

## On the Release of Integrated Report 2017

Since fiscal 2015, Konica Minolta has released annual reports that provide a comprehensive look at the Company's activities and philosophies. The third report is now available. These reports will be referred to as "integrated reports" from here on. We consider this integrated report to be an important tool that represents a systematic organization of both financial and non-financial information, and is intended to be a communication tool to better familiarize readers with Konica Minolta. The 2016 annual report was externally well-received, winning recognition and awards that included the Grand Prix Runner Up in the Nikkei Annual Report Awards conducted by Nikkei Inc.

Integrated Report 2017 lays out the Konica Minolta Group's strengths and process to creating value with a focus on SHINKA 2019, the new Medium Term Business Plan formulated this year, while explaining the Group's medium- to long-term business strategy and pathway to value creation.

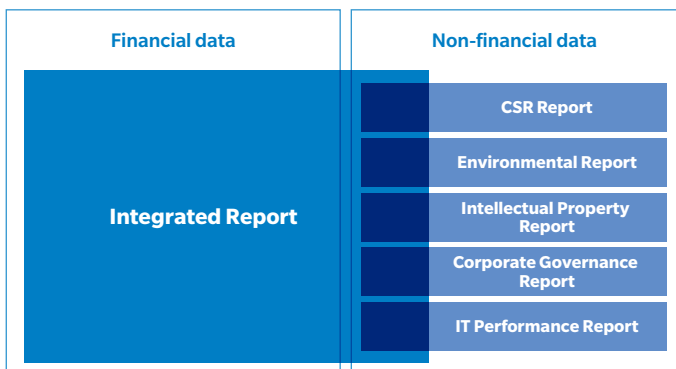
The report was a cross-organizational collaboration accomplished by taking cues from sources such as the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC) and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry.

I can attest to the soundness and accuracy of the report creation process and its content.

Konica Minolta will continue using the integrated report as a tool for engaging with all of its stakeholders, including its shareholders and investors, as it works to sustainably improve the corporate value it provides.

**Shoei Yamana**  
President and CEO

### Role of Integrated Report 2017



### Notes on outlook for future results

The plans, strategies and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by management based on currently available information. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions.

# C O N T E N T S

	On the Release of Integrated Report 2017.....	1
	Contents .....	2
	Konica Minolta Philosophy .....	3
<b>Konica Minolta's Journey So Far</b>	<b>Konica Minolta's Journey So Far</b> .....	5
	Evolution of a business model .....	7
	Technological progress .....	9
	Preparations made under the previous Medium Term Business Plan .....	11
<b>Konica Minolta's Journey Ahead</b>	<b>Konica Minolta's Journey Ahead</b> .....	13
	<b>Message from the CEO</b> .....	15
	<b>Message from the CFO</b> .....	25
	<b>Value Creation Process</b> .....	27
	<b>Special Feature</b>	
	<b>1   Toward the Establishment of a Platform Business</b> .....	29
	<b>2   Building a Bio-healthcare Business</b> .....	33
<b>Business Results</b>	Financial and Non-Financial Highlights .....	37
	At a Glance .....	41
	Business Technologies Business (Office Services) .....	43
	Business Technologies Business (Commercial and Industrial Printing) .....	45
	Healthcare Business .....	47
	Industrial Business .....	49
	Market Data by Segment .....	51
<b>Platform Supporting Sustainability</b>	<b>Discussion on Corporate Governance</b> .....	54
	<b>The Chairman of the Board and an Outside Director</b>	
	Towards Sustainable Growth and Enhanced Corporate Value Fortifying Medium Term Business Plan Oversight	
	Corporate Governance .....	59
	CSR Management .....	71
	Creating Value through Our Value Chain .....	79
	External Evaluation of Konica Minolta's Management, with Its Focus on Achieving Sustainable Growth .....	91
<b>Financial Report</b>	10-Year Financial Summary .....	93
	Management's Discussion and Analysis .....	95
	Consolidated Financial Statements .....	103
	Independent Auditor's Report .....	153
	Company Overview/Stock Information .....	155
	Glossary .....	156

Konica Minolta Philosophy

## Our Philosophy

# The Creation of New Value

---

## 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.

---

## 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.

---

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 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.

---