

Intellectual Property Report 2015

(April 2014 to March 2015)

July 2015

KONICA MINOLTA, INC.

Under our management philosophy, “The Creation of New Value,” Konica Minolta, Inc.*¹ (“Konica Minolta”) began implementing the new Medium Term Business Plan TRANSFORM 2016*² in fiscal 2014. Accordingly, we have been promoting a shift in our business model and taking on initiatives for developing increasingly higher added-value business, all the while remaining close to our customers. With respect to our vision five years ahead, the plan outlines goals that involve creating a vertical service business capable of providing comprehensive solutions (devices and services) from the customer’s perspective as well as high-performance materials business offering materials that only Konica Minolta can provide by leveraging our proprietary materials technologies.

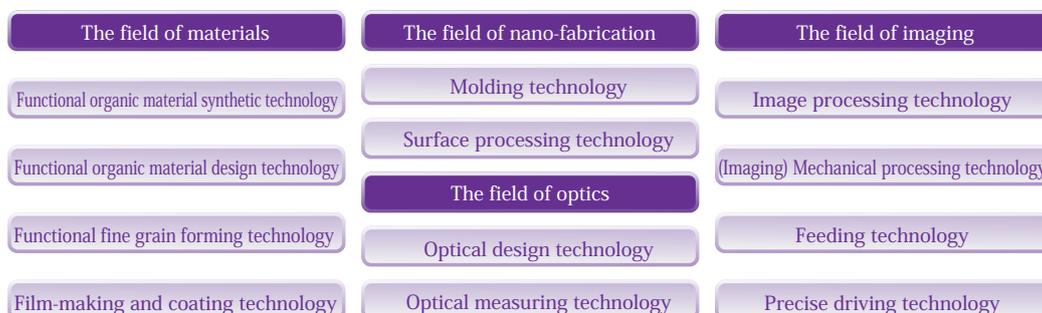
In working to achieve these goals in line with our management philosophy, we have positioned our intellectual property strategy as one of our three key management strategies, which also include our business and technology strategies, in order to support our business activities from the perspective of intellectual property.

This document describes Konica Minolta’s activities in the field of intellectual property in fiscal 2014.

1. Core Technologies and Business Model

For an extended period of some 140 years since its foundation, Konica Minolta has provided attractive products such as photographic films and cameras as well as multifunction peripherals (MFP) and X-ray imaging devices developed based on the technologies that it has acquired. Through the continuous development of technology relating to these products, Konica Minolta has come to possess a number of core technologies*³ in four fields: materials, nano-fabrication, imaging, and optics. By capitalizing on and integrating these core technologies, Konica Minolta pursues further enhancement of product functions and the creation of new business (see figure at bottom).

Four Technology Fields and Core Technologies



Leveraging our core technologies to create sophisticated products and new businesses



*1 For a company overview, visit our website: <http://www.konicaminolta.com/about/corporate/outline.html>

*2 For TRANSFORM 2016, visit our website: http://www.konicaminolta.com/about/investors/ir_library/ar/ar2014/index.html

*3 For detailed information of our core technologies, visit our website: <http://www.konicaminolta.com/about/investors/why/index.html>

As one example of these efforts, we have come up with emulsion polymerized toners that replace conventional pulverized toners, as a result of toner development initiatives drawing on our technologies in the field of materials built up in the course of developing photographic films. Compared with pulverized toners, emulsion polymerized toners have smaller and more uniform particles that make higher definition images possible. Moreover, emulsion polymerized toners fuse to paper at lower temperatures due to properties that include more efficient heat conductivity and water solubility, thereby also contributing to more energy-efficient MFPs. Our emulsion polymerized toners are also being used in MFPs as well as digital printing systems*⁴ where the properties just noted help enable high-quality printouts and lower energy consumption during continuous printer operation.

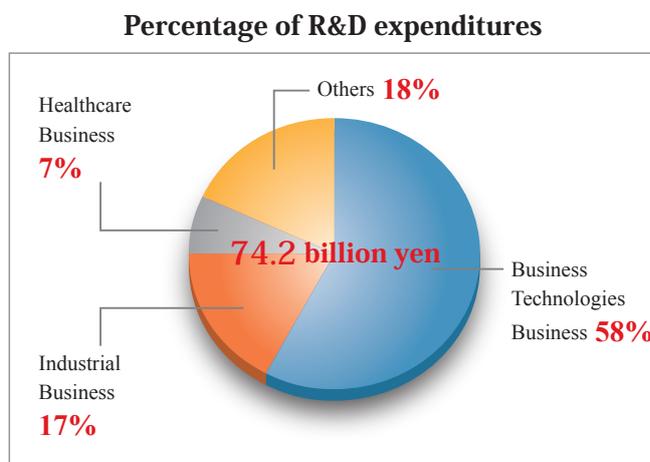
We have also developed flexible organic light-emitting diode (OLED) lighting panels by bringing our technologies in the field of materials built up in the course of developing photographic films together with our technologies in the field of optics accumulated in the course of developing photographic lenses. Our flexible OLED lighting panels are capable of uniformly emitting light across the entire panel surface area, even when the panel is curved or bent. This will enable completely new product designs and applications never before possible with conventional lighting.

In this way, Konica Minolta is using its various core technologies acquired through the development of products for the Creation of New Value that we seek.

2. Research and Development Segment and R&D Cost

Konica Minolta is developing three primary areas of business — the Business Technologies Business, Industrial Business and Healthcare Business — and is actively engaging in R&D initiatives geared toward expansion in these areas and creation of new businesses.

Under our investment plan for achieving objectives set forth in TRANSFORM 2016, we have earmarked a cumulative total of ¥240 billion for R&D expenses over the three years from 2014 to 2016, with such outlays in fiscal 2014 amounting to ¥74.2 billion for a 6.7% increase compared with the previous fiscal year. Looking at the breakdown of R&D expense per area of business in fiscal 2014, our mainstay Business Technologies Business accounted for the largest share of those funds at 58% of overall R&D expenditure (see right graph). In the Business Technologies Business, we are aggressively investing in R&D initiatives mainly to enhance technologies that coexist with cloud and mobile applications, and have accordingly increased the amount of investment by 8.6% compared with the previous fiscal year. In the Healthcare Business, we are promoting R&D in technologies that will differentiate us from our competitors, with a focus on cassette-type digital X-ray systems and diagnostic ultrasound systems. As a result, we significantly increased R&D investment in the Healthcare Business by 36.8% compared with the previous fiscal year.



*4 For detailed information on our digital printing systems, visit our website:
<http://www.biz.konicaminolta.com/production/index.html>