



Corporate Motto

敬天愛人

Respect the Divine and Love People

Preserve the spirit to work fairly and honorably, respecting people, our work, our company and our global community.

Management Rationale

To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.

Management Philosophy

To coexist harmoniously with our society, our global community, and nature. Harmonious coexistence is the underlying foundation of all our business activities as we work to create a world of prosperity and peace.

Editorial Policy and Duration

This report covers the social and environmental protection activities conducted at domestic and overseas business sites of Kyocera Mita Corporation and its affiliates during fiscal year 2007 (April 2007 to March 2008).

We used the Environmental Reporting Guidelines of the Japanese Ministry of the Environment as a reference when preparing this report. The history of our environmental efforts before fiscal 2007, as well as activities at our overseas plants, is also contained herein.

This year's cover design, like last year's, represents our corporate motto, "Living Together—harmonious coexistence with nature."

Business sites of Kyocera Mita Corporation

Japan: Head Office, Yoga Office, Tamaki Plant, Hirakata Plant
Overseas: Kyocera Mita Shilong Plant (China)
Kyocera Mita South Carolina Plant (USA)
Kyocera Mita Hong Kong
25 Sales Companies
Daiken Shilong Plant (China)

Affiliates in Japan

Kyocera Mita Japan Corporation
Daiken Co., Ltd.

Corporate Profile

Name:

Kyocera Mita Corporation

Head office:

1-2-28 Tamatsukuri, Chuo-ku, Osaka 540-8585
TEL: +81-6-6764-3555 (Main switchboard)

Representative:

President Katsumi Komaguchi

Founded:

November 1934

Incorporated:

July 1948 (Mita Industrial Co., Ltd.)
Renamed Kyocera Mita Corporation on January 18, 2000.

Capital:

JPY 12 billion (Kyocera Co., Ltd. 100%)

Annual sales:

JPY 276.1 billion (consolidated sales of the Kyocera Mita Group reported in March 2008)

Number of employees:

12,997 (as of March 31, 2008 for all companies in the Kyocera Mita Group)

Japan: 1 sales company, 1 production company
Overseas: 25 sales companies, 2 production companies, 1 distribution company

Capital and annual sales amounts are rounded to the nearest hundred million.

Business offices in Japan:

Yoga Office
2-14-9 Tamagawadai, Setagaya-ku, Tokyo 158-8610
TEL: +81-3-3708-3851

Plants in Japan:

Tamaki Plant
704-19 Nojinozamatabe, Tamaki-cho, Watarai-gun, Mie 519-0497
TEL: +81-596-58-4111

Hirakata Plant
1-38-12 Tsudakita-machi, Hirakata-shi, Osaka 573-0121
TEL: +81-72-858-1231

Affiliates in Japan:

Kyocera Mita Japan Corporation
1-9-15 Nihonbashi Honcho, Chuo-ku Tokyo 103-0023, Japan
TEL: +81-3-3279-2120

Daiken Co., Ltd.
1304-33 Eigashima Tengumatsu, Okubo-cho, Akashi-shi, Hyogo 674-0064
TEL: +81-78-935-5035 (Switchboard)

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Top Commitment

Positioning FY2008 as the “first year of CSR,” we are committed to pursuing environmental management and social contribution activities, with high ethical standards.

Practicing our management rationale means promoting CSR management.

As a member company of Kyocera Group, Kyocera Mita adheres to the corporate motto: “Respect the Divine and Love People” and the management rationale: “To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind.” We have been managing our company based on the Kyocera Philosophy, which upholds “doing what is right as a human being” as the principal criterion for making business decisions. We have always strived to “serve society and people” in a “spirit of altruism, always considering what is right as a human being.

Today, social contribution and environmental conservation become increasingly important in corporate activities. Kyocera Mita has always believed that to achieve sustainable development, it is essential for companies to fulfill their social responsibilities. In keeping with this belief, we have been actively pursuing social and environmental activities. With the determination to redouble our efforts, Kyocera Mita has defined FY2008 as the “first year of CSR”; we have vigorously been promoting compliance with laws and regulations as well as highly transparent business management. However, for Kyocera Mita, CSR certainly does not involve a new concept or new values; it is nothing other than putting the

Kyocera Philosophy into action. We firmly believe that implementing the Kyocera Philosophy helps build mutual trust with stakeholders and contributes to the healthy development of society.

This year, Kyocera Mita upholds the “pursuit of customer communication excellence” and the “pursuit of manufacturing excellence” as its new business visions. We seek to remain a worthwhile company, favored and trusted by our customers, by listening to the voices of customers who actually use our products to identify their true needs, creating products and services truly desired by customers, and offering those products and services at the optimal time.

In FY2007, we conducted a broad range of social contribution activities, including humanitarian and disaster relief activities (blood donations and charitable donations), social welfare activities (support for welfare facilities) and environmental protection activities (cleaning activities in local communities). In February 2008, we made a donation to Mie Prefecture, where our Tamaki Plant as well as the historical site Saiku are located, to help them purchase “Suketsune-bon Saiku Nyogo-shu,” a historically significant poetry manuscript, discovered in the collection of a certain family. We made this donation in the hope that the Suketsune-bon Saiku Nyogo-shu will be broadly introduced to the public and passed down to future generations.

Contributing to global environmental conservation through our core business activity

Kyocera Mita manufactures products based on the ECOSYS concept. The ECOSYS concept is Kyocera Mita’s unique long-life technology that reduces the environmental burden by extending the service life of consumable parts, minimizing the frequency of their replacement. In line with this concept,

we are pursuing product development from the earliest planning stage always paying attention to the product’s environmental friendliness and resource efficiency, i.e., from the 3R (reduce, reuse, recycle) perspectives.

We conduct life cycle assessments (LCA) to measure the environmental impact of our products throughout their entire life cycle, from materials acquisition to manufacturing, transportation, use, disposal and recycling. ECOSYS technology is the optimal technology from a LCA perspective. In other words, we can protect the global environment by pursuing our core business activity with sincerity, i.e., manufacturing.

In future, we will continue doing our utmost to evolve ECOSYS technology and concept, and disseminate ECOSYS products throughout the world, thereby contributing to reducing the negative impact on the global environment.

We have long been active in environmental protection activities. The Tamaki Plant acquired ISO 14001 certification in 1996, in advance of other factories in the same industry. Currently, almost all of our sales companies, including those located overseas, are ISO 14001 certified. Furthermore, we plan to expand occupational health and safety activities, thereby to ensure that all our business sites in Japan acquire OHSAS18001 certification by the end of FY2008.

We trust that readers of this report will gain a better understanding of our vision and activities. To better fulfill our social responsibilities and enhance the quality of our environmental management, we invite your candid comments and opinions about the content and the company, for which I thank you most sincerely in advance.

President **Katsumi Komaguchi**



Special Feature

CSR Activities at the Kyocera Mita Shilong Plant

Aiming to
by people

become **China's No.1** plant, trusted
around the world



The Kyocera Mita Shilong Plant, China, produces nearly 100% of Kyocera Mita multifunctional systems and printers as well as photoconductor drums. Towards its ultimate aim of becoming China's No. 1 plant, the Shilong Plant is vigorously promoting the Manufacturing Reform Project, in line with Kyocera Mita CSR management policy. Under the Manufacturing Reform Project, the Plant strives to promote understanding and dissemination of the Kyocera Philosophy, Kyocera Group's management philosophy, among Chinese employees. In line with its quality-first policy, the Plant is also working hard to establish systems that ensure the highest quality of parts (green procurement), assembly operations and work environment. Moreover, the Plant is actively promoting environmental activities in accordance with the environmental management system. The Shilong Plant is seeking to become a plant trusted by all stakeholders.

The Shilong Plant promises to "provide opportunities for the material and intellectual growth" to a total of about 7,000 employees, who come from various areas across China. To increase and sustain their motivation, the Plant is implementing various "indigenization" programs, including welfare programs and human resources development programs (technical training etc.) to foster competent individuals capable of taking charge of plant operations.

This special feature outlines the measures being undertaken by the Shilong Plant.

We are promoting the “Manufacturing Reform Project” in line with our quality-first policy.

In 2001 the Kyocera Mita Shilong Plant was established in Guangdong Province as a joint venture between Kyocera Mita and a local firm (currently, 92.76% owned by Kyocera Mita). The Shilong Plant manufactures nearly 100% of Kyocera Mita multifunctional systems and printers and photoconductor drums.

The Plant is striving to produce high-quality products trusted by customers, sticking to its “quality-first” policy. As part of our efforts to produce high-quality products, we have introduced the “synchronous production system” to ensure that the production of units that constitute a machine is synchronized with the production of the main body, and the “parts kit feeding system,” in which kit cases, each of which contains all the parts needed to build a machine, are fed into the assembly line. We have also introduced the Kyocera Mita Production System (KMPS) to ensure swift and effective problem solving. The KMPS allows a line worker to stop the line by pressing the stop button, at their own discretion, when they notice a problem. Through these systems, we strive not to receive defects, not to make defects and not distribute defects.

In an effort to strengthen frontline manufacturing capabilities, we are promoting the Manufacturing Reform Project, which focuses on production reform, procurement reform and human resources reform. The entire staff are working as one team toward the aim of becoming China’s No. 1 plant.

We define the No. 1 plant as a “vibrant” plant where energetic and motivated people who try to change the status quo are working, as a “no-waste” plant that pursues waste elimination and continuous improvement, and as a “plant that continuously impresses customers” with its high quality products.

Plant General Manager, Kyocera Mita Shilong Plant
Masashi Ueda



Placing First Priority on Disseminating the Kyocera Philosophy among Employees

The Shilong Plant has been implementing the Manufacturing Reform Project. To achieve the goals of this project, the Plant provides various education programs to ensure that Kyocera Group’s management philosophy—the Kyocera Philosophy—is fully understood and implemented by all its employees.

Kyocera Group holds the Kyocera Philosophy Essay Competition annually; In FY2007, we for the first time called for Chinese employees at the Shilong Plant to participate in the competition. As many as 1,000 essays were submitted from Chinese employees. Many of them described how they were practicing the Kyocera Philosophy in their daily work activities. Their essays showed their good understanding of the Kyocera Philosophy. We felt that everybody’s minds were the same, regardless of culture and customs. In FY2007, a Chinese employee’s essay was chosen as the best essay and was awarded the Chairman Emeritus’ Award.

Plant General Manger Ueda expressed his commitment, saying, “we will strive to promote indigenization further, so that local people can change the workplace and participate in the operation of the plant.”



Outline of the Kyocera Mita Shilong Plant

Company name: Kyocera Mita Office Equipment (Dungguan) Co.
Address: Dongguan City, Guangdong Province
Established: December 2001 (as a joint venture)
Number of employees: Approx. 6,900 (as of June 2008)
Total floor area: 231,500 m²
Business: Manufacture of multifunctional systems, printers, photoconductor drums February 2003 (upgraded to the 2000 version)
Date ISO 14001 certification acquired: October 2001
Date ISO 9001 certification acquired: February 2003 (upgraded to the 2000 version)

Aiming to Manufacture Products Highly Appreciated by People around the World

The Shilong Plant manufactures nearly 100% of Kyocera Mita’s multifunctional systems and printers. The Plant has established various systems to ensure the highest quality of parts (green procurement), assembly operations and work environment.

Kyocera Mita Production System (KMPS)

The Shilong Plant has introduced the Kyocera Mita Production System (KMPS) to ensure high and consistent product quality. The KMPS enables a line worker to stop the line at their own discretion, when they notice a defect. The line is stopped until the problem is resolved. In order to eliminate quality variations, it is ensured that problems are solved immediately without being postponed.

Work guidance

As one of the measures to improve the quality of assembly, each worker produces their own standard operating procedure “My SOP.” When a problem or mistake occurs, the worker should contact their supervisor, who, instead of relying only on experience, will give advice and guidance in the light of the worker’s SOP.

Quality control system

The Shilong Plant has established and maintains stringent quality control measures throughout the entire production process, including thorough green procurement, strict incoming inspection, implementation of parts kit feeding and synchronous production, Line QC, and 100% inspection of finished products. Each production floor has a product inspection room, where the Quality Assurance Department staff members perform shipping inspections from the customer perspective. Only products that pass strict shipping inspection are shipped.

Improvement activities

In April 2008, the Shilong Plant launched the improvement suggestion program to encourage workers and supervisors to submit their ideas and suggestions for continuous improvement of manufacturing processes.



The Production Division General Manager Soichiro Uehara (middle), making the rounds of the production line, together with the Production Department General Manager Cai Jian Cong, who is in charge of the shop floor, and Team Leader Zhang Man Hua

[Improvement Suggestion Program]

A supervisor and 10 workers form a group to generate ideas to improve safety measures and production lines. The number of improvement measures implemented per month is 60 to 70. The Improvement Suggestion Program aims not only to increase employees’ motivation and give them a sense of accomplishment, but also to facilitate communication among employees.

[QC Circle Activities]

A Team Leader and 10 supervisors form a group to perform workplace improvement activities. Currently 25 QC circle groups are implementing various improvement activities. The QC circle activities also aim to improve each individual Team Leader’s ability to improve the workplace.



A supervisor giving guidance to a worker, holding the worker’s My SOP in her hand



QC circle activity



Print quality inspection



Shipping inspection of a color multifunctional system

Employee’s Voice

I am doing my best, keeping in mind that “the next process is the customer.”

I have been working very hard, following what I was taught by my superiors. Thanks to my tireless efforts, I have gained many skills, and I have been assigned the duty of instructing my juniors. Products manufactured at our plant are delivered to customers around the world. So I think I should pay strict attention to my group members’ work and attitude, so that my group

members will not make mistakes, or will not produce sloppy work. I am proud of Kyocera Mita’s strong commitment to quality. I would like to produce and deliver high quality products, always keeping in mind that “the next process is the customer.” To achieve my dream of becoming a manager who supervises the entire production line, I will continue doing my best.

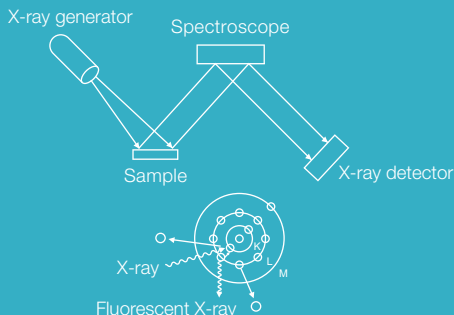


C52 Line Supervisor, Equipment Production Department 1
Zhou Ai Ling





Fluorescent X-ray analysis of the RoHS Directive banned substances



When X-ray is irradiated to a sample, inner shell electrons move to the outer shell, leaving vacant spaces in the inner shell, thus making the atom unstable. The vacancies will be filled by electrons falling from outer shells, restoring the stability of the atom. Such electron transfer process is accompanied by the emission of characteristic X-rays. The fluorescent X-ray analyzer detects and analyzes each characteristic x-ray to identify and quantify the element contained in the sample.

Chemical Substance Management in Cooperation with Suppliers

The Shilong Plant, which puts quality first, considers that management of chemical substances in supplied parts is one of the most important activities. In line with this policy, the Plant promotes green procurement and conducts regular audits on parts suppliers.

Certification of parts suppliers

In response to the enforcement of the EU RoHS Directive in 2006, the Plant concludes comprehensive contracts with its parts suppliers, to ensure that they do not use any hazardous substances banned by the RoHS Directive. The Plant also inspects all parts supplied to determine whether they contain any banned chemical substances, using the Chemical Substance Check Sheet.

All suppliers undergo a rigorous screening process, including documentary examination by Kyocera Mita Head Office (Japan); suppliers that meet Kyocera Mita's selection criteria are granted certification. The Plant does business only with certified suppliers. Moreover, our suppliers are subject to multiple environmental audits to inspect and evaluate their chemical substance management practices, acquisition and implementation status of ISO 14001 certification, process management and shipping management systems and working environment.

Incoming parts inspection

Incoming inspection is performed on random samples taken from parts supplied. Each sample is measured in all dimensions and tested to determine whether any RoHS Directive banned substances are present. Sampling inspection is conducted at the time of design change and on new products.

Environmental Measures to Enhance Employee Awareness

The Shilong Plant has developed action plans for energy saving, waste disposal and wastewater treatment, in accordance with the ISO 14001 management system. The Plant has been implementing various environmental measures by rotating the PDCA cycle.

Energy-saving measures

The Shilong Plant has been implementing various measures to reduce electric power consumption from air conditioning, including replacement with more energy-efficient, turbo air conditioning systems, installation of automatic ON/OFF timers on air conditioners, and a campaign titled "Let's maintain room temperature at 26 degrees Celsius." Measures to reduce electricity used for lighting include illumination control, reduction of the number of light fixtures, and replacement with more energy-efficient lighting. Thanks to these measures, electric power consumption decreased by 10% in June and July 2008 from the same months last year.



A turbo air conditioning system that has greatly contributed to energy saving

Waste disposal measures

All industrial waste generated is classified into three types: recyclable, unrecyclable and hazardous. Plastics, metals and cardboard waste are sold as valuable resources; garbage and toner are collected and disposed of by an authorized waste disposal contractor. The Plant is also promoting separate collection of metal, plastic and garbage; three trash cans are placed in each office kitchenette.



Trash cans for separate collection



Poster exhibition held during the Environment Month

Wastewater treatment measures

Two sewage treatment facilities in the Plant undergo regular water quality testing by outside agencies. The Shilong Plant complies with the wastewater standards of Dongguan City, where the Plant is located. The Plant has passed all surprise inspections by the municipal government and has received a commendation certificate. The Plant receives preferential treatment on water rates.

Effective use of resources in distribution

Since FY2008, the Shilong Plant has replaced corrugated cardboard boxes with returnable plastic containers, to reduce transport packaging between the Plant and parts suppliers. As for pallets used for shipping finished products to Japan, wooden pallets were replaced with metal ones in FY2005. The Plant has been promoting the use of returnable packaging to ensure effective resource use.

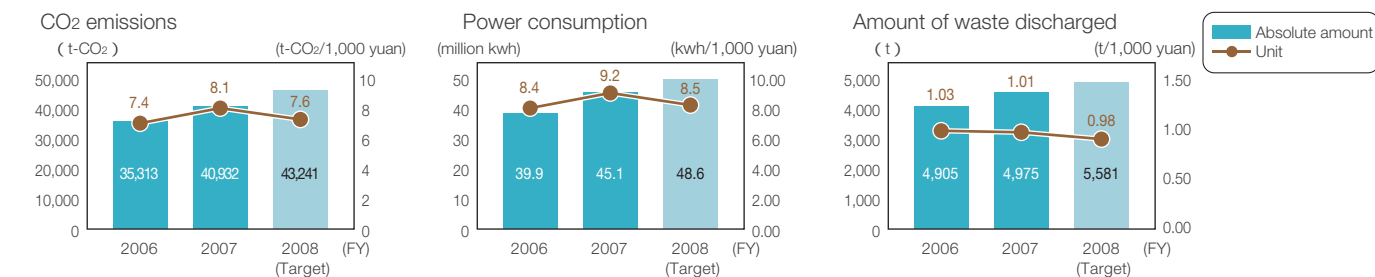


Returnable plastic containers used for transporting parts between the Plant and suppliers



Metal pallets used for shipping finished products to Japan

Of products manufactured by the Shilong Plant, 13 models have earned the China Green Mark and 16 models have achieved the Energy Saving Mark.



Employee's Voice I feel proud of being in charge of environmental protection, which is very important for our company and society.

In China, environmental awareness is greatly increasing. However, it is not an easy matter to ensure that all employees understand the importance of energy saving and garbage separation. As part of our efforts to improve environmental awareness among employees, a monthly meeting is held to bring together the staff members in charge of environmental activities at each department to discuss environment-related matters. The environmental staff members communicate and explain the matters discussed in the meeting to other members of their respec-

tive departments. We also distribute important information via bulletin board postings and other means. Environmental education is also included in the new employee basic training curriculum. I feel proud of being in charge of environmental protection, because it is very important not only for our company, but also for society at large. I will make an effort to promote environmental awareness outside the company as well by imparting my knowledge to friends and relatives so that they will also become more aware of environmental protection.



In charge of environmental system, Environmental Safety Section

Liao Guo Qing

Message from a Business Partner

I wish Kyocera Mita further growth and success as a CSR-oriented company.

This year marks the 24th year since we entered business relations with Kyocera Mita in 1984. They have always been strict regarding quality control. Since the RoHS Directive was enacted, it has been mandatory for us to have our chemical substance management system audited by Kyocera Mita inspectors every two years. In order to continue doing business with them, we have to pass their audits. We take thorough measures to meet their quality standards and requirements; we require our upstream suppliers to submit chemical substance surveys. Moreover, we not only conduct strict incoming inspections and process control, but also undergo third-party quality assurance inspections. We were audited in June 2008, and we passed this year, too. What I think is good about Kyocera Mita is that they rely more on written communication, rather than meetings and via telephone. Written correspondence helps reduce mistakes and the associated loss of time, thereby enabling speedy and reliable communication between us. For the past 10 years, there have been no problems due to misunderstandings or misinterpretation of information. That is proof of what I said. We sincerely hope that Kyocera Mita will further expand their business globally and disseminate the ECOSYS concept throughout the world. We hope to continue our mutually beneficial business relationship well into the future. Through doing business with Kyocera Mita, we seek to contribute to the betterment of society and the world.



Dimension measurement is performed in the shipping inspection, using a three-dimensional measuring system.



Inspection room for the RoHS Directive banned substances



President, Chee Yuen Industrial Co., Ltd.

Lin Jian Ming

Company outline
 Headquartered: Hong Kong
 Incorporated: 1969 (Founded in 1965)
 Number of employees: 2,397
 Business description: plastic molding, mold making service, plastic plating, emergency power supply batteries etc.
 Date ISO 14001 Certification acquired: October 2001
 Date of the Supplier Chemical Substance Management System Certification granted by Kyocera Mita: June 2006
 *The Company supplies Kyocera Mita with molded plastic parts for multifunctional devices and printers.



Establish a Relationship of Trust with Employees by Creating a Positive and Pleasant Work Environment

Kyocera Mita promises to “provide opportunities for material and intellectual growth” to all employees at the Shilong Plant. In an effort to fulfill this promise, the Plant strives to develop human resources through various education and training programs, including Philosophy Education (since FY2006) and to enhance employee welfare programs and improve workplace communication, so as to reduce employee turnover (retain employees).

Benefit packages

To create a work environment in which employees (line workers) can concentrate on their jobs with no worries, the Plant has been implementing various activities to enhance workplace communication.

In September 2008, the Plant introduced the employee group activity promotion program, whereby a grant (up to 10 yuan per person per month) is provided to the department that holds an event (dinner party, recreational event etc.) to promote communication among its staff members.



Birthday party
Respecting traditional Chinese culture of holding a birthday party inviting family and friends, the Plant has held a birthday party each month for its employees since the beginning of FY2008. One of the benefits of these events is that employees from different departments can get together and get to know each other in a relaxed setting.



Grand sports meet
A grand sports meet has been held in December of each year; the FY2007's meet was the sixth. The sports meet took place in a fun-filled and lively atmosphere, with participation of the Plant's 7,000 employees. Cheering competitions between the departments were great fun and very popular.



Chinese New Year's Party
A New Year's Party is held in February each year for Chinese employees, who celebrate the Chinese New Year. The New Year's Party takes place at three venues; the dinner party lasts for five days.

Accelerating Occupational Health and Safety Promotion Efforts

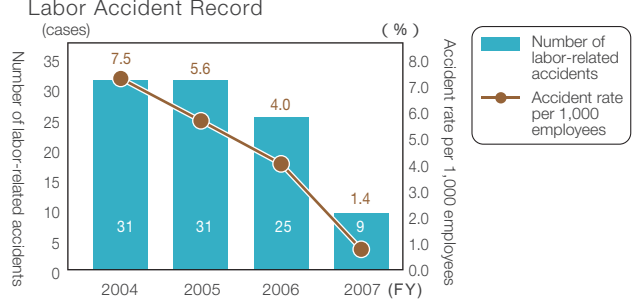
The Shilong Plant is promoting “Safe Production Standardization” under the supervision and guidance of the Chinese government authorities, while at the same time working to establish an occupational health and safety management system. As part of such efforts, the Plant promotes the 5S activities and conducts fire drills.

Safe Production Standardization

The Shilong Plant undergoes safe production standardization inspections, which is under the supervision of the National Safe Production Supervisory Management Bureau. In accordance with the guidelines of the authorities concerned, the Plant is also working to establish a safe production system as well as an occupational health and safety management system to prevent occupational diseases and labor-related accidents through improvement of equipment and facility safety. Thanks to these efforts, the number of labor accidents has significantly decreased. The Shilong Plant is now working hard to acquire the First Grade of the Safe Production Standardization Certification.



5S Health and Safety Bulletin Board



Fire Drills

A fire drill is held annually with all employees participating. An evacuation drill and firefighting drill are conducted under the direction of the disaster prevention personnel.



Fire drills with the participation of all employees



Cleanup activities around the Plant

Social Contribution Activities

[Donations]

The Shilong Plant workers voluntarily collected donations totaling 28,000 yuan (approx. 420,000 yen) for the victims of the heavy snowfall in February 2008. The Plant workers also collected 130,000 yuan (approx. 1,950,000 yen) to aid the people and communities affected by the Sichuan Earthquake that occurred on May 12, 2008. On both occasions, donations collected from workers, plus donations from the Company, were sent to the Red Cross office in Dongguan City.

[Cleanup activities around the Plant]

The Shilong Plant conducted a campaign, titled “Let's throw litter into rubbish bins,” and cleanup activities around the Plant.

Employee Education

[Philosophy Education]

To promote understanding and dissemination of the Kyocera Philosophy among Chinese employees, Philosophy Education seminars have been held for employees in senior positions since FY2006. Since FY2008, Philosophy Education has been provided to all employees.

[New Employee Education]

Newly-hired employees receive basic training, which focuses on basic attitudes as working adults and how to plan career development.

[Other]

The management education program is provided for staff members in managerial positions to improve their management skills, so that they will be able to take charge of Plant operations in the future. Moreover, various skill training programs are provided for production line workers. The Shilong Plant has also introduced the Meister System, under which individual workers' skill levels are evaluated.



New employee education

Employee's Voice

I will do my best to become a leader in the workplace, while being thankful for the Company's preferential treatment to female employees.

In China, most women work outside the home. It is therefore extremely important for women to work for a company that has a maternity leave system. I gave birth to a girl in August of last year, and took maternity leave until November. While I was on leave, my baby got sick twice; I was so thankful for maternity leave. Our company also has a system that allows new mothers to arrive at

work one hour late or to leave work one hour early. Since my husband's mother takes care of my baby girl, I don't use this system, but many of my colleagues use this system. While fulfilling the role of mother, I will do my best in my work, so that the Company will recognize my work and I can become a leader in the workplace.



Senior Clerk (Grade 2), Personnel Section, Personnel Department
He Wan Yun

Striving to create a vibrant and energetic atmosphere, so as to produce high-quality products

I wish to make our plant a vibrant and energetic place, so that visitors are impressed by the excellent atmosphere. To achieve this, I think that it is most important to ensure stringent quality control and good communication with Chinese employees. Under this belief, we have been implementing various measures.

We launched a greeting campaign, encouraging all employees to exchange daily greetings in a loud and cheerful voice; managers and other leaders have played leading roles in this campaign. Thanks to their efforts, this practice has taken root in the Plant. I think that each small act makes a difference, leading to increased motivation, which serves as the driving force behind the production of high-quality products.

The entire staff are working as one toward the aim of becoming China's No.1 clutch manufacturing plant.



Plant General Manager, Daiken Shilong Plant
Shinji Tamura

Affiliate Daiken Shilong Plant

Placing Importance on Systemization of Process Capability Management and Creation of a Pleasant Workplace

Aiming to become China's No.1 clutch manufacturing plant, the Daiken Shilong Plant strives to create a positive and vibrant workplace and to maintain strict quality control.

Thorough Quality Control

Aiming to become China's No. 1 clutch manufacturing plant, the Daiken Shilong Plant is striving to manufacture high-quality products.

The Plant not only ensures thorough implementation of 5S activities, but also maintains strict quality control in each production process, through the process capability management system that numerically controls quality variations. In the production line, stringent quality inspections are also performed at each of the three processes: parts processing, general assembly and function inspection.

To maintain high standards of quality, we ensure that only certified personnel perform processes requiring special skills, such as soldering.

We also conduct audits to determine suppliers' compliance with ISO 9001 requirements. To prevent the inclusion of chemical substances banned by the RoHS Directive, we visit our 10 primary suppliers to conduct on-site environmental audits. We also visit our secondary suppliers to inspect their plating operations.



Only certified personnel can perform soldering.



As one of the measures to increase employee motivation, the excellent lines and excellent workers of the month are given recognition at the morning meeting.

Communication with Employees

In an effort to create a positive and vibrant workplace, we encourage employees to exchange daily greetings in a loud voice. This practice of greeting each other has gradually taken root in the Plant. We also select excellent lines and excellent workers of the month in terms of quality and productivity and give recognition to them at the morning meeting, thereby enhancing employee motivation. Company trips, parties and the Chinese New Year's Party take place to facilitate communication among employees. Thanks to various activities and efforts, our plant is becoming a more vibrant and energetic place.

Employee's Voice We totally eliminated the use of organic solvent in the polishing process.

The Daiken Shilong Plant processes various parts for electromagnetic clutches; one of the processing steps is polishing. Organic solvent used to be used for cleaning parts after polishing, but an "alkaline ionized water cleaning system" was introduced as an environmentally friendly cleaning method in FY2006.

Moreover, in November 2007 the polishing method was switched from oil polishing to water polishing to reduce the environmental load caused by waste disposal. This enabled organic solvent to be completely eliminated from the polishing process. The water polishing method has reduced the use of environmentally hazardous and harmful substances, resulting in an improved working environment. In addition, the cost of oil was reduced by 10,000 HK dollars per month.



Giving instructions to a worker on polishing operations.

Li Xiang Bo
Manager,
Quality Management Department



Outline of Daiken Shilong Plant

Established:
December 2001
Number of employees:
Japanese 4, Chinese 330
Business:
Manufacture of electromagnetic clutches and motor actuators for use in office automation equipment such as multifunctional systems, facsimiles, printers and communications devices
Date ISO 14001 certification acquired: April 2004
Date ISO 9001 certification acquired: September 2003

CSR Management

Kyocera Mita manages its corporate activities on the basis of the Kyocera Philosophy — a universal philosophy based on the question "What is the right thing to do, as a human being?"



CSR Management

- 15 Kyocera Group's CSR Principles
- 17 Business Outline and Social Responsibilities

Practicing the Kyocera Philosophy

Since its founding, Kyocera has adhered to the management rationale: "To provide opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind." The Company has always managed its business activities in accord with the Kyocera Philosophy, which upholds "doing what is right as a human being" as the principal criterion for business decisions. The Company has always strived to "serve society and people" in a "spirit of altruism," in accord with fundamental

ethical and moral values—fairness, equality, justice, effort, courage, philanthropy, humanity and loyalty. Hence, for the Kyocera Group, CSR is certainly does not involve a new concept or new values; it is nothing other than putting the Kyocera Philosophy into action. We firmly believe that implementing the Kyocera Philosophy helps build mutual trust with stakeholders and achieve sustainable development of the Kyocera Group, ultimately contributing to the healthy development of society.

Objectives of CSR Activities

To build mutual trust with stakeholders and contribute to sustainable development of the Kyocera Group, as well as to the

healthy development of society, by promoting organizational CSR activities in accord with the Kyocera Philosophy

CSR Activities—Prioritized Areas

The CSR Vision is under development, the plan being to formulate and implement a mid-term CSR Promotion Plan by March 2009.

- Go back to the basics of Amoeba Management
- Strengthen corporate governance
- Enrich social contribution activities
- Enhance communication with all stakeholders
- Implement the Second Environmental Action Plan

The Scope of CSR Activities (Product Liability) Management

The Kyocera Group aims to pursue well-balanced CSR activities from three perspectives: economic, social and environmental, while strengthening its management foundation, including corporate governance.



Kyocera Philosophy and Kyocera Employee Action Guidelines

The Kyocera Philosophy serves not only as a guide for all Kyocera Group members in conducting their business activities, but also as a code of conduct that they are expected to follow in every aspect of their lives, public or private.

We distribute the Kyocera Philosophy Handbook to all employees, to encourage them to voluntarily learn and practice the Kyocera Philosophy. Moreover, to disseminate and enhance employee understanding of the Kyocera Employee Action Guidelines, we also produce and distribute the Kyocera Employee Action Guidelines Handbook to all employees.

Section 2 of the Kyocera Philosophy Handbook contains the sentence "Create your path by yourself."

Nobody can guarantee the future. Even though the company is going well at the moment, the current success is the result of past efforts; no one knows what will happen in the future.

In order to ensure the company's continued success in the future, there is no other way than for each of us to carry out our own roles and responsibilities to the utmost.

We have to be aware of our own duties and carry them out with the greatest diligence, instead of relying on others or asking for help, thinking that "someone else can do it for me."

The meaning of this is expressed in a single sentence: "Create your own path."

【 The Kyocera Philosophy Handbook 】

This handbook explains the following four items:

- (1) The core of management
- (2) To lead a wonderful life
- (3) At Kyocera, everyone is a manager
- (4) In performing our daily work



【 The Kyocera Employee Action Guidelines 】

This handbook describes the following nine items:

- (1) Basic attitude
- (2) Work attitude
- (3) Pleasant and comfortable working environment
- (4) Community activities
- (5) How to associate with business customers and organizations
- (6) Legal compliance
- (7) Handling information
- (8) Behavior abroad
- (9) Global environment preservation activities



Amoeba Management

The Kyocera Mita Group employs the amoeba management system—a small group- ("amoeba-") based management method developed to realize the Kyocera Philosophy. The amoeba management system serves to clarify the responsibilities of each member of the group, and to ensure maximum transparency and efficiency in the execution of business activities. Each amoeba is fully aware that to optimize the company's performance as a whole, it is essential to respect and help each other. The amoeba management system facilitates management with the full participation of all employees, based on the bonds between human minds.

The Kyocera Mita Group also employs "Kyocera Accountancy" as a management tool. Kyocera Accountancy is the Kyocera Group's accounting principles, developed on the basis of the Kyocera Philosophy. Kyocera Accountancy helps employees resolve problems by enabling them to pursue "what is right" and go back to the essence of accounting.

【 The Kyocera Accounting Handbook 】

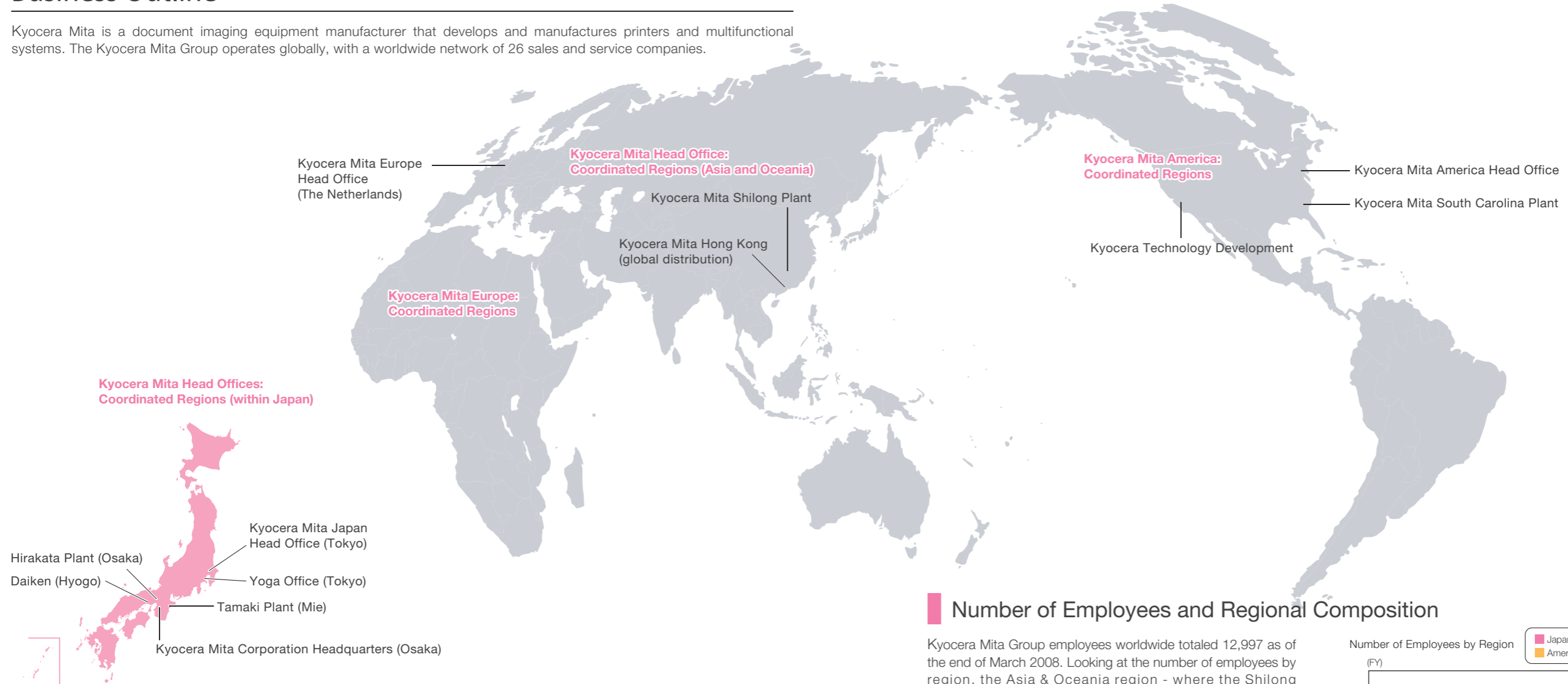
This handbook outlines the following seven principles:

- (1) One-to-one correspondence
- (2) Double check
- (3) Perfectionism
- (4) Stiff management
- (5) Profitability improvement
- (6) Cash-basis management
- (7) Transparent management



Business Outline

Kyocera Mita is a document imaging equipment manufacturer that develops and manufactures printers and multifunctional systems. The Kyocera Mita Group operates globally, with a worldwide network of 26 sales and service companies.



Major Business Sites of the Kyocera Mita Group

Kyocera Mita Head Offices: Coordinated Regions

- Kyocera Mita Head Office
- Kyocera Mita Japan Head Office
- Hirakata Plant/Logistics Center
- Tamaki Plant
- Yoga Office
- Kyocera Mita Hong Kong (global distribution)
- Kyocera Mita Hong Kong
- Kyocera Mita Shilong Plant
- Kyocera Mita Taiwan
- Kyocera Mita Thailand
- Kyocera Mita Singapore
- Kyocera Mita Australia
- Kyocera Mita New Zealand
- Kyocera Mita India

Kyocera Mita Europe: Coordinated Regions

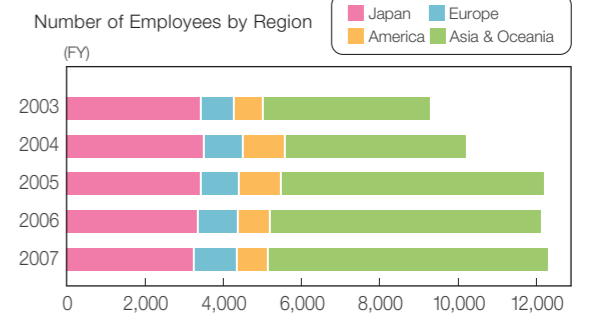
- Kyocera Mita Europe Head Office
- Kyocera Mita Germany
- Kyocera Mita UK
- Kyocera Mita France
- Kyocera Mita Italy
- Kyocera Mita The Netherlands
- Kyocera Mita Belgium
- Kyocera Mita Spain
- Kyocera Mita Portugal
- Kyocera Mita Austria
- Kyocera Mita Denmark
- Kyocera Mita Sweden
- Kyocera Mita Finland
- Kyocera Mita South Africa
- Kyocera Mita Swiss Branch Office
- Kyocera Mita Norway
- Kyocera Mita Middle East

Kyocera Mita America: Coordinated Regions

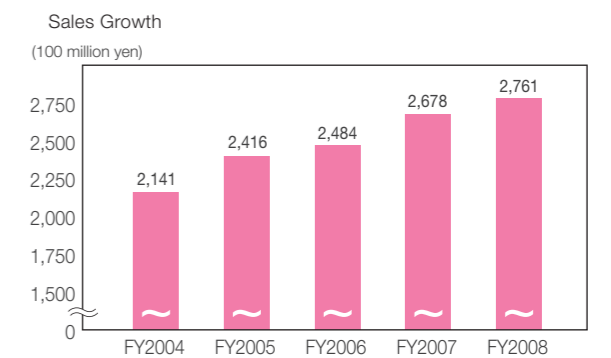
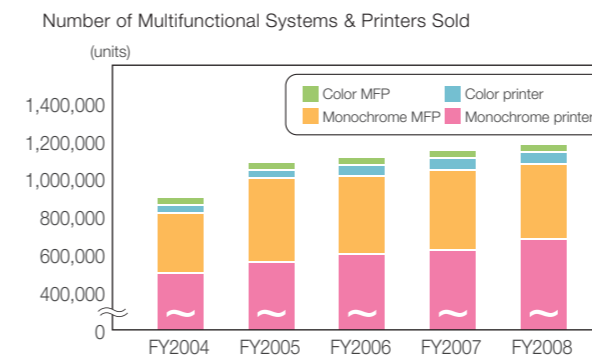
- Kyocera Mita America Head Office
- Kyocera Technology Development
- Kyocera Mita South Carolina Plant
- Kyocera Mita Canada
- Kyocera Mita Mexico
- Kyocera Mita Brazil

Number of Employees and Regional Composition

Kyocera Mita Group employees worldwide totaled 12,997 as of the end of March 2008. Looking at the number of employees by region, the Asia & Oceania region - where the Shilong Plant(Guangzhou) is located, one of the key plants of Kyocera Mita - has the largest number of employees with approximately 7,900 (60%), followed by Japan with approximately 3,300 (25%), Europe with 1,126 (9%) and America with approximately 770 (6%). The number of employees by year is shown in the graph.



Number of Multifunctional Systems & Printers Sold and Sales



Business Strategy

The Kyocera Group seeks to remain “The Company”—a corporation that achieves sustainable sales growth and high profitability and that is highly respected by society for its strong corporate ethics. Kyocera Mita, a core company of the Kyocera Group, manufactures products based on the ECOSYS concept.

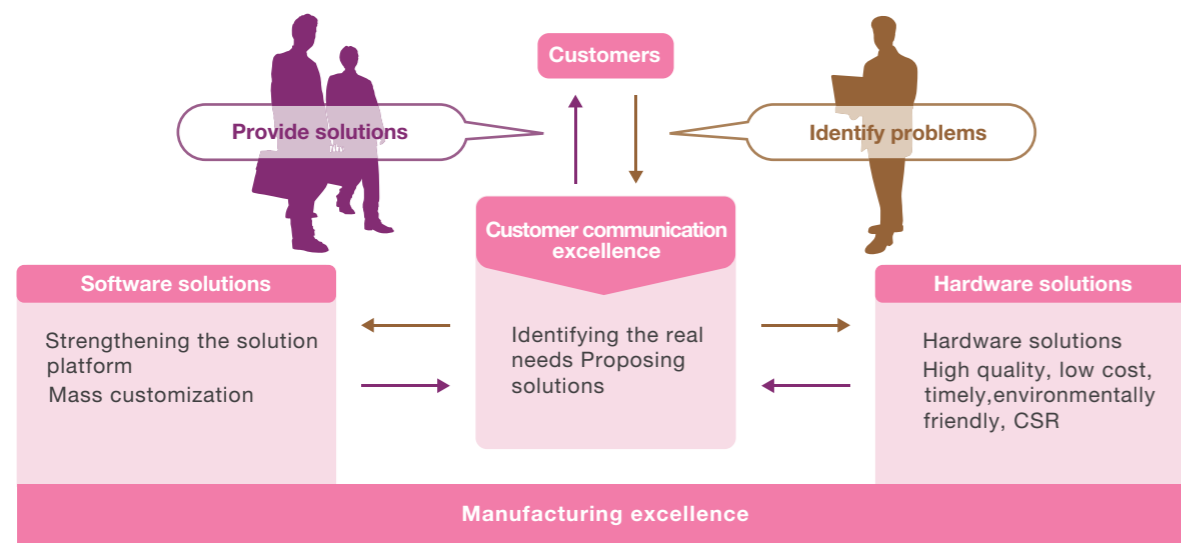
The ECOSYS concept guarantees cost-efficient printing with minimal impact on the environment. The ECOSYS product features long-life components warranted for the life of the product, including the photoconductor drum—the heart of the printer; this makes the toner the only consumable item. This not only keeps consumables costs low for the user, it also goes a long way toward minimizing the environmental impact of such waste. Through its unique ECOSYS long-life technology, which achieves two fundamental objectives - providing economic value and reducing environmental load - Kyocera Mita will continue doing its utmost to contribute to customers, society and the global environment.

Kyocera Mita upholds the “pursuit of customer communication excellence” and the “pursuit of manufacturing excellence” as its business visions.

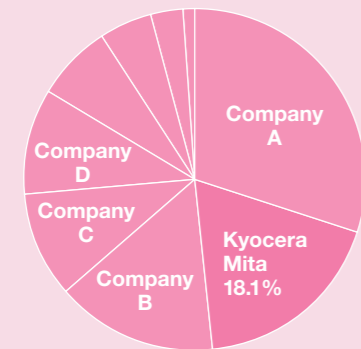
“Customer communication excellence” means the ability to identify the actual needs of customers and propose solutions to those needs. “Manufacturing excellence” means the ability to provide high-quality, highly reliable and competitively priced products in a timely manner, and to produce environmentally compatible products.

To hear customers saying “This is what I needed!,” the entire staff works as one to identify the actual needs - that even customers themselves are not aware of - and provide the products and services that meet those needs.

Pursuit of customer communication excellence and manufacturing excellence



Kyocera Mita's Share of the German Market for Monochrome Printers (FY2007)



Source: IDC (International Data Corporation)

ECOSYS printers enjoy great popularity, particularly in Germany, the largest market in Europe, in FY2007 commanding an 18.1% share of the German market, in terms of volume. One of the main reasons behind this popularity is that ECOSYS printers employ the cartridge-free system, which requires replacement only of the toner, thereby realizing significant waste reduction. This degree of waste reduction is highly regarded by the public in Germany, where environmental awareness is particularly high. Moreover, ECOSYS printers' superior cost efficiency, i.e., low consumable cost, is also highly valued. ECOSYS printers have earned an excellent reputation in Germany due to their strong sales performance and their superior print quality with excellent resolution, as well as their reliability, new technologies and superior noise performance.

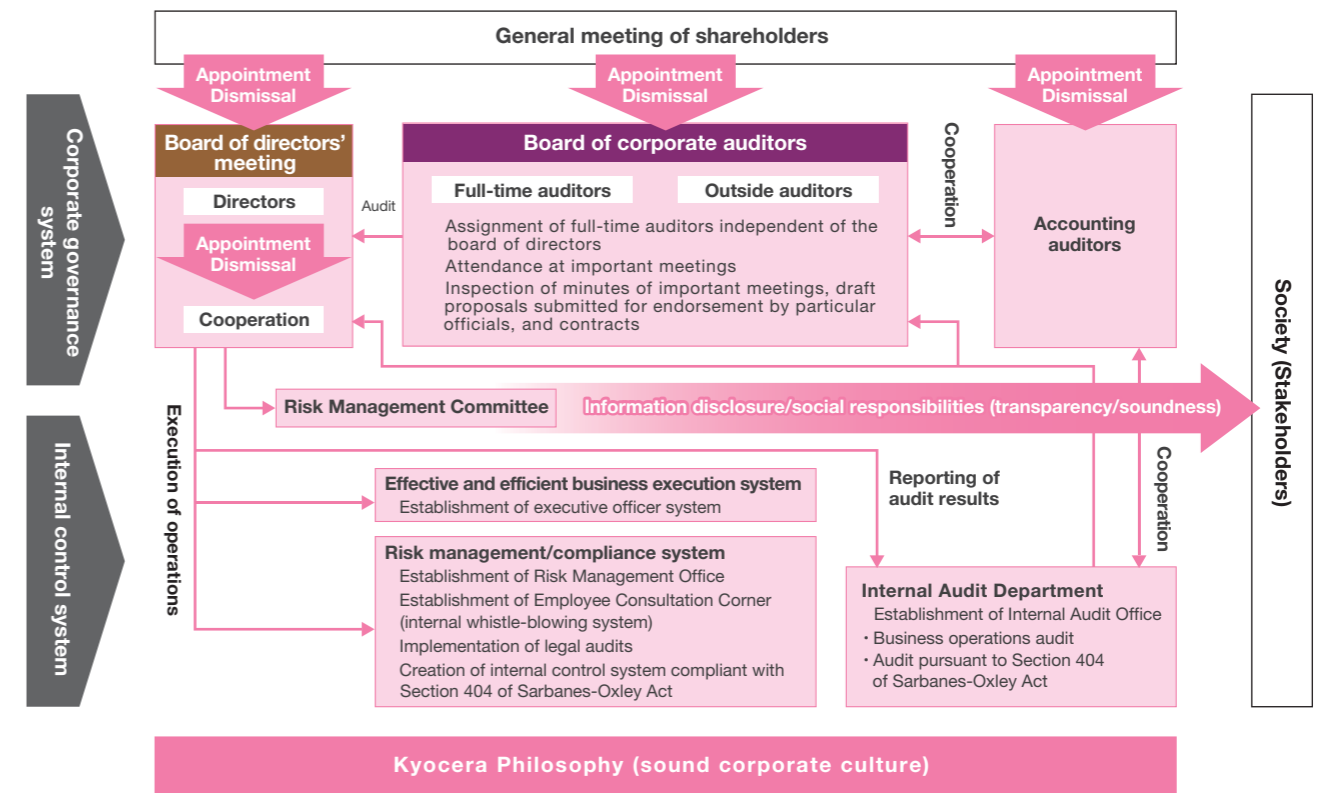
Corporate Governance

Corporate Governance and Internal Control

As subsidiary of the Kyocera Group, the Kyocera Mita Group seeks to realize fair, equitable and highly transparent corporate governance, in keeping with the Kyocera Philosophy. In order to realize the management rationale of the Kyocera Group and to achieve management policies and master plan objectives, the Kyocera Mita Group has established an internal control system. Specifically, we have introduced the executive officer system, whereby each executive officer is delegated the authority and responsibility to conduct specific business opera-

tions. We have also established and operate the Risk Management Department, the Internal Audit Department and the Employee Consultation Corner. We are continuing with vigorous efforts to strengthen our internal control system. The Internal Audit Office, Risk Management Office and Export Control Office take the lead in strengthening corporate governance and the compliance system; business operations audits and legal audits are conducted periodically.

Corporate Governance System



Sarbanes-Oxley Act and Internal Whistle-Blowing System

The Kyocera Mita Group is subject to Section 404 of the Sarbanes-Oxley Act (U.S. Public Company Accounting Reform and Investor Protection Act), since the Group's parent company, Kyocera, list its stock in the U.S. Accordingly, the Kyocera Mita Group undergoes regular evaluations of the design and actual operation of the internal control system by the Internal Audit Department, as well as internal control audits by external auditors. For the two years since we applied the Sarbanes-Oxley Act, we have submitted internal control reports to the effect that no deficiencies have been found in the internal control system. Moreover, in accordance with the Section 301 of the Act, the

Kyocera Mita Group companies have introduced and have been operating internal whistle-blowing systems. Although the New Company Law and the Financial Instruments and Exchange Law have been enforced in Japan, the Kyocera Mita Group observes these laws by observing the Sarbanes-Oxley Act. When a new company reform law is established in a country where Kyocera Mita's overseas subsidiary operates, the relevant subsidiary responds promptly to ensure full compliance with the new law.

Implementation of Compliance Audits

Kyocera Mita seeks to strengthen its compliance system by conducting compliance audits on a continuous basis. Each year, a self-evaluation is conducted in each division to determine its compliance status with laws and regulations applicable to its operations. This self-evaluation is performed by voluntary auditors belonging to the division to be audited, using a relevant checklist. After closely analyzing the self-evaluation results of each division, the Audit Department conducts a general compliance audit covering all divisions and business sites. By conducting compliance audits in stages, we seek to enhance knowledge and awareness of compliance among the staff of the divisions audited and to further reinforce the compliance system. The plan for FY2008 is to divide the Kyocera Mita Group into 20 business divisions or sites, and to conduct audits to evaluate the compliance status of those divisions and business sites regarding 91 relevant laws and regulations.



General Compliance Audit

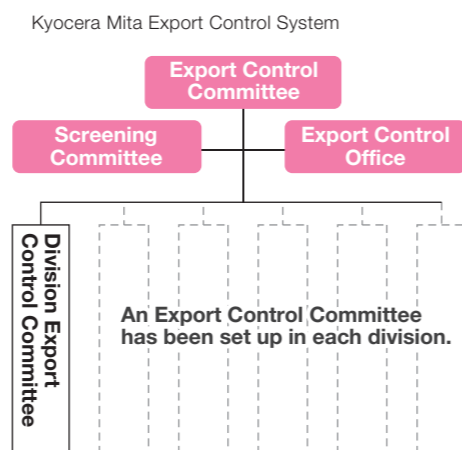
Establishment of Export Control System

As a global corporation, Kyocera Mita has established the "Kyocera Mita Export Control Rules" to export its products and provide technical assistance to overseas countries appropriately, in accordance with relevant laws and regulations regarding security and export control.

Kyocera Mita has established an effective internal export control system; export control is administered by the executive officer in charge of export control, the Export Control Committee and the Export Control Office.

The Export Control Committee judges whether export transactions and technological provision are conducted in compliance with the relevant export control laws and regulations.

As part of its efforts to create an environment helpful to the export control staff in making appropriate judgments, the Export Control Office has developed a database that accumulates export control-related information, including laws and regulations, and provides access to the database over Kyocera Mita's intranet. The Office also provides in-house training on export control.



Acquisition of Privacy Mark certification (Kyocera Mita Japan)

As society computerization advances, information is increasingly transmitted and stored electronically. With frequent instances of personal information leakage in recent years, personal information protection is increasingly demanded.

To prevent the leakage of personal information, it is necessary to ensure proper use and management of personnel information by each organization and to raise each employee's awareness regarding personal information protection.

In April 2005, Kyocera Mita Japan established the Basic Personal Information Protection Policy; the Company has also been working to develop a system for ensuring effective implementation of personal information protection activities by individuals and organizations.

In March 2006, the Company was granted Privacy Mark certification by the Japan Information Processing Development Corporation (JIPDEC), in recognition of the Company's efforts to take adequate measures to protect personal information. Since then, all employees are vigorous in carrying out personal information protection activities.



Education of Employees

To promote understanding of the background to enforcement of the Sarbanes-Oxley Act and the importance of internal control, seminars on such topics as "What is compliance management?," "The Personal Information Protection Act," "The Whistle-blower Protection Act," and "Export control" are incorporated in the new employee training curriculum. These seminars are conducted by the staff of the Internal Audit Division. Training seminars on the "significance of legal auditing and procedures of voluntary audits" are also conducted for voluntary auditors. Moreover, to increase the compliance awareness of all employees, compliance-related information is distributed via intranet, and training on the theme of compliance is provided to new employees.



Briefing session on legal audit

Risk management training

Name	Target participants	Number of participants
Risk Management in Companies	New employees	99
Briefing Session on Legal Audit	Voluntary auditors	58 from 22 departments

Information Risk Management

Information Security Measures

Taking information security management to be one of its most critical tasks, Kyocera Mita established the Information Security Committee in April 2006. Since then, we have developed company-wide information security measures and put them into action one by one.

In August 2006, the "Information Security-Related Rules" were established, which specify our company's security policy. The rules regarding the handling of PCs and memory media have been strengthened to prevent information leakage.

Information Security Education

We have established a portal site to heighten employee awareness of information security and encourage employees to incorporate security procedures into their daily operations. This site provides various types of information regarding information security, including information security rules and regulations. Site content includes reports on information leak incidents, anti-computer virus measures, PC configuration and handling of memory media.

Providing information security education through e-learning has increased employee awareness of the importance of information assets, and of protecting such assets, and has deepened employees' understanding of security issues.

To determine the degree of their understanding and compliance with information security rules, an information security audit was

performed in July 2007. The audit results revealed no problems and indicated that employees' understanding of security issues has increased.

We intend to continue conducting information security audits, to evaluate the implementation status of information security education and the extent of employee understanding of information security issues.



Screen of an e-learning page on the intranet

Intellectual Property-Related Activities

Intellectual Property Management System

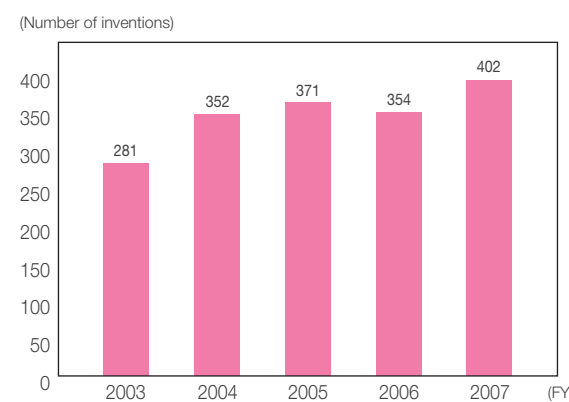
To promote the acquisition of intellectual property rights, the Intellectual Property Division maintains effective communication with the R&D Division. Moreover, a system has been introduced that enables centralized management of the Company's intellectual property rights, as well as the company-wide sharing of intellectual rights-related information (rights held by the Company, examination status and details of innovations). To respect intellectual property owned by others and reduce the risk of infringing others' rights, the Intellectual Property Division, in cooperation with the R&D Division, conducts pe-

riodical surveys as well as investigations before launching product development. We promote the following activities with the aim not only of increasing the number of patents and other intellectual property rights, but also of enhancing the quality of innovations, increasing employee awareness of intellectual property rights, providing appropriate reward for employees who have made outstanding achievements, increasing the number of environment-related patents obtained and protecting our proprietary products.

1. Promoting environment-related inventions

Kyocera Mita vigorously promotes the innovation of "long life" technologies, based on the ECOSYS concept. We also seek to discover innovative energy-saving and environmentally friendly technologies, paying attention to ideas and technologies proposed in the product development stage. Thanks to these efforts, the number of environment-related inventions has been increasing year after year. Our intellectual property rights activities are intended not only to enhance the user convenience, but also to respond to the growing consumer demand for environmentally friendly products.

Number of Inventions by Kyocera Mita Employees
(Number of inventions)



2. Reward system for inventors

In accordance with Section 35 of the Japanese Patent Law, appropriate remuneration or compensation will be paid, based on strict examination (held annually), to employees who have realized innovative inventions that provide fundamental technologies to the industry, or whose inventions have contributed to developing/upgrading the company's products or to intellectual property-related licensing.

Introduction of the reward system has not only heightened employee awareness of intellectual property rights, but has steadily improved the quality of intellectual property rights, such as patents. We believe that encouraging greater awareness and recognition of the reward system among employees will lead to increased quality of intellectual property rights.

3. Efforts against counterfeit

We have received a number of reports of product malfunctions suspected of having been due to counterfeit toner containers. To ensure that our customers feel safe when using our products, we are taking determined and aggressive actions to eliminate counterfeit products. In cooperation with other companies in the industry, we are approaching administrative authorities to investigate and prosecute counterfeit manufacturers and distributors, mainly in

China. We are also working hard to convince customs authorities to seize counterfeits at the borders. It has been confirmed that counterfeit products, purporting to be genuine products for overseas markets, are being sold in the Japanese market. Since 2007, we have intensified our efforts to eliminate counterfeit products; we conduct investigations to identify distribution routes and send warning letters to suspected illegal distributors and importers.

Acquisition and Management of Intellectual Property Rights

Kyocera Mita views intellectual property activities as an important element of its business activities; the Company is actively promoting the acquisition of intellectual property rights in and outside Japan, to defend the freedom of business activities. We offer to the global market a wide range of unique and innovative products, as typified by ECOSYS products. To protect

our proprietary products in the marketplace, we have been active in applying for and obtaining intellectual property rights, including patent rights, design rights and trademark rights. Particularly in recent years, the Intellectual Property and R&D Divisions have strengthened their cooperation to unearth new ideas and innovations.

Social Report

Kyocera Mita believes that it is important to earn the trust and satisfaction of all stakeholders who support its business activities. Seeking to fulfill its responsibilities toward society and contribute to the well-being of society, Kyocera Mita carries out diverse, unique social contribution activities.

Social Activities

- 25 Together with Society
- 27 For Customers
- 29 Together with Business Partners
- 31 Together with Employees



Social Contribution

Establishment of the Social Contribution Committee

To make positive contributions to society and the environment, Kyocera Mita established the Social Contribution Committee in May 2007.

The Committee engages in various activities, with a special focus on promoting the healthy development of children. In line with the basic policy of "conducting social contribution activities to fulfill its corporate social responsibilities, and in accordance with the Kyocera Philosophy, we are committed to actively engaging in various activities for the benefit of society at large.

Major Activities

Social Welfare Activities

In-house sale of products produced at welfare work centers

Kyocera Mita Head Office, Hirakata and Tamaki Plants and Yoga Office regularly hold in-house sales of items produced at local welfare work centers. Welfare work centers are invited during lunchtime to sell to Kyocera Mita employees various items made by disabled people, as part of vocational training for economic independence. By providing disabled people with opportunities to experience working in general society, we seek to help them feel the joy of working and gain confidence toward achieving greater economic independence.



Inviting children to a professional baseball game

We invited 33 children from a children's home in Osaka City to a professional baseball game at Kyocera Dome. The children were presented with caps and enjoyed a guided tour of the Dome, being photographed with mascots and having lunch at a restaurant. They looked very excited watching the baseball game from the infield gallery seats behind first base. It was the first time for us to conduct this type of welfare activity, but we will make use of this experience to improve our social welfare programs.



Humanitarian and Disaster Relief

Blood donation

A blood donation camp was held at the Tamaki Plant in June and at the Head Office and Hirakata Plant in November. A total of 170 employees donated blood. The Japan Red Cross Society staff expressed their gratitude for employees' cooperation, saying: "Since there are some months when it is hard to secure an adequate supply of blood for transfusion due to lack of donors, we are very grateful that many people donated their blood." We will continue blood donation drives as one of our social contribution activities.



Charitable donations to Sichuan Earthquake victims

Donations totaling 2,361,548 yen, contributed by Kyocera Mita Group employees, were sent to the earthquake victims in Sichuan, China, through the Japan Red Cross Society Osaka Branch Office. The Osaka Branch Office extended a word of gratitude to us for the donations: "Your donations will be used for procurement and delivery of relief supplies and for medical service support activities."

Promoting the Sound Development of Children

Kid's ISO14000 Program

The Tamaki Plant conducts an environmental program called "Kid's ISO14000," in cooperation with the Board of Education of Tamaki Town in Mie Prefecture. Under the program, children each day record the amount of electricity, water and gas consumed in their homes, and the amount of garbage discarded; then they discuss with their families how to reduce their utility use and garbage creation. After implementing the devised strategies for a certain period, children submit the results of their activities and receive feedback from the instructor (a Kyocera Mita employee). Various strategies have been proposed by children, such as "turning off the main switch of the television set" and "eating everything up, without leaving any leftovers, to reduce garbage." As part of our environmental protection efforts, we will continue the Kid's ISO14000 Program to stimulate children's awareness regarding the environment.



Soccer School for Children

With the aim of encouraging children to enjoy sports, Kyocera Mita hosted a soccer school on July 25, with cooperation from Kyoto Sanga Football Club.

A total of 220 elementary school children (grades 1 to 4) from Kyoto, Osaka, Nara and Shiga Prefectures, participated in the school. Children learned skills such as dribbling and shooting from coaches from the Kyoto Sanga F.C. Academy Center. Kan and Mito, who belong to Kyoto Sanga F.C., took part midway in the soccer school, and the children enjoyed mini games with the professional players.

In the future, we plan to hold soccer schools in Kyoto Prefecture, in cooperation with Kyoto Sanga F.C.



Donation to the Saiku Historical Museum for Use in Purchasing a Manuscript Collection of Poems Compiled during the Kamakura Period

An important cultural property-class manuscript of a collection of poems "Suetsune-bon Saiku Nyogo-shu," which has some connection with Saiku, a historical site in Mie Prefecture where the Tamaki Plant is located, was discovered in the collection of a certain family. Kyocera Mita made a donation to the Mie Prefectural Saito Historical Museum to help them purchase the manuscript.

"Suetsune-bon Saiku Nyogo-shu" is a collection of poems by Saigu no Nyogo (Princess Kishi Nyo'oh), one of the five female poets listed among the 36 Poetic Masters and the greatest poet among the successive Saios (imperial princesses who served as the highest priestess of Ise Shrine). This collection of poems, compiled more than 700 years ago, during the Kamakura period (1185-1333), is the oldest and precious manuscript of a collection of poems by Saigu no Nyogo. We decided to make this donation in the hope that the history of Saiku will be more broadly introduced to the public and passed down to future generations. As a community-based company, we are determined to contribute to the revitalization of local communities, as well as to their cultural and social enrichment.



In Harmony with the Local Community

Basic Policy

Recognizing that a corporation is a member of society, Kyocera will give close attention to problems facing local communities and society at large, and will strive to resolve those problems, as well as to actively engage in altruistic acts by making use of its management resources (human resources, funding and information).

The Sustainability Report Meeting

The sustainability report meeting is held each year at the Hirakata and Tamaki Plants, with invitations extended to representatives of local communities, suppliers and administrative agencies. The meeting seeks to brief participants on Kyocera Mita Group's business, social and environmental activities, and to hear opinions. In FY2007, the Hirakata Plant held the third such meeting on October 25 and the Tamaki Plant held the fourth such meeting on October 22.

The meeting at the Hirakata Plant was attended by 33 persons from 26 organizations. A participant from the Hirakata City Office commented on our activities, saying "I recognized anew that, with environmental protection at the core of its management policy, Kyocera Mita is vigor-

ously pursuing community-based social and environmental activities and contributes to environmental administration." The sustainability report meeting at the Tamaki Plant had a total of 38 participants.

In the questionnaire survey conducted after the report meeting, many comments were received regarding the Tamaki Plant's environmental protection activities, including "I was impressed with Tamaki Plant's environmental protection activities" and "I hope you will continue holding the sustainable meeting in future, so as to maintain good relations with the local community." The Hirakata and Tamaki Plants are committed to further promoting social and environmental activities hand in hand with local communities.

Quality Assurance Activities

Implementation and Maintenance of the ISO9001 (2000) International Quality Management System

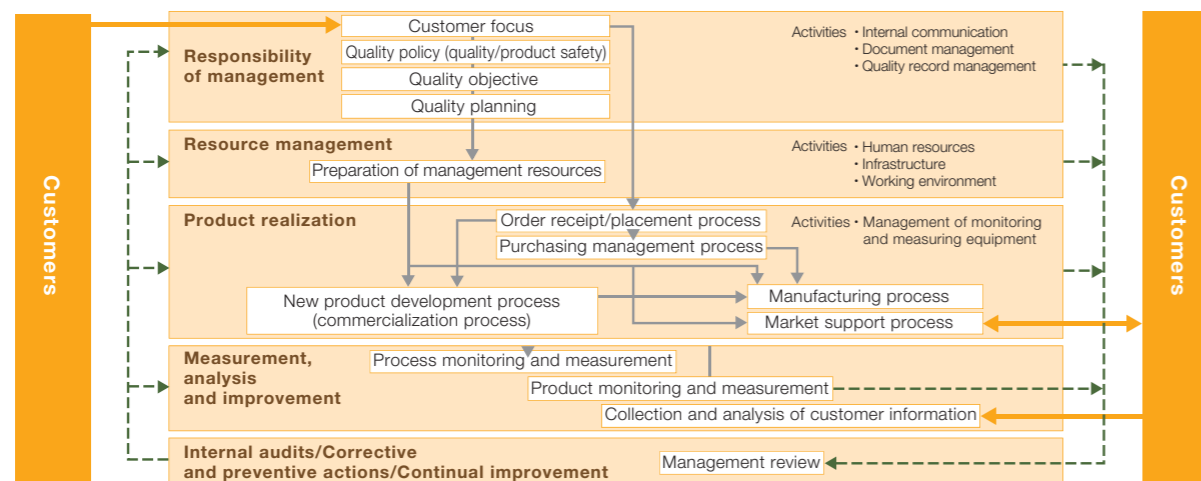
【Kyocera Mita Quality Policy】

1. Kyocera Mita places top priority on global environmental protection and product safety.
2. Kyocera Mita provides appealing products and services to customers under the customer-first policy
3. Kyocera Mita aims to be a world leader in quality by doing every job right, from the first time.

To provide high-quality products to the market in accordance with the quality policy, Kyocera Mita has acquired ISO9001 certification (international quality management system standard), and has established and implemented its own quality

management system (Kyocera Mita Quality Management System) in compliance with ISO9001 requirements. As part of our efforts to ensure strict adherence to ISO9001 standard, we have prepared the Internal Quality Audit Plan, in accordance with which internal quality audits are performed twice a year (February and September) by the internal quality auditors of each division, to determine whether the Kyocera Mita Quality Management System is being properly implemented. Moreover, Kyocera Mita undergoes annual quality management system assessment by the third-party organization (The Japan Quality Assurance Organization: JQA); if a recommendation is made to us to correct or refine our quality management system, we will take appropriate actions in accordance with the recommendation, to ensure that our quality management system is properly implemented and maintained, as well as further improved.

Process Management Flowchart



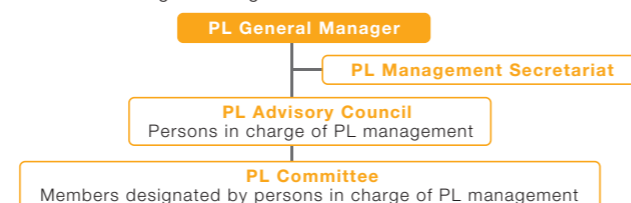
PL (Product Liability) Management

【Product Safety Policy】

We seek to ensure the safety of our products at all stages of our business activities--from product planning, development and design to procurement, manufacturing, sales, advertising, servicing and disposal.

In 2007, we established Kyocera Mita PL Management Rules that define the basic guidelines for product safety, and a system for effectively implementing those guidelines, to ensure that we provide only safe products to the market, that we respond promptly and effectively in the event of product-related accidents, and that we take appropriate measures to prevent the recurrence of similar accidents. We have clearly defined the procedures for ensuring product safety throughout the product life cycle—from development and manufacturing to sales and disposal, in addition

Product Management Organization



to delineating the roles and responsibilities of each business division. We have also developed a system that ensures compliance with applicable product safety regulations (safety standards, radio wave standards, circuit standards, laser standards, environmental regulations etc.) in every country where our products are sold; it also enables continuous pursuit of higher standards of product safety. Our product safety assurance procedures and system enable us to guarantee product safety and effectively implement activities to prevent product-related accidents.

Evaluation in the Development and Design Stages

To provide safe products that customers can use with absolute confidence, Kyocera Mita complies with the safety standards, laws and regulations of each country. In addition, we also incorporate specific requirements in the product development plan, conduct inspections at each stage to determine whether quality requirements are being met as specified in the plan, and perform evaluations from the customer perspective.

In an effort to improve customer satisfaction, we ensure that market information, customer feedback information (complaints etc.) and sales company information are properly analyzed and responded to, and that such information is reflected in design and evaluation specifications for subsequent models. To determine whether a product meets development specifications as well as the stipulated quality, reliability and safety requirements, comprehensive evaluation testing is performed on parts and units, including life testing, transport and handling testing and durability testing. As part of our quality assurance activities, we provide training programs to relevant staff to familiarize them with data analysis methods, so that they can apply such methods to root cause investigations and problem solving for



Comprehensive unit evaluation test

improvement. Our training programs ensure that staff acquire the necessary skills to analyze test data during the development stage, data during the production process, and market information, and to exercise objective judgment in determine appropriate actions.

Service System

【Service Quality Policy】

Kyocera Mita seeks to ensure safe and reliable operation of its products and IT systems installed and operating at customer facilities, so as to improve customer satisfaction, enhance the value of the Kyocera Mita brand and strengthen consumer confidence.

To keep customers satisfied, Kyocera Mita Japan, a domestic sales subsidiary, provides prompt, accurate and uniform service through the extensive domestic service network of the Contact Center (which handles customer inquiries and requests for product service or repair), about 80 service centers and about 600 sales partner companies. To enhance the value of services provided to our customers, we seek to think and act from the customer's perspective, while at the same time promoting the standardization of services. We also train our customer service staff in the communication skills needed to accurately understand customers' needs and desires, the problem-solving skills needed to develop appropriate solutions, and the technical skills needed to ensure the safe and reliable operation of Kyocera Mita products for customers. Furthermore, to assess the effectiveness of our customer satisfaction improvement efforts, customer satisfaction surveys are conducted twice a year. Not only do these



Service technicians competing in the service contest

surveys help us better communicate with our customers--the feedback enables us to accurately understand the needs and expectations of our customers and continually enhance our efforts to improve customer satisfaction. As part of our efforts to improve the quality of services provided by our service technicians and strengthen their customer response capabilities, we hold the Service Contest, in which service technicians compete in the communication, problem-solving and technical skills, as well as customer-handling skills they have acquired through their daily service activities.

Basic Purchasing Policies

1. Kyocera Mita's procurement departments seek to establish and develop a partnership with suppliers, based on fairness, trust and a spirit of benefiting self and benefiting others.
2. Kyocera Mita conducts procurement activities in compliance with all applicable laws and regulations of the countries in which it operates, and fulfills its social responsibilities - including global environmental protection and resource conservation - through procurement activities.
3. Kyocera Mita carries out procurement activities through fair evaluation, ensuring that all companies in and outside Japan are provided with equal opportunities.
4. Kyocera Mita continues to cooperate with its suppliers to ensure a stable supply of products at optimal quality and price.

Fair and Equitable Transactions

In conducting our corporate activities, including supplier selection, we comply with all applicable laws and regulations. Through fair and equitable transactions we strive to establish solid partnerships with our suppliers on the basis of mutual trust, so that we can grow together.

Supplier Selection

We consider all suppliers to be our essential business partners, who have specialized knowledge and technologies. We aim to become a good partner for each of our suppliers and to achieve coexistence and co-prosperity with them, in a spirit of fairness and of benefiting both self and others. In selecting suppliers, we provide equal opportunities to all companies around the world, regardless of national origin,

scale and the race of the owner. We evaluate and select suppliers comprehensively against pre-established criteria based on economic rationality, such as: demonstrated understanding of the fundamental thinking of the Kyocera Group; environmental performance, product and service quality, delivery reliability, after-sales service, technological development ability and financial stability.

Business Policy Briefing Sessions

Kyocera Mita held business policy briefing sessions, inviting executives of major suppliers. The briefing sessions were held at two locations, Osaka and Hong Kong, so that not only Japanese suppliers, but also suppliers from Hong Kong and China, could participate. Both meetings were well attended and successful. At the sessions, Kyocera Mita's top management explained the Company's business and procurement policies to participating suppliers and requested their continued cooperation. Explanations were also given regarding Kyocera Mita's new CSR promotion system and CSR activity plan, as well as the Company's determination to promote higher-level CSR activities, including environmental protection. We also urged our suppliers to recognize their own social responsibilities, and actively implement CSR activities.



FY2007 Business Policy Briefing Session
Banner reads, The keyword of 2007 for Innovation
'TRUSTED KYOCERAMITA'

Compliance

Compliance with Subcontract Act

To ensure full compliance with the Subcontract Act, each department conducts regular inspections to determine whether any legal violation has occurred in daily operations. We also conduct internal audits at affiliated companies in Japan and provide in-house training for the purchasing staff at each business site.

In regard to internal auditing of affiliated companies in Japan, since FY2005 the Corporate Purchasing Division has conducted on-site audits at the Hirakata and Tamaki

Plants, Kyocera Mita Japan (domestic sales company) and Daiken (affiliated production company).

For purchasing staff and subcontract management staff at each business site we have also provided training sessions on the Subcontract Act, to raise their level of knowledge and ensure that all staff have adequate knowledge and understanding of the Subcontract Act. In future, we plan to enhance in-house training on the Subcontract Act, for example by introducing e-learning.

Compliance with Applicable Laws and Regulations in the Countries in Which Kyocera Mita Operates

In all our business activities, including procurement, we comply not only with Japanese laws and regulations, but also with the applicable laws and regulations of the countries in which we operate.

Certification of Suppliers' Chemical Substance Management Systems

To reduce product-associated environmental risks, Kyocera Mita promotes green purchasing to procure parts, materials and subsidiary materials of minimal environmental impact. As to criteria for green procurement, we have established the "Kyocera Mita Chemical Substance Management Standards," in accordance with which chemical substance management for procured items is conducted (see p. 50).

To ensure more thorough chemical substance management, since FY2005 we have conducted audits regarding our suppliers' chemical substance management systems. In the audits, we evaluate the chemical substance management systems and practices of individual suppliers, in accordance with the Rules on Certification of Supplier's Chemical Substance Management; we grant certification to suppliers that meet the criteria. We do business only with

certified suppliers. By the end of May 2007, all our existing suppliers had been certified. Before doing business with new suppliers, we audit them regarding their chemical substance management systems and conclude transaction contracts only with certified suppliers. Certification is valid for two years. In FY2008, we will audit on our domestic suppliers in renewing their certification.



Chemical substance management system certificate for suppliers

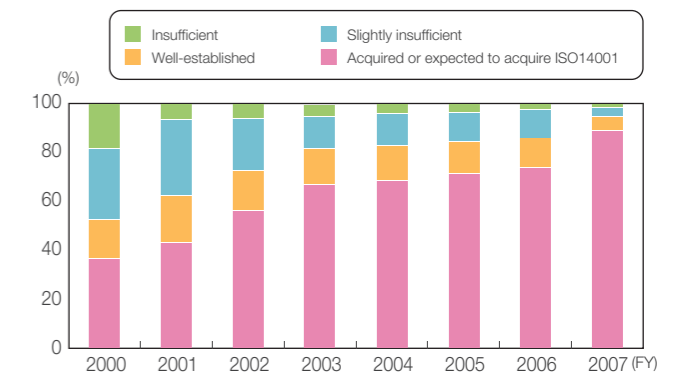
Status of Suppliers' Environmental Management Systems

To assess the status of suppliers' ISO14001 certification, we have conducted surveys using the "Supplier Environmental Management System Questionnaire."

Survey results for FY2007 show that more than 95% of our suppliers had either acquired or were expected to acquire ISO14001 certification, or had internal environmental management systems.

As of July 2008, we are promoting CSR procurement in conjunction with our business partners, to fulfill more extensive social responsibilities, including fair transactions and information security.

Status of Suppliers' Environmental Management Systems



Green Purchasing

On the basis of the Kyocera Green Procurement Rules, the Kyocera Mita Green Procurement Procedures were established in April 2006 to specify the internal work flow of the procurement process.

Since then we have followed the Procedures. When purchasing non-production materials, including office sup-

plies, we select eco-friendly products with minimal negative environmental impact, taking into consideration not only the product's quality and price, but also its environmental aspect. For items subject to Green Purchasing, recommended products are determined; all departments are then required to purchase recommended products.

Personnel Policy

Basic Policy

As stated in the management rationale, "To provide opportunities for the material and intellectual growth of all our employees," the Kyocera Mita Group aims to ensure that all employees not only achieve financial stability and affluence, but also find purpose in life and cultivate an enriched mind by pursuing self-realization through their work. In an effort to promote this rationale, we implement personnel measures around these three themes:

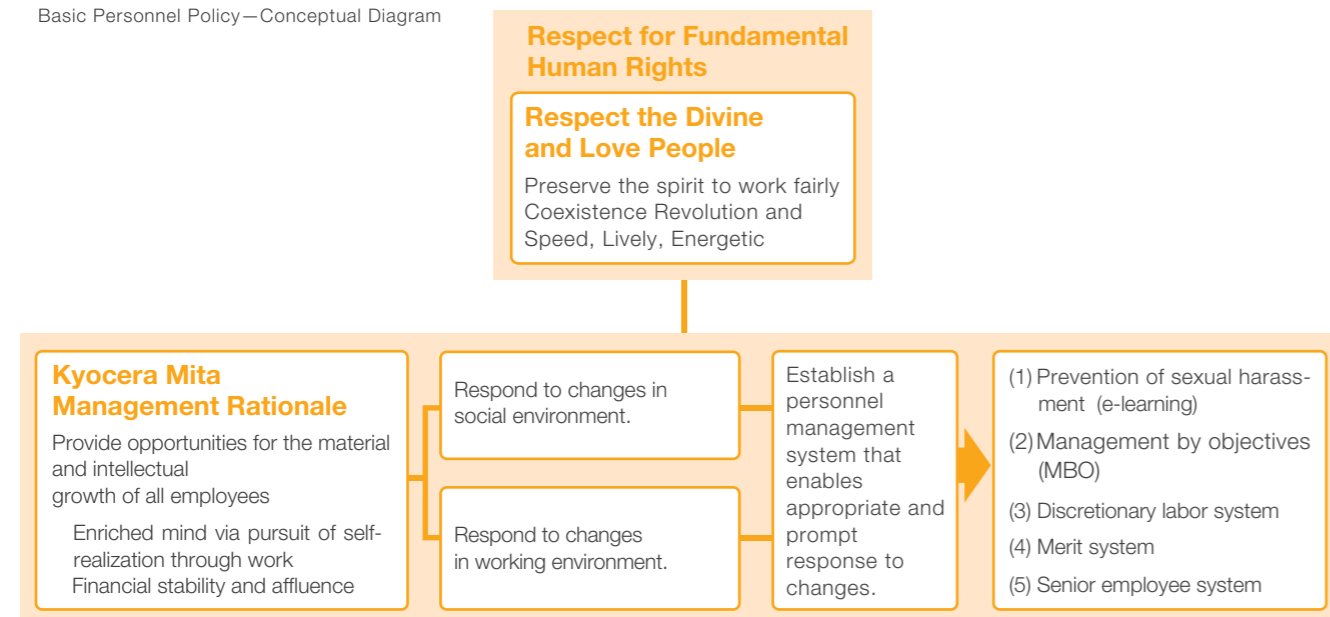
- (1) Appropriate response to social environment changes, such as diversification of values and aging population;
- (2) Appropriate response to work environment changes, such as increasing in mobility in the labor market and globalization of corporate activities; and
- (3) Establishment of a personnel system capable of appropriate and prompt response to the characteristics, culture and lifestyles of individual countries.

Furthermore, at the Kyocera Mita Group all personnel

systems and measures are designed and implemented in line with the policy of "preserving the spirit to work fairly and honorably," as embodied in the corporate motto "Respect the Divine and Love People," and the corporate principle, "Coexistence." With "Revolution and speed" as our motto, we promote efficient and effective personnel administration.

In accordance with this policy, and with the aim of creating a pleasant workplace full of vitality, the Kyocera Mita Group works vigorously to maintain a corporate culture that respects the human rights of all employees and does not tolerate human rights abuses. Each Group company works to teach its employees not to commit any acts of discrimination against any person on the grounds of gender, age, belief, nationality etc., as well as to prevent harassment in the workplace, a phenomenon that in recent years has been increasingly recognized as a serious social problem.

Basic Personnel Policy—Conceptual Diagram



Prevention of Sexual Harassment

Sexual and power harassment in the workplace are serious human rights violations that unjustly harm the dignity of employees, and are socially unacceptable forms of behavior. As part of its human rights awareness efforts, the Kyocera Mita Group has clearly defined prohibited harassing behaviors. To prevent sexual and power harassment, in September 2008 the Group also plans to implement an

in-house e-learning program for all employees. A harassment consultation desk has been established in every office and plant, to ensure that employees with concerns about sexual or power harassment matters can consult with the staff at any time. The Group intends to continue with efforts to enhance employee moral and ethical standards, and create a workplace free from harassment.

Management by Objectives (MBO)

We believe that employees can achieve self-realization through their work, and can improve their potential and personal character by setting high goals and objectives and continuously pursuing them. We also believe that improvement in the performance of individual employees will eventually lead to growth of the company.

In line with these beliefs, to link individual efforts smoothly to organizational objectives, in FY2005 we introduced the MBO system.

Under this system, all employees set their own objectives, and their performance is evaluated to determine whether those objectives have been attained by the target date. This system is aimed at improving individual employees' ability to perform their tasks and attain their set objectives, by ensuring that their progress is moni-

tored and that appropriate guidance and advice is given by their supervisors, instead of depending solely on the individual employee's ability and effort.

More specifically, each employee meets with his/her supervisor at the beginning of the half-term to set personal objectives, and works toward achieving these objectives within the target period, while receiving appropriate guidance and advice from the supervisor. Performance evaluation results for each individual are reflected in compensation and other treatment.

The MBO system also plays an important role in facilitating communication between supervisors and staff, and in fostering an open corporate culture that allows employees to freely express their opinions.

Employee Performance Appraisal System

Under the policy of "adhering to the merit system and performance-based system" and "seeking fairness and transparency," Kyocera Mita clearly communicates to its employees what is expected of them and upon which criteria are based the decisions concerning their treatment. Employees who contribute to the company's success by demonstrating their ability and strengths proac-

tively and independently, and those who work hard to achieve challenging objectives, are rated highly and rewarded accordingly.

Through the merit system, we aim to enhance employee motivation and to maintain and improve the vitality of the organization, thereby creating a corporate culture that drives sustainable growth.

Discretionary Labor System

As a measure to create a comfortable working environment in which employees can fully display their abilities, we introduced the Discretionary Labor System in FY2004.

The discretionary labor system is a "deemed working hour system" that allows more flexible working hour management for certain types of jobs, such as research and devel-

opment work, in which employees have considerable discretion in how they go about achieving results. The discretionary labor system enables the realization of a flexible working environment that allows workers to carry out more voluntary and creative work. As of March 2008, this system is applied to approximately 550 employees.

Senior Employee System

In response to the rapidly aging society and reform of the public pension system, we introduced the Senior Employee System (re-employment system) in FY2006 to provide employment opportunities to employees who have reached the retirement age of 60 and have a strong desire to work.

This system has twofold merits. From the employee side, employees can use their skills and knowledge, accumulated over long years, to lead a financially stable and meaningful post-retirement life. From the company side, the company can make use of the talents of retired work-

ers to ensure continual improvement of its performance and continuation of the corporate culture.

In FY2007, we introduced the Second Life Support System, to help retired employees lead stimulating and fulfilling second lives based around their individual values and desires. Retirees can receive various support services for reemployment, social participation and country living, via outside service providers. In future, we will continue implementing the senior employee system, making necessary revisions in accordance with changes in relevant laws and regulations.

Employee Education

Education Rationale, Education Objectives and Education System

【 Education Rationale 】

Kyocera Mita cultivates highly capable human resources who acquire the Kyocera Philosophy and contribute to the advancement and development of humankind and society, while pursuing the global development of Kyocera Mita and the happiness of all employees through earnest efforts and a focus on creativity.

【 Education Objectives 】

1. To disseminate the Kyocera Philosophy among all employees
2. To cultivate executives with high-level management skills. To disseminate the Kyocera Philosophy among all employees
3. To cultivate professional human resources with highly specialized knowledge and high technological skills
4. To cultivate human resources with the basic knowledge and skills needed to perform duties and responsibilities successfully

Kyocera Mita believes it is essential that the Kyocera Philosophy (see p.15), which has served as a basis for management of the Company, be correctly understood and practiced by its employees. In accordance with Kyocera Mita's Education Rationale, developed on the basis of its Management Rationale, we have focused our efforts on Philosophy Education, through which employees learn the essence, fundamental ideas and values of the Kyocera Philosophy. In addition to Philosophy Education, we also conduct Management Education and Engineering and Technical Education Programs in cooperation with Kyocera, to cultivate human resources who can contribute to the growth of Kyocera Mita.

To realize the Education Rationale, we have set four education objectives. To achieve these objectives, an education system has been established that corresponds to each of four objectives, i.e., Philosophy Education, Management Education, Engineering and Technical Education, and Basic Education. To cultivate human resources who can contribute to the further development of our company, we are committed to implementing these education programs appropriately and vigorously.

Philosophy Education

Kyocera Mita provides continuous and thorough Philosophy Education to all employees, to ensure that they master the Kyocera Philosophy through accurate and deep understanding and practical application. Philosophy training seminars by hierarchical level are also held in overseas subsidiaries, to promote dissemination of the Kyocera Philosophy among all employees.

Philosophy Education System

- Director and executive training
- Employee training
- Manager and assistant manager training
- General staff training
- Overseas philosophy training

Number attending the philosophy education seminars held at Kyocera Mita Head Office

(persons)

Seminars held in FY2007	2nd	3rd	4th	5th	6th	7th	Total
Number of participants	28	55	169	160	113	104	629

*Target participants: Managers and below

Employee Education

In FY2007, new employees hired through regular employment received 70 days of training before commencing their work duties. This training course, designed to provide basic working knowledge and skills, covered basic manners and attitudes as working adults, personal computer training, language training, software technique training, and practical training at a plant or sales office. The management education program is also aimed at developing executives with advanced management skills. The main course of management education is

the "Kyocera Management Studies Course," which covers "amoeba management," "hourly efficiency system" and "Kyocera Accountancy," all of which are management administration techniques rooted in the Kyocera Philosophy, which has always been the driving force in the development of Kyocera. Following the end of the Management Studies Course for directors and executives, which had been held in the Kyocera Management Research Institute until FY2006, in the first half of FY 2007 Kyocera Mita conducted the

Management Studies Seminar for staff members in managerial positions and above. This seminar was taught by the person in charge of the Corporate Business Systems Administration Division of Kyocera Mita. Moreover, we have held the same seminar five times for supervisors (as of July 2008). To realize Amoeba Management through total participation, the Management Studies Seminar is also conducted for general employees.

Since FY2007, the Kyocera Management Research Institute has conducted the Kyocera Accountancy Course for directors and executives. Kyocera Mita also aims to develop human resources with highly specialized knowledge and high technological skills. We place particular importance on engineering and technical training for engineers. In FY2007, a total of 77 courses were given, with a total of 309 participants.

FY2007 Number of people attending Management Studies Courses (domestic)

(people)

Target attendees	Course	Number of attendees				Total
		Head Office	Hirakata Plant	Tamaki Plant	Kyocera Mita Japan	
Staff above managerial level (who have not taken the Management Studies Course)	Two-day course (overnight training)	302 (held in Tokyo and Osaka, jointly organized by the Group companies)				
Supervisors	One-day course	339	175	144	72	730
General employees	Half-day course	1,357	—	—	—	1,357

Labor Management

Effort to reduce total annual working hours

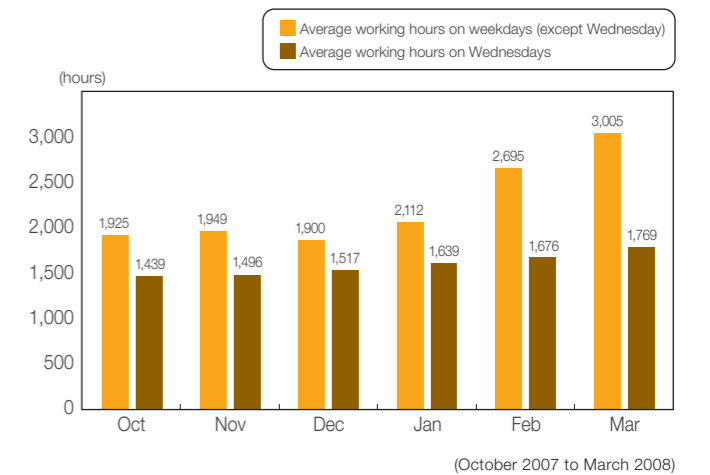
Kyocera Mita has established various leave systems to help employees realize well-balanced work and family life by using their leave for purposes of self-education according to their lifetime career plan, health promotion and spiritual fulfillment.

In the past, we had a leave system that allowed employees to take five consecutive days off; in April 2006 this system was improved to enable employees to take nine consecutive days off. Moreover, new leave systems were introduced, such as 'refreshing leave' and 'multipurpose leave.' As to the nursing leave system for employees who need to care for children below elementary school age, although formerly nursing leave had to be taken in whole-day increments (up to five days annually), since April 2007 it can be taken in half-day increments. The number of nursing leave days taken increased from 56 in FY2006 to 81 (of which 32 days were half-day leaves) in FY2007. The annual number of official working days of Kyocera Mita is 244, of which three days are simultaneous paid holidays on which all employees take paid holidays. We have introduced this system to promote the use of paid holidays.

Kyocera Mita has designated every Wednesday "No Overtime Day," on which employees are not supposed to work overtime. The Company has also concluded a written agreement with the labor union to reduce working hours within the framework of internal regulations.

These measures have successfully reduced annual working hours of employees, leading to their increased motivation to work. To further reduce annual working hours of its employees, Kyocera Mita intends to continue developing and implementing various measures, while improving the existing systems.

Comparison of average working hours between weekdays and No Overtime Days



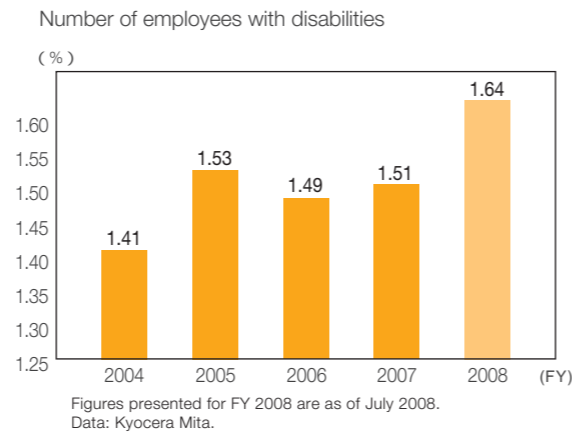
Employment of Disabled Persons

Kyocera Mita promotes the employment of disabled persons and the creation of an environment that is easy for the disabled to work in. Believing that it is important for disabled staff to contribute to society through their work by maximizing their skills and strengths, we take each individual's aptitude into consideration in assigning work places and providing roles.

The R&D Center Building, which was completed in May 2008 on the premises of the Head Office, is equipped with special facilities for the disabled staff, so that they can work comfortably and safely. Such facilities include Braille plates installed on main locations to assist visually impaired persons, and a wheelchair-accessible elevator and toilet. Moreover, some floors are barrier-free.

The ratio of employment of people with disabilities has steadily increased since FY2004. However, as of the end of FY2007, the ratio did not reach the statutory level of 1.8%. We will continue our efforts to promote the employment of

disabled people, as well as to create a workplace in which disabled persons can work comfortably.

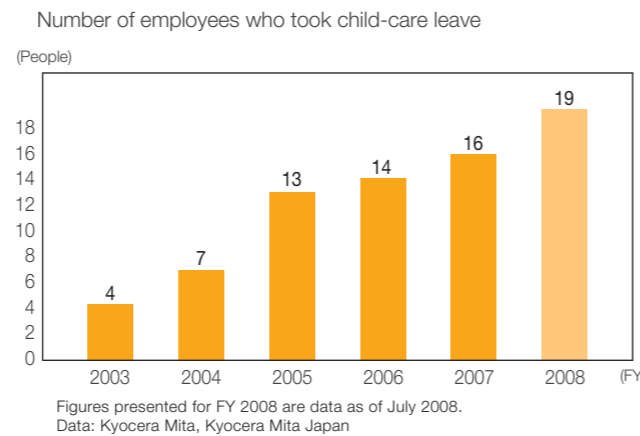


Child-Care and Family-Care Leave Systems

To support employees who are balancing work and family responsibilities, Kyocera Mita introduced the child-care leave system in FY1992 for employees with children under one year of age. In April FY2005, some improvements were made to the system; fixed-term employees became eligible for child-care leave, and it became possible to extend the leave up to six months, in addition to the specified leave period. In FY2002, the family-care leave system was introduced to allow employees who need to care for family members to take leave for a maximum of one year.

In April 2007, the short-time work system was introduced so that pregnant employees and those with children in the third grade or younger can shorten their regular working hours to enable them to ease their commuting difficulties, or to take their children to and from school. To increase the use of this system, we plan to make some improvements; although the short-time work period is currently on a monthly basis, the plan is to change it to a daily basis. As of May 2008, the number of employees who used the short-time work system

was 11. In future, we will continue efforts to develop and implement measures to improve employees' work-life balance.



Benefits Program

Basic Idea

【 Basic policies 】

1. Measures for a healthy life (Health maintenance and promotion, physical strength development)
2. Measures for a stable and affluent life (Housing, property accumulation, daily life support)
3. Measures for a spiritually rich life (Use of leisure time, lifelong learning)
4. Measures for a rich post-retirement life (Life security, medical security, meaningful life)

【 Basic concepts 】

1. Fair to all employees
2. Realized by employees' own will
3. Suitable for employees
4. Intended to support employees' own hard work

Kyocera Mita offers a comprehensive benefits package to meet the diverse needs of employees, as well as to improve their physical and mental health and vitality and help them achieve a stable and fulfilling life. We implement employee benefits programs in accordance with the following four basic policies and four concepts.

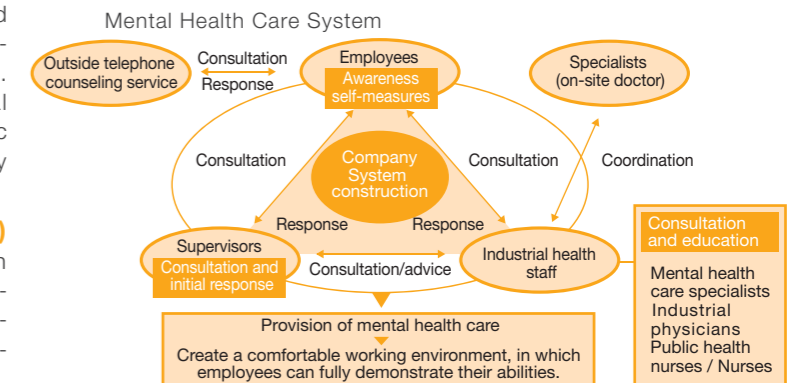
Health Maintenance and Promotion Activities

On the basis of the idea that it is important for companies to promote and maintain the good health of employees, Kyocera Mita has established the Health Management Office at seven business sites in Japan, to provide employees with health guidance and counseling by industrial physicians and public health nurses. We also provide health information via in-house magazines. Moreover, in an effort to promote the health of group company employees, industrial physicians visit business sites in Japan and overseas to give health guidance.

Medical Checkup To help employees avoid lifestyle-related diseases, and detect and treat any such diseases at an early stage, individual guidance is provided after annual health check. When necessary, employees are introduced to medical specialists. In FY2007 Kyocera Mita conducted "specific medical examinations," which will become mandatory from 2008.

Healthimpic (Employee wellness promotion program) As part of our employee wellness promotion efforts, an annual program, called "Healthimpic," is held to address employees' lack of exercise, under the familiar theme of "walking." Employees in Japan and abroad form teams and compete for the total number of steps recorded on pedometers.

Mental Health Care System To promote employees' mental and emotional well-being, as well as their physical health, we have set up a mental health counseling service desk outside the company. In addition, we have assigned mental care specialists to business sites since FY2004. To promote mental health activities at the worksite level, we also conduct hierarchical training programs on mental health care, inviting mental health specialists from outside the company. Since FY2007, we conduct mental health checkups to heighten employee awareness of mental health problems.



Promotion of Recreational Activities

With the aim of promoting communication among employees and with local residents, Kyocera Mita organizes various recreation programs every year, including an athletic meet and a summer evening festival.

Promotion of Leisure-time Activities

To encourage employees to engage in leisure-time activities, via the Welfare Club (outsourcing welfare service) Kyocera Mita provides various services to meet individual needs and life plans, including arrangement of travel/accommodation and introduction of sports clubs, nursing care facilities and education facilities.

Club Activities

Many employees enjoy various activities at clubs officially recognized by the company, to cultivate friendships, promote health and/or spend fulfilling leisure time.

Life Planning Support

Kyocera Mita supports employees' life planning through various services relating to life insurance, medical insurance, personal pension, automobile insurance, non-life insurance, liability insurance and asset-building savings.

Support for Living a Fulfilling Post-Retirement Life

Kyocera Mita has established the Old Boy's Club to encourage its former employees to get together and keep in touch with one another, with the aim of helping them lead stimulating and fulfilling post-retirement lives.



Health and Safety & Disaster Prevention

Industrial Safety and Health Management System [OHSAS18001]

In the belief that a safe and comfortable working environment is fundamental to successful business, the Kyocera Mita Group promotes industrial safety and health activities. As part of such efforts, the Group has introduced the Industrial Safety and Management System (OHSAS18001). The Hirakata and Tamaki Plants acquired OHSAS18001 certification in 2006, followed by Daiken Co., Ltd., a group company of the Kyocera Mita Group, in 2007. In addition to the production bases, Kyocera Mita Head Office, Yoga Office and Kyocera Mita Japan Corporation (a group company) introduced the OHSAS18001 system in April 2008. Certification is expected to be granted in November 2008.

OHSAS18001 Standard

This Standard was established by the British Standards Institution (BSI) in 1999, with the purpose of enabling organizations to manage risks relating to employee occupational safety and health, prevent hazards and maintain a high level of overall safety. "OHSAS" stands for Occupational Health and Safety Assessment Series.

OHSAS18001 certification acquisition status

Company name	Site name	Certification acquisition date (month/year)	Registration No.
Kyocera Mita	Hirakata Plant	October 2006	WC05J0006
	Tamaki Plant		
Daiken	Head Office	November 2007	
Kyocera Mita	Head Office	November 2008 (planned)	
	Yoga Office		
Kyocera Mita Japan	Head Office		

Example of OHSAS Improvement Preventing missteps

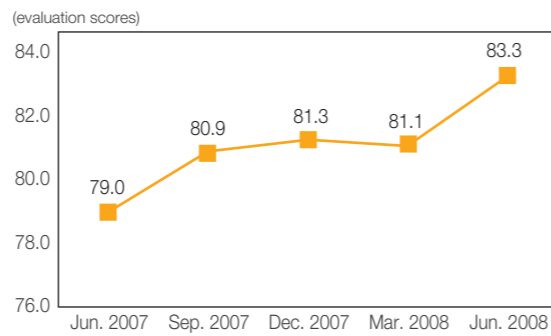


Perfect 5S Promotion Activities

Kyocera Mita Group is implementing "Perfect 5S Promotion Activities" to ensure that 5S activities (Seiri: orderly arrangement; Seiton: tidy up; Seiso: sweeping; Seiketsu: cleanliness; Shitsuke: discipline) are performed at a perfect level. Perfect 5S Promotion Activities aim not only at keeping the workplace clean, but at cultivating sensitivity that notices even the slightest problem or abnormality, by continuing pursuit of perfect 5S performance. We believe that employee efforts to develop and enhance such sensitivity will lead not only to a safe and comfortable work environment, but also to improved product quality and production efficiency.

In FY2007, Perfect 5S Inspections were conducted every three months, and the 5S performance level at each workplace was evaluated numerically. We intend to encourage each workplace to actively promote 5S Activities through inspections and other means, so as to realize the ideal workplace environment.

Results of Perfect 5S Inspections



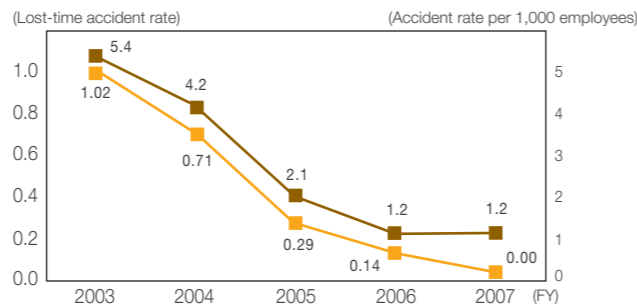
Data: Kyocera Mita, Kyocera Mita Japan and Daiken

Labor Accident Record of the Kyocera Mita Group

In FY2007, no serious labor accidents resulting in suspension of operations occurred; the Kyocera Mita Group has for the first time achieved a lost-time accident rate of 0.0 (frequency of serious labor accidents resulting in lost worktime). The total number of labor accidents did not decrease from the year earlier (FY2006); the accident rate per 1,000 employees (all labor accidents, including minor occurrences not resulting in lost worktime), remained at the same level (1.2) as last year. We will continue promoting OHSAS 18001 activities to create a safe and comfortable workplace, as well as to eradicate labor accidents.

Safety performance data are based on calendar year.

Labor accident record



Lost-time accident rate: Number of lost-time accidents per million hours worked
 Accident rate per 1,000 employees: Number of labor accidents per 1,000 employees
 Data: Kyocera Mita, Kyocera Mita Japan and Daiken

Environmental Report

Kyocera Mita manufactures products in accordance with the ECOSYS concept, which aims to minimize environmental impact while reducing total lifecycle costs. We will more actively contribute to global environmental protection by pursuing our commitment to the ECOSYS concept.

Environmental Activities

- 39 Special Feature: Reconditioned (RC) Machines that Contribute to the Realization of a Resource Recycling Society
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- 49 Implementation of LCA
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Special Feature: Reconditioned (RC) Machines that Contribute to the Realization of a Resource Recycling Society

Used Products Reconditioning Enabled by Long-Life Design

Kyocera Mita has established a resource recycling system to promote the collection of used products and the recycling of reusable parts and materials, thereby reducing resource consumption and environmental impact.



— Regenerated as new products —

Kyocera Mita believes that manufacturing and sales companies have the responsibility not only to comply with the Law for Promoting Effective Use of Resources and Green Purchasing, but also to reduce resource consumption and environmental impact. In keeping with this belief, we have been actively promoting material recycling. However, in order to realize a sustainable recycling-oriented society, it is necessary to promote the recycling of used products. In FY2005 we produced and marketed an RM model (re-manufactured model, produced using used parts taken from disassembled products, after thorough cleaning and inspection). In an effort to increase the part reuse rate, taking advantage of the experience and technologies gained through RM model production we attempted to produce RC (reconditioned) models by reconditioning collected used products.

Used product recycling system

Used products returned by customers are taken to the nearest collection center for appearance check and function testing (whether the power switch turns on). Of collected used products, only those that pass the selection criteria are sent to the plant, where receiving inspection is conducted. Machines that pass the receiving inspection are RC machine candidates. They are then disassembled, cleaned and rechecked before being fed into the production line. In the assembly process, all machines are conditioned to ensure that they meet the same high quality standards as new machines; a 100% inspection is performed prior to shipping. Our rigorous selection and inspection processes guarantee high-quality and highly reliable RC machines.



Environmental Impact Reduction Effects of RC machines

RC (reconditioned) machines, which achieve a parts reuse ratio of more than 90% (mass ratio), are produced from used products collected from customers and subjected to selection, disassembly, cleaning, assembly, conditioning and inspection processes.

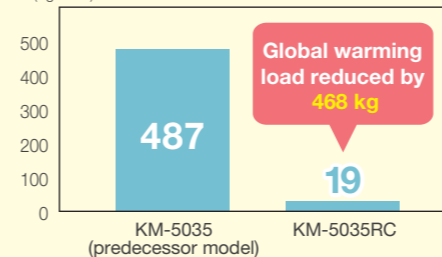
Furthermore, RC machines have significantly reduced environmental impact; compared with ordinary machines produced using new parts, RC machines have CO₂ emissions that are reduced approximately 45% throughout their lifecycle (from manufacturing to distribution and disposal).

- CO₂ emissions **Achieved approx. 45% reduction!**
- Part reuse ratio **Achieved more than 90%!**

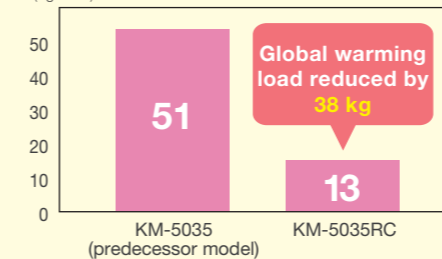
Major factors in CO₂ emission reduction

【Calculation condition】
 Number of copies produced in five years:
 960,000 pages
 Calculation was based on the
 ECO Leaf Environmental Label PSC-AA-03.

Global warming load in raw material production stage (kg-CO₂)

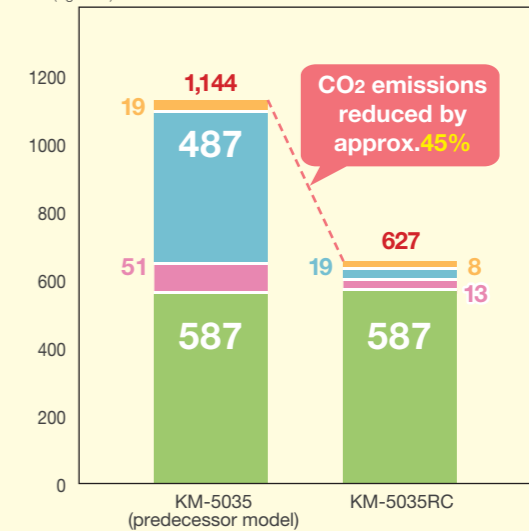


Global warming load in product production stage (kg-CO₂)



Entire lifecycle

CO₂ emissions (kg-CO₂)



RC machines generated through resource recycling efforts

Takehiko Okada,
Corporate R&D Division

In February 2008 we released our first RC machines, with a parts reuse ratio of over 90%. Such a high parts reuse ratio was possible because we used long-life ECOSYS products as base machines. Our RC machines were developed through optimal use of Kyocera Mita technologies and know-how, acquired through RM (re-manufactured) machine production and resource recycling efforts.

We view RC machines as new products, not secondhand products, so our primary focus is quality. Meticulous inspections are performed at several stages, including when used products are collected and when they are received at the plant. Only machines that pass the receiving inspection are disassembled, thoroughly cleaned and inspected before being fed into the production line. After all parts requiring replacement have been replaced, the machines are conditioned and inspected to ensure that they meet the same high quality standards as new machines; they are then shipped.

In producing RC machines, we incorporate lessons we have learned from RM machines and make various improvements, including the use of hot-selling the KM3035/4035/5035 models as base machines, recycling machines with high customer demand

(facsimiles, printers etc.), and including as standard equipment a document feeder and a paper feeding desk unit (options for new machines). We are confident that our RC machines are environmentally conscious and better meet market needs.

The highest hurdle for designers was the establishment of standards. As you can easily imagine, at the time of collection the actual condition of used machines varies, depending on use condition and environment, even among machines of same performance specifications. Each machine is thoroughly inspected in every detail, to judge whether or not it is suitable for use as an RC machine, but judging is very difficult. We took considerable time establishing the judging standards. Another difficult thing was to get a company-wide consensus. To achieve effective use of resources, the number of parts replaced should be minimized. However, the sales staff who directly interact with customers demanded strict standards, insisting that there should not even be tiny scratches on the exterior surface. We realized how difficult it was to establish standards that are accepted by all relevant departments. In establishing standards, we had many discussions with relevant departments, each having its own ideas and perspective, yet sharing one aim: improving the global environment through effective use of resources. After a series of heated discussions, we finally established standards that were agreed upon by all relevant departments, and could release our first RC machines.



Toward increasingly efficient production methods



Takao Okada,
Production Engineering Department,
Production Engineering Center

We at the Production Engineering Department determine how to manufacture a particular product. We design an optimum assembly sequence and decide on the necessary jigs, always considering from the perspective of how we can manufacture a better product. We sometimes request revision of a design, when we feel

it is necessary, in order to manufacture a better product.

As for RC machines, we considered "from scratch" what procedures should be followed for receiving inspection, disassembly, cleaning and assembly, and how to respond to malfunctions and other technical problems. Considering all sorts of these things was truly difficult. Moreover, since the use condition varies among the machines collected, we encounter various problems that are unlikely to be found in the production of new machines. At the moment, each time a problem is reported to us we diagnose it and make necessary modifications, but it is necessary to review the whole process to find better methods. At the moment, cleaning takes hours, as it is performed manually. The time required to produce an RC machine is more than twice that needed to produce a new machine. I believe that as production engineers it is our responsibility to reduce the man hours needed for each operation, thereby reducing the burden on workers.

It is the responsibility of companies to use resources efficiently. All those who work at Kyocera Mita, regardless of their position, are committed to fulfilling this responsibility. I myself will try to do my best as a production engineer.

Strong passion for producing both new products and RC machines.



Aki Kanemoto (Meister II)
The Second Production Department,
Information Equipment Production Division

I think that the most difficult part of producing RC machines is cleaning and sorting parts. Since condition varies among collected used machines, I find it very difficult to distinguish between usable and unusable parts. One reason for this is my lack of experience, due to the limited number of RC machines produced. I think that if I can accumulate enough experience, I will be able to quickly determine whether or not a part

is usable, and find the cause of a particular problem. In that sense, I think that the future task is to increase production of RC machines, and that improving operation efficiency is increasingly important.

I felt and learned various things by actually experiencing RC machine production. For example, it is extremely important to select the "right" machines, prior to the disassembly and cleaning processes. If after disassembling and cleaning a machine you find out that it cannot be used to produce an RC machine, it's been a complete waste of time and energy. I think one of our roles is to communicate to the design staff the things we feel on the production line.

There are many difficulties in producing RC machines, but we always try to produce better products with sincerity and passion—regardless of whether they are RC or new machines. We are determined to do our best to produce products of higher quality and greater reliability.

Meister System

With a view to enhancing employees' skills and increasing their motivation, Kyocera Mita has introduced the Meister System, under which each worker is given - depending on his/her skills - one of seven titles: Beginner, Assistant, Regular (III, II, I) and Meister (II, I). All new regular employees and temporary employees are given the title of Beginner. Three months later, they automatically become Assistants, but after that they are evaluated every six months, not only as to their skills, but also their understanding of the Kyocera Philosophy, spirit of cooperation and leadership. All employees work hard toward acquiring the highest title of Meister I.

I expect future development

In February this year, we delivered an RC machine to a fire station under the control of the Tokyo Fire Department. The fire station had used the base model of that RC machine, and had been very satisfied with the quality of that model. So they did not hesitate to purchase an RC machine; they were confident that it would have the same high standards in performance and cost effectiveness as the base model. Their RC machine has been working perfectly well for six months now.

I think that a high parts reuse ratio (more than 90%) is a very appealing feature for public agencies, because they are taking the lead in green procurement so as to set a good example of environmental protection to the rest of the community. Another appealing feature of the RC machine is its superior cost performance.

However, there still remain many problems with RC machines that need to be addressed. If public agencies' needs shift from monochrome and minimum functionality to color printing, expandability and network compatibility, RC machines cannot meet such needs. Moreover, RC machines are difficult to mass-produce, due to strict standards. It is therefore very difficult for sales representatives to promote RC machines in a timely manner. I think that to promote RC machines not only to public agencies, but also to companies that are active in environmental protection, it is essential to increase the lineup of RC machines and to realize mass production.

I think that what sales staff can do to resolve these problems is to collect as much feedback and information from our customers as possible, as quickly as possible, and to communicate it to the development team so as to ensure that customer feedback is incorporated into the next RC machine.



Shinsuke Fujiyama,
Kyocera Mita Japan

Basic Attitude

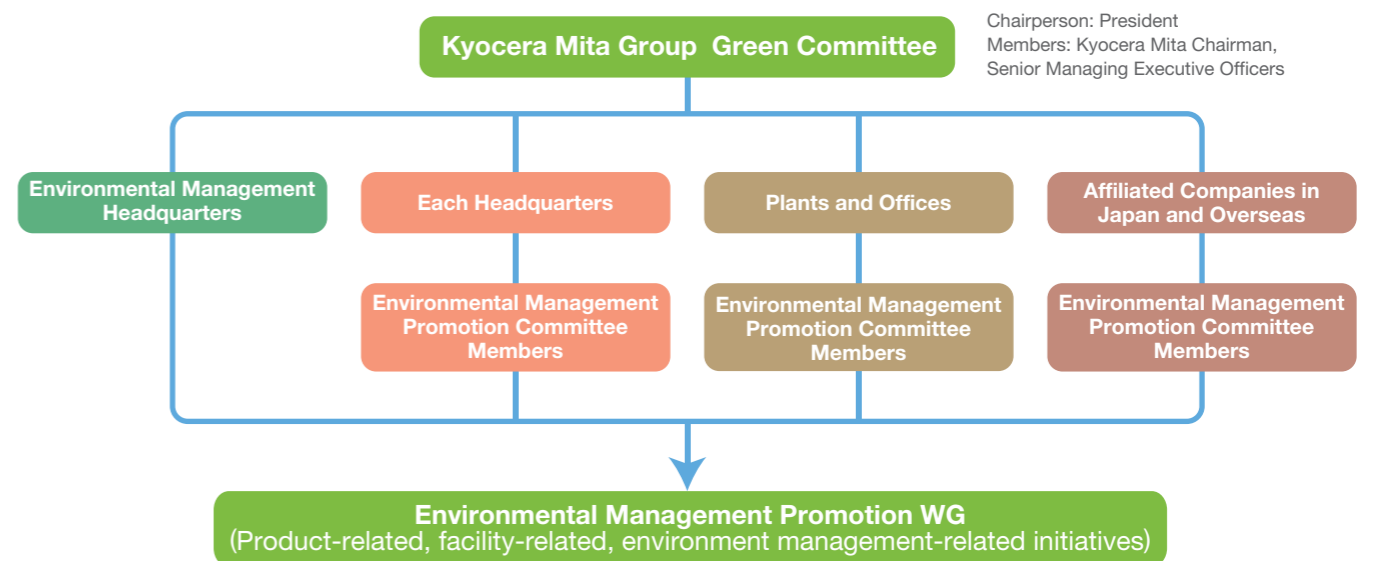
Environmental Management Basic Strategies and Promotion System

Environmental Management Basic Strategies

- Promoting business activities that will help build a recycling-oriented society.**
Create a resource-recycling society through continuous activities to reduce the environmental load.
- Providing superior eco-friendly products**
Develop and provide more evolved (longer life and more energy efficient) eco-friendly products, on the basis of the ECOSYS concept.
- Establishing environmental management**
Provide environmental education and training to all employees and establish an environmental index management system to implement continuous and profit-yielding environmental management.
- Strengthening Corporate Social Responsibility (CSR) activities**
Fulfill social responsibilities as a business enterprise through information disclosure and social contribution activities.

Promotion System

In September 2007, the Kyocera Mita Group established a consultative and decision-making body called the Green Committee, to develop and implement Group-wide policies and strategies for addressing important global environmental issues and regulations.



The First Environmental Action Plan (December 2005 to March 2008)

In 2005, the Kyocera Mita Group developed the First Environmental Action Plan, by which to pursue environmental efforts and activities during the period from December 2005 to March 2008. A total of 16 Working Groups were established to achieve the 38 priority action items identified in the Plan.

The Second Environmental Action Plan (April 2008 to March 2011)

The Second Environmental Action Plan has been developed; it comprises 18 priority action items (including those carried forward from the First Environmental Action Plan) to be implemented by the end of FY2010.

Environmental Action Plan

Results of the First Environmental Action Plan

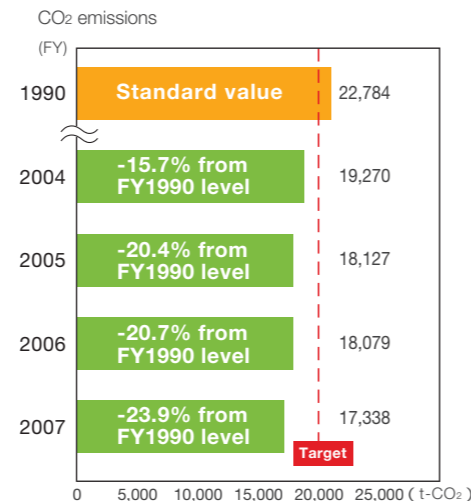
Kyocera Mita Group developed the First Environmental Action Plan, by which to pursue environmental efforts and activities during the period from December 2005 to March 2008. The Plan establishes clear mid- and long-term targets, as well as single-year targets, for each category of activity. The Group's environmental performance is evaluated each year in reference to the targets identified in the Plan; the results are reflected in the following year's action plan. Major activities undertaken under the First Environmental Action Plan and achievements are as follows.



【Major Activities】

- Installation of a solar photovoltaic power system (60KW): CO₂ emissions reduced by 11.5 tons per year
- Conversion of air conditioning heat sources from fuel oil to city gas: CO₂ emissions reduced by 250.0 tons per year
- Replacement of absorption-type heaters/chillers by new machines with higher energy consumption efficiency: CO₂ emissions reduced by 22.8 tons per year

Target	Results	Evaluation
(1) Achieve emission reduction targets stipulated in the Kyoto Protocol. Reduce absolute CO ₂ emissions by 6% from 1990 level, by the end of FY2007.	Decreased CO ₂ emissions 23.9% from the 1990 level	
(2) Achieve zero emissions. Achieve zero emissions (final disposal amount: less than 1%) at all domestic business sites by March 2007.	Achieved (1%)	
(3) Establish a resources recycling system. Commence production and sale of RC (reconditioned) machines in FY2007 by using reusable parts of used products collected from end users. (See p. 39)	Manufactured and sold a total of 10 RC machines.	
(4) Promote raw material recycling. Commence closed material recycling for plastics (exterior covers, toner containers) from end-of-life machines by the end of FY2007.	Quality inspected collected materials.	



The Second Environmental Action Plan (FY2008 to FY2010)

During the period from April 2008 through FY2010, we will implement the Second Environmental Action Plan, which includes action items carried forward from the First Environmental Action Plan, as well as new items.

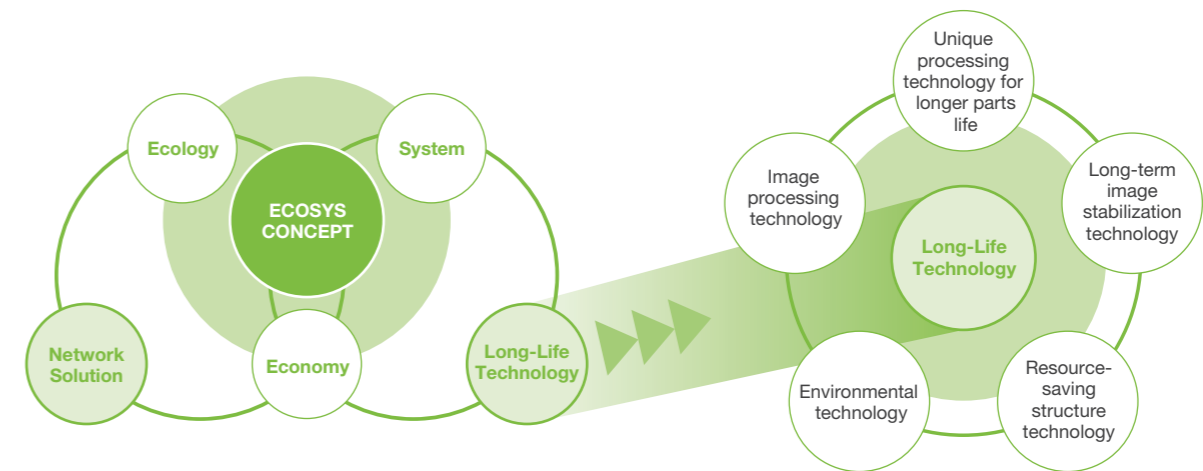
Basic Strategy	Item	Target	Business sites undertaking activities
A Promoting business activities that will help build a recycling-oriented society	(1) Reduction of global warming gas emissions		
	1	Achieve emission reduction targets stipulated in the Kyoto Protocol.	Reduce absolute CO ₂ emissions by more than 6% from 1990 level, during period from FY2008 to FY2012.
	2	Introduce the environmental efficiency (factor 2) to ensure that environmental protection is compatible with business performance.	Double environmental efficiency in FY2014, compared to FY2004. Formula for calculating domestic environmental efficiency: Sales amount of Kyocera Mita Group (domestic)/CO ₂ emissions (domestic)
	(2) Resource recycling efforts		
	1	Achieve zero emissions at overseas production sites.	Achieve zero emissions at overseas production sites (final disposal amount: less than 1%) by end of March 2010.
	2	Implement closed material recycling for plastics.	Establish closed material recycling system for plastics used for exterior covers (PC-ABS) by end of December 2008 and commence system use in January 2009.
B Providing superior eco-friendly products	(1) Provision of eco-friendly products		
	1	Introduce a product environmental efficiency index.	Develop a product environmental efficiency index to measure the environmental impact reduction effects of products by the end of July 2008 and commence use of the index in August 2008.
	2	Comply with the EU REACH Regulation.	Establish a system that ensures proper registration and notification in compliance with REACH Regulation. (Preliminary registration should be completed by end of November 2008.
	(1) Establishment of new environmental accounting system		
C Establishing environmental management	1	Establish new environmental accounting system.	Consider introducing material flow cost accounting; if deemed appropriate, introduce it in February 2009.
	(2) Implementation of environmental education		
D Strengthening CSR activities	(1) Promotion and implementation of social contribution activities		
	1	Implement environmental conservation activities.	Participate in the Adopt Forest Program (forest conservation program) of Osaka Prefectural Government.
	2	Implement social welfare activities.	Cooperate with welfare activities undertaken by social welfare organizations (New Year Meeting for Children etc.)
	3	Participate in humanitarian and disaster relief activities	Develop social welfare and volunteer staff; implement volunteer activities.
	4	Implement activities for promoting the sound nurturing of youth.	Implement Science Experiment Class Project for elementary school students. Cooperate with Career Education Promotion Projects (job experience program for junior high school students).

ECOSYS Concept

Economy through Ecology: This is Our Responsibility to Society

In the firm belief that, as manufacturers of information equipment, it is our social responsibility to protect the global environment, we at Kyocera Mita actively promote comprehensive environmental activities. At the core of our environmental activities is our commitment to the manufacture of products in accord with the ECOSYS concept. ECOSYS, a word formed by combining the three words "ecology," "economy" and "system," means a highly ecological and economical system. ECOSYS is not only the product brand of Kyocera Mita, but also represents Kyocera Mita's corporate attitude. Some time ago, regular maintenance was needed in order to keep information devices functioning properly. However, with the emergence of personal-sized information devices, demand for maintenance-free products increased. In response to such demand, Kyocera Mita has developed a long-life technology that minimizes consumable parts replacement and lessens the environmental impact in terms of resource consumption. Kyocera Mita's unique long-life

technology has dramatically extended printer part service life, which used to be a few tens of thousands of pages, making the toner the only consumable item. This not only minimizes landfill waste, but also significantly lowers consumable costs over the life of the printer, thereby providing economic benefits to users. Since we unveiled the first ECOSYS printer model to the market 16 years ago, we have continued to improve the environmental friendliness, quality and added value of our products by evolving the ECOSYS concept. The ECOSYS concept is incorporated not only into printers, but also into multifunctional devices. Today, truly outstanding performance and reliability are increasingly demanded. To answer such needs, document solutions equipment requires further development. Tough performance, that will not disrupt business operations, superior environmental friendliness and economic benefits--to provide these values to our customers, Kyocera Mita remains committed to the ECOSYS concept.



ECOSYS Technology

Superior Performance and Added Value of ECOSYS Products Achieved through Kyocera Mita's Unique Technologies

Kyocera Mita's unique long-life technology, i.e., various processing technologies for extending the service life of parts and units, supports the ECOSYS concept. In the past, our printers employed a common cartridge system that necessitated replacing the entire cartridge (drum, developer and toner in a single, disposable unit) each time the toner ran out. The Kyocera Group, involved in both laser printer and parts businesses, succeeded in developing a laser printer equipped with an exceptionally long-life photo conductor - an amorphous silicon drum - by bringing together the technologies and expertise of both those business divisions; the newly developed printer was introduced to the market in 1992 as the first generation ECOSYS printer.

Since then, we have strived to develop new processing technologies, including extension of the service life of peripheral parts, drums, toners and developers, as well as image processing technologies and environmental technologies. Our unwavering commitment to innovating and developing new technologies forms the basis of the competitive edge of ECOSYS products, as well as of our company.



Long-life amorphous silicon drum

New ECOSYS product

In February 2008, Kyocera Mita unveiled its new low-end mono-chrome A4-size printer "ECOSYS FS-1300D. Equipped with long-life parts, including a PSLP drum, and a reliable cartridge-free system, the FS-1300D is capable of printing 100,000 pages during its service life with replacement of toner only. Unlike the all-in-one toner replacement system, the entire cartridge (drum and toner) need not be replaced when the toner runs out; this not only reduces the amount of waste sent to landfills and lessens negative environmental impact, it also achieves a low cost-per-print (1.94 yen per A4 sheet). The FS-1300D comes with a standard duplex unit for double-sided printing, reducing paper consumption. In addition, this new model also features a compact body (375 mm (W) x 393 mm (D)

x 250 mm (H)), output of 28 pages per minute, and first page print at 6 seconds (fastest in its class). This extremely fast printer enables users to increase productivity. The FS-1300D is also compliant with environmental regulations, such as EU RoHS Directive and International Energy Star Program. The FS-1300D is designed to be highly environmentally friendly, using many easy-to-disassemble "fitting-in" type components to promote component reuse, as well as molded plastic parts and non-halogen wires for inside wiring.

PSLP (Positive-charged Single Layer Photoconductor) drum: Kyocera Mita's proprietary single-layer PSLP drum has reduces CO₂ emissions in the production stage by approx. 30%, compared with conventional OPC (Organic Photo Conductor) drum.

Environmental Label Acquisition

Kyocera Mita aims to provide products that are not only safe and comfortable to use, but also have minimal environmental impact. While vigorously pursuing the development of environmentally friendly products, we have actively been promoting the acquisition of Type I environmental labels of various countries and regions, which serve as a guide in helping customers select products of less environmental impact. The Type I environmental labels we have acquired include Eco Mark (Japan), Blue Angel (Germany), Nordic Swan (five Nordic countries) and Green Mark (Taiwan). Furthermore, as part of our efforts to reduce the environmental impact of our products, we are also promoting registration of the ECO LEAF Environmental Label, a Type III environmental label designed to present quantified information about the environmental impact of a product throughout its life cycle. Most Kyocera Mita products meet the energy-saving standards of the International Energy Star Program, as well as the criteria of the Green Purchasing Law (Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services).

International Energy Star Logo



Kyocera Mita's Green Purchasing Law-compliant Mark



Products certified or registered by environmental label programs during FY2007

	MFP	Printer
Eco Mark (Japan) 	KM-2540 KM-3040 KM-2560 KM-3060 KM-3035RC KM-4035RC KM-5035RC KM-C2525E KM-4015w KM-4075w	FS-1300D LS-9530DN
Blue Angel (Germany) 		FS-2000D FS-3900DN FS-4000DN FS-6950DN
Nordic Swan (five Nordic countries) 	FS-1118MFP KM-1650 KM-2050 KM-2550 KM-4050 KM-5050 KM-6030 KM-8030 KM-C2525E	FS-1300D FS-9530DN
Green Mark (Taiwan) 	KM-3050 KM-4050 KM-5050	FS-1030D FS-2000D FS-3900DN FS-6950DN FS-9530DN FS-C5020N FS-C5030N
ECO LEAF Environmental Label (Japan) 	KM-2540 KM-3040 KM-3035 KM-4035 KM-5035 KM-3035RC KM-4035RC KM-5035RC	LS-9530DN

Environmental Consideration Given to Products

Eco-Friendly Design Standards

In pursuing product development, Kyocera Mita always pays attention to 3R (reduce, reuse, recycle) perspectives. To develop 3R-conscious products, product designers perform product assessments from the earliest design stage, in accordance with the Eco-friendly Development Standards. Evaluation items for product assessment include reduction in number of parts, reduction in product weight, use of recycled plastic and reused parts. Numerical targets for environmental impact reduction are set for each evaluation item for each production stage, such as part production and assembly. Compliance with energy-saving standards and environmental labels is clearly specified as a requirement in product specifications. Kyocera Mita promotes the development of eco-friendly products through compliance with relevant standards and specifications and implementation of product assessments.

Eco-friendly design check sheet (excerpt)

No	Conformance level	Standard/supplemental remarks
1	Must	The types of plastic materials used must be about the same or fewer in number as were used in the preceding model in the same segment. Check against material list.
2	Must	The variety of materials used for plastic components must be limited to single polymer or polymer blend.

Eco-friendly Design Standards

Policy

Kyocera Mita creates and adheres to Eco-Friendly Design Standards so as to ensure 3R (reduce, reuse, recycle)-conscious design, and complies with the Standards from the early design stage in order to provide products with less environmental impact.

Excerpts from Eco-friendly Design Standards

Ease of disassembly (reuse/recycling)

- Standardization of tools
- Standardization of fasteners
- Prohibition of inserts, press fittings etc.

Ease of reuse

- Standardization of materials
- Use of compatible labeling
- Prohibition of adhesives excluding some unit parts
- Use of easy-to-remove double-sided tape

Ease of cleaning

- Configuration design that allows easy cleaning (example: exhaust outlet)

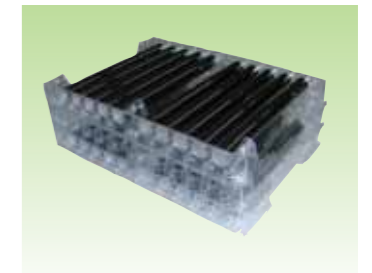
Environmentally Conscious Package Design

Kyocera Mita uses environmentally conscious materials for packing its products and parts. In recognition of our innovative eco-friendly packaging, from 2004 to June 2008 we won consecutive awards at various packaging contests, both in Japan and abroad.

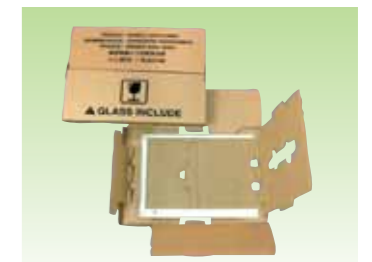
In FY2007 we reduced the volume of returnable packaging cases for printer drums by 36% by improving cushioning materials, thereby achieving a 67% improvement in transportation efficiency. Regarding packaging cases for glass service parts for multifunctional devices, we achieved a 55% reduction in the use of corrugated cardboard; our inventive packaging system won the Good Packaging Award (Electric Equipment Packaging Category) in the 2007 Japan Packaging Contest.



Good Packaging Award (Electric Equipment Packaging Category) in the 2007 Japan Packaging Contest



Returnable packaging case for printer drums

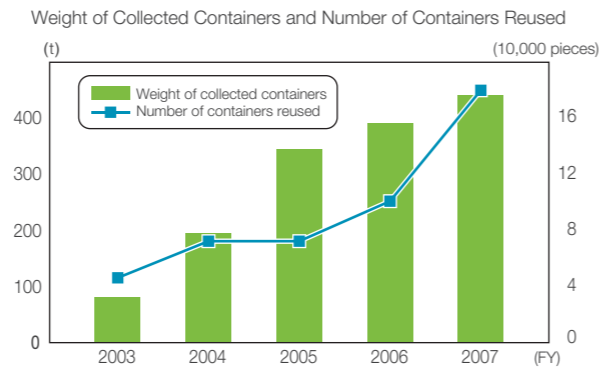


One-sheet corrugated cardboard packaging box for glass parts

Establishing a Reuse and Recycling System

Reuse of Toner Containers

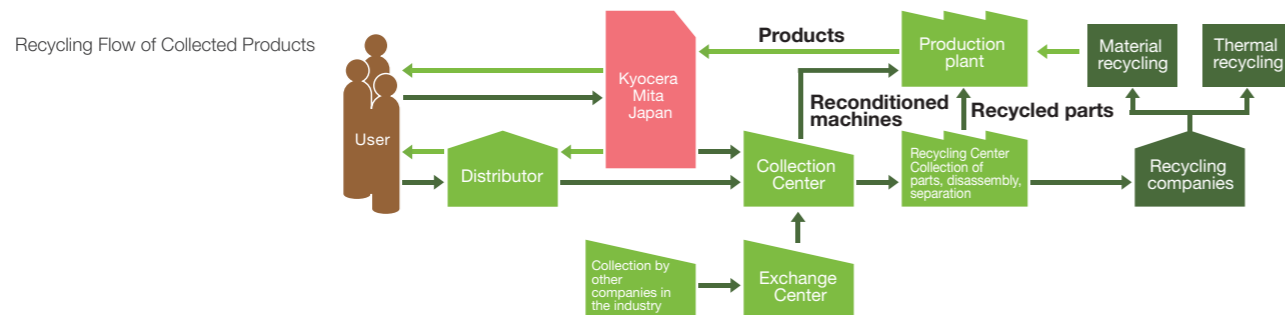
Kyocera Mita has been promoting the collection and reuse of used toner containers since 1998. Collected used toner containers are reused after cleaning and appearance and function tests. In FY2007, approximately 430 tons of used toner containers were collected from the market, and approximately 180,000 used containers were recycled, about 1.8 times as many as in FY2006. The number of reused used containers increased because, although we reused only toner containers of mono-chrome models until FY2006, in FY2007 we began reusing toner containers of color models as well. Most of the toner containers not suitable for reuse are recycled as materials. In FY2008 we will continue promoting reuse of toner containers to achieve an increase in the number of toner containers reused.



Resource Recycling System

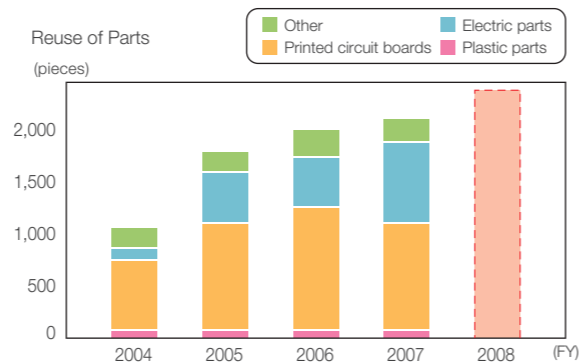
We divide Japan into seven regions, in each region establishing a collection center for collecting used products and toner containers returned by customers, and a recycling center for collected products. The aim of this regional-based recycling system is to reduce environmental load by reducing the energy consumed in transportation. Used products returned by customers are taken to the nearest collection center for condition and performance checks. Results are then sent to the recycling center, together with the used products. Used toner containers are sent directly to the recycling center.

At the recycling center, reusable parts are selected and then disassembled for reuse. As for non-usable parts, we encourage material recycling to promote their use as materials. Parts and consumables not suitable for reuse or material recycling are recycled as an energy source. In FY2007, as a result of vigorous resource recycling efforts 2,085 tons of used products were collected, of which more than 99% were reused or recycled. We will step up our resource recycling efforts toward achieving the target of collecting more than 2,400 tons of used products and maintaining a reuse/recycling ratio of more than 99%.



Reuse and Recycling of Used Products

We actively promote reuse of used products, remove reusable parts from collected used products and recondition them. Used products are collected and sent to the collection center to check their condition; they are then transferred to the recycling center, where reusable parts are selected using information provided by the collection center. Detached parts are thoroughly cleaned and inspected for quality. In the reused part production line, parts are rigorously inspected; only parts that passed our rigorous inspection procedures are shipped as recycled parts. In FY2007, the number of reused parts increased to 2,117, 3.7% over the previous year. In the past, items subject to reuse consisted mainly of service parts that were difficult to procure; in FY2008, we will establish a system that enables all service part items to be supplied for reuse. In FY2008 we will also strive to further increase the

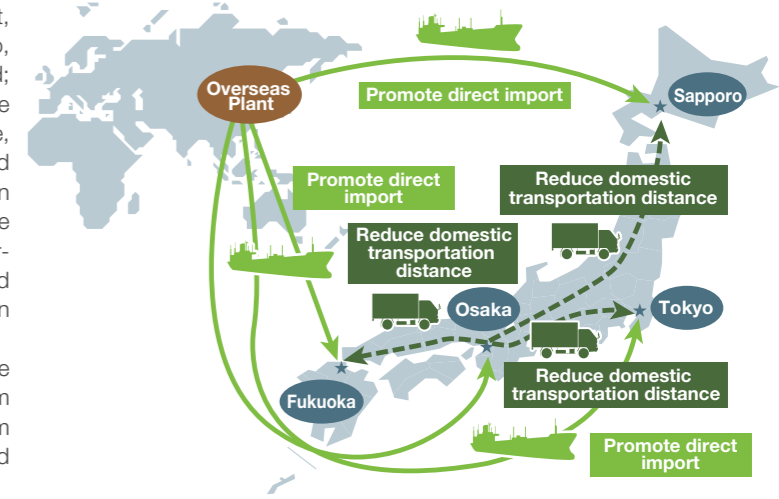


number of parts reused, setting the target of 20% increase over the FY2007 level. By the end of FY2008 we also aim to establish and operate a "closed recycling system," in which collected plastic parts are sorted by material type, cleaned and pulverized into pellets for reuse as plastic material in manufacturing Kyocera Mita products.

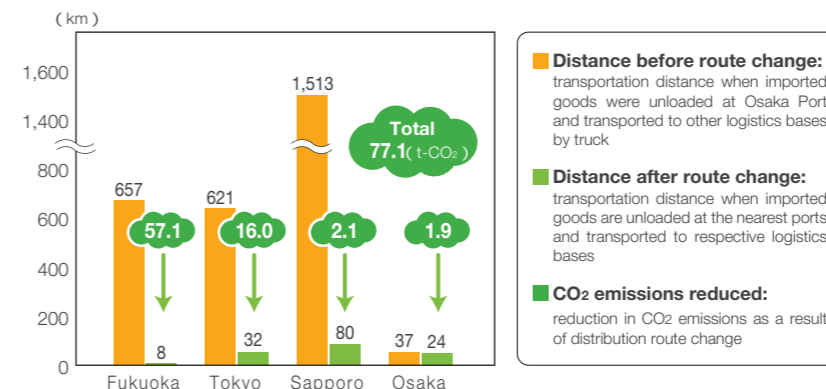
Reducing Environmental Impact of Transportation

Reducing CO2 Emissions by Streamlining Distribution Routes and Promoting Modal Shift

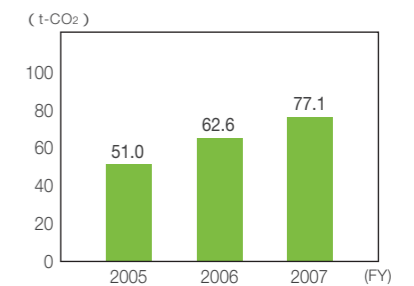
In the past, most imported goods were unloaded at Osaka Port, whence they were transported to other logistics bases (Tokyo, Fukuoka and Sapporo) by truck, but this has been changed; cargoes are now imported directly to the port nearest the respective logistics base. To reduce the transportation distance, domestic distribution routes have also been reviewed and changed. In addition, we ensure that optimal transportation means (mixed loading or chartered) are selected, to increase loading ratio. We strive to reduce CO2 emissions from transportation by increasing transport efficiency through improved loading ratio, and by using the port nearest the final destination as much as possible for imports. In an effort to reduce CO2 emissions from transportation, we have also promoted modal shift; in the transportation routes from Osaka to Tokyo, Sapporo and Fukuoka, we have switched from truck transportation to more environment-friendly railway and ship transportation.



CO2 Emissions Reduced through Streamlining of Distribution Routes (FY2007)



CO2 Emission Reduction (t-CO2)



CO2 Emission Reduction through Transport Efficiency Improvement

The loading ratio for trucks has been decreasing in recent years, due to decreased domestic transportation volume (from Osaka to Tokyo, Fukuoka and Sapporo) and to increased shipping frequency in order to respond promptly to customer-requested delivery dates. To increase loading ratio we have taken various measures, including a "joint pickup system in which each shipping vehicle visits multiple locations to pick up parts" and "using regular route transportation services instead of chartered services." We have been striving to reduce CO2 emissions by increasing transport efficiency.

Improving Shipping Method for Service Parts

Two service parts centers located in Western Japan have been integrated in one location; the new integrated service parts center commenced full-scale operation in July 2007. This integration has not only improved transport efficiency for parts delivery, but also improved shipping efficiency (number of parts contained in a case) by about 9.6%. In the past, we shipped service parts on a daily basis, but for non-urgent orders we have introduced a "monthly shipping system," under which all non-urgent orders received during a given month are consolidated and shipped out together once a month. Introduction of this system has enabled us to use more environmentally friendly land or marine transport, instead of air transport.

Implementation of Life Cycle Assessment (LCA)

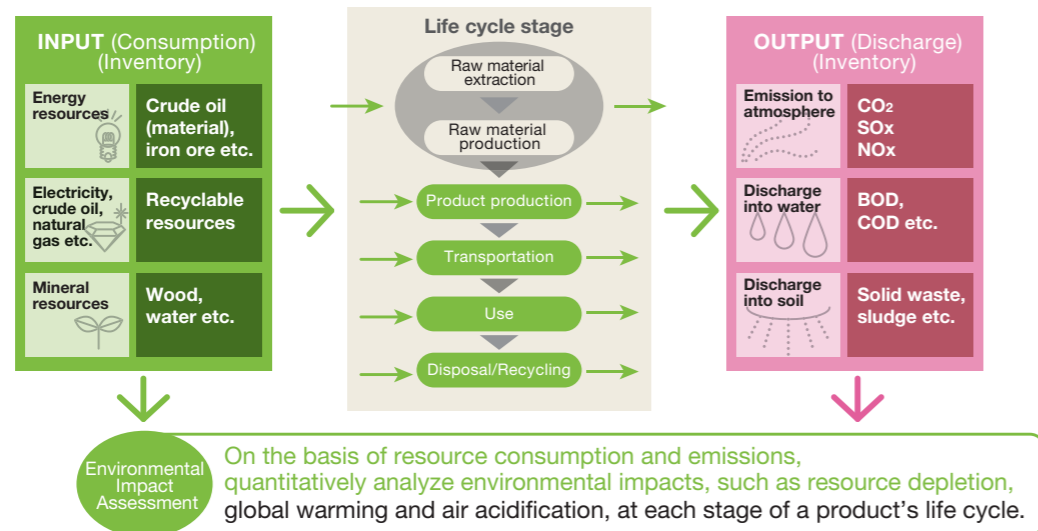
LCA of Kyocera Mita (ECOSYS)

What is LCA?

Life cycle assessment (LCA) is a tool for quantifying the environmental impact of products by analyzing the amounts of resources consumed and of environmental loads discharged over the products' entire life cycle (raw material extraction raw

material production product production transportation use disposal). LCA enables evaluation of the environmental impact of a product in each life cycle stage or during the entire life cycle.

LCA Flow



Acquisition of ECO LEAF environmental label and evaluation of the environmental impact of products

Kyocera Mita has acquired the ECO LEAF environmental label (the only Type III environmental label in Japan) for its products, and releases information on ECO LEAF-certified products to the public. We have also built up an internal environmental information data collection system for LCA, and have acquired ECO

LEAF System Certification. Currently, we evaluate the environmental impact of each newly developed product by using the environmental data collected at each life cycle stage through the environmental information data collection system.

Case Example: Environmental Impact Assessment of an ECOSYS Printer

Kyocera Mita built up an internal environmental information data collection system three years ago. Since then, we have conducted life cycle assessment (LCA) for a number of models, enabling us to compare the LCA results of a new model with those of its predecessors. An example of such comparison is presented here.

Specifications of models subject to LCA

	FS-1300D (new model subject to LCA)	FS-920 (predecessor: reference model)
1. Print speed (pages/min.)	28	18
2. Weight (kg)	11.8	9.4
3. Drum life (pages)	192,000	96,000
4. Release date	November 2007	September 2005

Evaluation

Figures 1 and 2 show the life-cycle global warming load of FS-1300D and FS-920, respectively.

【Long-life design】

Comparing the FS-1300D (model subject to LCA) and the FS-920 (reference model), the print speed of the FS-1300D is 28 pages per minute, about 1.5 times faster than that of the FS-920 (18 pages per minute) and the drum life (number of pages printable during the life of the printer) of the FS-1300D is about two times greater than that of the FS-920. Despite these performance enhancements, however, there is little difference between the two models in terms of global warming load imposed at the

raw material production, product production and transportation and disposal stages. These results indicate that the FS-1300D offers superior long-life performance.

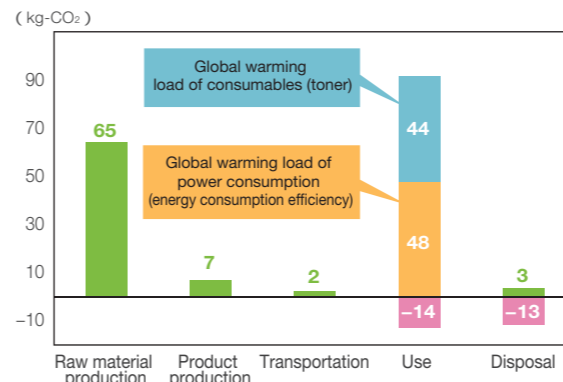
【Electricity consumed during use】

The major global warming load factor in the use stage is power consumption. Despite performance improvements of the FS-1300D as compared to the FS-920 (the print speed of the FS-1300D is about 1.5 times faster than that of the FS-920 and the drum life of the FS-1300D is about two times greater than that of the FS-920), global warming load from power consumption is about the same between the two models. The FS-1300D is superior in reducing power consumption.

【Consumables (toner) consumed during use】

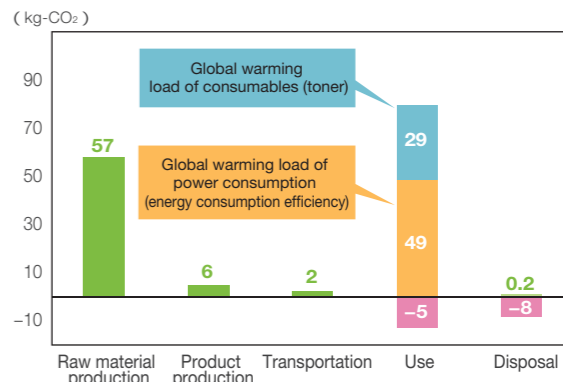
The global warming load of consumables (toner) of the FS-1300D is about 1.5 times that of the FS-920, although the drum life of the FS-1300D is about two times that of the FS-920.

Figure 1. FS-1300D Life-cycle global warming load (number of pages printable during unit service life: approx. 200,000)



The FS-1300D is superior in reducing toner consumption. Analysis results are conveyed to the design and production departments, to help them develop more environmentally friendly products.

Figure 2. FS-920 Life-cycle global warming load (number of pages printable during unit service life: approx. 100,000)



Chemical Substance Management and Countermeasures

Green Procurement

Kyocera Mita carries out green procurement in accordance with the "Kyocera Mita Chemical Substance Management Standards," established in 2003.

We inspect all procured parts, materials and subsidiary materials to determine whether they contain any prohibited substances, and purchase only items that meet the Standards. In addition, we have installed fluorescent X-ray analysis machines in all our plants to perform screening tests on supplied parts.

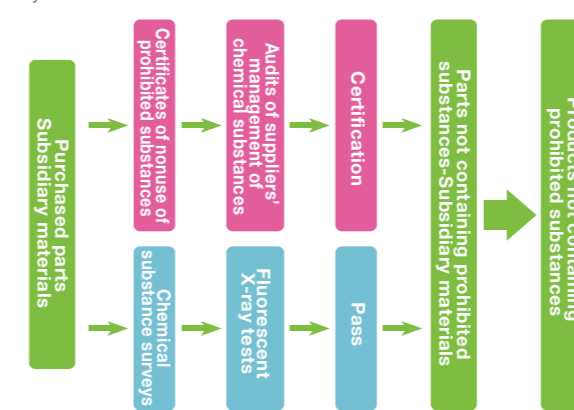
Furthermore, we regularly audit our parts suppliers to ensure that they have adequate chemical substance management systems in place. Suppliers are audited by certified personnel who have completed the designated auditor-training program. As of April 2008, there are 58 company-certified

auditors qualified to carry out chemical substance management system audits of suppliers. In FY2007, all major suppliers (367 companies) were audited and certified.

To ensure proper implementation of green procurement initiatives, it is essential to appropriately manage information regarding chemical substances contained in parts and materials. Kyocera Mita has established the "Kyocera Mita Green Procurement System (KMGPS)," and is currently managing data for approximately 120,000 items by operating this system in conjunction with the main technical database system and materials database system.

In June 2008, the KMGPS was upgraded to improve efficiency. The future plan is to continue improving the KMGPS so as to enable response to the EU REACH Directive.

Kyocera Mita Green Procurement Efforts



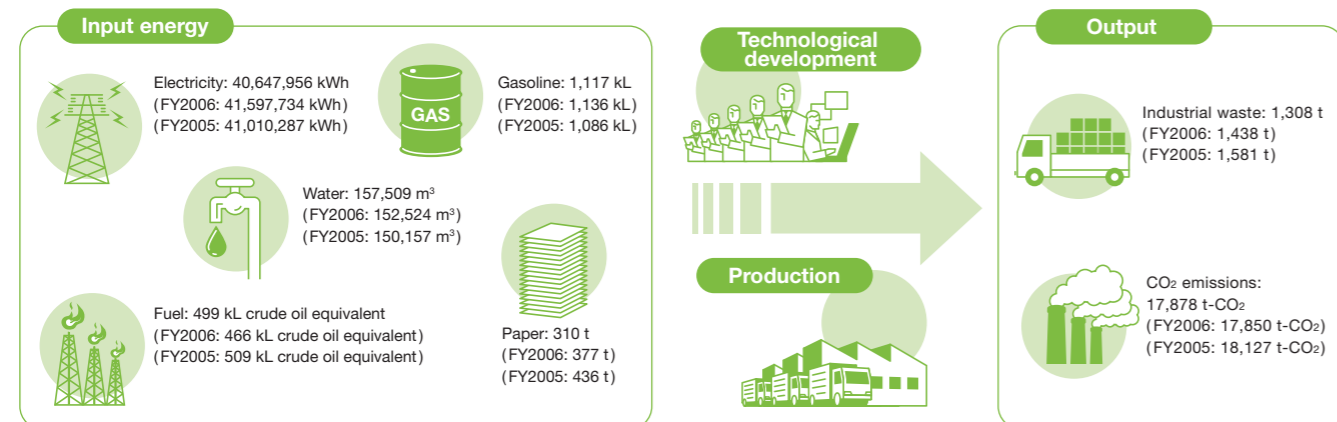
Auditor Certificate



History of Kyocera Mita's Green Procurement Efforts

- December 2003:** Kyocera Mita Chemical Substance Management Standards (Ver. 1.0) issued.
- January 2004:** Supplier Briefing Session held. Chemical substance management survey commenced.
- May 2004:** Fluorescent X-ray analysis machines installed in all plants.
- 2004:** New models released in 2004 and after are ROHS Directive compliant (for all destinations).
- November 2005:** Chemical substance management audit for suppliers commenced.
- February 2006:** Hand-held fluorescent X-ray analysis machines introduced in Shilong Plant, China.
- March 2006:** All models marketed in EU countries are RoHS Directive compliant.
- March 2007:** KMGPS commenced operation. Kyocera Mita Chemical Substance Management Standards (Ver. 2.0) issued.
- April 2008:** Kyocera Mita Chemical Substance Management Standards (Ver. 3.0) issued.
- June 2008:** Upgraded KMGPS commenced operation.

Environmental Load Caused by Kyocera Mita Group's Business Activities (Domestic)



Environmental Accounting (Domestic)

1. Environmental Protection Costs

Category	Investment (yen)	Cost (yen)			
		Fixed assets costs	Running costs	Expenses	Total
Pollution prevention cost	44,400,731	26,481,336	44,041,064	6,712,920	77,235,321
Global environmental protection cost	0	20,826,838	11,463,059	3,145,907	35,435,804
Resource recycling cost	15,373,546	15,599,494	7,378,709	99,713,814	122,692,017
Upstream/downstream cost	0	11,266,901	16,663	148,258,012	159,541,576
Management activities cost	40,292,400	19,767,044	1,435,436	212,227,128	233,429,608
R&D cost	1,243,817	0	0	131,998,663	131,998,663
Social activities cost	0	0	0	3,644,409	3,644,409
Natural environment restoration costs	0	0	0	0	0
Total	101,310,494	93,941,613	64,334,931	605,700,853	763,977,397

2. Environmental Protection Benefits and Economic Benefits (Cost Reduction)

Activity	Annual benefits		Monetary benefits (yen)	
	Quantity	Units		
Electricity consumption reduction	1,423,541	kwh	18,118,896	
Fuel consumption reduction	188,434	crude oil equivalent liter	11,207,715	
Water consumption reduction	1,359,829	m3	115,212,746	
Packaging material reduction	49,076	kg	829,200	
Chemical substances reduction	2,163	kg	1,669,500	
Paper consumption reduction	424	kg	20,600	
Waste reduction	1,920,400	kg	61,008,400	
Yield improvement	386,322	kg	196,896,966	
Other	Increased use of reusable parts	2,117	pieces	35,940,931
	Reuse of corrugated board	3,000	kg	840,148
Total monetary benefits (yen)			441,745,101	

CO ₂ emissions reduction	Item	CO ₂ emissions reduction (kg-CO ₂)	Monetary benefits (yen)
	Electricity consumption reduction	294,577	976,817
Fuel consumption reduction	531,546	1,762,606	
Total (yen)	826,123	2,739,423	

3. Economic Benefits (Proceeds from Sale of Valuable Resources)

Proceeds from sale of valuable resources (yen)	3,377,162
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Environmental Activities at Business Sites

All Kyocera Mita business sites, both in Japan and overseas, are actively pursuing activities to contribute to the global environment and local communities, while striving to instill the Kyocera Philosophy and ECOSYS concept in all employees.



Environmental Activities at Business Sites

- 53 Environmental Activities at Plants in Japan
- 55 Environmental Activities at Overseas Subsidiaries
- 56 Comments from CSR Report Production Team members

Tamaki Plant

Outline

Address: 704-19 Nojino, Tamaki-cho, Watarai-gun, Mie Prefecture
Site area: 101,511 m²
Number of employees: 360 (male: 254; female: 106) (As of July 2008)
 Type 1 designated energy management factory
 (3,678 kL of crude oil equivalent, FY2007)
Drainage volume: 13,511 m³ (FY2007)
PRTR Law: Type 1 specified chemical substances
 Linear alkylbenzenesulfonic acid (LAC) and its salt (dodecylbenzenesulfonic acid)
Amount used: 7,744 kg/year Amount discharged: 480 kg/year

Business activities

Production of printers, accessory equipment, toners

Environmental activities

- Acquisition of ISO14001 certification (1996)
- Energy-saving patrol activities (promotion of Cool Biz/Warm Biz, energy-saving inspection)
- Reduction/management of chemical substance use
(Toxic substances have been replaced with non-hazardous alternatives.)
- Waste reduction (by improving productivity of toner production process)
- Promotion of green purchasing
- Activities for contributing to local communities (presentation of environmental activities etc.)
- Support for local elementary schools participation in Kid's ISO14000 Program



Harumi Kiyohara and Kumi Onishi (Meister I)
 Under the Meister System, workers are classified into seven grades according to their skill levels.

Emergency response drill

Assuming a spill from a purifying tank

To stop the spill from spreading, participants placed sandbags at the openings.



Hirakata Plant

Outline

Address: 1-38-12 Tsudakita-cho, Hirakata-shi, Osaka
Site area: 46,018 m²
Number of employees: 382 (male: 311; female: 71) (As of July 2008)
 Type 1 designated energy management factory
 (4,220 kL of crude oil equivalent, FY2007)
Drainage volume: 71,604 m³ (FY2007)

Business activities

Production of Multifunctional devices, printers, accessory equipment, drums, toners
 Overall management of service parts

Environmental activities

- Acquisition of ISO14001 certification (2000)
- Energy-saving activities
(promotion of Cool Biz/Warm Biz and Eco Drive; introduction of solar photovoltaic power system; introduction of energy-saving vehicles)
- Reduction of atmospheric VOC emissions (through increased use efficiency)
- Waste reduction (reducing wooden palette waste by using circulation palettes)
- Promotion of green purchasing
- Activities for contributing to local communities (Adopt Road Program, Adopt River Program)



Ami Shimazaki (Regular III)
 Under the Meister System, workers are classified into seven grades according to their skill levels.

Emergency response drill

Assuming an organic solvent leak in the hazardous material warehouse

Using emergency response equipment stored in the hazardous material warehouse, participants wiped leaked liquid off the floor and followed the specified procedures for preventing the leak from spreading. (Harmless liquid was used for the drill.)



Environmental activity topics

1. Received Energy-Saving Center Chairman's Award in recognition of the Plant's energy saving efforts through the toner wastewater treatment system

In May 2004 the Tamaki Plant commenced operation of the toner wastewater treatment system for treating wastewater discharged from toner production. This system makes use of the phenomenon in which, when impure water freezes, impurities are pushed away from the ice crystallization front, resulting in nearly pure ice. The Energy-Saving Center Chairman's Award was given in recognition of the outstanding results the Tamaki Plant achieved through the introduction of a toner wastewater treatment system equipped with advanced energy-saving technology.



2. Held presentations on the Plant's environmental activities

The Tamaki Plant was asked by the Mie prefecture Industrial-Waste Association and Tamaki Town to hold presentations on our environmental activities. At the presentation session for the Industrial Waste Association, we talked about our waste reduction and other environmental activities as a facility that discharges industrial waste. At the presentation session held in Tamaki Town, we talked about our environmental activities.



Environmental activity topics

1. Participated in Environmental Lectures on Demand

On December 13, 2007, the Hirakata Plant participated in the Environmental Lectures on Demand program, organized by an environmental NPO in Osaka City and held at Nagisa Prefectural High School. A total of 14 lectures on environmental issues were given to the first-year students. Staff members of the Hirakata Plant delivered the lectures, introducing environmental activities at the Hirakata Plant. Some students offered positive comments: "We have little opportunity to hear about environmental activities of companies. It was very interesting and informative to know what kinds of environmental activities the Hirakata Plant is undertaking."



On Demand Environmental Lecture

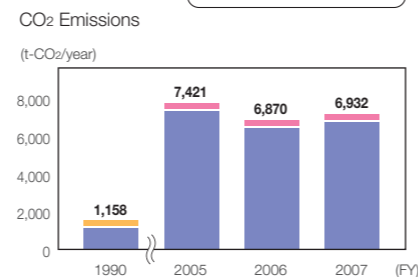
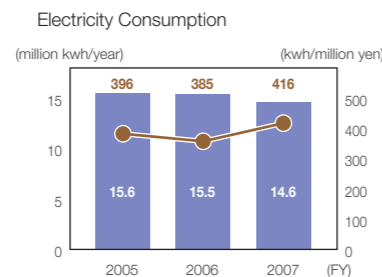
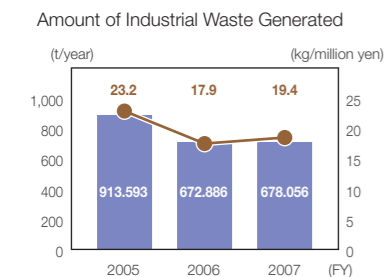
2. Certificate of Appreciation awarded by Osaka Prefecture.

The Hirakata Plant has participated in the "Adopt a Road Program" and the "Adopt a River Program," both of which are organized by Osaka Prefecture. Under the Programs, the Plant conducts cleanup activities in local communities once a month. In July 2007, in recognition of its outstanding contribution to river conservation over many years, the Hirakata Plant was awarded the Certificate of Appreciation by the Governor of Osaka Prefecture.



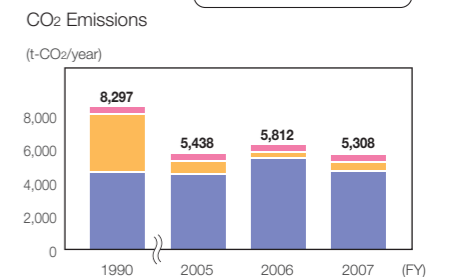
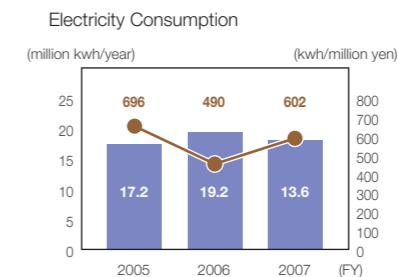
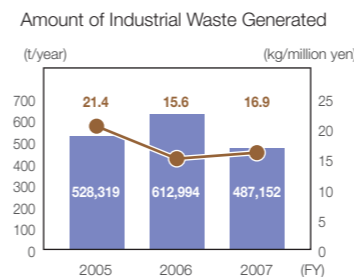
Environmental load data

Absolute amount
 Basic unit



Environmental load data

Absolute amount
 Basic unit



Kyocera Mita Italy

Supported sports event.

On October 13 in Udine, Italy, Kyocera Mita Italy co-sponsored "IAAF Kids," an athletic meet for young people. The aim of this event is to stimulate interest in athletic sports among young people and to foster teamwork and motivation through sports. At IAAF Kids, students of junior high schools in Friuli Venezia-Giulia compete in various events, including running, throwing and the

long jump. Kyocera Mita Italy presented printers and Multifunctional devices to schools that ranked in the top three.



Kyocera Mita Germany

Established the Kyocera Eco Award.

In October 2007, jointly with the German Confederation of Small and Medium Enterprises (BVMW) and the German Environmental Aid Association (DUH), Kyocera Mita Germany contributed a total of 100,000 euros to establish the Kyocera Eco Award, whose purpose is to provide financial aid to SMEs in Germany, which are now leading the world in the fields of energy-saving technologies and renewable energy sources, to help them continue generating innovative new ideas. By April 30 2008, numerous ideas had been put forward by many companies. Solitem Group's solar thermal hot water supply systems and air-conditioning systems were highly commended for their contri-

bution to CO₂ emission reduction. The panel of judges was chaired by Professor Klaus Topfer, former German Environment Minister. The Solitem Group was awarded a first prize shield and prize money of 50,000 euros by Kyocera Mita Germany, BVMW and DUH.



Donated to AIDS Fund.

Since 2005, Kyocera Mita Germany has co-sponsored "AIDS Awareness Expeditions," sport teams established for the purpose of increasing public awareness of AIDS and HIV. To collect monetary donations to AIDS Funds around the world, the AIDS Awareness Expeditions Team has taken on the grueling challenges of traveling by bicycle between Paris and Dakar and north-south through South America. From June 16 to July 8, 2007, the Team traveled 4,000 km across Germany by bicycle. On July 1, 2007, the Team arrived at Borussia Park, home stadium of the German soccer team Borus-

sia Mönchengladbach, which Kyocera Mita Germany sponsors. In celebration of reaching the goal, Kyocera Mita Germany presented 9,000 euros to the Team. Kyocera Mita Germany plans to continue sponsoring the Team.



Kyocera Mita Hong Kong (KMHK)

Participated in the Wastewise Program and acquired the Wastewise Logo.

Since September 2006, Kyocera Mita Hong Kong has participated in the Wastewise Program, an environmental program sponsored by the Hong Kong Environmental Protection Department. Numerous businesses and organizations based in Hong Kong participate in the Wastewise Program. The Wastewise Program promotes:

- (1) Waste reduction
- (2) Collection and recycling of recyclable materials
- (3) Production and purchasing of recycled products

Companies and organizations participating in the program set targets for each of these three categories and implement specific actions to achieve those targets. The aim of the Program is to

promote environmental awareness among companies and organizations in Hong Kong. Kyocera Mita successfully achieved its targets for all categories, receiving a commendation certificate and the Wastewise Logo.



Kyocera Mita Australia

Green Vendor of the Year awarded.

Kyocera Mita Australia was awarded "Green Vendor of the Year" in the ARN IT Industry Awards 2007; Managing Director David Finn was named "Green Crusader of the Year." Since 2001, Kyocera Mita Australia has sponsored the Business Cleanup Day program. Company staff have participated in cleaning Brush Farm Park in Sydney for four consecutive years. Moreover, Kyocera Mita Australia has been running a free recycling program, KyoCollect. The program ensures that bottles, toner cartridges and other consumables from all Kyocera Mita products are 100% recycled. The awards were in recogni-

tion of Kyocera Mita Australia's and Mr. Finn's intense commitment and great contribution to environmental preservation. Kyocera Mita Australia is determined to further promote environmental activities.



Kyocera Mita South Africa

Donated trees to the FTFA.

In 2007 Kyocera Mita South Africa formed a partnership with the NGO Food & Trees for Africa (FTFA), and donated 400 trees to the National Tree Distribution Program. The donated trees were planted in Mogale City in the suburb of Johannesburg during Arbor Week, from September 1 to 7, 2007. In FY2007, Kyocera Mita Africa agreed to plant one tree for every printer or multifunctional device sold; customers have the option to sponsor an

additional tree when they buy a machine. A total of 1,675 trees have been donated to FTFA in the first three months of FY2008.



Comments from CSR Report Production Team members

Below are comments from members of the Kyocera Mita CSR Report 2008 Production Team. Each member presented reflections on this year's report and hopes for next year's edition.



I think that, regarding environmental considerations given to the products, more technical aspects should be included. I felt that to write good articles, I should always pay attention to the company's environmental and social activities in my daily work.



I should have communicated more often and better with individual departments. I realized that good communication is very important to ensure smooth report production. I also felt that as a CSR report production staff member I should be more interested in the company's activities.



I think that this year's report provides a substantial amount of data and is easy for readers to understand. In particular, the special feature article was very good, suitable for CSR report. Considering the fact that there are dozens of overseas subsidiaries, I think that there were too few articles about overseas subsidiaries.

Last year, we had difficulty collecting information from overseas sales companies, so this year I approached them earlier. To write articles, I collected information from their websites and monthly newsletters.

To be honest, I was surprised to learn how wide is range of our company's environmental and social activities. Initially, I was reluctant to include information on disabled people's employment rate. However, as an employee of Kyocera Mita, I am happy to report on the things that have been improved.

Regarding CSR Report 2008

On September 4, 2008, we held a round-table discussion at the Kyocera Mita Head Office to hear the opinions of outside specialists regarding Kyocera Mita Group CSR Report 2008.



Participants

Guests



Ms. Eriko Nashioka

Certified public accountant
Member of the Environmental Accounting Technical Committee, Management Advisory Service Research Committee, Japanese Institute of Certified Public Accountants. Part-time lecturer at the Faculty of Commerce, Doshisha University ("Environmental Accounting" and "Environmental Audit"). Ms. Nashioka also provides consulting services regarding environmental accounting and environmental information disclosure.



Ms. Tomoko Kagawa

Lawyer
Lawyer at the Ethos Law Office. After graduating from the Faculty of Law, Kansai University, Ms. Kagawa earned her LLM (Master of Law) degree from Hertfordshire University, and her MBA (Master of Business Administration) degree from London University. She specializes in corporate legal affairs (compliance, employment etc.).

From Kyocera Mita



Yoshihiro Tagawa

Director, Senior Managing Executive Officer; Senior General Manager, Corporate CSR Promotion Division, Kyocera Mita Corporation



Keiji Matsuura

General Manager, CSR Promotion Department, Corporate CSR Promotion Division, Kyocera Mita Corporation

Regarding overall impression, corporate attitude and management

"I would like to know Kyocera Mita's CSR policy, objectives and action plans."

Nashioka: Since FY2008, the title of the report has been changed to the CSR Report. Comparing with past reports, I think this year's report has been improved in various ways; the amount of data presented in the report has increased. The report has a broader perspective, incorporating various stakeholders' viewpoints. However, the problem is that it is not clear how the Company views its stakeholders and what the Company is trying to communicate to them. As for social activities, just in the case of environmental activities, it is important to clearly define the basic policy and objectives and to implement planned activities and programs by following the PDCA cycle. But if you have established CSR principles and management system, I think that the problem I mentioned will be solved.



Tagawa: You're right. In the area of environmental protection, we have steadily stepped up our activities in accordance with the action plans. However, as to CSR activities other than environmental activities, we are still at the stage of developing an action plan (what activities to perform, how long we should spend doing each activity, etc.), taking into consideration Kyocera's and other companies' current activities. I think we could try new types of CSR activities that have not been undertaken by our parent company, Kyocera. I feel that as for the definition of the stakeholders, further consideration is needed.

Regarding business outline and social responsibilities

"Specific examples and actual results should be included to make the report more readable and understandable."

Kagawa: What kind of efforts is the Shilong Plant carrying out to protect intellectual property rights?

Matsuura: The most serious problem is counterfeiting. Counterfeit printer and MFP toner cartridges, as well as legally non-problematic third-party products, are in circulation. We apply for patents to protect our inventions and intellectual property. In an effort to eliminate counterfeit products, we report any suspected counterfeit products to the relevant authorities, in cooperation with other companies in the industry. It is important to seize counterfeits at the border, to prevent the export of counterfeit products from China to Europe and the United States.



Nashioka: To make the report more reliable, more concrete information should be provided regarding your efforts against counterfeits, for example a diagram showing how counterfeit products are discovered and seized, and the number of counterfeit products seized.

Matsuura: We will consider your suggestion for next year's report.

Kagawa: The report contains a section regarding information risk management. What types of information does your company have? And what type of check system do you have?

Matsuura: Our company handles various types of information, including personal information about customers, information about suppliers and technical information. To ensure appropriate information management, we conduct internal audits.

Nashioka: I think it would be better to provide information about those internal audits, for example, the name of the department that conducts the audits, frequency of audits, and audit results of the relevant year.

Regarding special feature: CSR Activities at the Kyocera Mita Shilong Plant

"More detailed explanation should have been given as to why you covered the Shilong Plant in the special feature section."

Kagawa: The special feature article about the Shilong Plant was very interesting.

Matsuura: The Shilong Plant manufactures almost all Kyocera Mita products, under the slogan of "Kyocera Mita, trusted by people around the world." We wanted to let people know that the same strict manufacturing standards are followed in China as in Japan.

Nashioka: I could understand very well that vigorous efforts were being made at the Shilong Plant, but I think that a more detailed explanation as to why the Shilong Plant was covered in the special feature section would have enhanced readers' understanding.

Kagawa: I understand fully that the Shilong Plant is implementing stringent quality control measures, but I felt that you should have "gone one step deeper." I mean it would have been better if there had been a description of how a defect or quality-related problem is reported and handled when it occurs.

Tagawa: The Plant has a system in place to prevent defects

from occurring in production lines. There is also a system in place to ensure that when a defect is discovered after sale, such information is reported to the service center. Furthermore, if a defect is found, a special committee will be set up to discuss and determine how to deal with the problem, instead of leaving the problem in the hands of a single department, thereby preventing the covering-up and recurrence of problems.

Kagawa: I think it was very good that comments from a supplier and employees were included in the special feature section.

Regarding social report and environmental report

"It is expected that next year's report will provide more comprehensive information, including data of overseas business sites."

Kagawa: Compared with the 2007 report, this year's social report has been enhanced in several ways; it now includes a section devoted to the relationship with business partners. Another good point I found in the social report section is that it contains a sufficient amount of data (the number of employees who took maternity/child-care leave, etc.), making the report more reliable. However, given the fact that the difference in treatment between regular employees and temporary/contract employees has become an issue in recent years, I think that you should have presented more concrete data regarding temporary and contract employees, including the number and ratio of those workers in your company.

Nashioka: The social report has become richer in content, whereas the number of pages allocated to the environmental report section has decreased. As for the information cut from the report, you can make such information available through a website or other media. To fulfill the responsibility for information disclosure, you should select appropriate media. Do you have the data on the breakdown of the environmental burden imposed by overseas and domestic business sites?

Matsuura: As for overseas business sites, we are now collecting detailed data. We plan to report the data available in next year's report and thereafter.

Nashioka: I hope that you will make full use of the data collected from overseas business sites to promote efficient environmental management.

After the round-table discussion

On the basis of the CSR policy established, we will work on creating a better CSR report, placing more weight on the reader's perspective.

Yoshihiro Tagawa,

Senior General Manager, Corporate CSR Promotion Division

At the moment, we are formulating our CSR policy. I recognize that the most important tasks to be accomplished during FY2008 are to establish the CSR policy, to develop action plans, to implement planned activities, and to publish the results of activities in next year's report. Ms. Nashioka and Ms. Kagawa pointed out exactly what we also felt about this year's report. We will do our utmost to create a better CSR report, with more emphasis on the reader's perspective.