



Meeting Tomorrow's Needs Today

Konica is raising the quality of life around the world through its innovative application of unique photographic-related technologies. Promoting transformation in the digital era and preserving the global environment are high priorities for Konica in the 21st century.

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What Kind

DIGITIZATION AND OFFICE NETWORKING

Applying Digital Technologies for a Better Quality of Life



Digital prints



Konica Digital Minilab OD-21 System



Konica Digital Konsensus



Konica Digital Still Camera Q-M200



Konica Direct Digitizer REGIUS Model 530

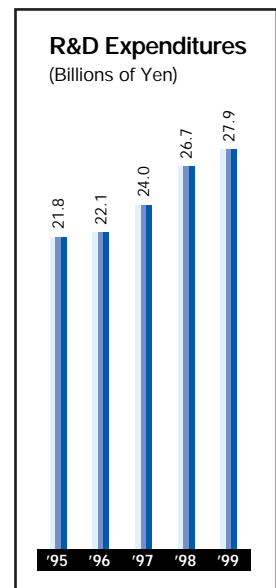
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To effectively respond to rising demand in the field of digital photography, we have begun offering new types of services, such as the Konica Internet Picture Box service, which converts ordinary silver halide photographs into digital formats suitable for posting on the Internet. We are also adapting our photofinishing operations to accommodate the greater demand for digital processing services and extend the range of our imaging services. To advance our strategies in this area, in 1998 we established Konica Color Imaging Corporation. This subsidiary is cooperating closely with Konica Marketing Corporation, an information imaging marketing company, as part of the Konica Group's efforts to respond to demand in Japan for all types of products and services related to conventional as well as digital images.

◆ In the business field, Konica has taken a leading role in applying digital technologies to improve the convenience and productivity of office environments. The Konica 7050 high-speed digital copier became the best-selling copier in its category in the United States soon after its launch in 1995, and subsequent models have enabled us to sustain a leading share of the global market for high-speed digital copiers. Most recently, we have shown the future of high-productivity office equipment with the Konica 7065, a multiprotocol digital network copier/printer system that features a high-capacity electronic recirculating document handler (RDH) memory for digitally processing originals and an end-to-end finisher to generate completely prepared documents.

◆ In the pre-press field, we recently bolstered our Konica Konsensus series of color-proofing systems with the introduction of the Konica Digital Konsensus model. This next-generation system dramatically simplifies the color-proofing process. In the medical field, Konica has applied proprietary digital imaging technologies to improve the speed and quality of medical diagnoses. The Konica REGIUS series of direct digitizers converts X-ray images into digital data, and Konica Dry Laser imagers are environmentally sound products used to transfer images from such diagnostic equipment as CT and MRI units to film.



The world of digital photography has been broadened by the release of the Konica QD-21 minilabs.

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We're in

Customer support services are provided through store networks in Japan and overseas.



Customer Satisfaction in the Global Market



Students at Konica's Youth Summit experience the joys of cultural exchange.

RESPONDING TO CUSTOMERS WORLDWIDE

SUPPORTING CULTURAL PROGRAMS



Konica Revio



Konica Color CENTURIA series in ISO 100, 200, 400, and 800



Konica 7060

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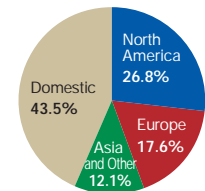
FOCUS.....

In line with its corporate vision, which is expressed by the phrase "Touching Your Heart," Konica aims to improve the quality of life for people around the world by drawing on the world's most advanced technologies to supply new kinds of imaging and information services.

◆ Responding to customer needs with optimal combinations of sophisticated analog and digital technologies, Konica has steadily improved its cameras and photographic films and papers while expeditiously introducing such new hit products as single-use cameras and digital still cameras. Such popular products as the Konica Revio, which was the world's smallest and lightest advanced photo system (APS) camera with a 2X power zoom lens at the time of its release in 1997, demonstrate the rewards we have gained from our desire to innovate. Also, in the fields of office automation, graphic imaging, and medical diagnostics, we are continually upgrading our products while giving top priority to the use of improved image information processing methods that are digital, dry, and environmentally sound.

◆ More than half of Konica's net sales are in overseas markets. We have steadily strengthened our network of manufacturing and marketing bases in North America, Europe, and Asia, with the ultimate goal of raising the quality of the services we provide in local markets. In addition, we hope that the expansion of our operations will contribute to the development of local communities in such ways as raising standards of manufacturing technologies and stimulating local businesses. Konica also sponsors cultural programs throughout the world. In 1999, Konica celebrated the 10th anniversary of the Konica Youth Summit, a student exchange program established to bring high-school students in communities surrounding Konica Manufacturing U.S.A., Inc., in North Carolina, to Japan. In Asia, Konica is a prominent sponsor of many sporting events, including judo and badminton tournaments. In Japan, the Konica Foundation provides financial support to researchers and research organizations and encourages promising young photographers.

Sales by Region
(%)



Konica supports a variety of sports in Japan and abroad.

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How to...



Since 1987, Konica has participated in activities to save the nearly extinct Japanese crane.



Fulfilling Our Mission of Improving the Environment



Konica's Environmental Symbol

Resolving Environmental Problems



Shock-absorbing packaging for the HEXAR



The Konica 7060 received the Blue Angel Mark and met ENERGY STAR Program levels in 1997.



KCI collects and recycles packaging waste generated in laboratories. This is a prime example of our aggressive efforts aimed at achieving a higher rate of recycling.

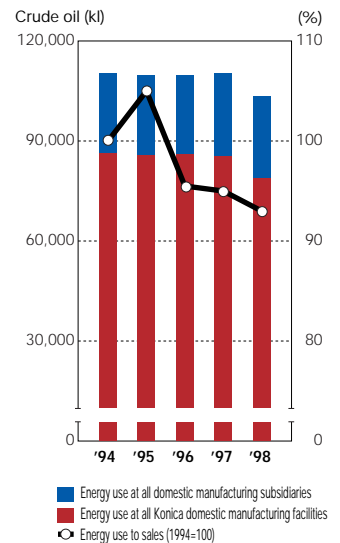


Konica publishes several booklets on environmental issues.

Preserving the global environment is a management priority at Konica. In our Konica Environmental Policy, established in 1990, we have expressed our intention to actively implement measures to reduce the impact of our operations on the environment and help create a cleaner and healthier planet.

- ◆ Konica has established various bodies within its organization to improve its ability to identify and resolve environmental problems. In Japan, Konica's Environment and Safety Department is responsible for planning environmental preservation measures, while in Europe and North America Environmental Protection centers have been established to promote regional activities based on our environmental policies. Konica joined the Japan Responsible Care Council upon the organization's foundation in 1995 and established the Konica Responsible Care Committee in the same year to oversee such activities.
- ◆ Konica has set an industry example in creating and maintaining clean and efficient manufacturing operations. We installed Japan's first private cogeneration power system at our Hino manufacturing facility in Tokyo, in 1987, and eliminated the use of ozone-depleting substances in cleaning processes in May 1993, well before the December 1995 deadline set in *The Montreal Protocol* in 1992. In fiscal 1999, we began full-scale "Green Purchasing" programs, thereby expanding the use of recycled materials. In addition, our Odawara manufacturing facility received an award from the Environment Agency in recognition of our ongoing efforts to prevent global warming.
- ◆ Since 1993, Konica has conducted environmental assessments on all its products. By focusing on environmental issues at the R&D stage, these assessments have helped make pioneering advances in several product categories. For example, in 1994 we introduced the Konica Nice Print System ECOJET series, the world's first minilabs to use environmentally sound tablet-form photofinishing chemicals, thereby reducing effluent and replenisher requirements. In 1997, we established our Life Cycle Assessment (LCA) Committee, which is conducting LCA programs that provide quantitative analyses of the environmental impact of products throughout their entire life cycles. We are continuing to develop quantitative standards to gain even more accurate analyses of the environmental impact of products.
- ◆ Konica is continuing to improve environmental management systems throughout its global network. By the end of fiscal 1999, all four of Konica's domestic manufacturing sites had obtained ISO 14001 certification. Overseas, the Company's U.S.-based photographic paper manufacturer, Konica Manufacturing U.S.A., Inc., received ISO 14001 certification in fiscal 1999, and all other manufacturing bases in Konica's global network are working to receive ISO 14001 certification.

Energy Consumption



Konica has obtained ISO 14001 certification at all four of its domestic manufacturing sites.