

Konica Minolta Philosophy

Our philosophy is to articulate the ideas that are shared by over 40,000 members worldwide.

“The Creation of New Value” — this is the reason we exist.

Our 6 Values are the essence of our innermost beliefs.

Our Vision articulates where we are heading in the future.

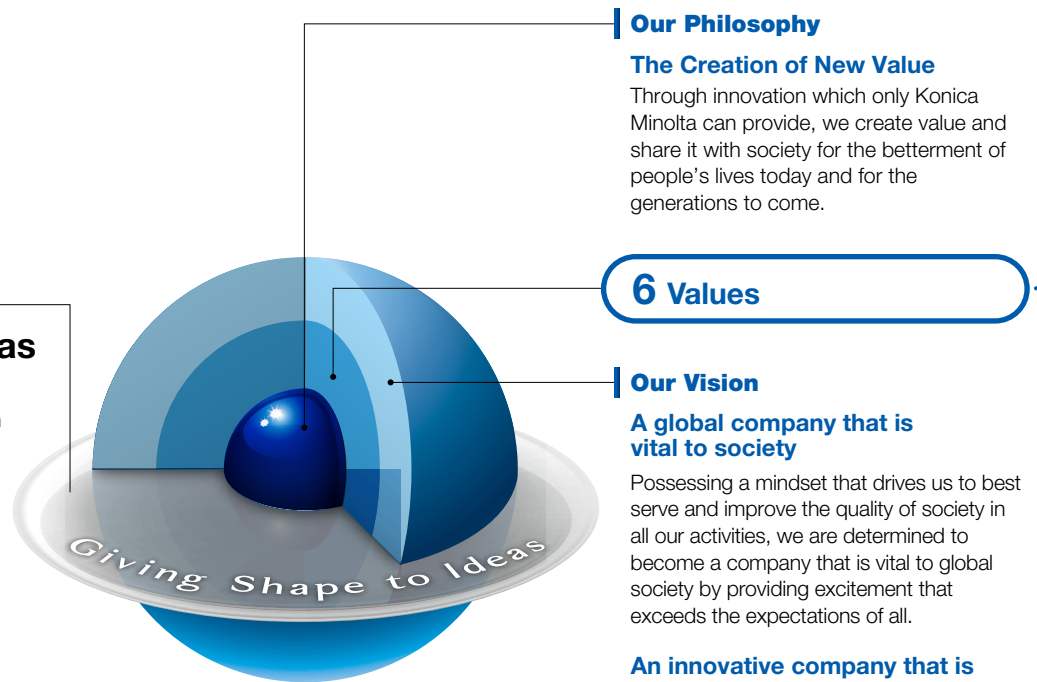
Our Brand Proposition, “Giving Shape to Ideas,” is our pledge to our customers.

Konica Minolta is committed to our philosophy to benefit both our customers and society at large.

Brand Proposition

Giving Shape to Ideas

It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high quality society.



Our Philosophy

The Creation of New Value

Through innovation which only Konica Minolta can provide, we create value and share it with society for the betterment of people’s lives today and for the generations to come.

6 Values

Our Vision

A global company that is vital to society

Possessing a mindset that drives us to best serve and improve the quality of society in all our activities, we are determined to become a company that is vital to global society by providing excitement that exceeds the expectations of all.

An innovative company that is robust and constantly evolving

We are committed to becoming an innovative company that stands tall in difficult times with a solid and quality business base, ensuring we remain courageous to provide new value in the face of any challenge.





Konica Minolta's DNA

6 Values

Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

Open and honest

We are convinced that only by acting with integrity and communicating with all our partners in an open and honest way can we create long-lasting partnerships of mutual trust and true significance.

Customer-centric

We exist solely for our customers; always thinking on their behalf, undertaking challenges together with them, and working tirelessly to bring them success and provide excitement that exceeds expectations both now and in the future.

Innovative

Innovation is what drives us. We constantly strive to develop ground-breaking ideas that will form the basis of everything we do going forward, every step of the way.

Passionate

Being passionate, strong-willed and determined is essential to making a meaningful contribution to our customers' businesses and society as a whole.

Inclusive and collaborative

We believe that the power of inclusiveness and collaboration with customers, partners and each other is the best way to come up with game-changing ideas that provide ultimate benefits.

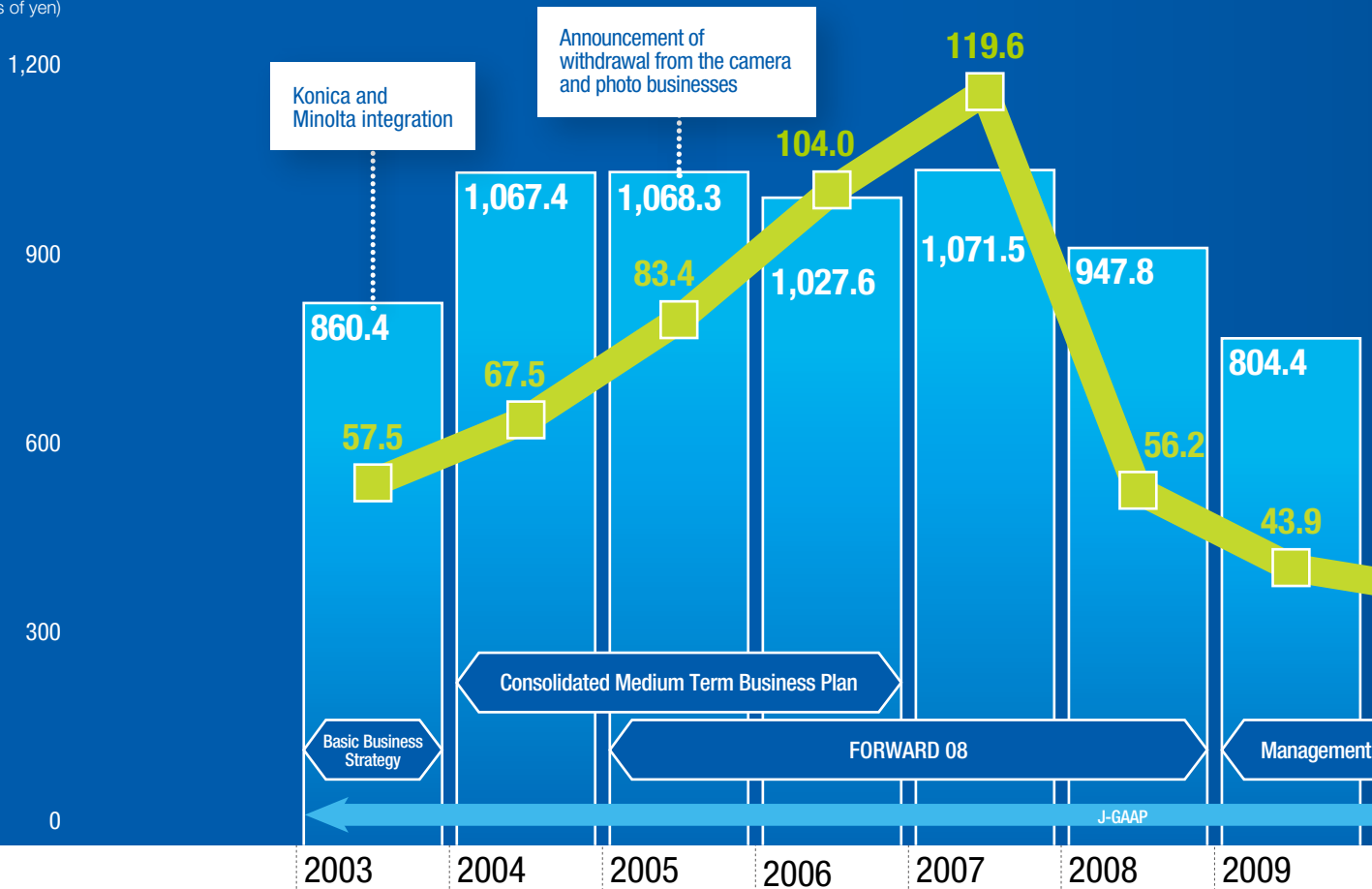
Accountable

Not only must we be individually and collectively responsible and accountable for what we do, all our actions should contribute to the creation of a sustainable society and Konica Minolta.

History of Konica Minolta

We aim to achieve sustainable profit growth by staying ahead of business environment changes and quickly executing “genre-top” strategies.

Net sales/Revenue
(Billions of yen)



Product improvement and expansion

- Announced bizhub, a new office equipment brand
- Launched bizhub PRO 1050 and bizhub PRO 1050P for the light production market
- Launched Mermaid, the world's first phase contrast mammography system
- Launched CS-200 luminance colorimeter for optical device measurement, including displays, LEDs, and lamps

- Launched bizhub C550 MFP supporting next-generation networks



- Launched compact and lightweight CM-700d and 600d wireless mobile spectrophotometers



- Launched bizhub PRO C65hc high-speed MFP that achieves color reproduction near the sRGB color space

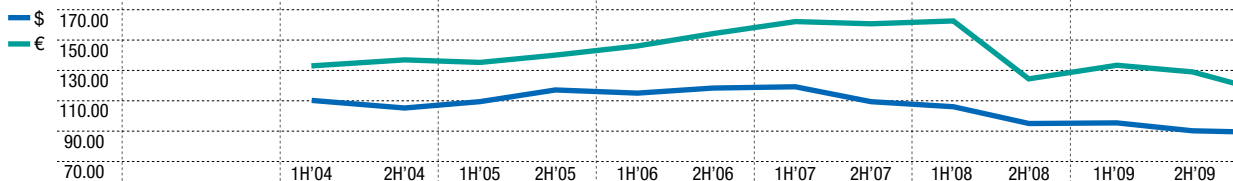
- Developed a market-ready, white organic electroluminescence (EL) light-emitting device that boasts a long lifespan and high efficiency

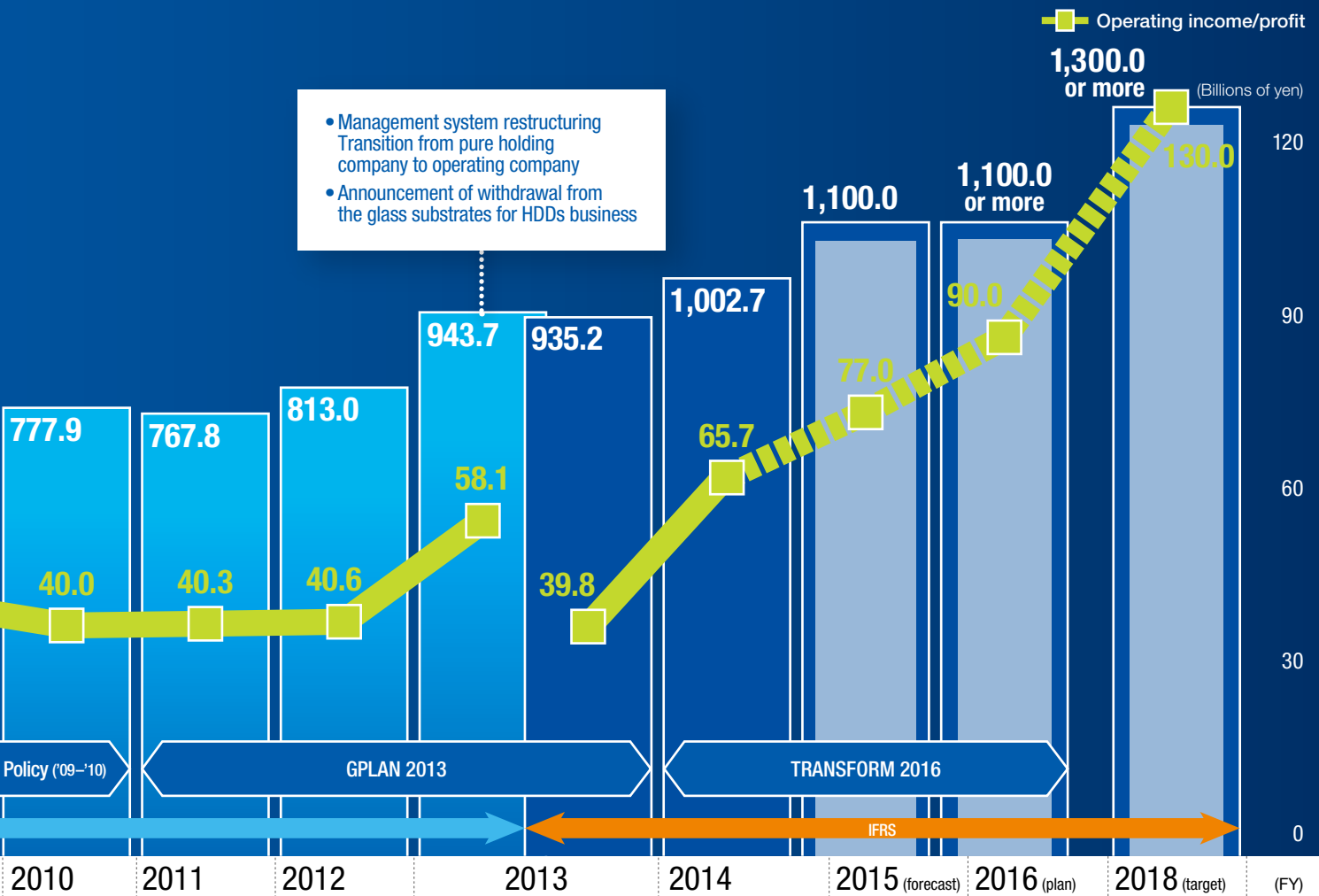


- Launched CS-2000A mobile spectroradiometer capable of mega contrast spectroscopy

Service improvement and expansion

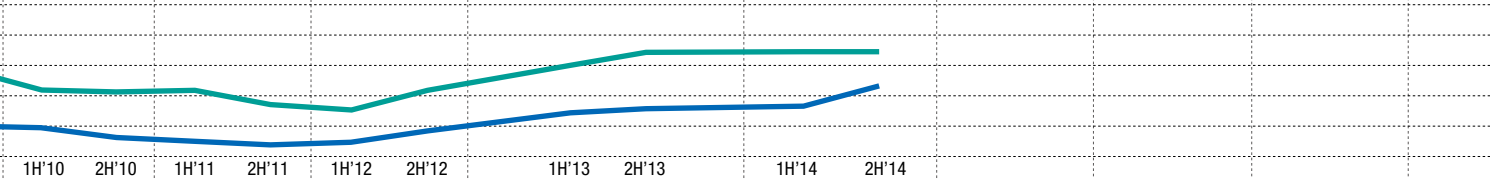
Exchange rates





- Management system restructuring
Transition from pure holding company to operating company
- Announcement of withdrawal from the glass substrates for HDDs business

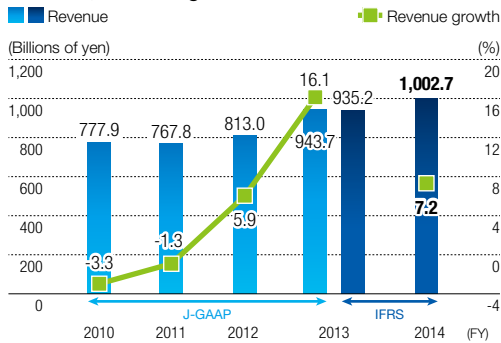
<ul style="list-style-type: none"> • Launched the bizhub PRESS C8000, a top-of-the-line digital color printing system • Launched cassette-type digital X-ray system AeroDR • Launched the world's first OLED lighting panel to use only phosphorescent emitters 	<ul style="list-style-type: none"> • Launched the Nassenger PRO60 all-in-one inkjet textile printer • Acquired Instrument Systems, a major Germany-based measuring instrument manufacturer 	<ul style="list-style-type: none"> • Launched the bizhub PRESS C1100, a top-of-the-line digital color printing system • Launched diagnostic ultrasound system SONIMAGE HS1 • Our plastic substrate flexible OLED lighting panel was used to build the world's first* illuminating OLED tulip <small>* The first time OLED lighting has been used in a flower illumination</small> 	<ul style="list-style-type: none"> • Acquired US-based Radiant Vision Systems. Began business in manufacturing inspections for measuring instruments • Began test marketing for the KM-1, a B2 cut-sheet inkjet printer
<ul style="list-style-type: none"> • Began provision of the global OPS program • Acquired All Covered Inc., a U.S.-based IT services company • Launched the Data Bank Service and Collaboration Box Service to support collaboration between medical image management facilities 	<ul style="list-style-type: none"> • Acquired FedEx Kinko's Japan Co. Launched on-demand printing service • Acquired UK-based Charterhouse Limited. Launched MPM service • Acquired Serians, a France-based IT services provider • Acquired Raber+Märcker GmbH, a major Germany-based IT systems integration firm 	<ul style="list-style-type: none"> • Began provision of MCS worldwide • Built a system for rolling out MPM services worldwide • Charterhouse acquired UK-based Indicia. Strengthened our MMS business • Acquired Australian MPM giant Ergo 	



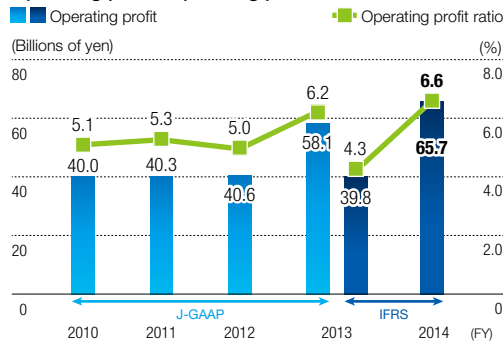
Financial and Non-Financial Highlights

Profitability

Revenue, Revenue growth

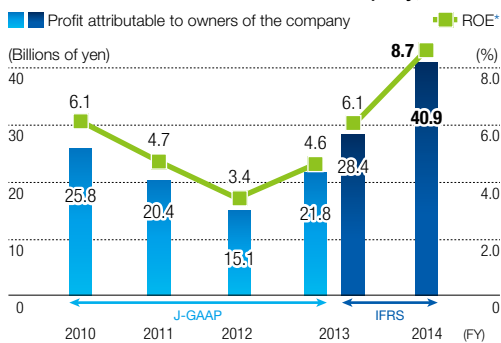


Operating profit, Operating profit ratio

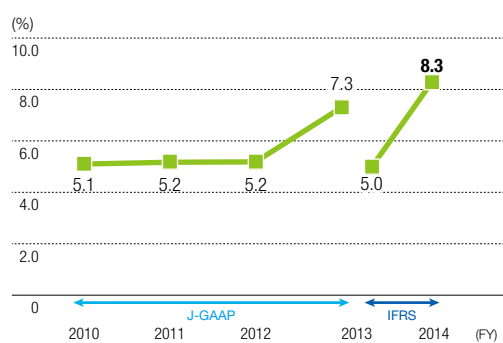


Sales increased to ¥1 trillion on gains in our mainstay Business Technologies Business, marking a return to a level last seen seven fiscal periods ago. Additionally, factors such as improved profitability in the commercial and industrial printing field and structural reform of our Industrial Business brought significant gains.

Profit attributable to owners of the company, ROE*



ROIC*

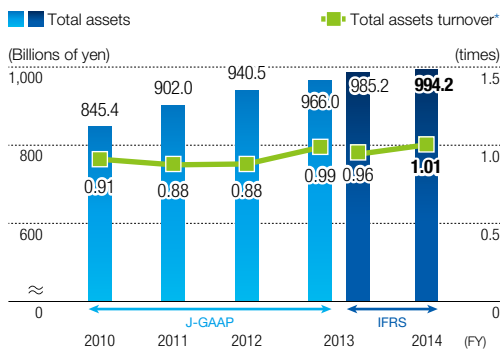


*ROE (J-GAAP) = Net income / Average shareholders' equity
 ROE (IFRS) = Profit attributable to owners of the company / (Share capital + Share premium + Retained earnings + Treasury shares (average at start of fiscal year and end of fiscal year))

*ROIC = Operating profit after tax / (Share capital + Share premium + Retained earnings + Treasury shares + Interest-bearing debt - Cash and cash equivalents (yearly average))

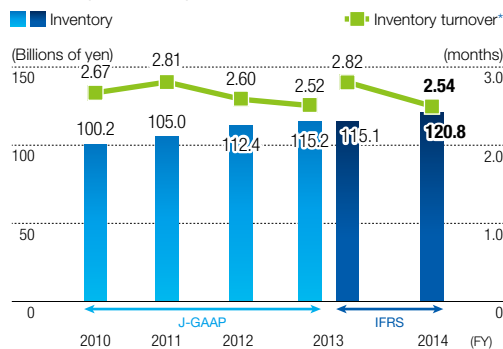
Efficiency

Total assets, Total assets turnover*



*Total assets turnover = Revenue / Average total assets

Inventory, Inventory turnover*

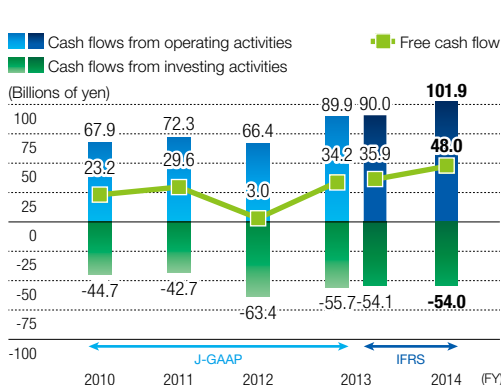


*Inventory turnover = Inventory balance at fiscal year end / Average cost of sales for most recent three months

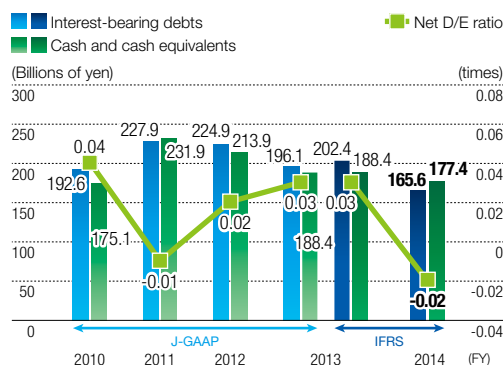
In the interest of balance sheet management, we sold off idle assets, reduced inventory, and otherwise improved asset efficiency, selling off ¥8.6 billion in fixed assets and ¥3.2 billion in securities held in fiscal 2014. We strived to optimize inventory, achieving along the way an inventory turnover of 2.54 months.

Soundness

Cash Flows



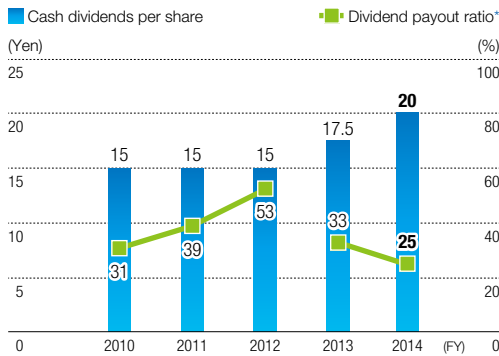
Interest-bearing debts, Cash and cash equivalents, Net D/E ratio



Towards our goal of achieving an equity ratio attributable to owners of the company of at least 50% and net D/E ratio close to zero, two targets for achieving an A credit rating, in fiscal 2014 we achieved an equity ratio attributable to owners of the company of 53.1% and net D/E ratio of -0.02, maintaining a debt rating of A by R&I and A+ by JCR.

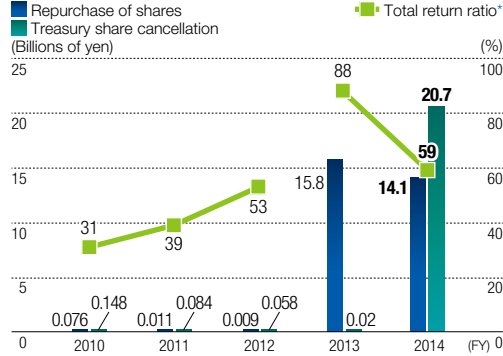
Shareholder Return

Cash dividends, Dividend payout ratio (%)*



*FY2010-2012 data conforms to J-GAAP; FY2013-2014 data conforms to IFRS

Repurchase of shares and Treasury share cancellation, Total return ratio (%)*

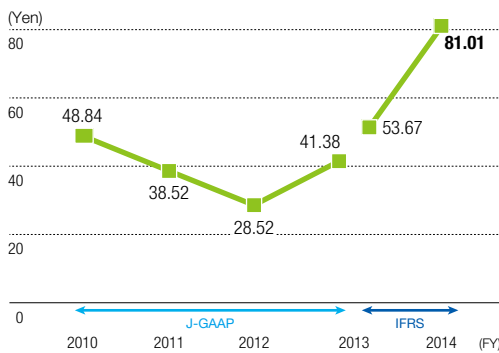


*FY2010-2012 data conforms to J-GAAP; FY2013-2014 data conforms to IFRS

While comprehensively considering factors that include consolidated business results and strategic investment into growth segments, we maintained a focus on shareholder return in fiscal 2014, paying annual dividends of ¥20 per share and repurchasing shares worth ¥14.1 billion.

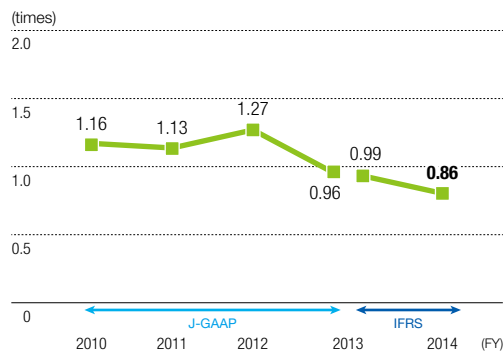
Investment Indicators

EPS*



*EPS = Profit attributable to owners of the company / Average number of outstanding shares during the period

PBR*

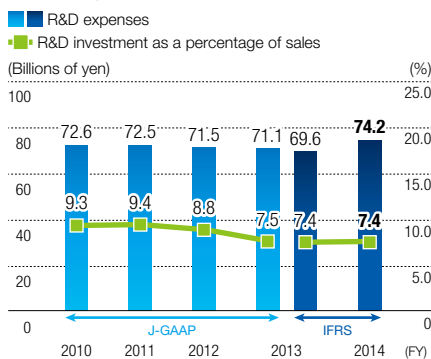


*PBR (J-GAAP) = Year-end stock price / Net assets per share
PBR (IFRS) = Year-end stock price / Equity per share attributable to owners of the company

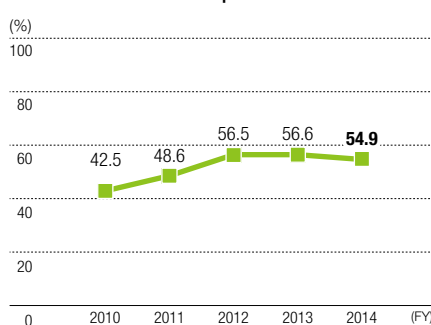
Due in part to a significant gain in extraordinary income as a result of the sale of assets and other factors, fiscal 2014 earnings per share (EPS) were ¥81.01 and the price-book value ratio (PBR) was 0.86.

Non-Financial Data

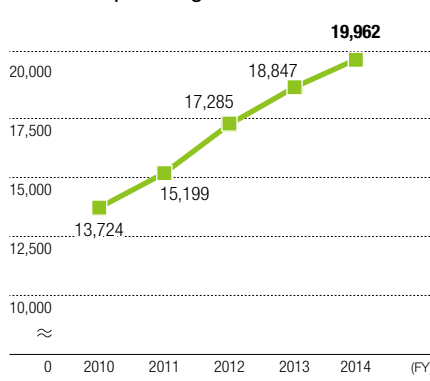
R&D expenses, R&D investment as a percentage of sales



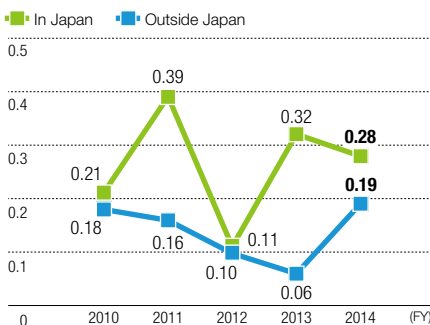
Percentages of locally hired presidents of subsidiaries outside Japan



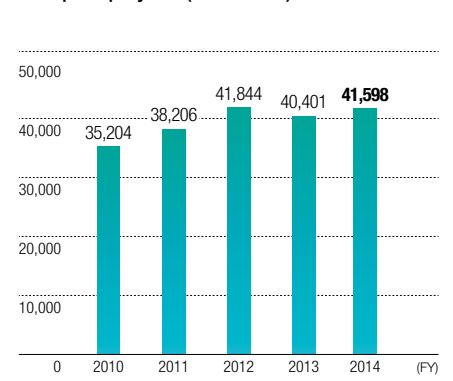
Number of patent rights held



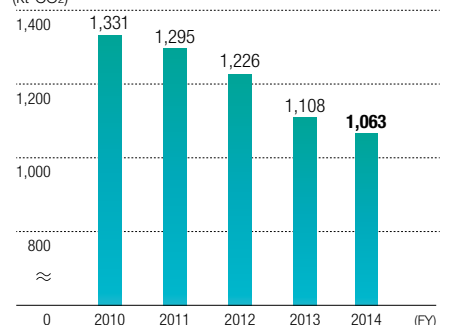
Frequency rate of accidents causing absence from work



Group employees (worldwide)



CO₂ emissions throughout product life cycle (kt-CO₂)



Business Overview

Konica Minolta aims to be an innovative company that continues to effect change with a central focus on its Business Technologies Business, which enjoys a “genre-top” position in the world.

Breakdown of sales by business (FY2014)

Industrial Business

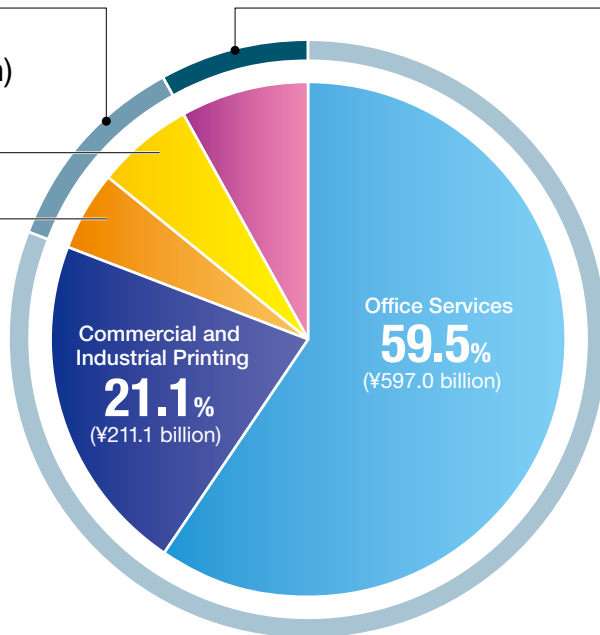
11.2% (¥112.7 billion)

Performance Materials

6.1%
(¥60.9 billion)

Optical Systems for Industrial Use

5.2%
(¥51.8 billion)



Healthcare Business

7.8%
(¥78.5 billion)

Business Technologies Business

80.6%
(¥808.2 billion)

Business Technologies Business

Office Services

A3 color MFPs:
Large global market share

*Unit basis, Konica Minolta estimate using external CY2014 data



bizhub C554e series

Commercial and Industrial Printing

Color digital printing systems:
Large global market share

*Unit basis, Konica Minolta estimate using external CY2014 data



bizhub Press C1100

Healthcare Business

Healthcare

Cassette-type digital radiography systems:
Large market share in Japan

*Konica Minolta estimate using external CY2014 data



AeroDR PREMIUM

Industrial Business

Optical Systems for Industrial Use

Display analyzers: Large market share

*Konica Minolta estimate using CY2014 data

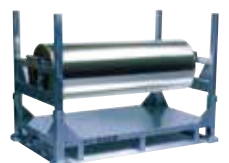


Display color analyzer CA-310

Performance Materials

TAC films: Large global market share

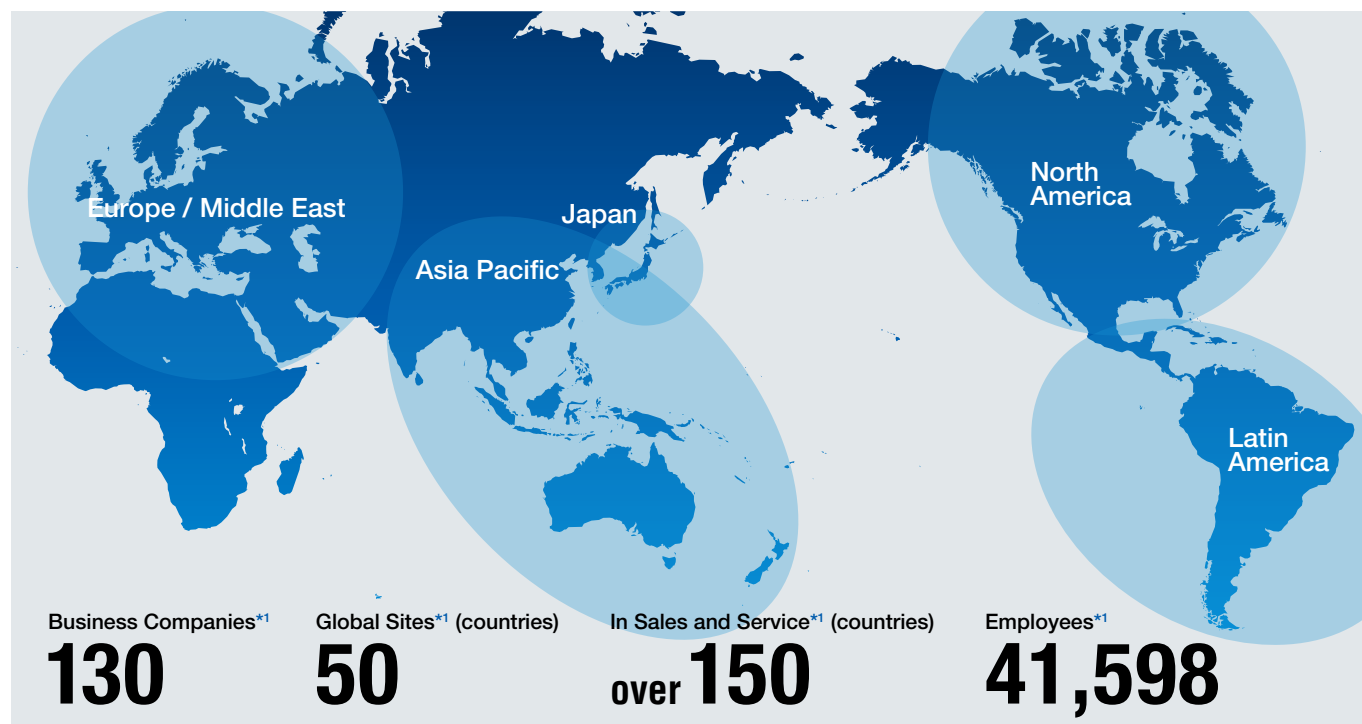
*Area basis, Konica Minolta estimate using external CY2014 data



TAC film for LCD polarizers

Regional Overview

With business sites in 50 countries around the world and more than 40,000 employees, Konica Minolta is a global company that provides the solutions the world needs.



*1 Data is compiled on a consolidated basis (as of March 31, 2015)

		Net sales*2 (Billions of yen)	Employees	Business companies	CO ₂ emissions (kt-CO ₂)	Total energy inputs (TJ)	Water consumption (km ³)
Europe	2012	224.8	8,151	56	32	660	74
	2013	309.6	8,328	55	31	619	75
	2014	328.6	9,048	61	28	545	95
North America	2012	165.7	7,706	9	41	681	86
	2013	205.8	7,663	11	38	635	84
	2014	235.6	8,046	9	36	599	86
Japan	2012	226.2	12,539	27	286	6,147	3,181
	2013	204.7	12,177	21	262	5,626	3,034
	2014	194.6	12,154	20	265	5,694	3,188
Asia / Others	2012	196.2	13,448	21	114	1,616	2,756
	2013	214.9	12,233	23	91	1,238	1,445
	2014	243.8	12,350	40	70	912	474

*2 Accounting standards: Japanese standards are used for FY2012 and International Financial Reporting Standards (IFRS) are used for FY2013/2014.
Sales figures for Russia and Turkey are included in Asia/Others for FY2012 and in Europe for FY2013/2014.