

### 3. Status of Patent Applications, Securing Intellectual Property Rights, and Patent Portfolio

The number of published Japanese patent applications filed by Konica Minolta in fiscal 2014 was 2,375<sup>\*5</sup> (see graph at top right). Our mainstay Business Technologies Business accounts for 52% of the total number of published Japanese patent applications filed by Konica Minolta. Carrying on from the previous fiscal year, we have been actively filing patent applications, with those of the Industrial Business primarily involving organic light-emitting diode (OLED) lighting and those of the Healthcare Business primarily involving cassette-type digital X-ray systems and diagnostic ultrasound systems.

Our overseas sales accounted for 79.9% of Konica Minolta's net sales (see middle-right graph). We also have numerous overseas sales and production sites. Accordingly, Konica Minolta actively files patent applications worldwide to cover important markets and countries where production takes place, thereby providing support in terms of intellectual property in the company's pursuit of global business opportunities. Specifically, we are aggressively retaining our initiatives to file for patents in the key U.S. market, while also bolstering our efforts to submit patent applications in China, which is becoming increasingly important not only as a manufacturing location but also as a market for goods.

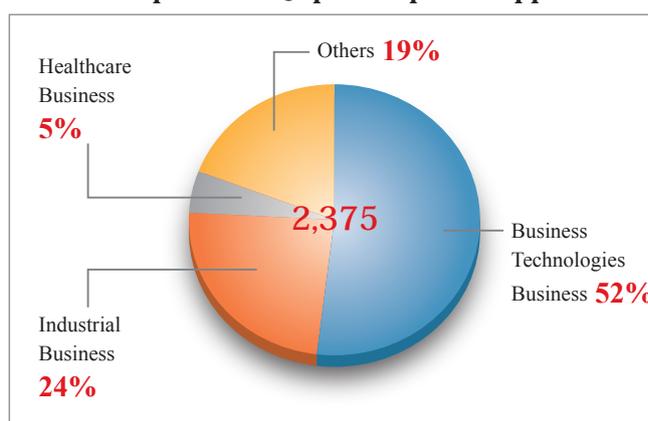
As a result, the number of patent registrations and patents held in the United States and China as well as in Japan is rising steadily.

Konica Minolta registered 1,545 patents in Japan in fiscal 2014. Based on information from the "Patent Office Annual Report 2015 Edition" issued by the Japan Patent Office, Konica Minolta's rank in fiscal 2014 was 16th, the same as in fiscal 2013. As of the end of fiscal 2014, Konica Minolta held 12,254 patents, an increase of approximately 1.2 times compared to fiscal 2012 (see graph at bottom right).

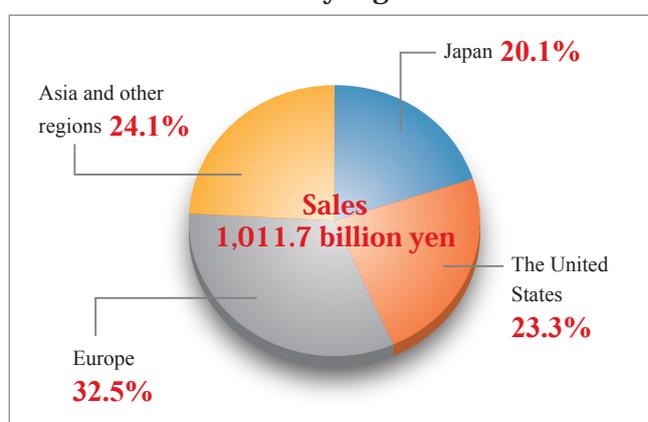
Konica Minolta registered 694 patents in the United States in fiscal 2014, ranking 20th<sup>\*6</sup> among Japanese companies. The number of patents held in the United States was 6,807, which is approximately 1.1 times more than in fiscal 2012 (see graph at bottom right).

In addition, 184 patents were newly registered in China in fiscal 2014. That brought the number of Konica Minolta's patents in China to 901, for a 1.6-fold increase in comparison with fiscal 2012, due to the company's strategic intellectual property initiatives (see right-bottom graph).

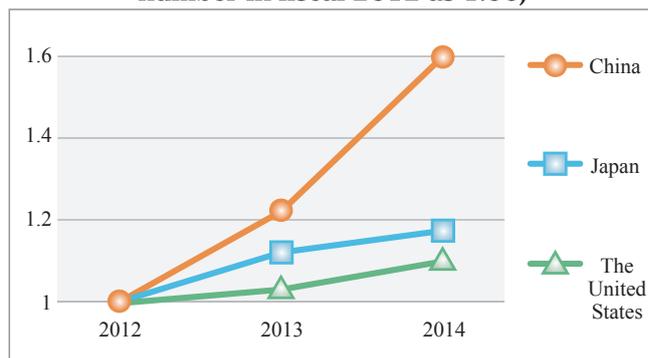
Number of published Japanese patent applications



Sales by region



Change in the number of patent rights held in Japan, the U.S. and China. (based on the number in fiscal 2012 as 1.00)

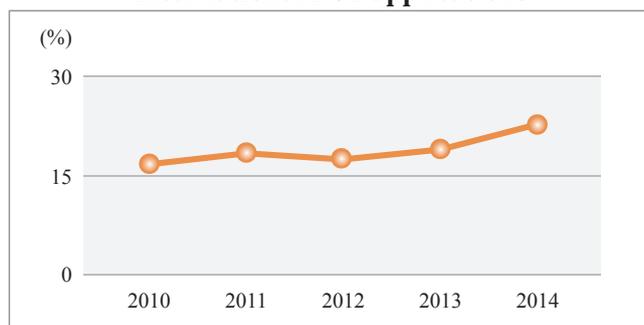


\*5 This includes the number of published PCT applications from operations in Japan.

\*6 The rank is estimated from the data in Intellectual Property Owners Association (Top 300 Patent Owners).

Moreover, Konica Minolta is making aggressive use of the PCT patent application scheme in business fields undergoing rapid technological change. In so doing, we are able to select countries that we deem suitable for filing patent applications on the basis of factors such as the business environment and technological trends during the phase up until the point where we transition to filing a patent application for an individual country. Of the total number of published Japanese patent applications filed by Konica Minolta in fiscal 2014, 23% were published PCT applications, and that ratio has remained at not less than 15% over the fiscal years 2010 to 2014 (see the right graph).

**Percentage of the number of published international PCT applications**



#### 4. Organization to Support Intellectual Property Activities

##### (1) Role of the Intellectual Property Center

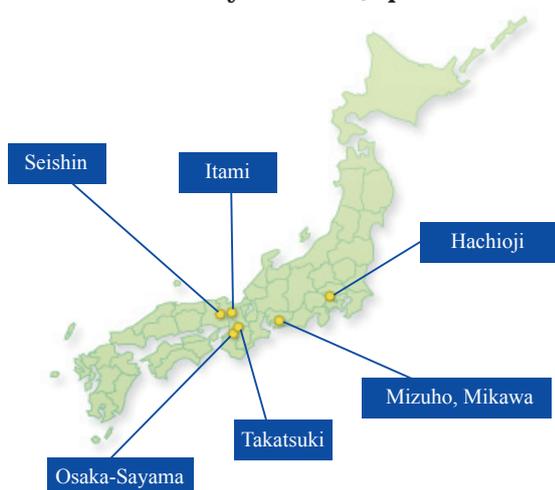
On the basis of our intellectual property policy stating that, “we are committed to actively promoting efforts geared toward creating, protecting and making effective use of intellectual property, and we respect the valid intellectual property rights of third parties in the course of engaging in business activities,” Konica Minolta formulates intellectual property strategies for each of its areas of business, while its business divisions and the Intellectual Property Center work together in implementing those strategies.

The Intellectual Property Center is under the direct authority of the President and assumes responsibility for overall administration and implementation of intellectual property initiatives that include formulating Group-wide intellectual property strategy, invention discovery activities, patent application and rights acquisition activities and addressing issues involving intellectual property rights of other companies.

To such ends, the Intellectual Property Center provides support for enabling “The Creation of New Value,” our management philosophy, from an intellectual property perspective by establishing bases for carrying out such activities at respective development sites, maintaining close communications with developers, gathering information about on-site needs and introducing various measures in a timely manner (see illustration below). More specifically, the Intellectual Property Center promotes sharing of information and knowledge with respective development divisions on a daily basis so that we can better identify various inventive technologies that are being conceived and then establish rights underpinning business and development activities. With respect to the process of establishing rights, the Intellectual Property Center works with patent firms in Japan and overseas in taking on tasks involving patent application and rights acquisition. It also regularly holds seminars to brief patent firms on matters having to do with Konica Minolta’s business, technology and intellectual property strategies, thereby helping to create an environment where such firms are able to take a proactive approach in supporting us in our activities that involve intellectual property. Furthermore, the Intellectual Property Center is committed to elevating patent quality and acquiring patents that contribute to business operations, while sharing information on sound patent standards that are in line with Konica Minolta’s aims and engaging in exchanges of opinion regarding results of quality evaluations of patent application specification and response documents prepared by patent firms.

The Intellectual Property Center also has sites in the U.S. and China, which work in conjunction with operations in Japan in providing support involving intellectual property to locally based development activities (see illustration below).

**Activity bases in Japan**



**Overseas activity bases**



\*Base of intellectual property activities