*2} in the service business area: 0
	Creating new quality value	- Continue conducting satisfaction surveys and implement improvements based on the results - Construct verification processes for customer value creation using design thinking
Responsible Supply Chain	Promoting CSR in the supply chain	CSR procurement (FY2017 to FY2019) - Request that suppliers carry out CSR activities: 100% implementation - CSR assessment: Complete assessments of all Group production sites and approximately 120 important suppliers - CSR audit: Complete audits of two important Group production sites and two important suppliers Response to conflict mineral issues (FY2017 to FY2019) - Supplier response rate to conflict mineral surveys: Maintaining 95% or higher - Respond to customers' requests for surveys: 100%
Human Capital	Work-style reform	- Prepare operational and workplace environments - Reform operational processes - Make the most of diverse talent - Expand systems - Clarify roles and authorities - Enhance efficiency using RPA^{*3}: Save approximately 19,000 hours
	Developing human capital	- Accelerate the development of high-potential human resources, and foster global human resources development for executives - Promote an overseas training program for young employees in Japan - Develop entrepreneurs who can create new businesses based on customer needs - Develop human resources who can establish IoT business models
	Occupational safety and health	- Serious accidents^{*4}: 0 - Frequency rate of accidents causing absence from work^{*5} (FY2017 to FY2019): 0.1 or less - Improve health and safety management capability using Konica Minolta's original indicator Unsafety Marks^{*6} - Advance comprehensive risk management that broadly minimizes equipment, materials, operation and work environment risks - Enhance the safety culture: Top management involvement in safety promotion, workplace safety management, and individual safety awareness improvement
	Improving employee health	- Curb the number of absences due to illness - Reduce the number of employees with health risks (1) People with high physical health risk: Reduced by 4.5% from fiscal 2017 (2) Persons needing specified health guidance (persons needing active support): Reduced by 3% from fiscal 2017
Diversity	Supporting women's career advancement	- Foster awareness and a culture supportive of diversity, with a focus on promoting participation by women - Consider ways of supporting life events affecting both men and women, such as childbirth, child-rearing and caretaking, and consider work styles tailored to these life events - Appoint female managers (target for fiscal 2019: Women hold 7% of all management positions) - Raise the percentage of women among new graduate hires (30% or more)
	Utilizing employee experiences gained outside the company and abroad	- Active recruitment of mid-career human resources and personnel from outside of Japan - Provide opportunities to gain experience and knowledge outside of the company - Promote exchanges among employees globally and provide venues for innovation creation where diverse employees can inspire and learn from each other

^{*1} Serious product-related accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product.

^{*2} Serious security incidents refer to those product-security incidents that cause serious and significant harm to the product user's business.

^{*3} RPA (Robotic Process Automation): Automating routine business processes on a personal computer

Material Issue

Environment

Related SDGs



Our Concept

“Carbon Minus” by 2050: The Evolution of the Long-Term Environmental Target Eco Vision 2050

Given the urgency of global environmental issues, global businesses have a great responsibility to help build a more sustainable society by reducing environmental impact.

With Eco Vision 2050, Konica Minolta exemplifies its determination to fulfill its long-term environmental responsibilities. The company is taking a series of actions to achieve “Carbon Minus” status.

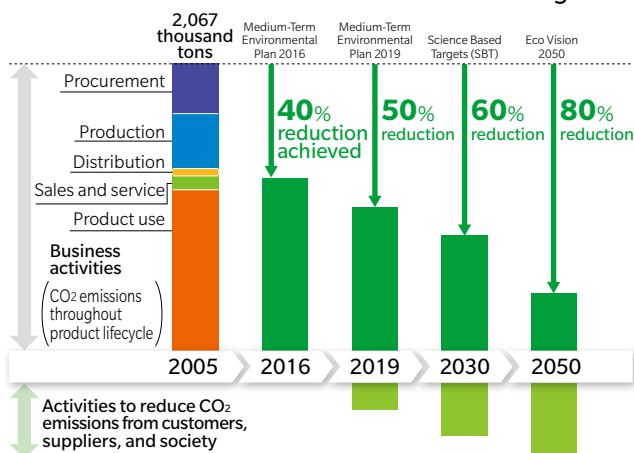
With Eco Vision 2050, Konica Minolta aims to reduce the CO₂ emissions from its products throughout their entire lifecycle by 80% compared to fiscal 2005 levels by 2050. The addition of “Carbon Minus” is Konica Minolta’s

commitment to achieve a CO₂ emissions reduction effect that exceeds the CO₂ emissions produced by Konica Minolta’s business activities in cooperation with stakeholders such as business partners, customers and local communities.

If the company can reduce its CO₂ emissions by 80% by 2050, the remaining 20% will be approximately 400,000 tons. By helping stakeholders utilize Konica Minolta’s technologies and expertise to reduce their own CO₂ emissions by 400,000 tons or more, the net outcome will be that society’s overall CO₂ emissions resulting from Konica Minolta’s activities will be negative.

Eco Vision 2050

1. Reduce CO₂ emissions throughout the product lifecycle by 80% by 2050, compared to fiscal 2005 levels. Also through cooperation with stakeholders, achieve CO₂ emission reductions greater than product lifecycle emissions, and realize Carbon Minus status.
2. Promote recycling and effective use of Earth’s limited resources.
3. Work to promote restoration and preservation of biodiversity.

CO₂ Emissions Reduction and Carbon Minus Targets

Medium-Term Environmental Plan 2019

Greater Business Contribution by Helping to Solve Environmental Issues

Under its management vision, Konica Minolta aims to be a global company that is vital to society. To realize this vision, it is necessary to identify social challenges as business opportunities and generate innovative solutions, which in turn will drive Konica Minolta's own sustainable growth.

The Medium-Term Environmental Plan 2019, launched in fiscal 2017, is an integrated environmental and business plan. The aim is to grow the business, including sales and profits, by helping to solve environmental challenges.

Creation of Shared Value with Stakeholders to Realize "Carbon Minus" Status

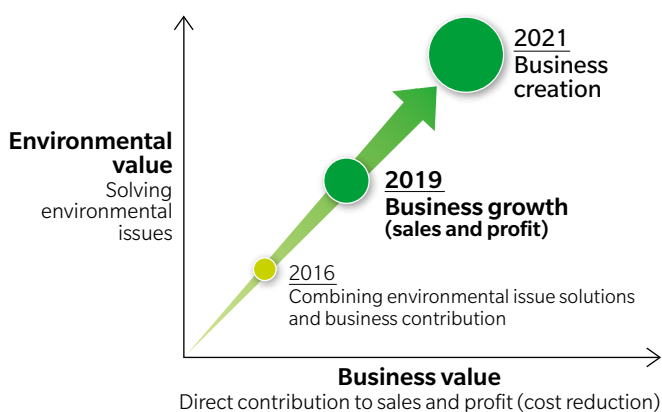
When working to overcome environmental challenges on a global scale, there is a limit to what can be achieved by just one company. This is why it is essential to expand the impact of environmental efforts by working with stakeholders such as suppliers, customers, and local communities.

Under its Medium-Term Environmental Plan 2019, the company is working toward the Carbon Minus goal indicated in Eco Vision 2050. The aim is to reduce the environmental impact of society as a whole by collaborating with stakeholders, including business partners and customers.

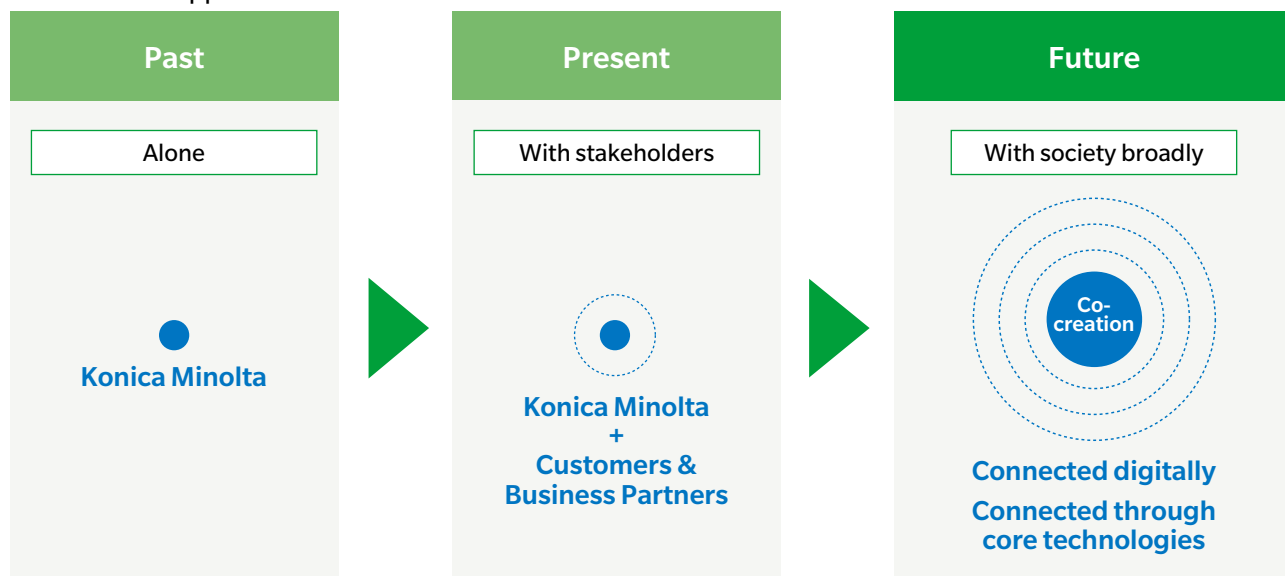
Furthermore, the company has been developing an environmental digital platform (→P. 34) since fiscal 2018 as a measure to collaborate with more companies.

For example, by creating a database of energy-saving methods used internally and sharing it with business partners, Konica Minolta can help suppliers to devise and implement their own energy-saving measures. By sharing these activities with customers and expanding the circle of cooperation globally, Konica Minolta believes that it can make a dramatic contribution to solving global environmental problems.

Medium-Term Environmental Plan 2019 Concept

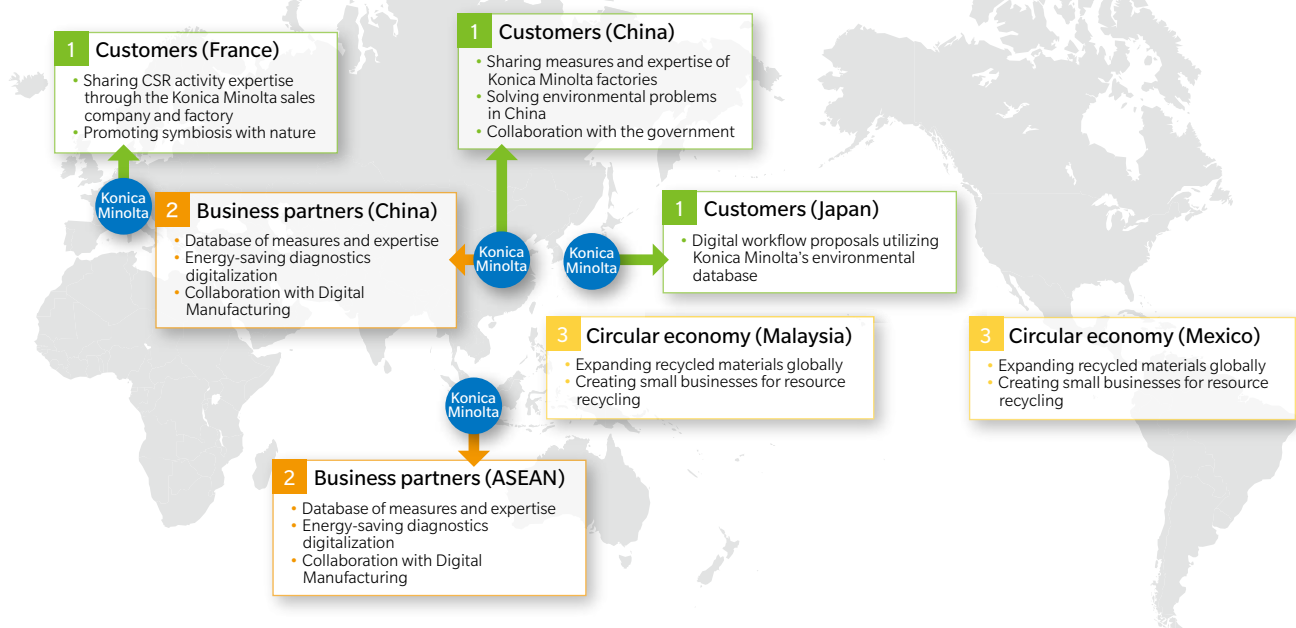


Medium-Term Approach to Environmental Activities



Measures to Achieve “Carbon Minus” Status

- 1 Solutions for customer environmental challenges:** Customer CO₂ emissions reduction, resource saving, and sales contribution
- 2 Environmental support for suppliers:** Supplier CO₂ emissions reduction, resource saving, and cost reduction
- 3 Circular economy (recycled materials):** CO₂ emissions reduction for society, waste problem solutions, and creation of new businesses and employment



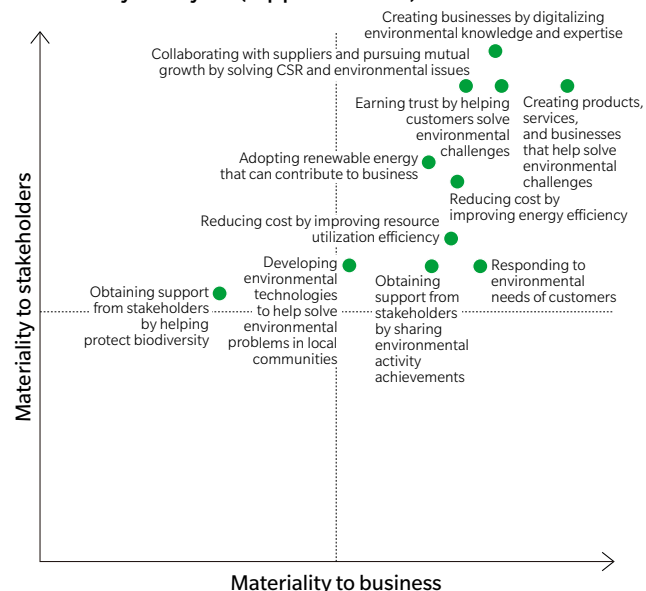
Identifying Material Issues from Both Risks and Opportunities

When formulating the medium-term environmental plan, Konica Minolta identifies various environmental factors related to its business in terms of both risks and opportunities. Based on these findings, material issues are selected where solutions can lead to business growth. The company

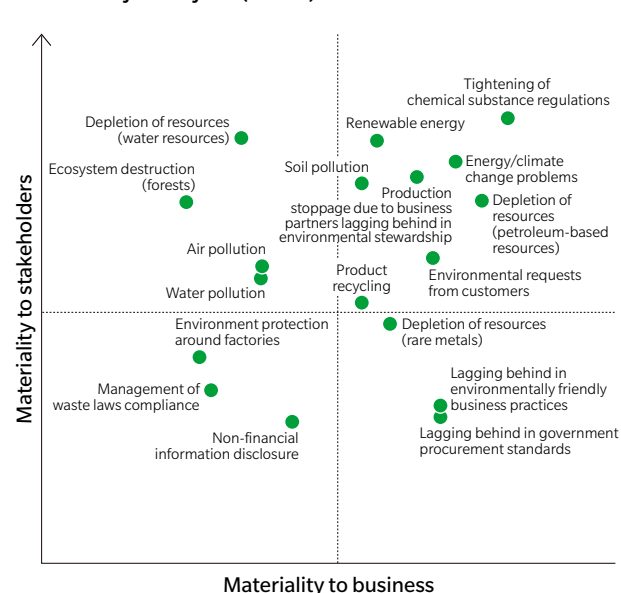
reviews each material issue annually to ensure the issues selected and related plans are appropriate.

Through this process, goals for reinforcing the business are matched with environmental targets. The plan then becomes a commitment for both top management and the entire organization, resulting in effective environmental management.

Materiality Analysis (Opportunities)



Materiality Analysis (Risks)





Key Action 1

Green Products

Background and Issues

Given the widespread awareness of environmental and social challenges faced by the world today, the value that people seek is shifting from material wealth to improvements of the quality of society. By understanding the evolving values of society and contributing solutions, Konica Minolta is able to continue to develop competitive products which enhance its profitability.

Vision

While working to develop products that help reduce the environmental impact of customers and society, Konica Minolta also aims to encourage the widespread adoption of these products by broadly promoting their value. Through initiatives like these, while helping to realize the Sustainable Development Goals (SDGs), Konica Minolta strives to help build a sustainable society, earn social confidence, and achieve sustainable growth alongside the broader society as a company of choice.

Key Measures and KPIs

Creating Sustainable Green Products sought by customers and society

- Sustainable Green Products sales: ¥770.0 billion (sales ratio: 70%)
- CO₂ emissions reduction during product use: 17.2 thousand tons
- Effective resource utilization: 11.3 thousand tons

Product Initiatives

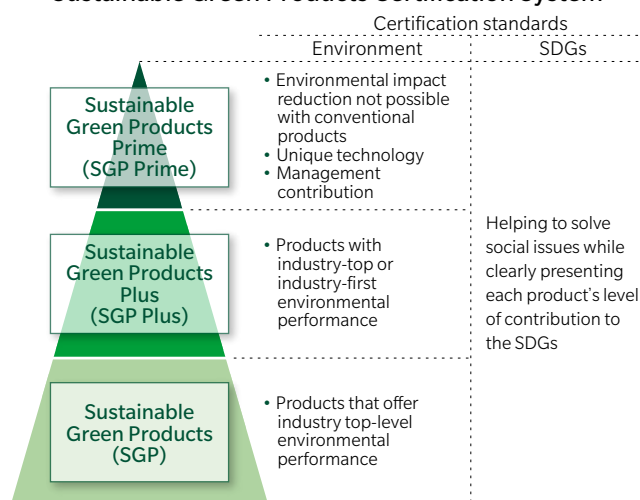
Sustainable Green Products Certification System

Konica Minolta introduced its original Green Products Certification System in fiscal 2011 to drive the creation of environmental value that matches business and product characteristics. The goal is to reduce the environmental impact of customers and society, while also raising profitability. The company has developed many Green Products since the program's launch.

Under the Medium-Term Environmental Plan 2019, launched in fiscal 2017, Konica Minolta is combining optical, image processing, measurement, and other technologies with its strengths in digital technology to create products and services that can help provide solutions to environmental and social challenges based on the SDGs. In order to accelerate these efforts, Konica Minolta launched a Sustainable Green Products Certification System in fiscal 2017, by expanding its original Green Products Certification System to include standards for resolving social issues.

The company aims to increase sales of Sustainable Green Products to 770 billion yen (70% of the Group's total sales) by fiscal 2019.

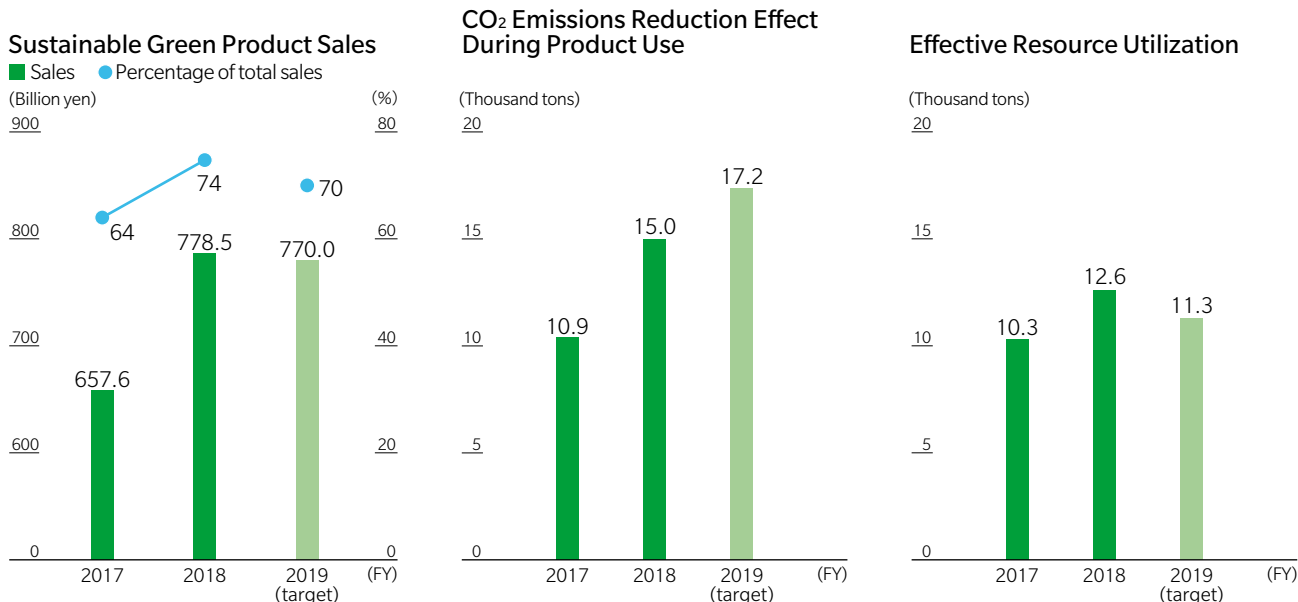
Sustainable Green Products Certification System



Fiscal 2018 Activity Results

In fiscal 2018, Konica Minolta placed 144 new models of certified Sustainable Green Products on the market, bringing the total to 380. Sales of Sustainable Green Products in fiscal 2018 came to 778.5 billion yen, or 74% of the Group's total sales.

Due to improved environmental performance, these Sustainable Green Products also had a CO₂ emissions reduction effect during product use of 15.0 thousand tons and represented 12.6 thousand tons of effectively used resources.



Close Up

Example of a Certified Sustainable Green Product

Full Color MFPs: bizhub C360i Series

Environmental and social benefits

- Exterior body and internal parts containing recycled PC/PET, a composite material made from used plastic bottles and recycled polycarbonate (PC) and ABS resin; at least 25% by weight recycled material out of total plastic, the industry's top percentage for an A3 machine
- At least 20% reduction in typical electricity consumption (TEC) for one week compared to a conventional product thanks to newly developed toner and fusing unit
- Introduced new system of resource recycling, support for sustainable economic growth, and new job creation by developing new recycling technology for used materials and global waste collection and transportation methods

CM-26d Spectrophotometer

Environmental and social benefits

- Improved customers' productivity and yield rates while also enhancing resource utilization at production sites thanks to achievement of efficient color management of exterior parts such as plastic and color cards

Related SDGs



Related SDGs





Key Action 2

Green Factory Activities

Background and Issues

Today's increasingly urgent environmental challenges require society to use energy and resources more efficiently. There is a limit to the degree of environmental impact reduction that can be achieved solely by one company. Leading global companies should increase their positive contribution to global environmental preservation by expanding the focus of their activities to suppliers of parts and materials, throughout the entire supply chain.

Vision

Konica Minolta engages in Green Factory activities to reduce both environmental impact and operating costs. This includes improving efficiency in its production processes, and the development and enhancement of production technology.

The company also promotes Green Supplier activities to further reduce environmental impact. The aim is to make an immense environmental contribution across the company's supply chain as the company shares its own environmental technologies and expertise and works closely with suppliers.

Key Measures and KPIs

Green Factory activities

- Achieve Excellent Green Factory Certification at major production sites worldwide by fiscal 2019
- CO₂ emissions reduction in production activities: 19 thousand tons
- Effective resource utilization: 2.8 thousand tons

Green Supplier activities

- CO₂ emissions reduction at suppliers: 5 thousand tons
- Effective resource utilization at suppliers: 0.25 thousand tons

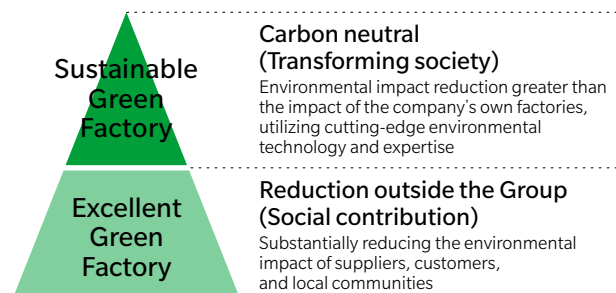
Initiatives in Production

Excellent Green Factory Certification

Konica Minolta's Green Factory Certification System aims to reduce both environmental impact and operating costs. All production sites had achieved the highest standard (Level 2) by fiscal 2015. Moving forward, the company launched its Excellent Green Factory Certification System in fiscal 2016. An Excellent Green Factory is a site that has achieved the system's certification standard of reducing CO₂ emissions from external sources by an amount equivalent to 10% of its own emissions by working in unison with suppliers, customers, and communities. This is in addition to complying with the previous certification standards for reducing environmental impacts from internal sources. The aim is for Konica Minolta to achieve the standards at all of its major production sites worldwide by fiscal 2019. Konica Minolta is also working to meet its own standards for Sustainable Green Factory Certification by sharing its

environmental technologies and expertise with external stakeholders with the aim of reducing CO₂ emissions from external sources by an amount exceeding the CO₂ emissions reductions in its own business activities.

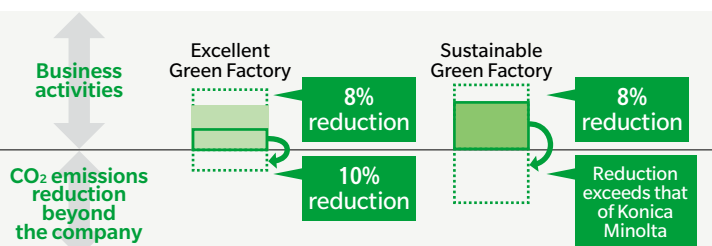
Excellent Green Factory Certification System



Excellent Green Factory Certification Standards

- CO₂ emissions 8% reduction on a performance basis
- External discharge volume 8% reduction on a performance basis
- Water usage 8% reduction on a performance basis

- Reducing the CO₂ emissions of customers, suppliers, and the broader society by an amount equivalent to 10% of the CO₂ emissions of Konica Minolta's own factories



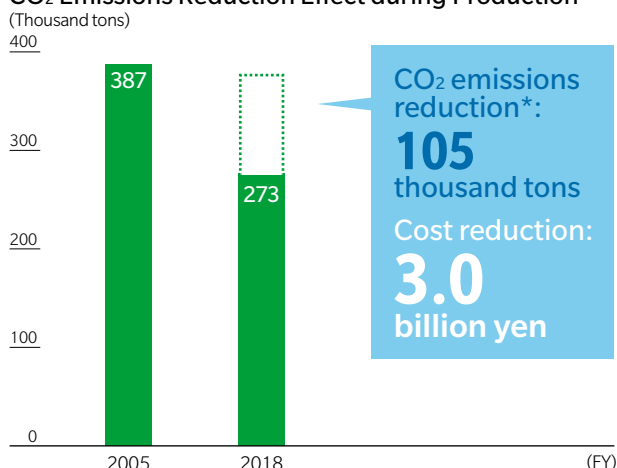
Fiscal 2018 Green Factories Activity Results

In the first half of fiscal 2018, Konica Minolta Business Technologies (Dongguan) Co., Ltd. (BMDG), a site in China that produces MFPs, achieved Excellent Green Factory status nearly two years ahead of schedule. In addition to its own environmental activities, BMDG shared its improvement measures with business partners and customers through factory tours and environmental seminars. It also visited their plants to jointly consider and implement

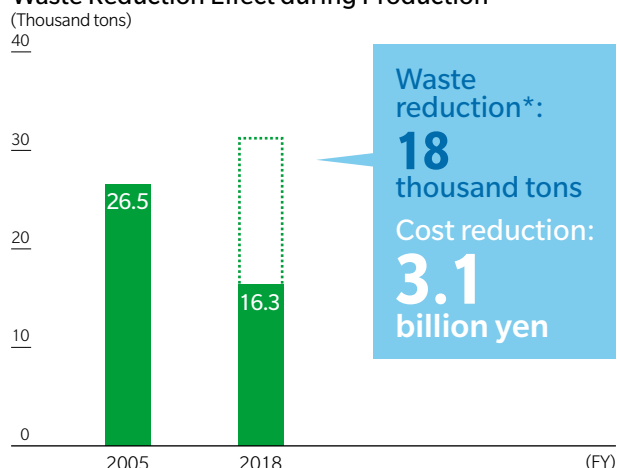
environmental impact reduction measures. This support contributed to the reduction of CO₂ emissions from external sources.

In fiscal 2018, as a result of these activities in the production stage, 105 thousand tons of CO₂ emissions and 18 thousand tons of waste were eliminated compared to fiscal 2005, and a total cost reduction of 6.1 billion yen was achieved.

CO₂ Emissions Reduction Effect during Production



Waste Reduction Effect during Production



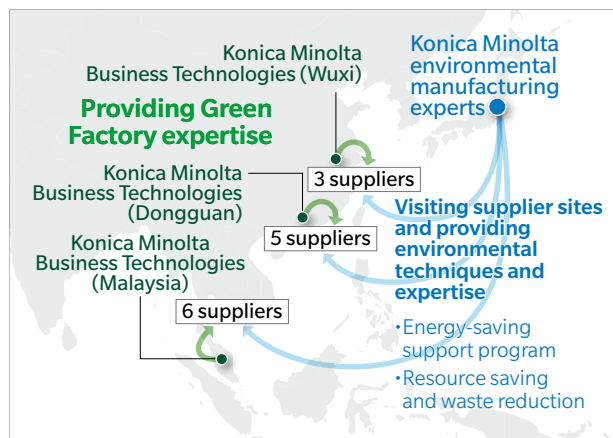
*The amount of reduction is calculated by subtracting the actual fiscal 2018 emissions amount from the estimated amount of emissions that would be produced if environmental conservation activities had not been implemented since fiscal 2005.

Initiatives in Procurement

Green Supplier Activities

Konica Minolta conducts Green Supplier activities to reduce both environmental impact and operating costs by providing suppliers with environmental technologies and expertise that it has developed via its Green Factory activities.

Konica Minolta's environmental experts visit supplier production sites and propose suggestions for improvement, outlining cost reduction benefits, investment rationale, and other information. They then cooperate with suppliers as they take action to reduce their environmental impact.



Green Supplier Activity Targets

Issue	Management Index	Target (2.5 years after activity launch)
Prevention of global warming	CO ₂ emissions	5% reduction (compared to the last year before activity launch)
	Energy costs	5% reduction (compared to the last year before activity launch)
Waste reduction	External discharge quantity	12.5% reduction (compared to the last year before activity launch)
	Material / waste costs	Cost reduction greater than waste expenses
	Final disposal rate	0.5% or less
Reduction of chemical risk	Reduction of chemical risk	Compliance with chemical substance guidelines

Fiscal 2018 Green Supplier Activity Results

In fiscal 2018, Green Supplier activities were initiated with three new companies, bringing the total number of companies Konica Minolta is working with to 17. By the end of fiscal 2018, a total of six companies had achieved their Green Supplier activity targets, which are equivalent to the level of the Green Factory Certification Standards.

Companies That Achieved Green Supplier Activity Targets

Achievement Date	Company	Activity Launch
Mar. 2016	Shenzhen Changhong Technology Co., Ltd.	FY2014
Mar. 2017	Toyo Communication Technology (Shenzhen) Co., Ltd.	FY2014
Mar. 2017	Allied Technologies (Saigon) Co., Ltd.	FY2015
Aug. 2017	Szepak Precision (Wuxi) Co., Ltd.	FY2015
Aug. 2017	Catthai Manufacturing & Trading Co., Ltd. (CATHACO, Ltd.)	FY2016
Mar. 2018	Well King Plastic Manufacturing Co., Ltd.	FY2015



Voice of a Supplier

We view environmental conservation as an extremely important initiative in the context of China's recent pursuit of rapid economic growth and the advancement of its manufacturing industry. Konica Minolta's Eco Vision 2050 is aimed at sustainable growth, which is an approach that matches the course we wish to follow.

In the manufacturing industry, resource and energy consumption increase with business expansion and rises in production. This is why I believe that the "waste elimination activities" we worked on as part of the Green Supplier activities are essential for a growing manufacturing industry. Moreover, Konica Minolta's sharing of its environmental expertise enabled us to reduce our environmental impact while increasing our performance, giving us the experience of simultaneously contributing to the environment and supplying competitive products.

We will continue to practice environmental conservation and energy reduction activities and will do our best to pursue sustainable development in collaboration with Konica Minolta.



Happy Tsai
President
WELMEI HOLDING CO., LTD.

Working to Continue the Expansion of Green Supplier Activities

Under the Medium-Term Environmental Plan 2019, Konica Minolta is continuing the expansion of its Green Supplier activities. Until now, Konica Minolta has been promoting its efforts by sending environmental experts to visit suppliers. With this approach, however, the number of improvement cases was limited. To increase the impact, the company is now using its energy-saving diagnosis method via a digital environmental platform (→P. 34) and accumulating and sharing environmental expertise. As a result, suppliers can now identify their own areas for improvement and take action to improve their practices and cost-effectiveness. This database is expected to have a broad impact and result in an even greater contribution to environmental sustainability.



Well King Plastic Manufacturing Co., Ltd. was recognized for achieving its Green Supplier activity targets.



An executive officer of Konica Minolta, Inc. (second from right) listens to an explanation of production process measures.



Key Action 3

Green Marketing

Background and Issues

Environmental issues such as global warming and resource depletion cannot be solved by the efforts of just one company. All companies need to raise their level of contribution to global environment preservation throughout the value chain. This can be achieved by going beyond the company's immediate range of activities, and creating shared value with customers, communities and other stakeholders.

Vision

Konica Minolta seeks to make a substantial contribution to the entire value chain by sharing its expertise and experience with customers to help resolve their environmental challenges. The goal is to strengthen relationships with customers and continually create shared value, building on the foundation of trust they have with Konica Minolta.

Key Measures

Strengthening relationships and helping customers solve their environmental challenges

- Reduce customers' environmental impact
- Generate sales opportunities

Initiatives in Sales and Service

Green Marketing Activities

The solutions provided by Konica Minolta include not only products and services, but also environmental expertise that is useful to customers. Through Green Marketing activities that provide the proven environmental expertise the company already possesses, Konica Minolta seeks to build corporate relationships by working with customers who appreciate its approach to environmental management to help them solve environmental issues. The aim of these efforts is to become the business partner of choice for companies around the world.

Fiscal 2018 Activity Results

Konica Minolta provided environmental seminars, lectures and factory tours in Japan to a total of 800 people from 415 companies to introduce Konica Minolta's approach to environmental management, including practical examples. At EcoPro 2018 held in December in Tokyo, visitors were introduced to Konica Minolta's environmental management approach to solving environmental issues linked with a business plan, and the response was very favorable. The company's environmental consultation corner offered

advice to visitors from 239 companies. Along with providing the environmental expertise practiced by Konica Minolta over the years, Konica Minolta representatives also visited some of the consultation recipients after the event to talk about environmental performance.

In China, where environmental laws and regulations have been substantially tightened, Konica Minolta exhibited at the China International Environmental Protection Exhibition & Conference (CIEPEC 2018) held in June 2018. Over 200 people attended an environmental management seminar given by Konica Minolta at the exhibition, and 101 customers visited its booth to ask about the environment. The company also held a total of six environmental exchange meetings at two of its factories. A total of 145 people from 93 companies toured the frontlines, gaining from the expertise developed at Konica Minolta production sites in China. In some cases, expertise was mutually shared concerning a wide range of fields in addition to environmental performance, such as quality, production technology, and human resources development. There are also ongoing exchanges now being carried out between Konica Minolta sites and other factories.



Konica Minolta booth at EcoPro 2018 in Tokyo



Konica Minolta's environmental management seminar at the 16th China International Environmental Protection Exhibition & Conference



Voice of a Customer

Toyoda Gosei is conducting environmental activities in line with our TG 2050 Environmental Challenge, which aims to minimize our environmental impact, including CO₂ emissions and waste reduction, by 2050. To push these activities forward, we hold an annual environmental lecture. This year, we had a lecture about environmental management given by Takenori Takahashi, General Manager of the Corporate Sustainability Division at Konica Minolta, a leading company in environmental activities. The lecture was attended by 193 people, including the president and other executives, representatives from each department, and representatives from affiliate companies in Japan. It was very motivating to learn about another company's initiatives. Indeed, the feedback I heard included, "I learned that environmental activities actually tie into sales and profits," and "There were improvement examples that sounded like things we could do, and so I took it in a positive way."

I hope to enhance our efforts through the sharing of energy-saving expertise and practical examples, and look forward to continued cooperation with Konica Minolta.

Kazuhiko Nagao

General Manager, Environment Division
TOYODA GOSEI CO., LTD.



Members of Toyoda Gosei listening to an environmental lecture

Building a Digital Environmental Platform

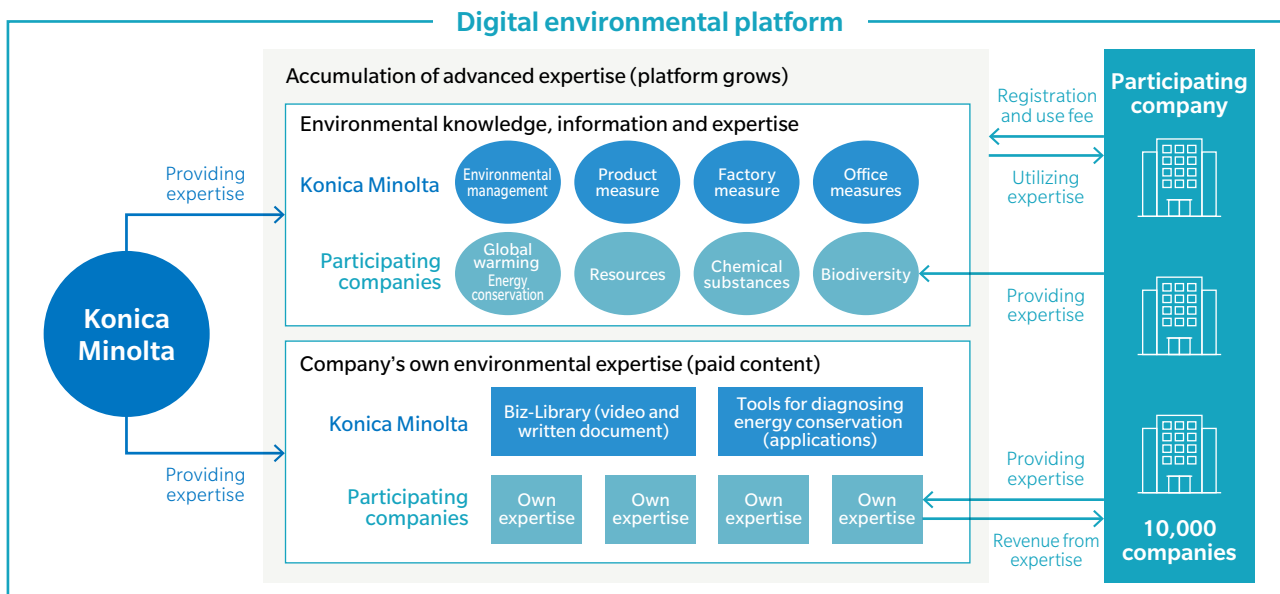
Konica Minolta is in the process of building the framework for a digital environmental platform with the aim of creating value by sharing environmental expertise. In order to achieve "Carbon Minus" status, Konica Minolta must help external organizations reduce their environmental impact, in addition to its internal efforts. It is believed that sharing knowledge and expertise about sustainability and technology throughout the industry is necessary to pass down information to the next generation of employees.

Konica Minolta's solution is to digitize and provide environmental expertise, including in a biz-Library of

environmental management support content and an energy-saving diagnostics tool. The platform will grow by accumulating Konica Minolta's environmental expertise and the knowledge of other participating companies. Konica Minolta believes that this will support long-term environmental sustainability efforts.

Konica Minolta introduced this concept to customers at EcoPro 2018 and received positive feedback. Referencing customers' opinions, the company will compile environmental knowledge, information, and expertise and make it fit for practical use.

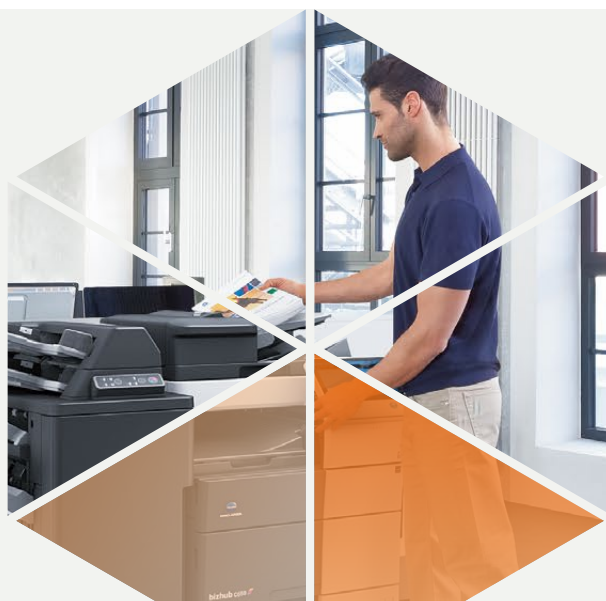
Digital Environmental Platform



Material Issue

Customer Satisfaction and Product Safety

Related SDGs



Our Concept

Aiming to Become No. 1 in Customer Satisfaction Based on the Medium-Term Quality Plan 2019

Konica Minolta is helping to solve social issues by becoming a digital company that provides solutions with insight into implicit challenges facing society, which is the main goal set under Konica Minolta's Medium Term Business Plan "SHINKA 2019." Based on the belief that developing solutions to challenges faced by professionals in the workplace ultimately benefits society by helping to resolve social issues, it is important for the company to take the customer's perspective in all of its actions, which means providing assurance of the quality of its products and services.

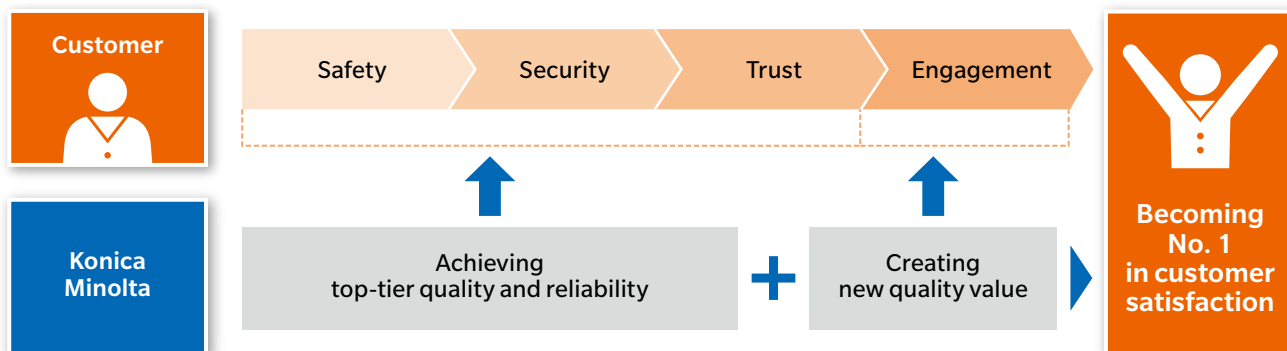
To guide this new approach, Konica Minolta has recently implemented its Medium-Term Quality Plan 2019 based on the concept of shifting focus from quality from the manufacturer's perspective to quality from the customer's perspective.

Under this plan, Konica Minolta is striving to provide customers with safety and security by achieving quality

with a high degree of reliability. By creating new quality value, the company aims to become No. 1 in customer quality satisfaction by improving customer engagement.

In order to realize highly reliable quality, the company is working to transition from quality assurance for products to include quality assurance for services while continuously enhancing quality assurance and endeavoring to reduce quality risk in all service business areas.

Meanwhile, in order to create new quality value, Konica Minolta is enhancing its initiatives at the customer's frontline. By analyzing customer feedback, identifying latent challenges, and then helping to solve them, Konica Minolta is striving to achieve a new level of engagement above and beyond customer expectations.





Key Action 1

Achieving Top-Tier Quality and Reliability

Background and Issues

Ensuring product safety and security is essential for delivering consistently high quality. It goes without saying that Konica Minolta strives to improve the quality of and ensure the safety of the hardware it provides. With the advancement of IoT, Konica Minolta also recognizes that a more robust approach to IT threats is crucial to sustainable growth, as they can cause serious damage to customer operations.

Vision

To deliver value to customers, Konica Minolta continually seeks to enhance its products and services, incorporating cutting-edge technologies. Simultaneously, the Group is raising awareness among employees about addressing quality from the customer's perspective, while continuously enhancing quality assurance activities. The aim is to provide customers with products and services that offer even greater convenience, safety and peace of mind.

Key Measures and KPIs

- Enhancing product risk assessments and improving quality awareness: Number of serious product-related accidents^{*1} in fiscal 2019: 0
- Reducing quality risk in the service business area: Number of serious security incidents^{*2}: 0

^{*1} Serious product-related accidents refer to those accidents that cause serious harm to the product user's life and/or body and accidents that cause serious damage to assets other than the product.

^{*2} Serious security incidents refer to product-security incidents that cause serious and significant harm to the product user's business.

Main Initiatives in Fiscal 2018

Risk Assessment, Education, and Sharing Technology to Ensure Product Safety

In order to deliver safe products to customers, the Konica Minolta Group carries out risk assessment in the product commercialization stage, then follows with a safety design based on these results and detailed safety checks.

At the development stage in particular, the Group closely evaluates each product part in order to thoroughly reduce risk and ensure product safety.

In fiscal 2018, a working group which crossed business domains was launched and began to share and standardize accident prevention technologies. Further, basic product safety training, including risk assessment exercises, was provided to engineers. The Group is also working hard to foster a safety-oriented mindset, enhance skillsets, and ensure product safety by holding workshops on technologies for preventing product accidents.



Number of serious
product-related
accidents in fiscal 2018

0

Enhancing Secure Product Development and Operation

Today, preparing for security incidents that involve exploitation of product vulnerabilities, such as unauthorized intrusion and data tampering, is a necessity. Information regarding the vulnerability of products is being centrally managed group-wide. Along with promoting the necessary measures, the company launched KM-PSIRT^{*} as a group-wide organization to collaborate with external public organizations in fiscal 2017, and has been engaged with this process since then. Additionally, Konica Minolta has established security guidelines spanning the entire product lifecycle from product planning and development to product use. The Group is also running mechanisms to ensure that secure products are provided to the market, and to respond and report promptly when incidents occur.

Additionally, in fiscal 2018, the Group regularly conducted drills based on security incident scenarios to ensure that the appropriate protocol is followed. These drills were also conducted at affiliated companies outside Japan.

^{*}KM-PSIRT: Konica Minolta's Product Security Incident Response Team, a product vulnerability response organization

Creating a Quality Assurance System in Service Business Areas in the IoT Era

In service business areas, the company believes it must shift from product quality assurance to service quality assurance and establish the most innovative processes. Services are different from manufactured products as they lack physical form, their quality cannot be checked in advance, and they highlight the importance of process in addition to results. Consequently, it is a challenge to predict and manage highly reliable quality.

Based on this shift, the company is working to build a service commercialization process. This will include establishing quality standards suited to the features of products in this area as well as creating management guidelines. This effort aims to create a mechanism for quality assurance in the upstream stage of the service business. It also provides training on skills needed in the IoT service business to develop human resources skilled in process management.

Konica Minolta is developing service businesses in proximity to its customers, with sites all around the world. A global outlook is crucial for creating a mechanism that ensures strong quality assurance worldwide.

Quality Issues and Steps to Grow Service Business Areas

Product business
(marketing products)



Service business
(marketing services)

A change in the approach to quality is necessary

Step 1

Create mechanisms that can guarantee service quality

- Build a service commercialization process
- Develop human resources skilled in managing processes

Step 2

Enhance quality assurance in the service business

- Create a system to enhance quality assurance from a global perspective

Close Up

JUSE Awards Konica Minolta Top Position in Quality Management Level Research

Konica Minolta, Inc. was awarded the top position in the tenth Quality Management Level Research in November 2018 by the Union of Japanese Scientists and Engineers (JUSE).

This research evaluates initiatives to maintain and improve the quality of products and services in terms of six factors and then creates a ranking based on the sum of points for each factor. Konica Minolta, Inc. was #1 in “capability to cooperate across divisions” and among the top three in “top management commitment,” “development of human resources to ensure quality management,” and “establishment and compliance of processes.”

This reflects a high evaluation of the company's establishment of a Quality Management Headquarters to solve quality issues shared companywide and its efforts to establish an IoT-based production system independent of people and place.



Award ceremony



Key Action 2

Creating New Quality Value

Background and Issues

Long-term customer relationships are essential to the success of Konica Minolta's businesses in office equipment, medical devices, measuring instruments, and other products. In order for Konica Minolta to remain irreplaceable in an era when customer needs are becoming more sophisticated and diverse, the ability to anticipate potential challenges is required. Consequently, Konica Minolta understands the importance of visiting customer sites in order to build trusting relationships, foster collaboration, and provide solutions to problems.

Vision

Konica Minolta uses customer feedback to improve its products and services. The company strives to strengthen its relationships by helping customers achieve their unique goals. Konica Minolta aims to continually improve customer satisfaction and form strong relationships that result in a positive reputation and new customer referrals. Furthermore, it will continue to create value for customers and contribute to the identification and solution of social issues.

Key Measures

- Continue conducting satisfaction surveys and implementation of improvements based on these results
- Improving the accuracy of verification processes for customer value creation using design thinking*

*Design thinking: A mindset and method for discovering the value that customers need. It helps create ways to realize value by applying rapid cycles of observation, understanding, issue definition, idea generation, prototyping, and verification.

Main Initiatives in Fiscal 2018

Strengthening Customer Relationships

Konica Minolta strives to continuously improve customer satisfaction at all Group companies worldwide, and continues to see the positive effects of using customer satisfaction surveys in each business domain. Furthermore, the company is focusing on NPS* as an indicator of the level of customer engagement. The company has globally developed its own scientific approach that adds NPS to worldwide customer satisfaction surveys and uses the results to improve product and service quality.

On the NPS survey in the mainstay Business Technologies Business, the fiscal 2018 score was unchanged from fiscal 2017 and nine points higher than in fiscal 2014. In addition to the annual survey, Konica Minolta gives the NPS survey to customers immediately following transactions where the customer contact was flagged by the sales company. The company has also introduced an analytical tool that shows results in an accessible visual format immediately following a survey. By ascertaining requests and satisfaction levels in real time, the company can improve quickly.

*NPS (Net Promoter Score): An indicator that measures the percentage of customers who recommend the company, its products and services to others

Enhancing Quality Improvement Activities from the Customer's Perspective

The staff of Konica Minolta's sales companies are in daily contact with customers. As part of the company's effort to improve quality from the customer's perspective, sales company staff participate in sales company joint evaluations and take part in evaluating quality in the development stage. In addition, since fiscal 2017, C-PIUZ* activities have been conducted to obtain the candid opinions of customers regarding quality. These activities allow staff from the quality assurance and development departments to visit customers together with sales company staff. Through this activity, employees gauge customer feedback and make use of this information to improve products and services.

Additionally, Konica Minolta uses design thinking to uncover the value that customers are truly seeking. In fiscal 2018, it established processes and methods for hypothesis verification in the development stage, and to determine whether the value is actually recognized by the customer once the product is on the market. The results are applied to the development of products and services from customer perspectives.

*C-PIUZ: Customer-Problem In Using to Zero, a unique Konica Minolta initiative to reduce quality problems that occur when customers are using the product.

Material Issue

Responsible Supply Chain

Related SDGs



Our Concept

Solving Social Issues with Suppliers through Business Activities

Konica Minolta promotes CSR procurement throughout its supply chain, helping to create sustainable societies that respect human rights.

The company believes that corporations are not only responsible for their products, but also socially responsible to improve conditions of labor (human rights), ethics, the environment, safety and health, throughout the supply chain that delivers products to customers. Konica Minolta practices CSR procurement in order to realize these improvements at its manufacturing sites and works closely with the suppliers who supply raw materials and parts for its products.

To further facilitate these efforts, Konica Minolta has joined the Responsible Business Alliance (RBA),*1 which conducts activities according to internationally recognized

standards such as the Universal Declaration of Human Rights*2 and ILO International Labour Standards*3 and works in cooperation with member companies under the RBA framework.

*1 **Responsible Business Alliance (RBA)**: Organization that promotes CSR in the supply chain

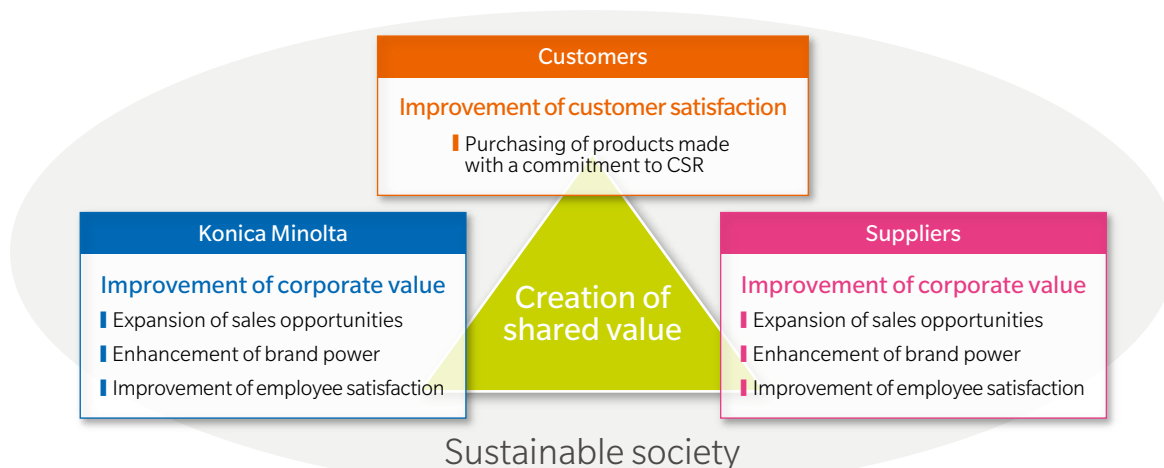
*2 **Universal Declaration of Human Rights**: Basic human rights to be recognized by all people and countries, adopted in 1948 by the United Nations General Assembly

*3 **ILO International Labour Standards**: Standards on human rights and labor adopted by the general assembly of the International Labour Organization (ILO)



Responsible Business Alliance
Formerly the Electronic Industry Citizenship Coalition
Advancing Sustainability Globally

Konica Minolta's Approach to CSR Procurement in the Supply Chain





Key Action 1

CSR Procurement

Background and Issues

The Konica Minolta Group recognizes that, around the world, many people are forced to work with no respect for their rights or in deplorable conditions, and that children and foreign/migrant workers are particularly vulnerable to this. The Group also understands that companies must fulfill their social responsibilities, not only related to their own products, but also throughout the entire supply chain for the products delivered to customers.

Vision

Konica Minolta addresses social issues, seeking to contribute to the creation of sustainable societies. To achieve this, Konica Minolta is working to solve social challenges through its business activities, including procurement, production, and logistics, while cooperating with its suppliers. These initiatives are expected to raise Konica Minolta's corporate value as well as the value of its entire supply chain. Supplying products that customers can purchase with peace of mind is a sure way to ensure success in "Creating Shared Value."

Key Measures and KPIs

FY2017 to FY2019

- Request that suppliers carry out CSR activities: 100% implementation
- CSR assessment: Complete assessments of all Group production sites and approximately 120 important suppliers
- CSR audit: Complete audits of two important Group production sites and two important suppliers

Main Initiatives in Fiscal 2018

Promote CSR Activities, Assessment and Audits

Konica Minolta leverages its Procurement Policy and Supplier Code of Conduct to request suppliers to participate in activities that improve CSR in the supply chain. With explicit targets and standards set in areas such as labor (human rights), ethics, the environment, and health and safety, these activities aim to promote improvements at suppliers.

In order to ascertain the level of CSR activity implementation, Konica Minolta conducts CSR assessments using Self-Assessment Questionnaires (RBA SAQ) based on RBA standards, which are completed by its important suppliers and its production sites. Konica Minolta classifies the results of the self-assessment questionnaire from rank A to C. The targets for overall scores are rank A for all Group production sites and rank B or higher for all suppliers. Konica Minolta also conducts CSR audits of business partners that are particularly important to its business.

In fiscal 2018 Konica Minolta conducted CSR assessments at 18 Group production sites and 15 suppliers. All production sites achieved an overall rank of A, and all suppliers achieved an overall rank of B or higher.

Still, Konica Minolta has been asking suppliers whose overall assessment results met the targets but had specific component scores that revealed weaknesses to make further voluntary improvements. The Group will continue to conduct periodic checks and provide support.

In fiscal 2014 Konica Minolta carried out a RBA third-party audit^{*1} of a key manufacturing company. Thereafter, Konica Minolta utilized its knowledge of audits to expand Konica Minolta CSR audits^{*2} to the companies that produce the main units for multi-functional peripherals (MFPs) and printing equipment. In fiscal 2017, audit targets were expanded to include companies that produce consumables, such as materials for MFPs and toner cartridges. To resolve the issues that were uncovered in CSR audits thus far, the audited companies must prepare improvement plans and submit status reports, enabling Konica Minolta to confirm their progress. In fiscal 2018, Konica Minolta confirmed improvements in areas indicated in previous CSR audits at two Group manufacturing sites.

In addition, Konica Minolta CSR audits were carried out at three important ASEAN business partners. Ongoing support was provided so that these business partners would be able to continue these activities independently. In fiscal 2018, Konica Minolta prepared to expand the scope of target companies even more.

^{*1} **RBA third-party audit:** Using RBA standards, audits are performed by a third-party institution certified by RBA (Validated Audit Program [VAP] audits).

^{*2} **Konica Minolta CSR audit:** Using RBA standards, audits are performed by Konica Minolta auditors who have RBA qualifications.



Key Action 2

Addressing Conflict Mineral Issues

Background and Issues

There are concerns that certain mineral resources (tin, tantalum, tungsten, gold) mined in the Democratic Republic of Congo (DRC) and neighboring countries could be used to fund armed groups exacerbating human rights abuse resulting from these groups' activities. Konica Minolta believes that it is responsible for addressing problems such as these which occur upstream in the supply chain, and considers this a CSR procurement issue.

Vision

Konica Minolta is determined to refrain from purchasing products, parts and materials using conflict materials linked to human rights abuse in the DRC and neighboring countries to contribute to a world where upstream mines are not involved in these abuses.

Key Measures and KPIs

FY2017 to FY2019

- Supplier response rate to conflict mineral surveys: Maintaining 95% or higher (every year)
- Response to customers' requests for surveys: 100% (every year)

Main Initiatives in Fiscal 2018

Promoting Efforts to Address Conflict Minerals

Konica Minolta's initiatives address conflict minerals in line with the OECD's Five-Step Framework.*1

Konica Minolta has conducted conflict minerals surveys on an ongoing basis ever since its first survey in fiscal 2013 on its mainstay Business Technologies Business. The surveys obtained responses from 98% of the suppliers surveyed in fiscal 2018. In addition, when conducting the survey, Konica Minolta explained cautionary points to ensure that the survey results would be accurate, and also requested that RMAP-compliant smelters or refiners (SORs)*2 would be used to ensure that minerals are not sourced from SORs with links to conflict. The survey results were reconciled with the RMI*3 list and the list of RMAP-compliant SORs. These results showed that of the 312 SORs, 252 are RMAP-compliant. To date, Konica Minolta has not found any evidence of involvement with conflict minerals.

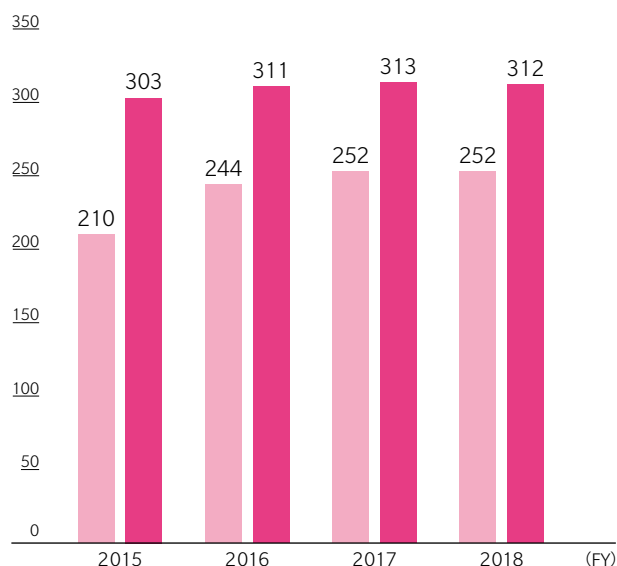
*1 **OECD's Five-Step Framework:** "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" issued by the Organization for Economic Co-operation and Development

*2 **RMAP-compliant smelters or refiners:** Smelters or refiners that comply with the Responsible Minerals Assurance Process.

*3 **Responsible Minerals Initiative (RMI):** An organization with the participation of more than 350 companies and organizations worldwide that is leading efforts to address responsible mineral sourcing issues in supply chains

Number of SORs Confirmed in the Conflict Mineral Survey

■ RMAP-compliant SORs ■ SORs recognized by RMI



Expanding the Scope of Minerals Covered in the Survey

Growing awareness of the human rights risks in the supply chain has led to more calls for surveys on cobalt. Cobalt is an important metal used in lithium ion batteries, which are required for a lot of electronic equipment. The share of cobalt produced in the DRC is higher than that of the conflict minerals (tin, tantalum, tungsten, gold), and there are concerns about human rights violations in the areas around the mines. Accordingly, Konica Minolta began a survey on cobalt in fiscal 2018.

Initiatives within Industry Groups

Konica Minolta is an active member of JEITA's* Responsible Minerals Trade Working Group, which aims to ensure responsible mineral procurement. Konica Minolta has provided instructors on an ongoing basis since fiscal 2014 for JEITA's Responsible Minerals Sourcing Inquiry Briefings for suppliers who participate in surveys. Many companies, not only in the electronics industry, but also in the automotive industry, participate in these briefings. As a separate initiative, Konica Minolta with other member companies encourage SORs to engage in the Responsible Minerals Assurance Process directly.

* **Japan Electronics and Information Technology Industries Association (JEITA):** An association with about 400 corporate and organization members mainly in Japan's IT and electronics fields



JEITA's Responsible Minerals Sourcing Inquiry Briefing, 2018

Initiatives under the OECD's Five-Step Framework

Step 1

Establish strong company management systems

- The company established the Konica Minolta Conflict Minerals Policy Statement, requiring suppliers to be familiar with the policies. The policies are also incorporated into contracts with suppliers.
- Konica Minolta's conflict mineral programs are incorporated into its environmental management system, led by an executive officer. In addition, a mechanism for implementing conflict mineral surveys, including production sites in and outside Japan, has been prepared to identify the SORs in the supply chain.
- The management and staff in the procurement divisions in charge of procurement are given training regarding conflict mineral issues.

Step 2

Identify and assess risk in the supply chain

- Using the Conflict Minerals Reporting Template (CMRT) issued by RMI, Konica Minolta implements conflict mineral surveys.
- Based on the results of the survey and information from the identified SORs, Konica Minolta assesses the risk to the supply chain, by each supplier, and by each product. These results are reported to the executive officer in charge.

Step 3

Design and implement a strategy to respond to identified risks

- Based on the results of the risk assessment, Konica Minolta requests suppliers to take any needed steps related to conflict mineral issues. In addition, Konica Minolta engages in indirect efforts to ensure that minerals are conflict-free, such as building awareness about the issue of conflict minerals.

Step 4

Carry out independent third-party due diligence audits for SORs

- Encourage SORs to participate in RMAP program through RMI and JEITA activities.

Step 5

Report annually on supply chain due diligence

- Conflict mineral initiatives are posted every year on the company's website.

Material Issue

Human Capital

Related SDGs



Our Concept

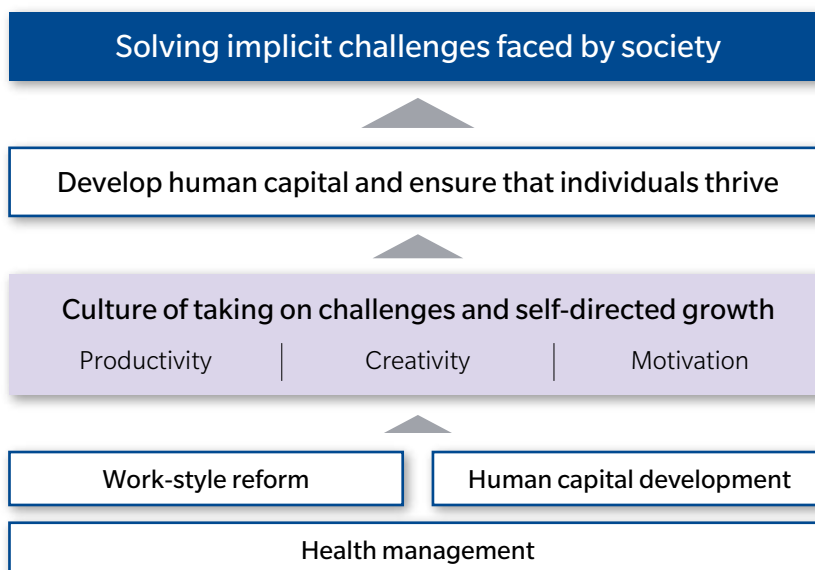
Developing Human Capital to Drive Value Creation

Konica Minolta is transforming into a digital company with insight into implicit challenges, which is to say that it uses digital technology to identify and solve implicit challenges faced by customers, recognizing this as key to achieving sustainable growth. In so doing, Konica Minolta provides value to the professionals who work for its corporate customers, which it believes will lead to solutions to challenges that people and society face. This is why Konica Minolta is working to strengthen the abilities of its employees, ensuring that individuals thrive. The Group is working to enhance every members productivity and creativity and to create

environments where everyone stays motivated to grow.

Konica Minolta recognizes that good physical and mental health is critical to employees' efforts to maximize their potential. Accordingly, the Group implements a strong health management program and is pursuing work-style reform and human resource management in order to support employees' efforts to create customer value and accelerate self-directed growth.

By rolling out these initiatives globally, the Group seeks to maximize the potential of all of its professionals and enhance their capacity to create value.





Key Action 1

Work-Style Reform

Background and Issues

Konica Minolta recognizes that it must utilize the full potential of its employees to transform itself into a digital company with insight into implicit challenges, a goal laid out in the Medium Term Business Plan. Konica Minolta understands the need for work-style reform that allows all employees to demonstrate their full potential.

Vision

Konica Minolta is moving forward with work-style reform in many areas, including operational processes, human capital utilization, roles and authority, systems, and environmental measures. In so doing, the company is seeking to improve the job satisfaction of every employee as well as overall productivity. In a business environment where unprecedented changes continue to occur, Konica Minolta will continue to promote the creativity and innovation that is the source of competitiveness.

Key Measures

- Preparing operational and workplace environments
- Making the most of diverse talent
- Reforming operational processes

Main Initiatives in Fiscal 2018

Developing an Environment where Everyone Can Live Up to Their Potential

Employees today engage in diverse work styles, and Konica Minolta, Inc. is developing an environment and system that allows all employees to demonstrate their full potential.

■ Location-Free Work Style

Since fiscal 2017, the company has operated a remote working system that allows employees to work from locations other than the office. This increases productivity, efficiency and creativity by enabling employees to work without being tied to a single location.

Konica Minolta has also established a network of satellite offices to enable employees to work efficiently while on business trips.

■ Permitting Employees to Pursue a Second Job or Work Concurrently

In December 2017, the company lifted its ban on employees pursuing a second job or working concurrently to promote employee growth and diversify values and ways of thinking in the workforce. In little over a year, around 30 people started their own business or utilized their expertise to venture into a new field. It is expected that the many valuable experiences they are gaining outside the company will spark innovation within Konica Minolta.

■ Liberalizing the Office Dress Code

In October 2018, the company liberalized the office dress code to foster a culture where employees can think and

behave creatively. Konica Minolta reviewed the conventional dress code and replaced it with a policy which asks each person to dress appropriately for the time, place, and occasion based on their own judgement and self-awareness as a professional.

Supporting Work-Life Balance

Konica Minolta, Inc. is working to build an environment where employees who are raising children can continue to work confidently and build their careers. The company has traditionally been an active supporter of work-life balance, offering programs such as the childcare leave system (after which the rate of employees returning to work is steady at 100%) and a shorter working hours system.

In fiscal 2018, the company introduced a new hourly leave system that allows leave to be taken in one-hour units. This innovation was in response to the desire of employees raising children to make the most of their limited time at work.

Konica Minolta, Inc. has received a Platinum Kurumin certification and the Eruboshi certification mark from Japan's Ministry of Health, Labour and Welfare. These certifications identify Konica Minolta as a top-tier company in the provision of child-rearing support.





Key Action 2

Developing Human Capital

Background and Issues

Nowadays, companies the world over are competing to create new services by leveraging big data with AI and ICT technologies. Konica Minolta, too, is aiming to become a digital company with insight into implicit challenges, the key to which is the transformation of human capital.

The company recognizes that it must first accurately ascertain the needs of customers and society. Then, based on those needs, it must systematically and continuously develop the professionals that can create and provide the kind of innovative value that is unique to Konica Minolta.

Vision

To create innovative value, every person has to let their individuality shine and professionals holding diverse views must engage in uninhibited discussions.

The company's human resources development vision is to empower people who can drive reform, feel a strong sense of ownership and complete projects to the end. Other highly prized qualities include ingenuity, the ability to engage partners, and the ability to create customer value. Konica Minolta wants to develop "business athletes" who can compete globally. This transformation of individuals will drive the transformation of the company.

Key Measures

- Expanding the pool of high-potential human resources and accelerating their development
- Increasing employee engagement based on results of the Global Employee Survey (GES)
- Developing talent capable of establishing profitable IoT business models

Main Initiatives in Fiscal 2018

Executive Development Program

At Konica Minolta, the aim is to foster "true management executives" who can promote creative destruction and succeed globally. This is why, in cooperation with a business school, the business leader education program (called "Global e-Juku") is implemented for executive candidates, including those from Group companies globally.

In the fiscal 2018 program, there were 16 participants from seven companies in six countries. In conversations with leading executives within and outside of the company, the participants gained an appreciation for what it takes to become a true management executive and expanded their outlook. Discussing digital transformation and other topics, they also tried forecasting the highly unpredictable future business environment, and worked on project proposals for Konica Minolta's transformation to become a digital company with insight into implicit challenges.



Discussing a project proposal

Global Assignment Program for Early Career Talent

Konica Minolta, Inc. has a short-term training program that allows early-career employees to go abroad to learn on the business frontlines and at world-class business schools. By practicing leadership, engaging in cooperative learning, and being exposed to diverse values, these employees improve and expand their outlook, which helps them to succeed on the global stage. In fiscal 2018, 31 employees participated in the program.

Group companies outside of Japan also have programs that allow their employees to experience operations at group companies in other countries, including Japan, for a period of time from several months to two or three years. By providing program participants with an opportunity to learn about Japanese business customs and culture and experience the difference, the program helps to develop employees who can serve as bridges between Japan and countries worldwide.



Short-term overseas training program participants and host country employees

System to Develop and Certify ICT Personnel

Konica Minolta has implemented an internal training program to develop ICT personnel who can leverage IT and digital technologies to provide added value from the customer's perspective. The ICT Personnel Skills Certification System has been put in place to certify and register skill levels, from beginner to expert, based on the company's definitions of human capital, such as Data Scientist.*¹ A training curriculum has been developed at each level. In fiscal 2018, 254 employees were certified and registered as Data Scientists and 168 as KM Product Owners.*²

*¹ **Data Scientist:** Personnel who can identify decision-making and workflow issues by reviewing various types of data and then establish solutions

*² **KM (Konica Minolta) Product Owner:** Personnel well versed in both business and software technology who can maximize return on investment in software development

Business Producer Training Program

Konica Minolta has implemented a program to develop business producers who can drive strong growth, starting in the early stage of their careers. This program, called the Challenge Gijutsusha Forum (CGF), is offered to select employees who are motivated to solve social challenges by creating new value. In fiscal 2018, 20 employees participated.

The program participants follow a development curriculum as they study and work together at creating new businesses. The curriculum is devised by a governing board made up of members chosen from various fields who have a passion for human resource development. As such, this program also plays a major role as a forum for interaction and diligent study that goes beyond the workplace and that crosses areas of expertise and generations.



Brainstorming new business ideas



Good Career Company Awards 2018 Grand Prize

Konica Minolta, Inc. received the Grand Prize in the Good Career Company Awards 2018 presented by Japan's Ministry of Health, Labour and Welfare.

The Good Career Company Awards honor companies who can serve as a model for others with regard to supporting employees' self-directed career formation. The purpose is to publicize the importance of career formation support and to see it take hold by broadly disseminating the philosophies, initiatives and concrete results of award-winning companies.

At Konica Minolta, employees make efforts to achieve their own self-directed career visions in line with the needs of the times, backed by the full support of supervisors and the company. By awarding the Grand Prize to Konica Minolta, the judges formally recognized the achievements of steady efforts by employees, their supervisors, and the company working together.



Key Action 3

Occupational Safety and Health

Background and Issues

Workplace accidents put employee safety at risk. They can also affect the neighboring environment, and if serious enough, they can threaten business continuity. Konica Minolta recognizes that preventing workplace accidents and creating workplaces where employees can work safely and confidently is a critical management issue.

Vision

Konica Minolta believes that the foundation of corporate management lies in the maintenance and promotion of workplace safety and health for every employee. The company aims to build a healthy, safe and supportive workplace environment by implementing occupational safety and health initiatives that emphasize daily preventive actions.

Key Measures and KPIs

- Serious accidents^{*1}: 0
- Frequency rate of accidents causing absence from work^{*2}: 0.1 or less (FY2017–2019)

^{*1} **Serious accidents**: (1) Death, disease requiring a long recovery period (or the possibility thereof), an injury resulting in a disability (or the possibility thereof), or a specific contagious disease; (2) an accident resulting in the death or injury of three or more workers during work at one point or the contraction of a disease (including accidents not accompanied by lost worktime)

^{*2} **Frequency rate of accidents causing absence from work**: The number of persons absent from work per one million total actual working hours for current employees

Main Initiatives in Fiscal 2018

Preventing Occupational Accidents

Under the direct supervision of senior management, Konica Minolta has been implementing various measures to prevent occupational accidents worldwide. The persons responsible for safety and health promotion in each business division and the Safety and Health Committee chairpersons at each business site work together to build the management structure.

In fiscal 2018, "Unsafety Marks,"* which were introduced in the previous fiscal year as a new safety management indicator unique to Konica Minolta, were entrenched as a safety management system. Analyses based on Unsafety Marks make the safety management characteristics and issues at each business unit or site easy to see, enabling implementation of effective safety measures. This helps prevent accidents from recurring.

Meanwhile, comprehensive risk management, which the company implemented in fiscal 2016, continued and was enhanced. This put under management new risks that came with business changes.

More than half of accidents resulting in absence from work are caused by inattention, including falls. As a countermeasure to this, monthly training to raise the safety awareness of some 12,000 employees of Konica Minolta, Inc. and Group companies in Japan is provided via e-Learning. Roughly 90% of employees took the training. Training on working safely is also conducted, including prevention of fires and explosions and prevention of forklift accidents.

In fiscal 2018, there was one serious accident in which a service technician was injured while performing maintenance work. The frequency rate of accidents causing absence from work was 0.25 in Japan, and 0.20 elsewhere. Efforts were made to reduce Unsafety Marks by 40% compared to the group-wide average for fiscal years 2014 to 2016, but the level remained the same as the previous

fiscal year. The Group attributes this to poor preparation of prevention measures tailored to the different kinds of accidents as well as time lags between initial response, rollout of measures, and the appearance of results. In fiscal 2019, Konica Minolta will make improvements with a focus on rapidly implementing more effective safety measures.

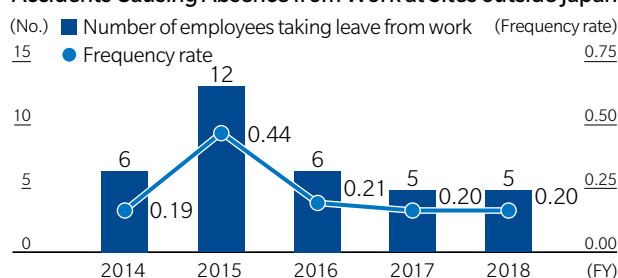
***Unsafety Marks**: Numerical values obtained by weighting and assigning points based on the type of accidents that occur in a workplace and the severity of injuries

Accidents Causing Absence from Work at Sites in Japan



Note: Figures are for employees of Konica Minolta Group Japan, including those dispatched from an agency.

Accidents Causing Absence from Work at Sites outside Japan



Note: Figures are for employees of major manufacturing companies in China and Malaysia, including those dispatched from an agency, for fiscal 2014. Employees of Group companies in China and manufacturing companies in Malaysia, including those dispatched from an agency, since fiscal 2015.



Key Action 4

Improving Employee Health

Background and Issues

As a result of the aging of the workforce due to a declining birthrate, contemporary Japanese society is witnessing a rising risk of lifestyle diseases and an increase in the number of people taking leaves of absence from work due to mental health problems. Konica Minolta management gives high priority to supporting employees' efforts to lead physically and mentally healthy lives.

Vision

Based on the understanding that employee health is the foundation for everything else, Konica Minolta strives to create workplaces where all employees enjoy good physical and mental health and can continue to work with vitality. It does this by fostering a "health-first" culture and practicing sound safety and health management.

Key Measures and KPIs

Promoting health management

- Curbing the number of absences due to illness
- Reducing the number of employees with health risks: People with high physical health risk: Down by 4.5% from fiscal 2017
Persons needing specified health guidance (persons needing active support): Down 3% from fiscal 2017

Main Initiatives in Fiscal 2018

Reducing the Number of Employees with Health Risks

Konica Minolta diligently practices health management to strengthen its talent pool, which is vital to achieving its management strategy. Under the three-year medium-term health plan, Health Challenge 2019, Group companies in Japan and the Health Insurance Association work together to plan and implement various measures. They categorize those with health risks by physical and mental health, and set numerical targets with the aim of reducing the number of people in each category.

For physical health management, Konica Minolta is focusing on preventing the development of serious illness for all Group employees in Japan. As a result of guidance from occupational health staff and stronger encouragement of check-ups, in fiscal 2018 there was a 24% decrease in the number of employees with critical health risks, compared to the previous year.

As part of mental health management, stress checks are conducted twice a year for all employees. While allowing employees to utilize their results for self-care, the company also analyzes the results for each workplace and shares the information with organizational heads. Improvement measures are then devised and implemented for workplaces with high stress levels. In order to strengthen the line care function, mental health e-Learning modules are also provided to managers across the Group, with the aim of early detection and prompt response for individuals with mental illness. The completion rate for these modules remains around 95%. As a result, the number of Group employees in Japan absent for mental health reasons decreased by 24% in fiscal 2017 compared to the previous fiscal year, and that level was maintained in fiscal 2018.

Working to Promote Wellbeing by Visualizing Employee Health Statistics

Konica Minolta estimates its future disease risks from employees' latest medical examination results. The company

encourages employees to improve their lifestyle habits by showing each person a comparison of the average incidence of cardiovascular disease, stroke, and ischemic heart disease within 10 years of their age group. This system can also be accessed by employee spouses who are health insurance dependents. The company also actively holds health improvement events such as those where employees can measure their BMI, blood vessel age, lung age, and other health indicators. Walking rallies, smoking cessation days and other activities are also promoted to employees.

As a result of these activities, each health indicator is on an improvement trend. In particular, the smoking rate for the Konica Minolta Group in Japan was 26.1% in fiscal 2018, a 3.1% decrease compared to fiscal 2014.



Recognition as an Outstanding Health & Productivity Stock

As part of the 2019 Health & Productivity Stock Selection program, Konica Minolta, Inc. was selected as an outstanding company in the electrical equipment industry in 2015, 2016, 2018 and 2019. This program is promoted jointly by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. In addition, 12 Konica Minolta Group companies in Japan were chosen for the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program, also organized by the Ministry of Economy, Trade and Industry.

Material Issue

Diversity

Related SDGs



Our Concept

Making the Most of Employee Diversity to Create New Value

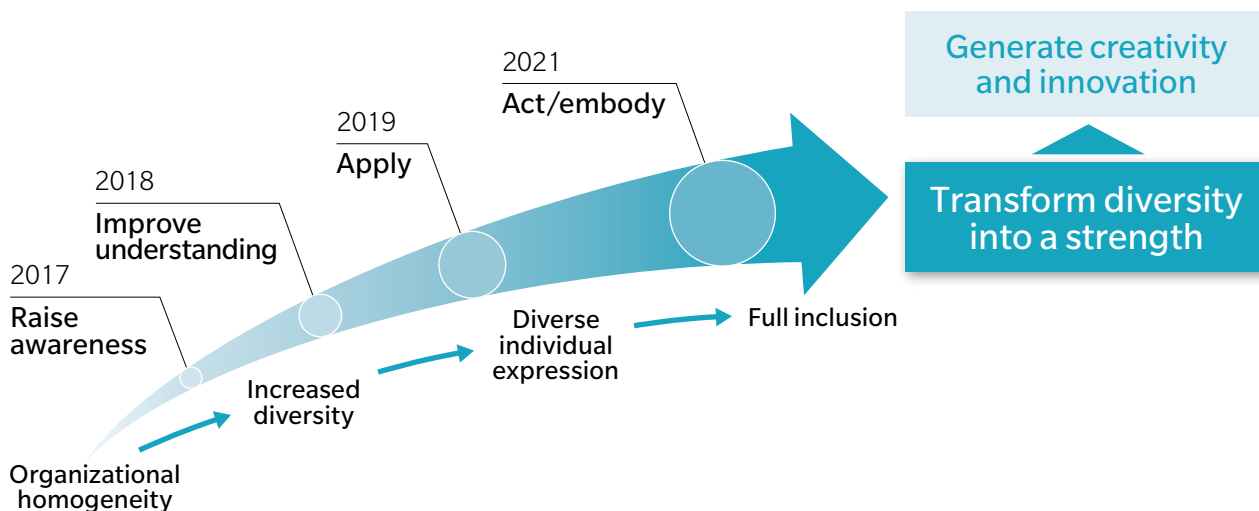
One of Konica Minolta's strengths as a global company is that employees of different national origins, races, beliefs, cultures, languages, genders, ages and expertise work together in regions all over the world. It is this diversity that leads to innovative thinking and original ideas, thus generating new value that helps provide solutions for customers and society.

This kind of value creation embodies the concept of "Inclusive and Collaborative," one of the six values that makes up the Konica Minolta Philosophy. This value refers to the power and collaboration generated by embracing our workforce's diverse backgrounds and ideas.

Konica Minolta, Inc. focuses on respect for diversity and inclusion to pursue these principles and create new value for customers and society while driving the company's own advancement. To facilitate these efforts, in fiscal 2017 the company established a Corporate Diversity Office

directly under the president. In April 2019, its name was changed to the Corporate Diversity & Inclusion Office, reflecting Konica Minolta's determination to be inclusive of diverse individual personalities and to bring everyone together to drive innovation.

The Corporate Diversity & Inclusion Office is striving to ensure a deep understanding of diversity and inclusion among employees, and since fiscal 2016, it has been working to support the success of Konica Minolta's female employees. The office also continues to work with various departments to promote the participation of international employees and people with disabilities by creating an organizational culture that respects not only diversity in attributes, such as gender and nationality, but also diversity in values and views of life. This will enable each employee to show their capabilities and generate innovation through the interaction of diverse perspectives.





Key Action 1

Supporting Women's Career Advancement

Background and Issues

Gender equality and women's empowerment are key issues for the global community, and they are also vital to achieving the SDGs. In Japan, however, despite the fact that both men and women are generally highly educated, the reality is that women still face barriers when it comes to leadership and participation across the board. Konica Minolta recognizes the urgent need to develop an environment that facilitates women's success in its industry.

Vision

Konica Minolta believes that employee diversity is a source of growth. The company takes measures to create an environment where women can perform to their full potential. In order to accelerate the success of its female employees, Konica Minolta does not limit itself to simply ensuring that they can keep working through various life events, but also aims to expand their access to any career path they want to pursue.

Key Measures and KPIs

- Fostering awareness and a culture supportive of diversity, with a focus on promoting participation by women
- Consider ways of supporting life events affecting both men and women, such as childbirth, child-rearing and caretaking, and consider work styles tailored to these life events
- Appointing female managers (target for fiscal 2019: Women hold 7% of all management positions)
- Raising the percentage of women among new graduate hires (target for fiscal 2019: 30% or more)

Main Initiatives in Fiscal 2018

Support for the Advancement of Women

Konica Minolta, Inc. runs a wide range of programs to accelerate the success of its female employees.

In fiscal 2018, the company implemented its second two-year action plan based on Japan's Act on Promotion of Women's Participation and Advancement in the Workplace. Women hold 6.2% of management positions and the percentage has been rising gradually every year. The company will make further efforts to achieve its target for the end of fiscal 2019. Moreover, Konica Minolta, Inc. now

has its first female executive officer. As a result of its ongoing efforts and targets achieved so far under this Japanese law, the company received Eruboshi status, the highest level of related certification from the Ministry of Health, Labour and Welfare.

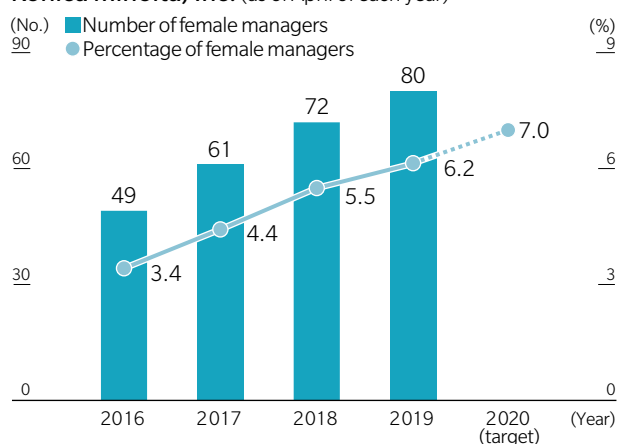


Eruboshi certification mark (obtained in 2016)

Action Plan

Plan duration	April 1, 2018–March 31, 2020
Numerical targets	7% of management positions held by women
Description of initiatives	● Selective training of manager candidates in Performance Grade 3 ● Selection of targets in spring evaluation and rolling ● Establishment of training plan (support for each division and staff) ● Off-JT programs offered (career plan training)
Timing of initiatives	Implemented as needed from 2018 spring evaluation

Number and Percentage of Female Managers at Konica Minolta, Inc. (as of April of each year)



Programs to Promote Awareness and a Corporate Culture of Diversity

Konica Minolta, Inc. promotes the advancement of women and also holds lectures and workshops to help each employee recognize the importance of diversity and inclusion.

■ Lecture for Senior Management

In order to promote a deep understanding of diversity and inclusion among executive management, the company began regularly inviting outside experts to deliver lectures in fiscal 2017. In fiscal 2018, an executive of a major firm known for its advanced initiatives was invited to give a lecture, which was attended by officers and division general managers.

■ Diversity Workshop for Senior Managers

Workshops were held for those in senior manager positions and above, allowing them to deepen their understanding of the importance of diversity and preparing them to further develop employees in their own organizations. Around 300 senior managers participated in a total of 12 sessions from fiscal 2017 through fiscal 2018. At the end of each workshop, the participants pledged to promote diversity in their own departments.

■ Workshops for Female Staff and Managers

A career planning workshop was held to encourage individual women to better appreciate their own value and strengths in action, to acquire skills and abilities for developing their own career plans, and to find a path toward ongoing personal

growth. A management workshop was also held for the immediate supervisors of these female staff. The purpose was to enhance the ability of these managers to provide career support to their subordinates based on an understanding of the need for diversity in human resource development.

These two workshops were jointly planned, and by having women and their direct supervisors attend workshops around the same time, both groups were able to share an approach for career formation and an understanding of the issues, while enhancing their commitment. The company's three-year initiative to hold these workshops for women and their direct supervisors began in fiscal 2017. In the first two years through the end of fiscal 2018, at least 250 employees and managers participated.

■ Diversity Advocates

In fiscal 2018, employee volunteers signed up to be diversity advocates and began taking the initiative to promote diversity at the frontlines in each region. Asking themselves, "What changes can we ourselves create," these advocates think about challenges in the status quo and implement solutions. In the introductory year, two advocate teams were formed—in eastern and western Japan—gathering diverse members of different ages, genders, and nationalities. Each member has her or his own awareness of the issue—from experience raising children, to caring for family members, to status as a non-Japanese employee. Members carry out activities while engaging in lively dialogues.

Close Up

Company-Wide Diversity Promotion Program

In fiscal 2017, Konica Minolta, Inc. held an International Women's Day. From January to March 2019, the company built upon this through a company-wide program, "Turning Diversity into a Strength! 2018," where a total of 1,000 employees participated.

Under the overall theme of "Respect (Understanding and Accepting Each Other's Differences)," workshops, panel discussions, and lectures were given on 18 occasions at six sites. Additionally, a special lecture was given and shared with 15 company sites in Japan via video conferencing.

It was an opportunity for each participant to consider differences due to gender, age and position as well as

differences in people's outlook on life and their values. It also prompted them to think about how to turn that diversity into strength.



Lecture by astronaut Takao Doi (standing, left)



Key Action 2

Utilizing Employee Experiences Gained Outside the Company and Abroad

Background and Issues

In order to connect the promotion of diversity to the creation of innovation, it is important to build a team of employees with diversity in nationality, race, gender, age, and expertise, while also having individual employees with diverse experiences and perspectives. Konica Minolta believes in generating innovation by ensuring that diverse employees share ideas based on different perspectives.

Vision

Konica Minolta actively hires people in mid-career and people from outside of Japan. In addition, employees are encouraged to gain broad experience and knowledge outside the company and venues are provided for diversely talented individuals to share ideas.

By generating innovation with these measures, the company aims to meet the needs of its global customers and to create new value that goes beyond existing concepts.

Key Measures

- Actively recruiting mid-career human resources and personnel from outside of Japan
- Providing opportunities to gain experience and knowledge outside of the company
- Promoting exchanges among employees globally and providing venues for creating innovation where diverse employees can inspire and learn from each other

Main Initiatives in Fiscal 2018

Assignment of Non-Japanese Talent and Mid-Career Hires in Japan

Konica Minolta, Inc. actively hires mid-career employees to help create innovation in Japan. The company is striving to secure the diversity of its human resources by also recruiting non-Japanese new university graduates, as well as Japanese graduates with experience living abroad.

Percentage of
non-Japanese
nationals among
new hires

19%

(who joined the company
in April 2019)

Percentage of
mid-career hires
among total
recruitment

53%

(FY2018)

Assignment of Employees with Experience and Knowledge from Outside of the Company

In fiscal 2017, Konica Minolta, Inc. began allowing employees to take on a second job or outside project, while also introducing a Job Return System and launching an overseas dispatch program for young employees. Through these initiatives, the company seeks to further enhance its diversity, by strengthening individual diversity and increasing the number of human resources with diverse experience and knowledge.

Provision of Innovation Creation Places

Konica Minolta, Inc. aims to encourage interaction between employees across the company's internal organizational boundaries, and to provide places for innovation creation where employees can inspire and learn from each other. Accordingly, since April 2017, employees have been allowed to use company facilities, such as cafeterias, as venues for human resource exchanges.

In addition, in order to encourage employee-led personnel exchanges, assistance is provided to cover expenses, based on proposals submitted to the Human Resources Department.



Human resource exchange event organized by employees

Employment of Persons with Disabilities

Supporting Employment of Persons with Disabilities at Special Subsidiary Konica Minolta With You, Inc.

In September 2013, Konica Minolta established the special subsidiary Konica Minolta With You, Inc. to support the independence of persons with disabilities through employment. The "With You" in the company name expresses the intention that the company is not just doing something *for* persons with disabilities but rather that it works *with* them to enhance their participation in society. Through this subsidiary, Konica Minolta is pursuing the social independence and mainstreaming of persons with disabilities.

Konica Minolta With You supports career formation in light of each employee's aptitude and aspirations, based on an original career promotion program, so that each person can work enthusiastically and attain steady growth along the way. Employees engage in a variety of duties including printing business cards and pamphlets, serving customers at a coffee shop on site, and designing and tending to flowerbeds.

Collection and delivery of postal mail and business cards began as a new initiative in fiscal 2018. To make itself and its employees' activities more widely known, the company started selling bottled preserved flowers, made from the flowers its employees grow, and holding workshops in and outside the company on how to make them. The workshops emphasize customer interaction, as employees give the explanations themselves.



Printing business cards and pamphlets



Customer service at a coffee shop on site



Bottled preserved flowers made from flowers that employees grow

Essential Requirements to Fulfill CSR

Corporate Governance

Corporate Governance System

Konica Minolta, Inc. has established a corporate governance framework from the standpoint of supervision. This is based on the conviction that corporate governance that contributes to medium- and long-term corporate value growth must encourage suitable risk-taking in business operations and have a highly effective supervisory function for business operations. In 2003, the “company with committees” structure (currently “company with three committees”) was selected as the organizational structure in accordance with Japan’s Companies Act. In addition, the company has taken steps to ensure its governance system is objective and not overly influenced by personalities, while still operating the system in a distinctive Konica Minolta style.

The company’s basic views with regard to its governance system are as follows.

- Ensuring management oversight for corporate value growth by separating the roles of management oversight and operation of business activities
- Election of independent Outside Directors who can perform supervision from the standpoint of shareholders
- Using these measures for improving the transparency, integrity and efficiency of management

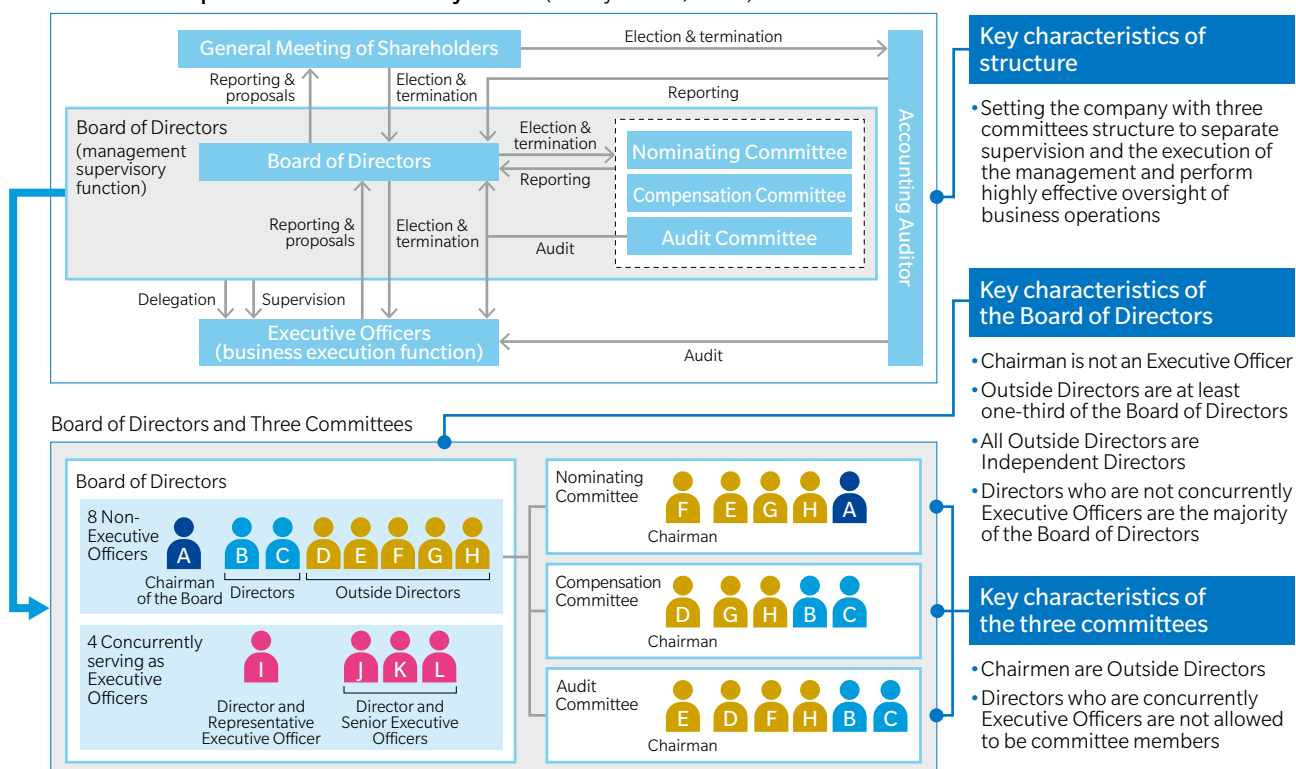
Specifically, the Board of Directors and the three committees are structured as shown in the figure below.

Building a Risk Management System

The executive officers are responsible for managing various risks including strategic risks, financial risks, risks pertinent to environmental regulations and hazard risks. They identify and evaluate risks and develop and monitor countermeasures in their respective spheres of management.

In addition, the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors, is convened periodically. The Committee examines the risks identified by each executive officer, as well as the countermeasures in place, and checks to ensure that the risk management system is functioning effectively, making revisions where necessary. The Group responds as a whole to risks judged to be particularly important, led by an executive officer appointed by the chairman. The activities of the Risk Management Committee are periodically reported to the Audit Committee.

Structure of Corporate Governance Systems (As of June 18, 2019)



Compliance

Compliance Promotion System

Konica Minolta considers compliance to be the highest priority of all corporate activities. The Group's pursuit of compliance with corporate ethics, internal rules and adherence to all applicable laws is based on the Konica Minolta Group Charter of Corporate Behavior, which sets conduct guidelines for the entire Group.

The Chief Compliance Officer, who is appointed by the Board of Directors, is responsible for promoting and overseeing compliance throughout the Group. The Chief Compliance Officer appoints regional compliance coordinators in Europe, North America, China, and Southeast Asia and supports the promotion of their compliance activities, which are carried out in accordance with local laws and regulations. Moreover, Internal Hotline Systems (Helplines) have been set up in those regions so that employees can report and consult about compliance violations.

In fiscal 2018, all employees were asked to sign a compliance pledge as a new measure to further encourage understanding of and adherence to Konica Minolta's compliance programs. The submission rate in Japan was 99.9%.

Compliance with Antitrust Laws and Anti-Corruption Initiatives

The Konica Minolta Group Guidance for the Charter of Corporate Behavior, a guide for implementing the Konica

Minolta Charter of Corporate Behavior, provides specific expectations for behavior regarding compliance with antitrust laws, the prohibition of extortion gifts and entertainment, the prohibition of soliciting or accepting bribes, and a ban on any contact with organized criminal elements.

Every year, the Konica Minolta Group prioritizes compliance with antitrust laws and preventing corruption in its annually renewed compliance promotion plan, considering the expectations of society, the degree of impact on the company and society and the possibility of occurrence. In fiscal 2018, the Group used a global compliance promotion system to continue to educate its personnel on these two priority issues, in line with local laws, business environments, and customary practices. The compliance issues, risks, and progress of education in each region are regularly reported to the Chief Compliance Officer via compliance reports.

In fiscal 2018, the anti-corruption guidelines for personnel in Japan were revised in response to changes in public expectations, and efforts were made to ensure that the new guidelines are thoroughly understood by employees. In fiscal 2019, new guidelines will be prepared for personnel in other countries and regions, in accordance with their respective laws and cultures.

There were no incidents of anti-trust law violations, bribery or corruption in fiscal 2018.

Information Security

Information Security Management

Konica Minolta understands that information security is the most important issue related to the effective use of information and IT. Konica Minolta has established an IT security management system at Group companies worldwide and continuously improves IT security levels under the leadership of the President and CEO of Konica Minolta, Inc. and the chief IT security officer, who is responsible for IT planning and administrative organization at Konica Minolta, Inc.

Senior management at Konica Minolta recognizes the growing threat of cyberattacks today and understands the importance of taking steps to combat the issue, as highlighted by the Cybersecurity Management Guidelines from the Ministry of Economy, Trade and Industry of Japan. Konica Minolta has implemented global IT security measures such as the establishment of a Computer Security Incident Response Team (KM-CSIRT).

Protecting Personal Information of Customers

Konica Minolta takes full precautions to protect the personal information of customers. Konica Minolta has established the Global Personal Data Protection Policy and regulations for protection of the personal data of the Konica Minolta Group, which address the EU's General Data Protection Regulation (GDPR). In accordance with this policy and rules, the Group has established a worldwide system for protecting personal information and properly manages the personal information in its possession. Employees are also kept up-to-date on the policy and rules through e-Learning and other methods of training.

In the event that a leakage of information, including personal information held by Konica Minolta, is confirmed or liable to have occurred, the information security management system would deliver an event/incident report to the Personal Information Protection Officer. The Officer would immediately check the facts and degree of impact and submit a report to the Personal Information Protection Commission in Japan and other appropriate authorities in each country.

In fiscal 2018, there were no problems with leaks, thefts or losses of personal information.

Human Rights

Basic Concepts

Human rights are universally valued rights that all people are born with. In today's world, there is a growing awareness that businesses can have a great impact on human rights. In order for a company to remain vital to society, it must recognize the diverse expectations of society and provide solutions through its business activities. As a company with a globally growing business, Konica Minolta views respect for human rights as one of the basic conditions for its business activities. This aligns with the company's goal of contributing to a sustainable society in which human rights are respected.

In line with social expectations, Konica Minolta has for years been working diligently to address various human rights issues related to its business activities, including human rights respect in the supply chain, employee-related initiatives such as prohibition of discrimination and harassment, and the protection of customers' and employees' personal information. In 2011, the UN Human Rights Council endorsed the UN Guiding Principles on Business and Human Rights, calling on companies to do more to address human rights issues. In response, Konica Minolta identified potential adverse human rights impacts thought to be relevant to its business activities, including its existing human rights-related initiatives.

Looking ahead, Konica Minolta will expand its current human rights-related initiatives by ensuring that they continue to meet social expectations. It also plans to give greater shape to its programs by improving its efforts as needed through stakeholder engagement, including the broader participation of relevant persons within the company.

Potential adverse human rights impacts

- Group employees' human rights:
Working hours, wages and benefits, harassment, discrimination, health and safety, protection of privacy
- Human rights in the supply chain:
Forced labor, child labor, wages and benefits, harassment, discrimination, freedom of association, health and safety
- Customers' human rights:
Protection of personal information

Human Rights Initiatives in the Supply Chain

Konica Minolta aims to help build a more sustainable world, where all people are respected. Toward that end, the Group works at CSR procurement (responsible procurement in the supply chain), in order to facilitate appropriate improvements in labor (human rights) as well as ethics, health, safety, and the environment. These efforts are undertaken not only at the Group's production sites but also at the suppliers from which the Group sources raw materials, parts, and other materials, and to which it contracts production and distribution services.

Human Rights Initiatives Related to Group Employees

Konica Minolta is promoting human rights-related initiatives such as the prohibition of any kind of discrimination and harassment based on race, nationality, gender, gender identity/sexual orientation, religion, belief, or physical disability. In addition, Konica Minolta, Inc. and group companies in Japan implement the PDCA cycle regarding their employees, according to a process of annual risk assessment and appropriate corrective actions based on compliance with laws and regulations related to labor (human rights). Going forward, Konica Minolta will consider establishing a risk assessment and corrective action system for Group employees outside Japan as well.

Konica Minolta Sales Honored with Human Rights Award

The Australian Human Rights Commission honored Konica Minolta Business Solutions Australia Pty. Ltd. with a Business Award at the Human Rights Awards 2018. This award recognizes companies that take practical steps to promote and protect human rights and freedom in Australia.



Human Rights Awards 2018 Ceremony
Left: David Cooke, Managing Director, Konica Minolta Business Solutions Australia
Center: Suzie Brett, Director of Legal and Compliance, People & Culture and IT, Konica Minolta Business Solutions Australia
Right: Rosalind Croucher, AM, Emeritus Professor, President of the Australian Human Rights Commission
Photo by Matthew Syres

Social Contribution Activities

Konica Minolta Basic Policy on Social Contribution Activities

As a responsible, global corporate citizen, Konica Minolta makes group-wide efforts to address social issues that it can contribute to through its businesses in order to be an entity that is essential to society. It is also committed to contributing to the creation of a sustainable society by continually engaging in activities that meet local challenges in the various countries where it operates.

Konica Minolta aims to ensure open communication with the local communities where it operates around the world and strives to earn their trust. With this aspiration, the Group aims to contribute to the achievement of SDGs and the creation of a sustainable society, working together with

a wide range of stakeholders, particularly in the three fields of environment, healthcare and sports, and academics, research and education, which are set out in the Konica Minolta Basic Policy on Social Contribution Activities.

Main Initiatives in Fiscal 2018

Protecting the Natural Environment

Participating in a Marathon Event That Supports Reforestation

Related SDGs



The “Green Marathon” held in Rennes, France, contributes to the greening of the world through tree-planting projects, by planting new trees based on the total distance run. Konica Minolta Business Solutions France S.A.S. has been supporting this event since fiscal 2011 and the number of trees planted as of the fiscal 2018 event was 724,000. In fiscal 2018, about 160 people participated, including Konica Minolta employees and business partners.



Employees and business partners who participated in the marathon

Supporting Scholarships, Research, and Education

Helping Young People Form Careers

Related SDGs



In cooperation with a local vocational training institute, Konica Minolta Business Solutions India Private Ltd. has been conducting skills development programs for young people from under-resourced families since 2016.

Program participants receive basic training in a wide range of subjects including English, electronic engineering, machinery, and multi-functional peripherals services over a two-month period.

This program supports young people facing a shortage of jobs, which has become a challenge for new graduates in India in recent years.

Promoting Community Health and Well-being

Supporting NGO Activities That Aid Patients with Intractable Diseases

Related SDGs



Konica Minolta supports the activities of NGOs by promoting employee participation in charity runs and walks, seeking to help patients with diseases including cancer and heart disease. In fiscal 2018, employees participated in charity runs and walks held around the world, including in the US, Europe, Japan, and other parts of Asia.

Supporting Scholarships, Research, and Education

Collaborating in Science Education by Sending Guest Lecturers

Related SDGs



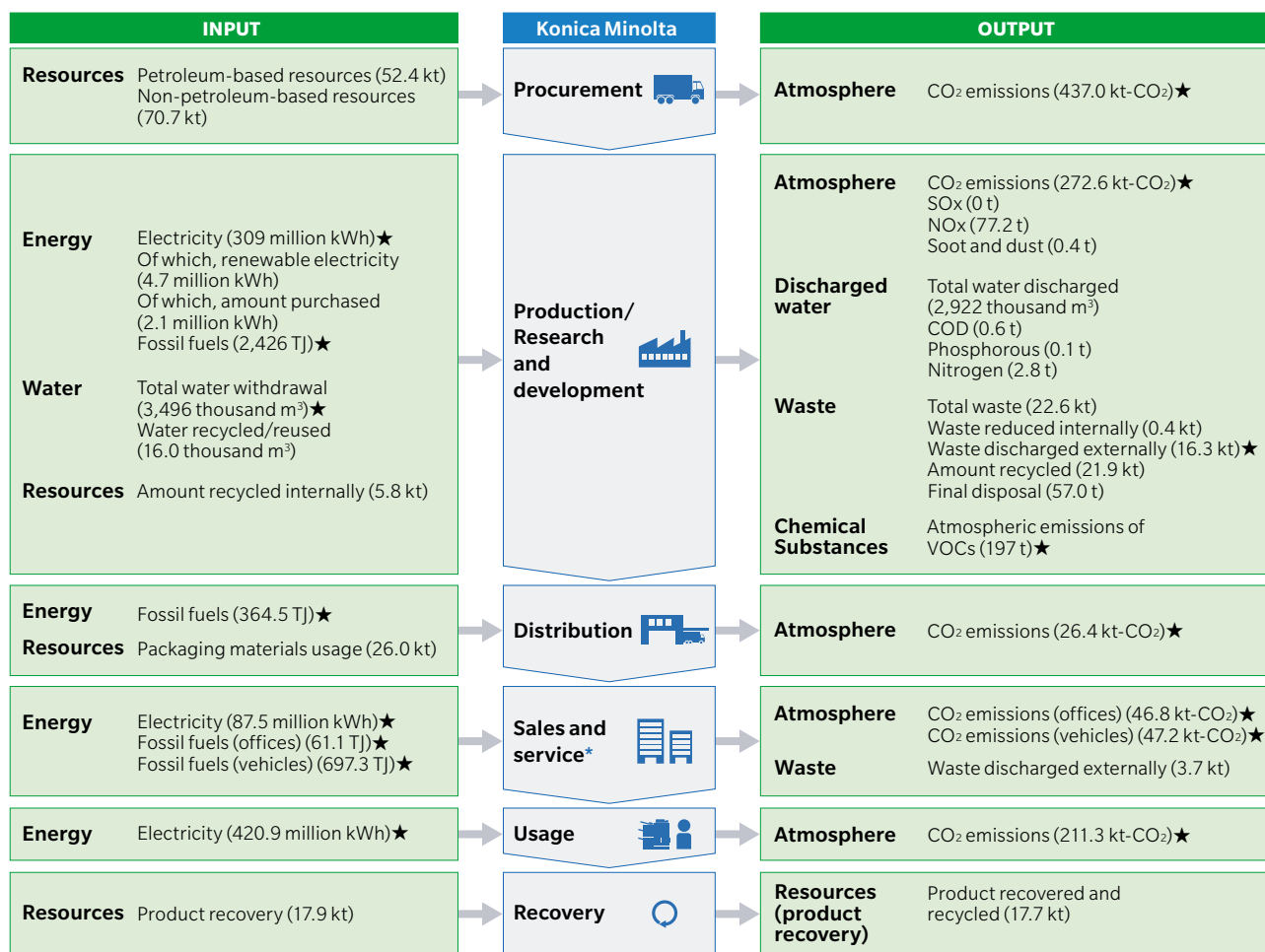
Annually since fiscal 2012, Konica Minolta, Inc. has been sending newly hired employees to serve as guest lecturers at schools. As of March 31, 2018, a total of 710 newly hired employees had offered guest lectures at 49 different schools, reaching a total of 4,228 students. In fiscal 2018, employees served as guest lecturers for 688 students at seven junior high and high schools in Tokyo, Aichi, and Osaka Prefectures in Japan. Konica Minolta, Inc. won the Platinum Award at the Education Support Grand Prix 2018 for this initiative.



Learning about copier functions using a manual copier

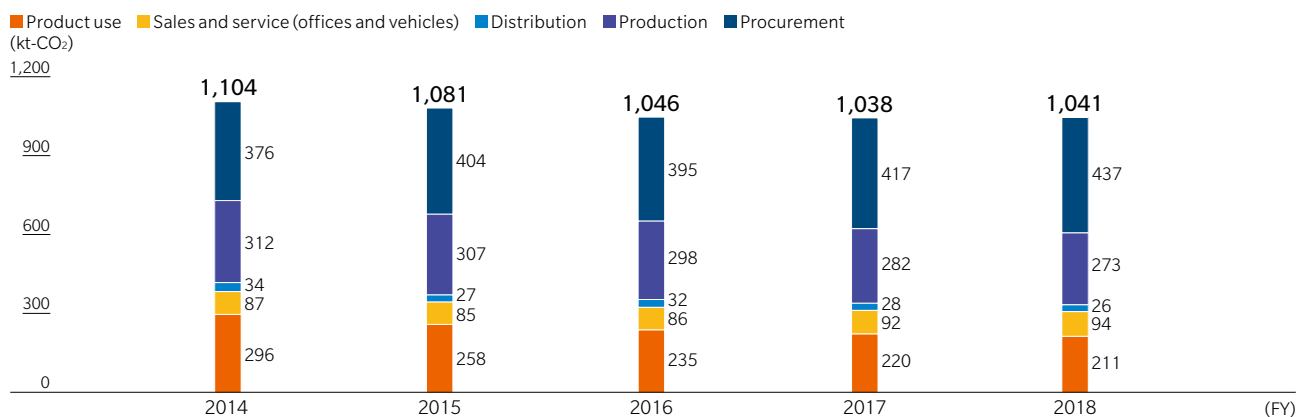
Environmental Data Summary

Overall View of Environmental Impacts Resulting from Business Activities



* Boundary: All consolidated sales companies worldwide

Product Lifecycle CO₂ Emissions★



Note: Figures do not necessarily add precisely to the total due to rounding.

★: Indicators assured by KPMG AZSA Sustainability Co., Ltd.

Calculating CO₂ Emissions across the Entire Supply Chain

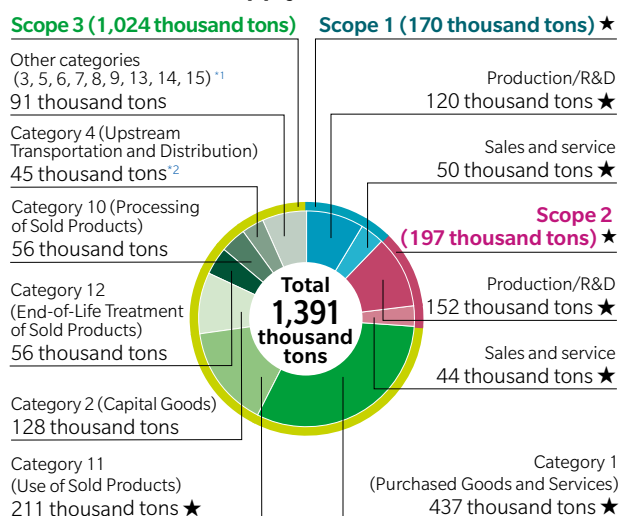
Konica Minolta has calculated the CO₂ emissions associated with the Group's activities across its entire supply chain, from the upstream to the downstream aspects of its operations, based generally on the standards of the GHG Protocol,* the international standard. In fiscal 2018, the calculation showed that CO₂ emissions throughout the supply chain were approximately 1.39 million tons, which represents an increase of approximately 3.9% from fiscal 2017. Emissions from the Group's activities including direct emissions from fuel use (Scope 1) plus indirect emissions from the consumption of purchased electricity, heat or steam (Scope 2) totaled approximately 0.37 million tons, or approximately 26% of all emissions. Other indirect emissions (Scope 3) associated with the Group's activities totaled approximately 1.02 million tons, accounting for approximately 74% of all emissions.

CO₂ emissions for "purchased goods and services" accounted for 31.4% of emissions across the entire supply chain. Although the amount of resources needed per product declined thanks to the development of new models with resource-saving designs, the number of products sold in the Office Business and Professional Print Business increased significantly, resulting in an overall increase in CO₂ emissions. In terms of the "use of sold products," which accounted for 15.2% of emissions, the Group is working to develop features that encourage customers to save energy, in addition to reducing the power consumption of the products themselves. Konica Minolta will share information with relevant stakeholders in the future based on the results of these calculations and move forward with CO₂ emissions

management and reduction activities throughout the supply chain.

***GHG Protocol:** Initiatives for developing an international standard for addressing greenhouse gas (GHG) emissions and climate change

Overall View of CO₂ Emissions Across the Entire Supply Chain of Konica Minolta



*1 Categories 3 (Fuel- and Energy-Related Activities), 5 (Waste Generated in Operations), 6 (Business Travel), 7 (Employee Commuting), 8 (Upstream Leased Assets), 9 (Downstream Transportation and Distribution), 13 (Downstream Leased Assets), 14 (Franchises) and 15 (Investments)

*2 CO₂ emissions attributed to product distribution: 26 thousand tons ★

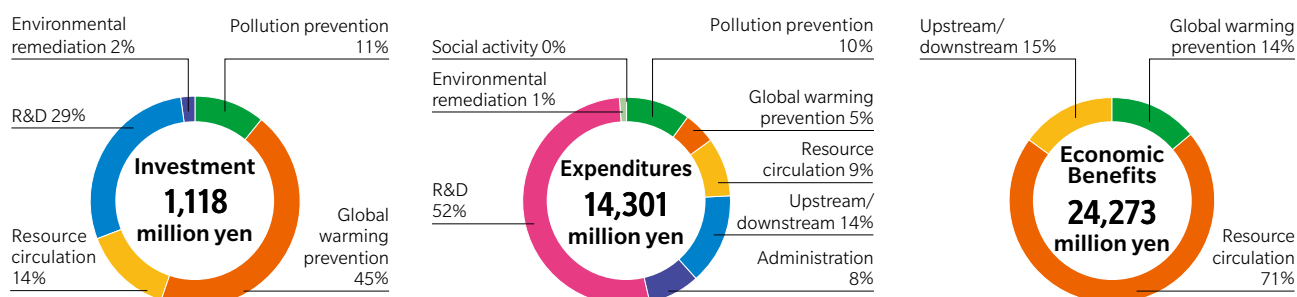
Note: Figures do not necessarily add precisely to the total due to rounding.

Environmental Accounting

Konica Minolta has implemented global-scale, consolidated environmental accounting in order to quantitatively assess the costs of environmental preservation in business operations and the benefits obtained from those activities.

Expenditures in fiscal 2018 were approximately 14.3 billion yen, almost the same as in fiscal 2017. Investments

increased slightly from the previous fiscal year to 1.1 billion yen. Investments in fiscal 2018 consisted of regular equipment renewal only, and there was no large-scale investment. Economic benefits increased mainly due to a change in the calculation method for economic benefits in fiscal 2018.



Note: Percentages do not necessarily total to 100 because of rounding.

Human Resources Data Summary

Employee Composition by Employment Status

(As of March 31, 2019)

	Regular employees ^{*1} ★	Non-regular employees ^{*2}	Total
Konica Minolta, Inc.	5,207	1,892	7,099
Group companies in Japan	6,071	2,511	8,582
Group companies outside Japan	33,082	2,606	35,688
Konica Minolta Group (worldwide)	44,360	7,009	51,369

^{*1} Regular employees: Includes employees seconded from other companies; excludes employees seconded to other companies^{*2} Non-regular employees: Includes temporary employees, employees dispatched from an agency, and staff contracted from other companies

Number of Employees, by Gender

(As of March 31, 2019)

	Regular employees★		
	Men	Women	Gender not reported*
Konica Minolta Group (worldwide)	30,926	13,176	258

*Some offices do not count men and women separately.

Number of Newly Hired Employees

(As of March 31, 2019)

	Regular employees		
	Men	Women	Gender not reported
Konica Minolta, Inc.	138	48	—

Percentage of Management Positions Held by Women

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Konica Minolta, Inc. ^{*1}	4.4%	5.5%	6.2%
Konica Minolta Group (worldwide) ^{*2}	16.4%	18.9%	18.6%

^{*1} Includes employees seconded to Group companies. Figures are as of April 1, the day after the end of each fiscal year.^{*2} Konica Minolta, Inc. and consolidated subsidiaries representing at least 92% of the total workforce of the Group through fiscal 2018, and at least 93% in fiscal 2016 and 2017. Figures are as of March 31 of each fiscal year.

Percentage of Employees with Disabilities

	June 1, 2017	June 1, 2018	June 1, 2019★
Employment rate	2.19%	2.28%	2.32%

Note: Boundary through 2018: Konica Minolta, Inc., Konica Minolta With You, Inc., Konica Minolta Japan, Inc., Kinko's Japan Co., Ltd. and Konica Minolta Mechatronics Co., Ltd. Added in 2019: Konica Minolta Information System Co., Ltd., Konica Minolta Planetarium Co., Ltd., and Konica Minolta Business Associates Co., Ltd. Employment rate on June 1, 2018, corrected from 2.27% to 2.28%.

Percentage of Local Hires at Subsidiaries Outside Japan

(As of March 31 of each fiscal year)

	Fiscal 2016	Fiscal 2017	Fiscal 2018
President	60%	63%	65%
Senior staff	55%	55%	52%

Percentage of Unionization

(As of March 31 of each fiscal year)

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Konica Minolta Group (worldwide)	85%	85%	87%

Note: Figures are for non-managerial regular employees.

★: Indicators assured by KPMG AZSA Sustainability Co., Ltd.

Retention Status of Employees

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Turnover rate	0.9%	1.1%	2.0%
Percentage of new employees leaving within three years	8.8%	11.6%	10.1%

Note: Figures are for regular employees of Konica Minolta, Inc. The percentage of new employees leaving within three years is defined as the percentage of employees who leave their job within three years of joining the company (as of April 1, the day after the end of each fiscal year).

Indicators Related to Work-Life Balance

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Percentage of paid leave taken	60.5%	60.9%	60.0%
Annual overtime hours worked per employee	52 hours	45 hours	46 hours
Annual total hours worked per employee	1,763 hours	1,756 hours	1,776 hours

Note: Figures are for regular employees of Konica Minolta, Inc.

Work-Life Balance Support Program Use

(persons)

	Fiscal 2016		Fiscal 2017		Fiscal 2018	
	Women	Men	Women	Men	Women	Men
Maternal health management leave	2		6		4	
Maternity leave	19		31		26	
Spousal maternity leave		108		122		104
Parental leave	42	14	46	27	45	35
Shorter working hours for childcare	132	2	117	3	91	3
Work-at-home during child-rearing	27	4	30	4	24	4
Nursing care leave	0	2	0	1	0	1
Shorter working hours for nursing care	1	0	2	0	1	0

Note: Figures are for regular employees of Konica Minolta, Inc.

Percentage of Employees Who Return to Work after Childcare Leave

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Work resumption rate	100%	100%	100%

Note: Figures are for regular employees of Konica Minolta, Inc.

Accidents Causing Absence from Work at Sites in Japan

(As of March 31 of each fiscal year)

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Number of employees taking leave from work	4	7	8
Accident frequency rate*1	0.13	0.22	0.25
Number of days of absence	44	237	59
Severity rate of accidents causing absence from work*2	0.0012	0.0062	0.0015

Note: Figures are for employees of Konica Minolta Group Japan, including those dispatched from an agency

*1 **Accident frequency rate:** The number of persons absent from work per one million total actual working hours for current employees

*2 **Severity rate of accidents causing absence from work:** The total number of days absent from work per 1,000 total actual working hours for current employees

Accidents Causing Absence from Work at Sites outside Japan

(As of March 31 of each fiscal year)

	Fiscal 2016	Fiscal 2017	Fiscal 2018
Number of employees taking leave from work	6	5	5
Accident frequency rate	0.21	0.20	0.20
Number of days of absence	52	98	86
Severity rate of accidents causing absence from work	0.0015	0.0032	0.0029

Note: Figures are for employees of Group companies in China and manufacturing companies in Malaysia, including those dispatched from an agency.

Expert Opinion of Konica Minolta's CSR Report

We asked Yoshinao Kozuma, Emeritus Professor of Sophia University, to give us feedback on this report. His comments are presented below. We will use this feedback to improve our future CSR activities and our 2020 CSR Report.



Yoshinao Kozuma
Emeritus Professor,
Sophia University

1. Evolving Business Model

The worldwide sustainability trend driven by the Paris Agreement and Sustainable Development Goals is accelerating. With this, the future growth of companies will depend upon their capacity to create shared value and their ability to adapt to changes in social systems. If a company's current business model is not appropriate for a sustainable society, it will have to be revised, and in some cases, this may mean a fundamental shift.

Konica Minolta's current Medium Term Business Plan, "SHINKA 2019," sets out a vision for such a business model: becoming "a digital company with insight into implicit challenges." The business concept behind that vision—B to B to P for P—attempts to leverage innovative thinking to identify business opportunities proactively, building on the foundation of the digital technologies the company has developed thus far. It embodies a management policy of striving to deliver co-created value and corporate growth in an integrated fashion.

One specific new proposal for such a digital company with insight into implicit challenges is the company's idea of a digital environmental platform. I have high hopes that this platform, by integrating the solution business and platform business, will contribute to future development and growth as a novel initiative that expands the socioeconomic scale of value co-creation beyond providing expertise on-site into cyberspace.

2. External Evaluations

Outside appraisal of Konica Minolta's sustainability management continues to improve. Every year, the company is included in global ESG investment indexes such as the Dow Jones Sustainability World Index (DJSI World) and FTSE4Good. It receives high marks from rating agencies, as well as various awards, and the variety of such recognition is also increasing. Of particular note, Konica Minolta appears to be the first Japanese company to be included in the DJSI World for seven years running since 2012 and to be selected as a leader—the top company in the Index's sector Industrials—for two straight years. To put this in context, 340 companies worldwide were included in the DJSI World in September 2012 with only a mere 20 Japanese companies among them. Further, no Japanese company was selected as an Industrials leader back then, when there were 19 groups in the sector of the index.

Viewed in light of this history, I believe that the height of Konica Minolta's current outside appraisal appropriately reflects its steady efforts.

3. Evaluation of Initiative Efficacy

Based on Konica Minolta's CSR targets and results, we can see that the company is appropriately managing its material issues related to the environment and maintaining good performance. However, there are still issues in its social indicators. For example, improvement has not been made in the target for the accident frequency rate. And the turnover rate is continuing to increase. The percentage of new employees leaving within three years, in particular, has reached double digits and become a cause of concern for human capital management. I imagine that in each case improvement efforts are being made, but perhaps there is a need to reconsider whether the measures taken are proving effective.

External Assurance

Konica Minolta engaged KPMG AZSA Sustainability Co., Ltd. to provide assurance on whether its CO₂ emissions from procurement, production and research & development, product distribution, sales and service, and product usage; energy use; waste discharged externally from manufacturing; atmospheric emissions of volatile organic compounds (VOCs); water consumption; the number of regular employees (by gender); and the percentage of employees with disabilities have been measured, gathered, and disclosed in accordance with the criteria set by the Group. Indicators that have been assured by KPMG AZSA Sustainability Co., Ltd. are marked with a ★.



Independent Assurance Report

To the President and CEO of Konica Minolta, Inc.

We were engaged by Konica Minolta, Inc. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★ for the period from April 1, 2018 to March 31, 2019 included in its CSR Report 2019 (the "Report") for the fiscal year ended March 31, 2019.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in its website.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting one of the Company's domestic factories selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in its website.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
August 27, 2019

Period: March to June 2019

On-site audit of the Tokyo Site
Hachioji of Konica Minolta, Inc.



Comment from the Assurance Provider

Shutaro Takakura, KPMG AZSA Sustainability Co., Ltd.

This CSR report discloses climate-related information for the four core elements—Governance, Strategy, Risk Management, and Metrics and Targets—in line with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As investors' interest concerning the impact of the transition to a low-carbon economy on companies' financials continues to grow, we believe this report can be recognized as a first step toward disclosure of climate-related information based on the international framework. However, considering the details in light of the TCFD's recommended disclosures, there are some elements that are still inadequate in disclosure. In addition, as examples of climate-related disclosure based on the TCFD's recommendations increase in the future, the company may be required to enhance its climate-related disclosure in order to meet investors' needs for information.

The company provides its CO₂ emission performance data in connection with its "Carbon Minus" targets. This enables a clear description of the progress of emission reductions in light of the "Carbon Minus" targets in the Medium-Term Environmental Plan 2019 and Eco Vision 2050.

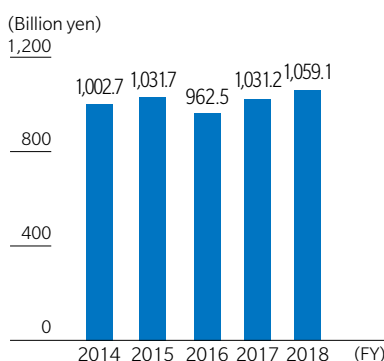
With respect to human resources data, while targets and achievements in terms of gender diversity, such as the percentage of women in management positions or new hires, are disclosed, there are some indicators which are not accompanied by specific company goals, such as the percentage of non-Japanese nationals among new hires. Regarding indicators for which goals have not been formulated, I hope that the company will explain what goals it will set in the future and what policies and approaches it will adopt.

Overview of the Konica Minolta Group

Corporate Data

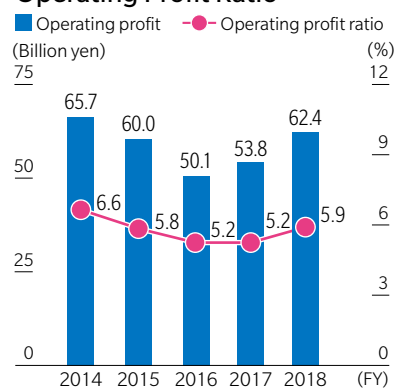
Company name	Konica Minolta, Inc.
Head office	2-7-2 Marunouchi, Chiyoda-ku, Tokyo, Japan
President and CEO	Shoei Yamana
Established	December 22, 1936
Capital	37,519 million yen (as of March 31, 2019)
Fiscal year-end	March 31
Number of employees	Non-consolidated: 5,207 Consolidated: 44,360 (as of March 31, 2019)

Consolidated Revenue

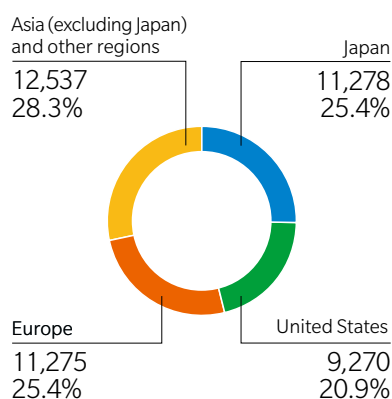


Note: The company uses International Financial Reporting Standards (IFRS).

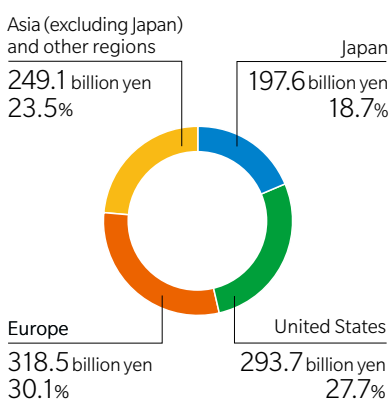
Consolidated Operating Profit / Operating Profit Ratio



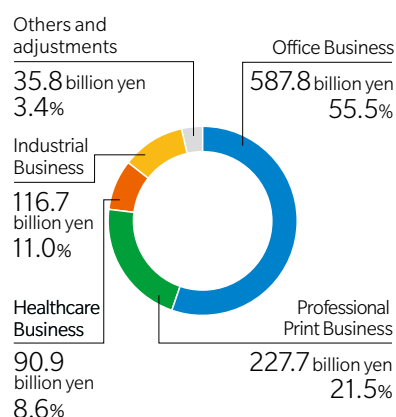
Number of Employees by Region



Revenue by Region



Revenue by Business Domain



Business Domains

Business Segments	Business Content
Office Business	Development, manufacturing and sale of multifunctional peripherals and related supplies, and provision of related solution services
Professional Print Business	Development, manufacturing, and sale of digital printing systems and related supplies, and provision of various printing services and solution services
Healthcare Business	Development, manufacturing, and sale of medical diagnostic imaging systems (such as X-ray photography and ultrasonic diagnostic imaging systems), provision of services related to those systems and other solution services for digitizing and networking medical treatment
Industrial Business	● Materials and Components Development, manufacturing and sale of TAC film used for liquid crystal displays, OLED lighting, ink jet heads for industrial use and lenses for industrial and professional uses, and other products ● Optical Systems for Industrial Use Development, manufacturing and sale of measuring equipment, and other products



KONICA MINOLTA

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[For inquiries](#)

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