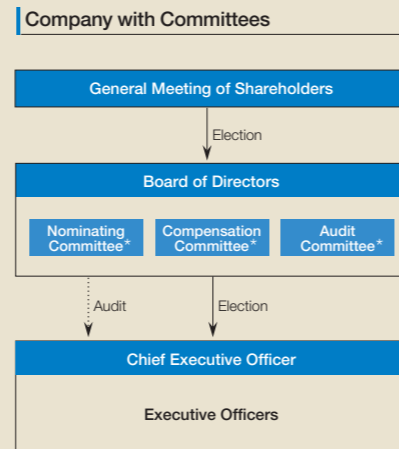


In addition, in order for the capital entrusted from shareholders to be effectively used and investment returns to be maximized, the role of managerial supervision must be separated from the role of operational execution, and the Board of Directors (who take on the role of the former) and Executive Officers (who assume the role of the latter) must perform their respective roles in a fair and sound manner and must function promptly and efficiently. Against such a backdrop, we will adopt “a company with committees” system and reinforce managerial supervision functions, and strengthen managerial decision-making functions and operational execution functions.

For the purpose of reinforcing managerial supervision functions, the Board of Directors will no longer make decisions on the execution of daily operations, on the basis of the principle to separate managerial supervision functions from execution functions. Instead, it will engage in sound and efficient management by concentrating on managerial supervision functions, and on decision-making restricted to basic management policies and other essential issues. Further, in an effort to establish a managerial supervision framework, we will establish three committees, namely, the Nominating Committee, the Compensation Committee and the Audit Committee, in which outside directors will constitute the majority of members.

With the objective of strengthening managerial decision-making functions and operational execution functions, we will delegate authority to Executive Officers for the execution of operations, aimed at accelerating the managerial decision-making and execution processes. Under the leadership of the President & Chief Executive Officer (CEO), Executive Officers will assume full responsibility for operations assigned to them individually, and will strive to improve operating revenues. No Director who concurrently serves as the CEO will become a member of the Nominating Committee (which decides on candidates for Directors) and the Compensation Committee (which decides on the remuneration of Directors and Executive Officers). This will help enhance management transparency.

Moreover, the Board of Directors and the Audit Committee will enforce stricter management risk control and compliance through an internal regulation system, with the aim to further improve the objectivity and transparency of management.



* Each of the three committees consists of at least three Directors. Outside Directors constitute the majority of members.
 Role of Committees
Nominating Committee: Nominates candidates for Directors for the next term, to be elected at the general meeting of shareholders.
Compensation Committee: Decides the remuneration of Directors and Executive Officers.
Audit Committee: Performs audits in place of auditors under the conventional system.



IV Message

Becoming an Essential Enterprise Group in the Field of Imaging

Konica Minolta Group intends to be a company that constantly brings new surprises to customers, through its unique and innovative products and services, by mobilizing its broad technological capabilities in the field of imaging. Our mission is to turn Konica Minolta into a vital enterprise group within the field of imaging input/output, that is, to bolster our presence to become the essential company to all stakeholders, including but not limited to customers. In order to accomplish this mission, we are committed to fully devoting our energies to the future management, to outstrip the competition in the global market. We look forward to your continued support of the new Konica Minolta.

Creating New Values Truly Demanded by the Market by Capitalizing on Group Synergies

Konica Minolta Group consists of 6 business companies and 2 common function companies under Konica Minolta Holdings, Inc., the holding company. Our mission is to become an enterprise group truly demanded by the market in the field of imaging, by demonstrating our individual strengths in each business.

KONICA MINOLTA HOLDINGS, INC.
 Governs the entire Group as the holding company. Responsible for planning and promoting of group management strategies, audits of group management and other group management and administration tasks.

<p>KONICA MINOLTA BUSINESS TECHNOLOGIES, INC.</p> <p>Manufacturing, sale and related services of copiers, printers, microfilm reader/output systems, facsimiles, and related supplies.</p>		Business Technologies
<p>KONICA MINOLTA OPTO, INC.</p> <p>Manufacturing and sale of optical products (optical pickup lenses, microcameras, etc.), related products and electronic materials (TAC films, etc.).</p>		Opto
<p>KONICA MINOLTA PHOTO IMAGING, INC.*</p> <p>Manufacturing, sale and related services of consumer and commercial photosensitive materials, ID photos, inkjet media and related equipment.</p>		Photo Imaging
<p>KONICA MINOLTA CAMERA, INC.*</p> <p>Manufacturing, sale, and related services of photographic equipment such as digital cameras, film cameras and lenses.</p>		Camera
<p>KONICA MINOLTA MEDICAL & GRAPHIC, INC.</p> <p>Manufacturing, sale, and related services of film and processing equipment for medical and graphic imaging.</p>		Medical & Graphic
<p>KONICA MINOLTA SENSING, INC.</p> <p>Manufacturing and sale of measuring instruments, etc. for industrial, photographic and medical purposes.</p>		Sensing
<p>KONICA MINOLTA TECHNOLOGY CENTER, INC.</p> <p>A common function company within the Group, which undertakes research and development, promotes commercialization of new technologies and offers intellectual property management/administration services.</p>		Technology Center
<p>KONICA MINOLTA BUSINESS EXPERT, INC.</p> <p>A common function company within the Group, which provides various management support services and indirect function services such as production facilities, logistics/procurement, environment/safety, export management, general affairs, personnel affairs, accounting, etc.</p>		Business Expert

* Konica Minolta Photo Imaging, Inc. and Konica Minolta Camera, Inc. plan to merge on April 1, 2004.

KONICA MINOLTA BUSINESS TECHNOLOGIES, INC.

Offering More Advanced Network Document Solutions,
Taking Advantage of Diverse Cutting-Edge Technologies and Extensive Product Lineup

■ Consolidated sales in FY2002
(Simple aggregate of Konica and Minolta)
594.7 billion yen

■ Consolidated sales targeted
in FY2005
700 billion yen

■ Location of head office
1-6-1 Marunouchi, Chiyoda-ku,
Tokyo 100-0005
TEL: 03-6250-2470
FAX: 03-3218-1379

■ Business activities
Manufacturing, sale and related
services of copies, printers, micro
systems, facsimiles and related
supplies.

■ Paid-in capital
500 million yen

■ Number of employees
(consolidated)
Approx. 22,000



President Yoshikatsu Ota

Imaging has the power to present a barrage of information in a highly expressive and persuasive format, and has become an indispensable means of smooth and effective business communication today. Konica Minolta Business Technologies, Inc., the largest business company within the Group, offers comprehensive solutions to support the office communication environment through office equipment (copiers, facsimile machines, printers, etc.), various software and system solution services. We realize diverse functions required in next-generation offices by applying the latest technologies, including color, digitization and high-speed and networking technologies. We will work on products and services which take advantage of our strengths in high-speed, color and other areas, and push ahead with our strategy to be the industry leader in the genre. Additionally, we are determined to spearhead the industry based on our ability to offer comprehensive solutions in print-on-demand (POD) and other production printing environments, which are expected to grow in the future, by enhancing our marketing structure, including the reorganization of our product planning and development framework and direct sales division.

► Copiers Realizing Smooth Document Solutions in Office Network Environments

Konica Minolta has an extensive lineup of copiers catered to users' needs, including monochrome and color copiers from low, middle segments to high segment, whose advanced functions, stability and reliability are highly rated. In particular, digital multi-functional peripherals (MFPs), which are all-in-one units with printing and facsimile functions, are expected to grow in demand in the office market where color and networking needs are increasing.

The latest digital full-color MFPs employ unique image processing technologies and polymerized toners to achieve image quality of the highest grade. They are noteworthy not only for the beautiful images they print, but also for their fast output and high cost performance, comparable to monochrome copiers, made possible with the



High-speed color MFP

use of tandem engines. Also, by incorporating a wide range of options, they serve as network scanners and printers and have "finishing functions", such as stapling and document folding functions, which contribute to color document solutions in office and graphics markets. MFPs are equipped with numerous advanced functions for high-speed network environments, designed to manage and utilize the barrage of information generated at offices more efficiently, and to accumulate the information as shared knowledge. These functions include the direct transmission of images by e-mail using the network scanning feature, and storage in a designated directory. These MFPs, with the use of a document handling software, also have the function to manage various files and images in an uniform format, and output them all at once. They help radically improve work efficiency.

► Laser Printers Fulfilling Image Quality, Speed, Size, Price and Other Sophisticated Needs

Konica Minolta's laser printers satisfy diverse sophisticated needs for office printers, such as those with network support, high image quality, high speed, light weight, small footprint and affordable pricing. They are used in a wide range of user environments, including general offices and Small Office Home Office (SOHO). Especially noteworthy are color laser printers, which are rated highly both domestically and internationally, for accomplishing high-speed without sacrificing high-quality images.



Color laser printer

► Filing Equipment Converting A2-Sized Documents and Other Various Materials into Digital Data

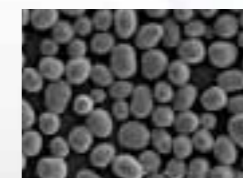
Konica Minolta's unique technologies are also being applied to filing equipment, which manage microform or electronic information. Among them, the electronic filing system, which is capable of face-up scanning documents up to A2 size, is utilized in many fields, including electronic libraries.



Electronic filing system

Next-Generation Toner Expanding the Possibilities of Imaging

Konica Minolta's unique manufacturing method called the "polymerized toner" is a next-generation toner that further expands the possibilities of imaging. A polymerized toner is a fine toner with a uniform shape and diameter formed by chemical reaction, with which high-precision digital images can be printed — for example, fine lines and small characters can be printed with enhanced sharpness, and photographs and illustrations can be reproduced more naturally using half tones. Combined with a unique color management system, the toner enables image output of higher quality. Another attribute of this toner is environmental consideration. The level of CO₂, NO_x, and SO_x released in the toner manufacturing process is approximately 40% lower than conventional toners. Further, its compliance with the International Energy Star Program, based on the toner recycling scheme and energy-saving design and with the Japanese Law on Promoting Green Purchasing through improved consumption efficiency, has earned it a reputation as an environmentally sound product.



Polymerized toner



Conventional toner

KONICA MINOLTA OPTO, INC.

Creating New Values in Pursuit of Cutting-Edge Optical Technologies
as the World's Leading Optical Devices Maker



President Takashi Matsumaru

■ Consolidated sales in FY2002
(Simple aggregate of Konica and Minolta)
54.1 billion yen

■ Consolidated sales targeted
in FY2005
120 billion yen

■ Location of head office
2970 Ishikawa-machi, Hachioji,
Tokyo 192-8505
TEL: 0426-60-9346
FAX: 0426-60-9303

■ Business activities
Manufacturing and sale of optical
and related products and electronic
materials.

■ Paid-in capital
500 million yen

■ Number of employees
(consolidated)
Approx. 1,900

Konica Minolta Opto, Inc. is engaged in the optics business, which involves the development of optical pickup lenses, lens units, microcamera units and other optical components, based on optical, image evaluation and high-precision processing technologies of the highest grade in the world, including aspherical plastic lenses and glass molding technologies, underpinned by history and the latest research findings. The company is also involved in the electronic materials (EM) business, associated with the development of triacetyl cellulose (TAC) film for polarizers, which are vital components of LCD displays. The 21st century is referred to as "the age of optics." As the scope of optical technology broadens, Konica Minolta Opto will develop high value-added technologies and products in tune with the market, and thereby expand in scale as Konica Minolta's strategic business in such leading-edge fields as optical units and electronic materials.

▶ Optics Developing Application Products of High Market Value, including Pickup Lenses for Optical Disks with Dominant Market Share

In the optics business, we have developed state-of-the-art optical pickup lenses for CD, MD, DVD and other optical disk drives and players, including those used in laptop computers and DVD players, since the commercialization of the world's first aspherical plastic lenses for CDs. We have demonstrated our overwhelming technological prowess and competitive edge, especially in DVD pickup lenses, which require advanced processing technologies, having captured nearly 90% of the market share. In recent years, we have also been engaged in the development of cutting-edge objective and collimator lenses for optical pickup for blue-violet laser diodes. For microcamera units for mobile phones with camera functions, whose pixels and image quality are ever-improving, we offer high value-added micro lenses with superior light uniformity and color reproduction, contributing to market growth. In the optics business, we are also developing lenses for laser printers, zoom lenses for camcorders, optical units for projectors, lens units for film and digital cameras, circuit board inspection devices, and other types of industrial devices requiring high precision. In the field of consumer products, we have developed a 3.5-inch magneto-optical disc (MO) drive, which is favored by a wide range of users.

▶ Electronic Materials Offering Products with an Edge in the Market Capitalizing on Materials Technologies in the Promising LCD Field

In the EM business, we took advantage of our film manufacturing technologies harnessed over many years, and beat the competition in developing a 40-micron thin TAC film for LCD polarizers, which are used in a wide range of equipment, including laptop computers, monitors, mobile phones and LCD TVs. Konica Minolta Opto will continue working on the research and development of various electronic materials, by further capitalizing on thin-film, coating and other core technologies with an edge.



Lens unit



Microcamera unit



Micro zoom lens unit

KONICA MINOLTA PHOTO IMAGING, INC.

Proposing New Photo Imaging
in the Digital Network Society



President Hideaki Iwama

■ Consolidated sales in FY2002
(Simple aggregate of Konica and Minolta)
163.1 billion yen

■ Consolidated sales targeted
in FY2005
150 billion yen

■ Location of head office
1 Sakura-machi, Hino, Tokyo
191-8511
TEL: 042-589-3707
FAX: 042-589-3852

■ Business activities
Manufacturing, sale and related
services of consumer and
commercial photographic
materials, ID photos, inkjet media
and related equipment.

■ Paid-in capital
500 million yen

■ Number of employees
(consolidated)
Approx. 3,900

Konica Minolta Photo Imaging, Inc. provides a wide array of products and services in the consumer photography field, including film, photographic paper, inkjet paper, minilab systems and ID photo systems. We have been directing our efforts at digital camera prints especially in recent years, following the diversification of ways to enjoy photography, driven by the spread of digital cameras and mobile phones with camera functions. We are meeting people's diverse needs in combination with silverhalide films, which have retained its popularity consistently worldwide.

▶ Silver-Halide Photos Color Negative Films of the Highest Grade Favored Worldwide

Konica Minolta's color films reproduce skin tones beautifully and offer the highest level of granularity. The diverse lineup of films, each tailored to specific scenes and purposes, are favored by many people. We also sell single-use cameras featuring a flash unit, which is soldered without the use of lead, in consideration of the environment. On the other hand, in the field of photofinishing, we offer various digital services utilizing the Internet and store networks, led by the fully-digital minilab system equipped with a newly designed print engine.



Color film

▶ Digital Photo Net Services Implementing New Printing Services in the Network Age

In an effort to meet customers' needs broadened by the spread of the Internet and digital cameras, we have established an "online lab" to offer new services for this network age, allowing them to place orders for prints, store images and create albums on the Internet. We have also launched a sticker print service adapted to various mobile terminals, including those by NTT DoCoMo, KDDI (au) and Okinawa Cellular, in response to the rapid spread of mobile phones with camera functions. Our service enables customers to place orders easily, regardless of place and time; for example, they can send photo images captured by digital cameras and camera mobile phones to the data center from a mobile phone and then pick up the printed stickers (with originally-designed frames printed around the edges) from shops or ID photo booths or have them sent by mail.

▶ Inkjet Media Achieving High-Quality Reproduction Comparable to Photos

In the field of inkjet media, we have been highly rated since we released high resolution, glossy paper with superior luster and quick ink-drying properties. Using photographic base paper as its base, it can reproduce prints comparable to photos in terms of whiteness and texture.



Inkjet paper

▶ ID Photos Promoting Digitization in the ID Photo Sector, where Our Market Share is Considerable

In the field of ID photos, we have 20 years of history and a wealth of experience since we launched services. We are actively promoting the digitization of existing ID photo systems in this field, where our domestic market share is around 50%. Our efforts to improve the image quality and shorten the time consumed in photo development include the adoption of indirect lighting comparable to those in photo studios, and the reduction of photo development time to only 23 seconds with proprietary thermal-transfer processing techniques.



ID photo system

KONICA MINOLTA CAMERA, INC.

Pursuing the Joy of Taking Photos Tailored to the Diverse Needs of Users Ranging from Novices to High-End Users



President Hiroshi Fujii

■ Consolidated sales in FY2002
(Simple aggregate of Konica and Minolta)
117.6 billion yen

■ Consolidated sales targeted
in FY2005
200 billion yen

■ Location of head office
3-91 Daisennishimachi, Sakai,
Osaka 590-8551
TEL: 072-241-9320
FAX: 072-241-3419

■ Business activities
Manufacturing, sale and related
services of photographic
equipment such as digital cameras,
film cameras and lenses.

■ Paid-in capital
500 million yen

■ Number of employees
(consolidated)
Approx. 4,100

Konica Minolta Camera, Inc. develops and offers various types of optical products, fusing its optical technologies developed over many years with the latest digital technologies. Our digital cameras offer new value by realizing sharp and natural-looking photo images through high-performance lenses, exclusive to the optical products manufacturer and unique image processing technologies and by invoking "the joy of taking pictures," "the pleasures of viewing" and "the excitement of creation." On the other hand, film cameras continue to be cherished worldwide for their high level of basic performance, numerous advanced functions and superior user-friendliness. In addition to these camera products, Konica Minolta's optical technologies are expanding into the sphere of binoculars, film scanners and even planetariums.

► Digital Cameras Implementing Distinctive Products Capitalizing on Unique Technologies

Konica Minolta Camera offers distinctive digital cameras in four categories: thin & compact cameras, whose excellent portability has been rendered possible by the adoption of the proprietary folded optical zoom unit; small cameras with a high resolution, which present brilliant pictures despite their compact size; low-end cameras with a powerful zoom lens, equipped with powerful optical zoom lens and fast auto-focus (AF) functions; and cameras with integrated lens and advanced functions, which feature a large aperture zoom lens, superior AF functions and diverse shooting assistance functions. Our extensive product lineup satisfies the needs of a wide range of customers.



Thin & compact digital camera



Small digital camera with high resolution

► Film Cameras Meeting Diverse Needs through High Level of Basic Performance and User Friendliness

In the field of single lens reflex (SLR) cameras, which are cameras of a higher rank as a tool for taking photos, we offer reputable products, ranging from high-performance cameras equipped with advanced functions that are highly appreciated even by professionals, to family-type cameras, that can be easily used even by beginners despite their high level of basic performance. Similarly, in the field of compact cameras, we are satisfying the diverse needs of customers through a wide range of models designed for shooting beautiful photos effortlessly, including models equipped with high-performance lenses, which are favored by photo enthusiasts for their ability to shoot brilliant pictures as well as their ease of use.



SLR camera

► Planetariums Next-Generation Planetariums Reproducing a Realistic and Dynamic Starry Sky

Konica Minolta's optical and digital technologies are also thriving in planetariums, where high performance is required. Our planetarium for large domes depicts the sky in dynamic and realistic ways previously impossible by integrating an optical planetarium with a computer graphics system capable of projecting the full sky. We also offer a small digital planetarium, which, due to its compact design in combination with an air dome screen, can be easily installed at various places such as primary schools, junior high schools, amusement centers and events for attraction purposes. We serve as a diverse visual space provider in that sense.



Planetarium for large domes

KONICA MINOLTA MEDICAL & GRAPHIC, INC.

Contributing to Digitization and Networking in the Ever-Advancing Medical and Graphic Fields by Fusing Extensive Product Lineup



President Teruo Kawaura

■ Consolidated sales in FY2002
(Simple aggregate of Konica and Minolta)
117.4 billion yen

■ Consolidated sales targeted
in FY2005
140 billion yen

■ Location of head office
Shinjuku Nomura Bldg. 1-26-2
Nishishinjuku, Shinjuku-ku, Tokyo
163-0512
TEL: 03-3349-5145
FAX: 03-3340-4203

■ Business activities
Manufacturing, sale and related
services of film and processing
equipment for medical and graphic
imaging.

■ Paid-in capital
500 million yen

■ Number of employees
(consolidated)
Approx. 2,900

Konica Minolta Medical & Graphic, Inc. produces X-ray film and processing equipment along with image input/output devices, contrast media, medical supplies and a wide range of other products for the medical field. In the graphic field as well, we employ unique technologies to provide state-of-the-art products that include plate-making film and image input/output proofing systems. As the transition from analog to digital in these fields is making dramatic progress, Konica Minolta Medical & Graphic, Inc. will further direct its efforts at developing systems and software with digital and network features.

► Medical Imaging Contributing to Progress in Ever-Advancing Medical Care by Assisting Efficiency Improvements in Medical Institutions

In the field of medical images, we enjoy the confidence of practitioners engaged in diagnostic imaging, having been developing and providing numerous diagnostic imaging systems and even pharmaceutical products since we released the first X-ray film made in Japan. Particularly noteworthy is the direct imaging system we developed, which digitizes X-ray images and thereby allows them to be stored and transmitted to open network systems, and renders possible the efficient management of images. Our high-definition digital imaging systems and dry-film-type high-definition digital image output systems (laser imager) are also highly acclaimed as new diagnostic imaging systems. In addition, we build extensible open network systems combined with an interface showing what next-generation imagers ought to be like. Further, we are developing a wide range of new products with next-generation clinics in mind, such as products linked with electronic clinical records, which are expected to rapidly increase in demand among medical institutions that are adopting information technology (IT) at an accelerating pace.



Digital imaging system

► Graphic Imaging Assisting Improvements in Operational Efficiency in the Graphic Imaging Field with Speed and Precision

Digitization is also gaining momentum in the printing field, where the needs for the production of graphics are becoming increasingly sophisticated and diverse, in terms of quality, speed and creativity. In response to such needs, we launched digital color proofing systems a step ahead of the competition, with "speedy finishing, superior reproduction and lower cost" as the basic concept, and we have established our presence in the prepress workflow market. Our full-color proofing system is the world's first system whose output can be tailored to the customers' printing conditions including dot density, trapping density, color tone and other properties, while retaining high-quality dot reproduction, and is highly acclaimed to have made proofing as simple as it can be. In addition, our high-end color-proofing system has greatly simplified tasks by allowing proofing directly from digital data, paving the way for a new era in the digital prepress field. Further, our front-end system for printing purposes has accomplished ultra high-speed processing, based on a combination of unique algorithms and state-of-the-art hardware, while making the most of the prepress systems used by customers. It dramatically simplifies the tasks associated with the full-color proofing system, and maximizes its production capacity. The system is compatible with a wide variety of data formats from external sources, making the output environment more reliable.



Digital color-proofing system

KONICA MINOLTA SENSING, INC.

Offering Optimal Measuring Instruments
Tailored to Diverse Industrial Applications and Fields



President Hiroshi Furukawa

■ Consolidated sales in FY2002
(Simple aggregate of Konica and Minolta)
9.7 billion yen

■ Consolidated sales targeted
in FY2005
13 billion yen

■ Location of head office
3-91 Daisennishimachi, Sakai,
Osaka 590-8551
TEL: 072-241-9322
FAX: 072-241-9468

■ Business activities
Manufacturing and sale of
measuring instruments for
industrial, photographic and
medical fields.

■ Paid-in capital
495 million yen

■ Number of employees
(consolidated)
Approx. 400

Konica Minolta Sensing, Inc. provides high-precision instruments for measuring 3D shapes, color, light and temperature, which help a wide range of industries maintain and improve quality. Instruments for photography and the medical sector are also available.

► Shape Measurement Realizing High-Precision, High-Speed, Non-Contact Scanning of 3D Shapes with a Simple Operation

3D digitizers scan parts, mockups, human bodies and other solid objects and import the 3D data into computers. Our 3D digitizers are used in a wide range of fields, from manufacturing to medical and academic research, owing to their compact design and portability as well as their high-precision, high-speed scanning capabilities. They fulfill various purposes for customers, including modeling, inspection of shapes, 3D archiving, and computer graphics production.



Non-contact 3D digitizer

► Color Measurement Quantifying All Colors and Quantitatively Measuring Subtle Differences in Shades of Color

Konica Minolta's spectrophotometers and chromameters are capable of reading and quantifying subtle differences in shades of color that the human eye cannot remember or distinguish accurately and expressing color in numerical terms. Konica Minolta offers a broad lineup of products in this area for use in industries where color strategy is indispensable to success — such as the automobile, paint, plastic, textile, building material, and food product industries — not only in R&D and production applications but also in distribution and sales activities.



Spectrophotometer

► Light Measurement Measuring Light-Source Color for Industrial R&D, Manufacturing, and Quality Control

Instruments for measuring light-source color include color analyzers, which measure light emitted by various color displays, and spectroradiometers, which measure light sources. These instruments measure the color and luminance of color LCDs and CRTs, indispensable for PCs, TVs, and mobile phones. Konica Minolta's measuring instruments support the R&D, manufacturing, and quality control of these displays by measuring factors that affect function and quality, such as white balance and convergence.



Display color analyzer

► Photo Meter Supporting Professional Photographers through High Performance

Our high-performance photo meters measure the light conditions at the shooting location, which are important to professional photographers and their advanced amateur counterparts. Konica Minolta's products enjoy absolute confidence in this field as well.

► Medical Measurement Noninvasive Testing with Minimal Burden on Patients

Konica Minolta's measuring technology also contributes greatly in the medical sector, enabling noninvasive testing with minimal burden on patients. Examples include oxygen saturation meters, which project light through the tip of a patient's finger to measure the level of oxygen in arterial blood and check respiratory function status, and the compact jaundice meter, which enables testing for jaundice in a newborn by simply pressing the meter's tip against the baby's forehead.



Oxygen saturation meter

KONICA MINOLTA TECHNOLOGY CENTER, INC.

Working on Research on Cutting-Edge Technologies and
Formulating Intellectual Property Strategies as Konica Minolta Group's R&D Center



President Kaoru Onodera

■ Location of head office
1 Sakura-machi, Hino, Tokyo
191-8511
TEL: 042-589-8458
FAX: 042-589-8063

■ Business activities
Research and development,
incubation of new technologies and
businesses, and administration and
services of intellectual properties.

■ Paid-in capital
50 million yen

■ Number of employees
(consolidated)
Approx. 800

Konica Minolta Technology Center, Inc. plays a crucial role as the driving force behind Konica Minolta Group for making continual progress in the field of imaging solutions, by conducting R&D on core technologies and creating valuable businesses in the ubiquitous imaging society. With respect to core technologies (i.e., materials, optical, image and nanotechnologies), we will work on the advancement of cutting-edge technologies and basic technologies and take the initiative in regard to technological strategies of each business company. Further, we will foster new businesses relating to image input through output by utilizing the acquired technologies across the borders of individual business companies, and endeavor to build a knowledge management system in various technology fields, to support the entire Konica Minolta Group.

Enhancing Functions as a Strategic Research Institute

Our main activities include the following: the prompt commercialization of new core technologies, such as image input/output and information processing technologies, especially derived from the marriage between materials technologies and devices & systems technologies; the creation of competitive businesses through the refinement and advancement of these technologies; the formulation of intellectual property strategies including patent rights; and the provision of design concepts and design solutions. In 2003, we established the Imaging Culture Research Institute, whose role is to conduct research on culture, lifestyles and behaviors in the forthcoming ubiquitous imaging society, forecast changes in lifestyles and business styles, develop technologies from a medium to long-term perspective, which will lead to creating inspiring products and services, and develop guidelines for implementing businesses with respect to each company. We have also started constructing a Materials Research Wing in Hachioji, Tokyo, for the further pursuit of research on materials technology, which is one of the core technologies. The Materials Research Wing will bring together materials engineers who have been previously scattered, with the aim to develop technologies more efficiently and creatively. Konica Minolta Technology Center's policy, as a strategic research institute, is to depict what society will look like around 2010 and clarify Konica Minolta Group's positioning in that context, based on "the essentials of imaging" concept.

Promoting Incubation and Commercialization of Core Technologies

Konica Minolta Technology Center not only explores next-generation technologies and develops common basic technologies, but also actively works on launching businesses that utilize these technologies. In the field of inkjet, we have developed and released inkjet paper that is highly rated in the market for its superior gloss, quick ink-drying properties and expression of subtle tone variations. Our inkjet components, which are fruits of our materials technology and high-precision processing technology, also enjoy a high reputation in the industrial components market. We will continue working on product development tailored to customers' needs, which are becoming increasingly sophisticated. Our inkjet textile printing system, which allows users to print digital images directly onto fabrics with an inkjet printer, has bright future prospects due to high demand in the textile industry. Our policy for the future is to develop systems, with the view of providing new solutions based on image input, image processing and communications, adapted to the network society. In addition, we aim to further foster and commercialize core technologies, such as the development of display components on the basis of materials and thin coating technologies, organic electroluminescence (EL) materials for display purposes, whose market value is promising in the future, and next-generation optical units capitalizing on optical and high-precision manufacturing technologies.



KONICA MINOLTA BUSINESS EXPERT, INC.

Promoting Improvements in Operational Efficiency within the Group
by Consolidating Administration Tasks especially through IT



President Toshiaki Ishihara

■ **Location of head office**
2970 Ishikawa-machi, Hachioji,
Tokyo 192-8505
TEL: 0426-60-9102
FAX: 0426-60-9107

■ **Business activities**
Provision of various management support services and indirect function services such as production facilities, logistics/procurement, environment/safety, export management, general affairs, personnel affairs, accounting, etc.

■ **Paid-in capital**
495 million yen

■ **Number of employees (consolidated)**
Approx. 1,400

Konica Minolta Business Expert, Inc. helps improve the management efficiency of the Group's companies by providing support and services for a wide range of common Group functions spanning production facilities, logistics/procurement, environment/safety, export management, information systems, general affairs, personnel affairs and accounting.

Developing Internal Network Infrastructure through IT

Our internal network, utilizing information technology (IT), serves as the infrastructure for facilitating Group management. We are working on building a global network, based on the view that our priorities are to construct an information network that links all companies within the Group, build a system for sharing knowledge and information, digitize business procedures to shorten the time consumed from development to marketing and reduce purchasing costs through a group-wide electronic procurement system. In particular, we are making efforts in establishing a new, standardized product code system that imports the attributes of products and components as data, as its benefits include automated business procedures from production through marketing, reduced inventory and shorter lead time.

Promoting Efforts in Environment/Safety and Quality, including "Green" Procurement

When procuring parts and materials, we give due consideration to the environment, as we do to quality, cost and delivery time. Using the Internet-based Green Procurement System, we promptly gather information from suppliers worldwide and manage the information in a centralized fashion. In regard to the evaluation of parts and materials, we have completed evaluating 26,200 items, mainly with reference to the extent to which they contain chemicals with the risk of adversely affecting the environment. For the future, we will continue developing a worldwide green procurement framework accommodating all business segments. We are also making vigorous efforts in consultation, relating to environmental protection, work safety and quality control, as well as in waste treatment, to create an environment in which each Group company can shift towards higher value-added business activities.

Providing Comprehensive Support to Administration Functions of the Entire Group

As part of our personnel services, we support necessary functions and provide expertise in hiring Group employees, performing payroll calculations, welfare, and even personnel training. In accounting services, a broad range of support is available to Group companies, including accounting operations, financial affairs and accounting system support. Konica Minolta Business Expert will continue to make contributions to maximize the Group's value as a business expert who provides comprehensive services for the corporate infrastructure in all aspects, including personnel, facilities, finance and information.



Environmental & Social Activity

Actively Engaging in Environmental Protection Activities and Corporate Social Responsibility (CSR) Activities as a Corporate Citizen Aiming for a Sustainable Society

Konica Minolta Group engages in business activities in harmony with people and the environment in all aspects of corporate management, to achieve sustainable development and profitable growth, by incorporating the trinity of environment, economy and society into its corporate strategy.

Environmental Protection Activities

Konica Minolta Group is engaged in global activities both in terms of production and marketing. With Konica Minolta Holdings, Inc. at the core, we perform environmental management in a disciplined manner on a group-wide scale, including business companies and affiliates around the world. We are also striving to reduce the environmental burden throughout the life cycle of products and services, fully acknowledging our mission as a manufacturer with respect to product liability. Among the diverse activities carried out by Konica Minolta Group, the following three are our priorities:

Measures against Global Warming

We are continually cutting the emission of greenhouse gas attributable to all sorts of business activities carried out by the Group, in consideration of the life cycle of products and services, acknowledging that global warming is a crucial issue affecting everyone in the world.

Adapting to a Recycling-Oriented Society

To create a recycling-oriented society, we are actively promoting and sustaining zero-emission activities, while reviewing possible measures and minimizing the use of resources. We are also accelerating the pace of collecting and recycling used products and packaging materials.

Preventing Pollution Caused by Chemical Substances and Reducing Environmental Risks

We are endeavoring to prevent pollution caused by chemical substances, acknowledging that chemical substances have a heavy impact on health, safety and the environment. Also, we will continue curbing the use of chemical substances and cutting emissions to reduce environmental risks.



In-house environmental education



Safety tests for chemical substances

Corporate Social Responsibility (CSR) Activities

The industrial world is urged to adopt a wider scope in helping society achieve sustainable development including, but not limited to, environmental problems. Konica Minolta Group is committed to engaging in business activities worldwide, in harmony with environmental protection and economic growth, based on a good understanding of the importance of Corporate Social Responsibility (CSR) as an absolute requirement. For example, Konica Minolta Group promotes corporate activities focusing on compliance and the relationship with stakeholders. In an effort to enforce compliance with domestic and international legal requirements as well as in-house codes, we are building a framework in which employees can report unlawful acts directly to the top management, in conjunction with establishing a Compliance Committee in each business company. Internally, in order to build a working environment in which employees can exercise their abilities with a sense of security, we are enhancing our personnel system and our framework for personnel training and safety management. On the other hand, for the purpose of developing a good relationship with stakeholders, we are actively disclosing information and initiating communication to fulfill accountability requirements and be in harmony with society, by actively engaging in IR activities, making announcements and exchanging opinions over our website and interacting with local authorities and local residents on a regular basis. We are also actively involved in social and cultural activities through participation in, and sponsorship of, sports and cultural activities.



Japanese crane protection activities



Interaction with local residents

Konica Minolta Track & Field Club team

Konica Minolta helps promote and nurture sports through its Konica Minolta Track & Field Club team, established in 1970. With the mission to train "world-class runners," its small elite team of 15 athletes and 3 staff participates in major competitions both at home and abroad. Paramount achievements include the team's third-consecutive triumph at the New Year Ekiden held on January 1, 2003 and team member Eric Wainaina's bronze medal in the men's marathon at the 1996 Atlanta Olympics and silver medal at the 2000 Sydney Olympics. The Club is also involved in a wide range of activities, including annual jogging lessons designed to promote a deeper fellowship with citizen runners.

