

To address issues involving patents of third parties, the division has also adopted a system for patent clearance. Under the system, when developing products and entering new businesses, the division implements measures as necessary during the product development

process that involve scrupulously performing investigations with respect to third-party patents beginning in the early phases of product development. These efforts help ensure that we continue to generate consistent profits from our business operations.

Activity bases in Japan



Overseas activity bases



(2) Education Framework

The Intellectual Property Division organizes education and training programs for developers on issues involving intellectual property that are essential to our development activities, in areas that include the basics of intellectual property laws, understanding inventions and conducting prior art searches. More specifically, we provide numerous education and training programs on intellectual property through Konica Minolta College, which acts as a company-wide educational system offering employees the option of taking courses to enhance their skills. In fiscal 2015, the programs were revamped into a format organized by function, including the functions of filing for patents, responding to reasons for rejection, and patent investigations, in place of the previous format, which was hierarchical based on developers' years of experience in development. Because this has made it possible for developers to access the necessary program content when needed, developers are now able to apply skills they have learned to actual development tasks on a timely basis.

These types of educational programs are not limited to Japan, but are also provided to developers in the United States and China. In those locations, Intellectual Property Division employees stationed locally serve as instructors in providing the same programs organized by function as those available in Japan. The education and training in patent applications, for instance,

involves content encompassing means of generating and developing ideas, which has enabled us to enhance the patent filing capabilities of development sites overseas.

We have also been focusing our efforts on education and training of Intellectual Property Division employees, with the aim of enhancing the functional capabilities of that division. More specifically, we actively develop the abilities of such employees by offering on-the-job development (OJD) opportunities and in-house study groups, and also by making use of education and training programs outside the company on legal systems and practices related to patents in different countries. As one particular example, we have launched a mentoring program geared to our younger employees, which involves a systematic approach to career development. Under the program, mentors spearhead initiatives in providing such employees with individualized guidance over multiple years, encompassing facets of their development that include fostering professional attitudes as well as workplace knowledge and skills.

Furthermore, in order to develop human resources who are capable of playing an active role amid the global intellectual property landscape, we also send employees to U.S. law schools and Chinese universities, and post them to the intellectual property strongholds of the U.S. and China.

5. Fields of Business and Intellectual Property Activities

(1) Business Technologies Business

The Business Technologies Business domain is classified into the office services field, with MFP as the core product, and the commercial and industrial

printing field, which handles digital printing systems used in commercial printing and in-house printing.

(1-1) Office Services Field

In the office services field, we have been linking multi-functional peripherals (MFPs) and information and communications technology (ICT) services

extending beyond development geared to improving MFP performance in recent years, and thereby offering solutions that are optimally tailored to the office

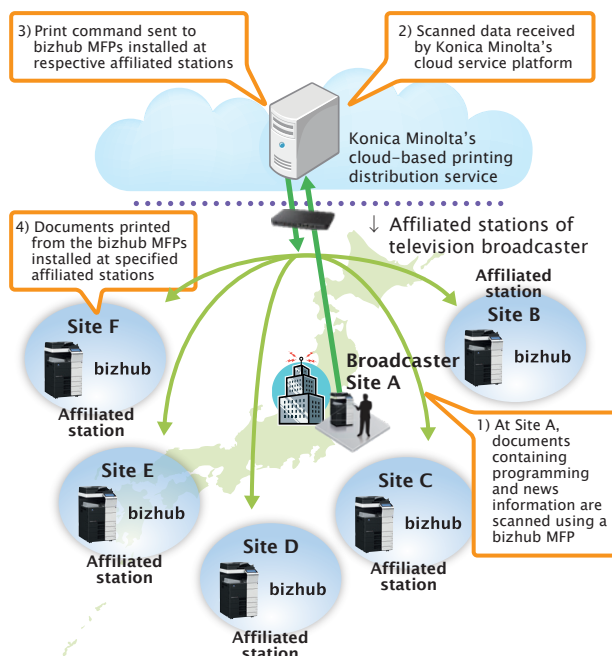
environments of our customers. For instance, we have been providing access to our cloud-based printer server network, using our INFO-Palette Cloud⁹ services, to a television broadcaster for whom information acts as a lifeline with respect to its programming and news content. The broadcaster had previously relied on fax machines to send information among its affiliated stations. However, that means of relaying information posed issues in terms of safety and reliability, particularly given challenges of sending and receiving faxes at times when telephone networks fail to function properly during major disasters and other crises. The broadcaster also faced issues with respect to poor fax quality and high costs.

However, using a cloud-based printer server, the broadcaster's MFPs were linked to our cloud services, thereby enabling the broadcaster to achieve gains in terms of productivity and reliability without having to make any modifications to its existing workflow. With the new system, the broadcaster scans documents on programming and other such details using one of the MFPs that have been installed at its affiliated stations across Japan, and then temporarily sends such data to Konica Minolta's cloud platform. Then, using the cloud platform, those at the affiliated stations are able to relay information on programming and other such matters simply by sending a command to the multiple MFPs at affiliated stations to print such documents. This enables the broadcaster to send information through existing workflow procedures involving fax machines already in place, and without having to go through the telephone network.

In this regard, we have been taking a strategic

approach in filing patent applications on a worldwide basis in order to support Konica Minolta from the standpoint of intellectual property in the realm of technologies involving solutions that bring MFPs and ICT services together. As such, we have steadily built up our patent portfolio to the point where our published patent applications for these technologies numbered over 1,000 as of the end of fiscal 2015.

Cloud-based printer server network



(1-2) Commercial and Industrial Printing Field

In the commercial and industrial printing field, we have been forging ahead in developing a label printing system that is capable of printing to long sheets of label paper. In fiscal 2015, we took part in Labelexpo Europe 2015, where we exhibited our bizhub PRESS C71cf¹⁰ digital label printing system, which is capable of printing to label paper using the same electro-photographic printing process as that used by MFPs (see photo at right). In the commercial and industrial printing field, printing companies have been grappling with the need to handle a wide variety of print orders with short lead times, given an ongoing scenario of ever increasing numbers of high-mix, low-volume print jobs. In this regard, printing demands that had been difficult to fulfill with conventional analogue presses can now be processed efficiently thanks to the flexibility of digital printing. The bizhub PRESS C71cf is ideal for printers who seek solutions for reducing print run times, handling high-mix yet low-volume print jobs on-demand, providing personalization for specific customers, and printing various versions of printed materials. The unit also offers outstanding productivity and brilliant image quality through the electro-photographic printing process, and is very easy to use. The bizhub PRESS

C71cf is ideal for printers looking to expand into new markets for printing services and opting to bring in additional presses that will complement their existing analogue machines.

We have also been focusing our efforts on patent filings with respect to such label printer technologies, and currently have approximately 100 published patent applications in this domain.

bizhub PRESS C71cf



⁹ For information on INFO-Palette Cloud, visit our website: http://www.konicaminolta.jp/business/service/info_palette_cloud/index.html (Japanese) http://www.konicaminolta.jp/about/release/2016/0324_01_01.html (Japanese)

¹⁰ For information on bizhub PRESS C71cf, visit our website: <http://www.konicaminolta.eu/bizhub-press-c71cf>

(2) Industrial Business

In the performance materials field of the Industrial Business, Konica Minolta manufactures and sells organic light-emitting diode (OLED) lighting and performance films, mainly including polarizer protection film for liquid crystal displays, drawing on technologies we have amassed with respect to photographic films. Konica Minolta's polarizer protection film is widely used across a range of devices equipped with small- and medium-sized displays such as those found in smartphones and tablet computers, and large displays such as those found in large LCD TVs.

In fiscal 2015, we developed QWP film^{*11}, which enables users to see the true colors of images appearing on liquid crystal displays, even when viewed through polarized glasses. Previously, there were issues involving display visibility in that images would appear dark or discolored when viewed from certain angles through polarized glasses. There has been a growing need to address this issue in recent years, because people are increasingly viewing smartphone and tablet computer displays outdoors, meaning that they more frequently view such displays through polarized glasses. We have also been focusing our efforts on patent filings with respect to QWP film technologies, and as a result have approximately 200 published patent applications worldwide as of the end of fiscal 2015.

(3) Healthcare Business

In the Healthcare Business, we engage in manufacturing and sales of digital X-ray diagnostic imaging systems, diagnostic ultrasound systems, and other medical diagnostic imaging systems, and provide healthcare IT solutions services.

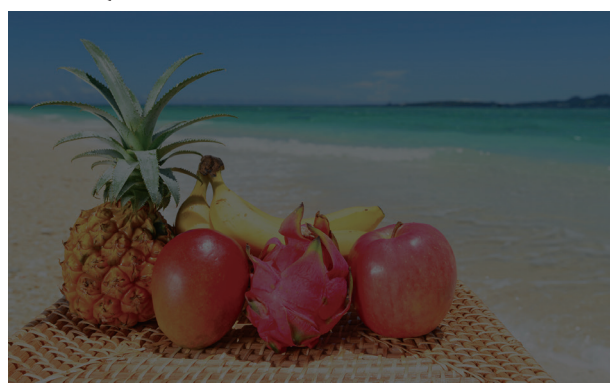
In the healthcare IT solutions field, we offer services that involve setting up collaborative healthcare networks that enable multiple medical institutions to share electronic medical records, diagnostic images and other forms of information online, and we also provide cloud services that support home care providers. In fiscal 2015, we acquired Viztek LLC ("Viztek") of the U.S., a provider of healthcare IT solution services^{*12}. In the U.S., there are growing

Images as viewed through polarizing sunglasses

With QWP film



Without QWP film



needs among medical institutions with respect to sharing diagnostic images and medical examination records as institutions accelerate initiatives to streamline healthcare operations due to health insurance reform. With further growth anticipated in the primary care market, we are combining Konica Minolta's diagnostic imaging technologies with the IT solutions of Viztek in order to provide value in terms of improving and streamlining medical care. We have also been focusing our efforts on patent filings to provide support to the healthcare IT solutions business, and as a result have approximately 180 published patent applications worldwide as of the end of fiscal 2015.

*11 For information on QWP film, visit our website:

http://www.konicaminolta.com/about/releases/2015/0807_01_01.html

*12 For detailed information on acquisition of Viztek, visit our website:

http://www.konicaminolta.com/about/releases/2015/1002_01_01.html