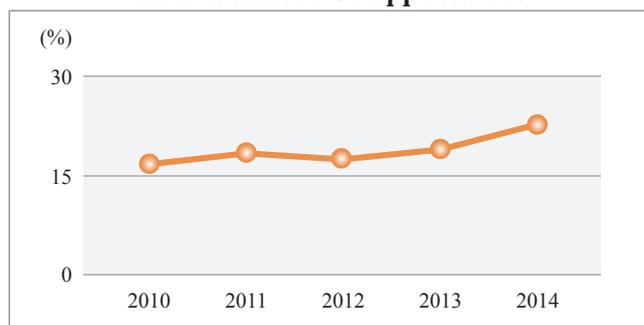


Moreover, Konica Minolta is making aggressive use of the PCT patent application scheme in business fields undergoing rapid technological change. In so doing, we are able to select countries that we deem suitable for filing patent applications on the basis of factors such as the business environment and 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

(2) Education Framework

The Intellectual Property Center organizes education and training programs for developers on issues involving intellectual property that are essential to our development activities, in areas that include intellectual property basics, understanding inventions and interpreting the wording of patent application specifications and conducting prior art searches. More specifically, basic training on intellectual property is provided to developers during their first year of employment, along with numerous training courses on intellectual property through Konica Minolta College, which acts as a company-wide educational system offering employees the option of taking multiple courses to enhance their skills. These types of educational programs are not limited to Japan, but are also provided to overseas developers. At the development site in China, for example, we implement and operate programs on intellectual property basics for local developers. Starting in fiscal 2014, educational programs were launched on topics that include techniques for developing ideas, with the aim of further increasing the quality of patent applications.

Meanwhile, training of Intellectual Property Center staff members is also of great importance to us. As such, we actively develop the capabilities of such employees by offering on-the-job development (OJD) and in-house study groups, and also by having them take part in training programs outside the company where they learn about legal systems and practices related to patents in different countries. We also put a great deal of effort into professional development through well-planned initiatives that include assigning employees to overseas law firms and sending them to universities in the U.S. and China as international students, all with the aim of ensuring that our employees are capable of playing an active role in the realm of global intellectual property.

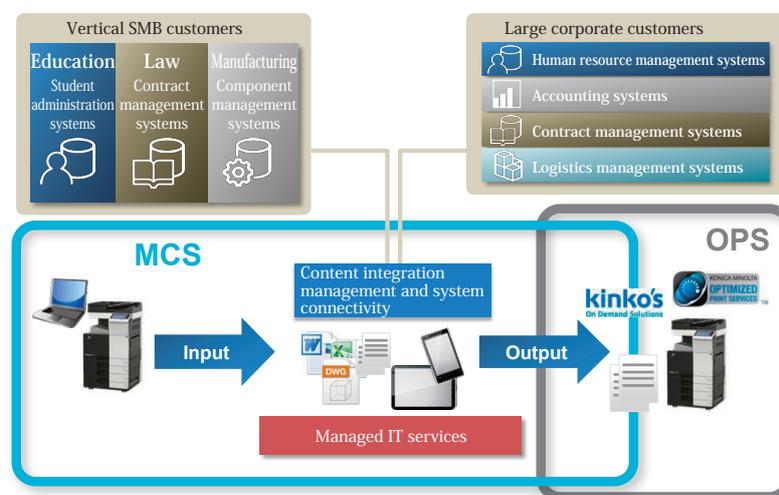
5. Intellectual Property Underpinning Individual Businesses

(1) Business Technologies Business

The Business Technologies Business domain consists of the office services business with MFP as the core product and the commercial and industrial printing business, which handles digital printing systems used in the Commercial Printer business and Centralized Reprographic Department.

In the office services business, our development efforts are geared toward increasing speed and quality of MFPs and other functional improvements, and are also pursued with the aim of proposing solutions enabling total optimization of customer office environments by combining our MFPs with our ICT (information communication technology) services. This is particularly the case with respect to our initiatives in developing technologies relevant to our Managed Content Services (MCS)^{*7} which involve delving into a customer's business processes and providing them with systems that enable integrated management of content and devices for input and output of such content, and also relevant to our Optimized Print Services (OPS)^{*8} where we provide ideal set-ups with multiple MFPs and printers tailored to customer needs (see illustration below).

Managed Content Services (MCS) & Optimized Print Services (OPS)



*7 For MCS, visit our website: http://www.konicaminolta.com/about/releases/2014/1003_02_01.html

*8 For OPS, visit our website: <http://www.biz.konicaminolta.com/services/ops/index.html>