

THE NEW VALUE FRONTIER



Sustainability Report 2006



Sustainability Report

06

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 nature and society. Harmonious coexistence is the underlying foundation of all our business activities as we work together to create a world of abundance and peace.

Corporate Profile

Name	Kyocera Mita Corporation
Headquarters	〒540-8585 1-2-28 Tamatsukuri, Chuo-ku, Osaka 540-8585 Tel: 81-6-6764-3555 (Main switchboard)
Name of representative	Koji Seki, Representative Director and President
Date founded	November 1934
Date incorporated	July 1948 (Mita Industrial Co., Ltd) Renamed Kyocera Mita Corporation on January 18, 2000.
Capital	12: billion
Annual sales	248.4 billion yen(Consolidated sales of the Kyocera Mita Group reported in March 2006)
Employees	12,160 (Person) (as of March 31, 2006 for all companies in the Kyocera Mita Group)25 sales companies in 25 countries, 2production companies and 1 distribution company

Line of business Manufacture and sales of monochrome and color printers, monochrome and color digital multifunction machines, digital wide-format copiers, facsimiles and supplies

Business offices in Japan

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

Plants in Japan

Tamaki Plant
〒519-0497
704-19 Nojinoazamatabe, Tamaki-cho, Watarai-gun, Mie 519-0497
TEL 81-596-58-4111

Hirakata Plant
〒573-0121
1-38-12 Tsudakita-cho, Hirakata-shi, Osaka 573-0121
Tel: 81-72-858-1231

※The amount of capital and annual sales are rounded to the nearest hundred million.



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Editorial policy and duration

This report covers the environmental protection activities of Kyocera Mita Corporation and our affiliates during fiscal year 2005 (April 2005 to March 2006). We have used the Environmental Reporting Guidelines of the Japanese Ministry of the Environment as a reference for preparing this report. Some background information on our overseas plants and activities from fiscal 2004 and earlier are also contained herein.

©Business sites of Kyocera Mita Corporation

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

©Business sites of affiliates

Japan: Kyocera Mita Japan Corporation
 Daiken Co., Ltd.



Kyocera Mita
Chairman and President

Koji Seki

Contribution to society and the global environment through righteous corporate activities

ECOSYS is the Kyocera Mita concept of manufacturing.

As you may know, Kyocera Mita's information equipment sector manufactures and sells copiers, multi-function machines and printers for the Kyocera Group. We think that the basis for our corporate activities is to undertake our tasks while simultaneously caring for communities and the sustainability of the global environment. The ECOSYS Concept provides us with the basis for our business activities. We have been striving to manufacture products under this ECOSYS Concept. The ECOSYS Concept aims to promote the drastic reduction of newly input resources, industrial wastes and environmental load by extending the life cycle of drums, the heart of the imaging system, developers, and other consumable parts to the very limit and reducing the frequency of parts replacement to as great a degree as possible. At the same time it aims at realizing monetary benefits in the form of a major reduction in total cost of ownership (TCO) or the actual running cost. We also intend to provide the systems to hook up to the network (Internet) to provide additional value incorporating ease of use and handiness. ECOSYS is a coined word meaning Ecological and Economic system. It is also a brand name for Kyocera Mita products. Kyocera Mita's ECOSYS Concept-based manufacturing itself is an environmental protection activity and is concerned with environmental management. The more the ECOSYS Concept is

pursued, the greater the promotion of environmental protection, resulting in the preservation of the globe's limited resources and the enabling of reduced usage of precious energies. Precisely, this means that Kyocera Mita's environmental management and corporate management are coaxial to each other. To seriously devote yourself to your work helps by itself to promote environment protection activities through the reduction of environmental load. In our business, this also means to provide our customers with the benefit of reduced TCO true to our management rationale of pursuing a balance of interests. As we give serious thought to environmental problems, we cannot but appreciate our luck at having successfully merchandised ECOSYS. ECOSYS was first introduced to the market in 1992, eight years before Kyocera integrated with Mita Industries by being the first in the world to install an amorphous silicon print drum developed by Kyocera's Thin Film Division into a laser printer in a move upon which the existence of Kyocera's laser printer business was staked. In retrospect, we were confronted with all kinds of difficulties before this merchandise became known. Day in and day out, we spent our time maintaining the reliability of our products that we boasted would withstand intense use without the need to replace the consumables at the heart of the printer with the aim of reducing costs as the cost of bulk printing increases. Even today, our spirit of product reliability is pulsating strongly as an unbroken tradition in the undercurrent of our manufacturing business. We remember at the time that our products were given the cold shoulder by distributors in the printer business for the reason that their sales of consumable parts would drop. Subsequently, all our salespeople turned into global environments in order to make a breakthrough. They were encouraged by then Chairman Emeritus Inamori who said, "You must become the 12 apostles of ECOSYS," and they went on to

desperately promote this environmental product. Friendly and sustainable to the environment! Global environmental products! Armed and helped by these higher, justifiable principles, we were able to make it through. Thus ECOSYS evolved to become Kyocera Mita's brand, contributing greatly to the revival, growth and development of Kyocera Mita. On publishing the 2006 Sustainability Report, I thought it would be appropriate to touch on "ECOSYS", the product brand of Kyocera Mita.

Activities in FY2006

The 5th Environmental Protection Promotion Project started last year. This year we plan to develop the project around the world including among our affiliates. The Kyocera Mita Group formulated the environmental action plan in last December to clearly define our environmental challenges for the interim period. A total of 16 working groups have thus far started up. Global Environment Management System (EMS) has been established this year to implement the "Environmental Action Plan" among the Group including plants and sales companies overseas.

On Publishing 2006 Sustainability Report

In the sustainability report for the current fiscal year, we have been straightforward, honest and transparent in presenting details, including those about future plans. The environment management of this company has just started and is in no way complete. All employees including I myself are determined to take social responsibility that is appropriate for the improvement of our corporate quality. Upon reading this report, may we request as many of your candid opinions about the contents and the company as possible for which I thank you most sincerely in advance.

Full-Colour Copier/MFP



KM-C2520
A3 Workgroup Colour Multifunctional System
(Print/Copy/Scan)
Speed:20ppm Colour
25ppm Monochrome



KM-C3225
A3 Workgroup Colour Multifunctional System
(Print/Copy/Scan)
Speed:25ppm Colour
32ppm Monochrome



KM-C3232
A3 Workgroup Colour Multifunctional System
(Print/Copy/Scan)
Speed:32ppm Colour
32ppm Monochrome

Monochrome Copier/MFP



KM-1500
A4 Small Workgroup
Digital Copier
Speed:15ppm



FS-1016MFP
A4 Small Workgroup
Multifunctional System
(Copy/GDI Print/Scan)
Speed:16ppm



FS-1116MFP
A4 Small Workgroup
Multifunctional System
(Copy/GDI Print/Scan/Fax)
Speed:16ppm



FS-1118MFP
A4 Small Workgroup
Multifunctional System
(Copy/Print/Scan)
Speed:18ppm



KM-1635
A3 Small Workgroup
Digital Copier
Speed:16ppm



KM-2035
A3 Small Workgroup
Digital Copier
Speed:20ppm



KM-1650
A3 Small Workgroup
Multifunctional System
(Print/Copy/Scan/Fax)
Speed:16ppm



KM-2050
A3 Small Workgroup
Multifunctional System
(Print/Copy/Scan/Fax)
Speed:20ppm



KM-2550
A3 Small Workgroup
Multifunctional System
(Print/Copy/Scan/Fax)
Speed:25ppm



KM-3050
A3 Workgroup
Multifunctional System
(Print/Copy/Scan/Fax)
Speed:30ppm



KM-4050
A3 Workgroup
Multifunctional System
(Print/Copy/Scan/Fax)
Speed:40ppm



KM-5050
A3 Workgroup
Multifunctional System
(Print/Copy/Scan/Fax)
Speed:50ppm



KM-6030
A3 Enterprise/Workgroup
Multifunctional System
(Print/Copy/Scan)
Speed:60ppm



KM-8030
A3 Enterprise/Workgroup
Multifunctional System
(Print/Copy/Scan)
Speed:80ppm

Full-Colour Printer



FS-C5015N
A4 Small Workgroup Colour Printer
Speed:16ppm Colour
16ppm Monochrome



FS-C5025N
A4 Workgroup Colour Printer
Speed:20ppm Colour
20ppm Monochrome



FS-C5030N
A4 Workgroup Colour Printer
Speed:24ppm Colour
24ppm Monochrome

Monochrome Printer



FS-720
A4 Personal/Small Workgroup Printer
Speed:16ppm



FS-920
A4 Personal/Small Workgroup Printer
Speed:18ppm



FS-1030D
A4 Workgroup Duplex Printer
Speed:22ppm



FS-2000D
A4 Workgroup Duplex Printer
Speed:30ppm



FS-3900DN
A4 Workgroup Duplex Network Printer
Speed:35ppm



FS-4000DN
A4 Workgroup Duplex Network Printer
Speed:45ppm



FS-6950DN
A3 Workgroup Duplex Network Printer
Speed:32ppm



FS-9130DN
A3 Workgroup Duplex Network Printer
Speed:40ppm



FS-9530DN
A3 Enterprise Duplex Network Printer
Speed:51ppm

Wide Format



KM-3650w
Wide Format Imaging System
(Print/Copy/Scan)
Speed:Copy 4.3 D/min
Print 4.3 D/min

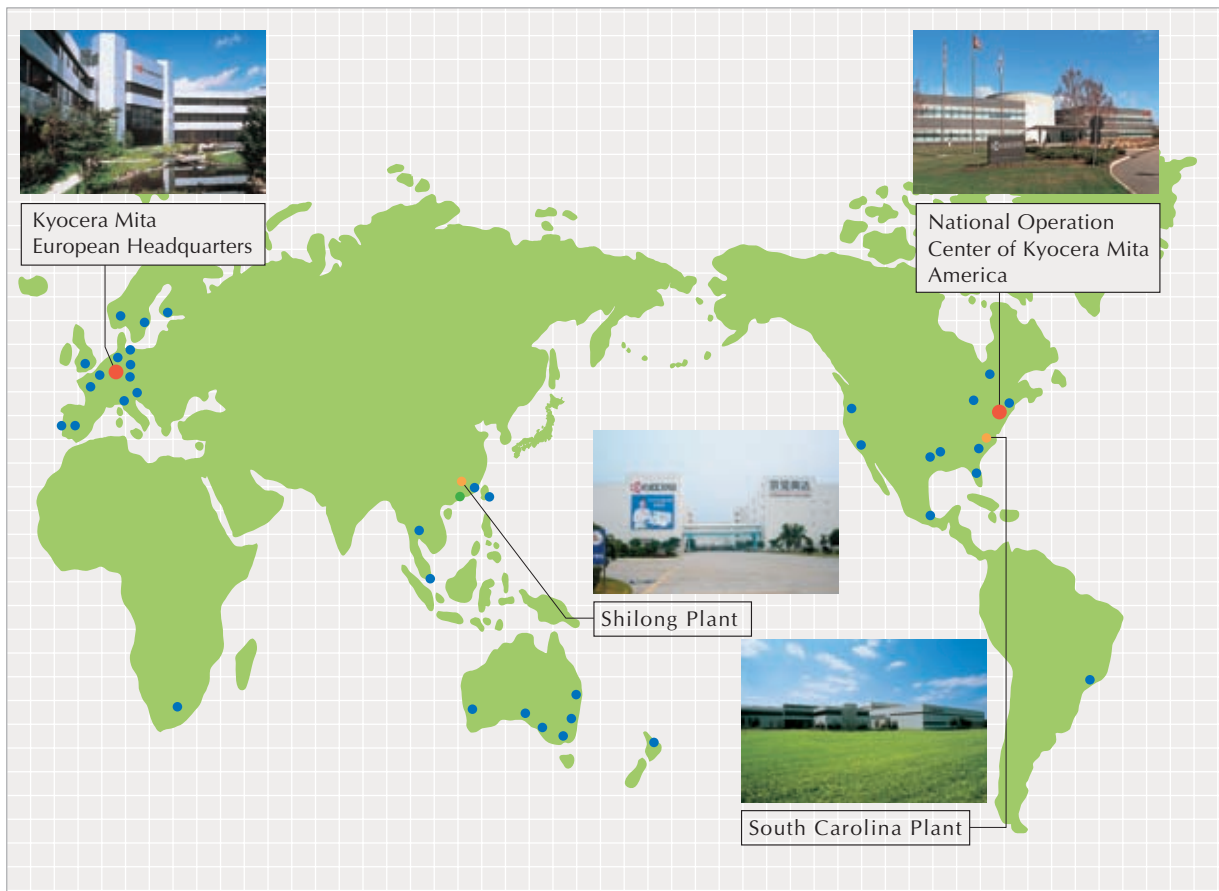
Products depicted may show optional extras.

03 Global Network

International Kyocera Mita Group

Our Own Global Network

Always meeting customers' trust in product development and support of the global network products by Kyocera Mita Group
Our own global network to do the job



Business sites of Kyocera Mita Europe

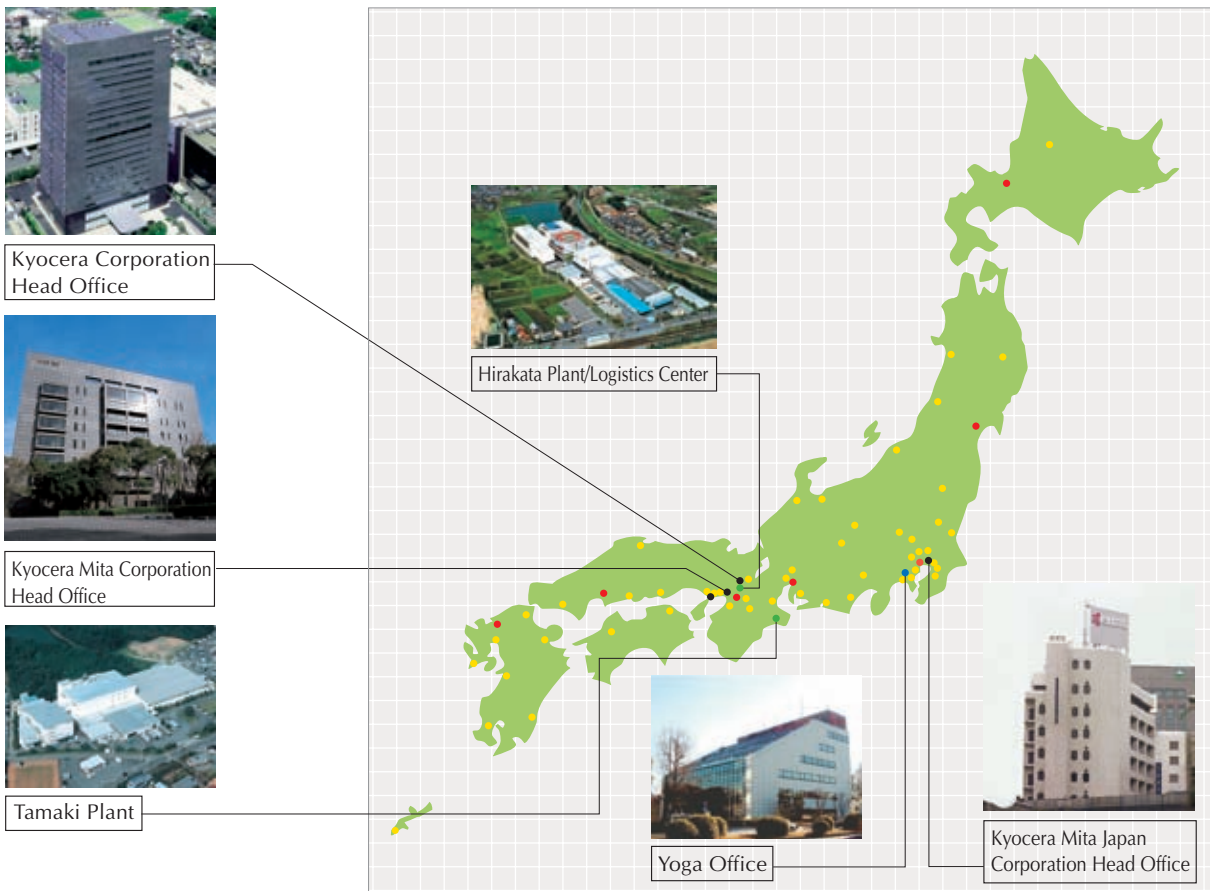
- Kyocera Mita European Headquarters
- Kyocera Mita Portugal
- Kyocera Mita Spain
- Kyocera Mita Italia
- Kyocera Mita Australia
- Kyocera Mita Germany
- Kyocera Mita Technology Development Europe
- Kyocera Mita France
- Kyocera Mita UK
- Kyocera Mita Belgium
- Kyocera Mita Netherlands
- Kyocera Mita Denmark
- Kyocera Mita Sweden
- Kyocera Mita Finland
- Kyocera Mita Norway
- Kyocera Mita South Africa

Business sites of Kyocera Mita Headquarters

- Kyocera Mita Hong Kong (Overseas logistics)
- Kyocera Mita Hong Kong
- Kyocera Mita Shilong Plant(China)
- Kyocera Mita Taiwan
- Kyocera Mita Thailand
- Kyocera Mita Singapore
- Kyocera Mita Australian Headquarters
- Kyocera Mita Australia/Brisbane area
- Kyocera Mita Australia/Melbourne area
- Kyocera Mita Australia/Perth area
- Kyocera Mita Australia/Adelaide area
- Kyocera Mita Australia/Canberra area
- yocera Mita Australia/New Zealand

Business sites of National Operation Center of Kyocera Mita America

- National Operation Center of Kyocera Mita America
- Kyocera Mita America North-Eastern area
- Kyocera Mita America Mid-Western area
- Kyocera Mita America Western area
- Kyocera Mita America South-Eastern area
- Kyocera Mita America South-Western area
- Kyocera Mita New York Branch Kyocera Mita Latin-American area
- Kyocera Mita Technology Development
- Kyocera Mita South Carolina Plant
- Kyocera Mita Canada
- Kyocera Mita Mexico
- Kyocera Mita Brazil



- Kyocera Mita Corporation Head Office
- Hirakata Plant/Logistics Center
- Tamaki Plant
- Yoga Office
- Kyocera Mita Japan Corporation Head Office
- Hokkaido area ———— ● Sapporo, Asahikawa
- Tohoku area ———— ● Sendai, Yamagata, Morioka, Akita, Koriyama
- Kanto area ———— ● Tokyo, Tachikawa, Saitama, Niigata, Utsunomiya, Kumagaya, Maebashi, Sayama, Nagano, Matsumoto, Chiba, Ichikawa, Mito, Yokohama, Atsugi, Kawasaki, Kofu
- Chubu area ———— ● Nagoya, Gifu, Okazaki, Shizuoka, Hamamatsu, Tsu
- Kansai/Shikoku areas ———— ● Osaka, Neyagawa, Sakai, Kyoto, Nara, Kobe, Amagasaki, Himeji, Kanazawa, Takamatsu, Matsuyama
- Chugoku area ———— ● Hiroshima, Fukuyama, Okayama, Matsue, Yamaguchi
- Kyushu area ———— ● Fukuoka, Kitakyushu, Kurume, Oita, Nagasaki, Kumamoto, Miyazaki, Kagoshima, Okinawa
- Daiken Co., Ltd.

Highlights for 2005

1 Support to sports

Kyocera Group supports sportsmen, domestic and international, together with their supporters. It supports various soccer clubs including the domestic Kyoto Purple Sanga and German and Brazilian soccer teams under sponsorship agreements and the UK team with shirt Advertising agreement. The company's friendly relationship with "Reading FC" of the UK 5 years ago when Kyocera Mita UK installed a billboard in a stadium there. Their uniforms carry the Kyocera logo from this season highlighting the company's role as a reliable enterprise in the region. On March 25, 2006, the "Reading FC" drew with the competing "Leicester City" with a score of 1-1 in England's Second Division League. They won the ranking of best two in the League while they still had six more games to play during the current season. The team automatically advanced to the Premier League without waiting for the playoff. Reading was founded in 1871. It took them 135 years before successfully rising to the Premier League for the first time. Coach Cobble, an ex-representative of England commented, "Wonderful news. I am proud of the players and the staff." Kyocera Group will continue to contribute to the development of soccer culture at the world level by supporting those soccer clubs in Japan, Europe and South America.



2 Participated to the Exhibition: Dec. 15 to 17, 2005 at Tokyo Big Site

The 2005 Eco Products Exhibition was the largest environmental exhibition held in Japan. It enjoyed the support of 502 groups representing enterprises, associations, NGOs, autonomous bodies, academics and research institutions to introduce environment-friendly products and services. To widely introduce our eco-protective approaches, Kyocera Mita jointly exhibited with Kyocera the packaging made only using corrugated board for the new Model KM-8030 high-speed digital multi-function machine along with the exhibition of environmental technology including "Halogen-free wire", "Products compliant with the RoHS Directive of EU", "Silent designs", "Toner container reuse system", etc. We also exhibited an environmental package-less delivery system adopted by our logistic operations in our domestic plants.



3 Industrial Analyst Grand Prize

Kyocera Mita products were awarded the Grand Prize by Industrial Analyst as the most reliable copier/multi-function machine in the American market. Industrial Analyst is a testing laboratory engaged in researches, testing and evaluation of office automation industry. This survey was conducted on the three elements of product quality, selling process and after-sales service and the results were assessed accordingly. Kyocera Mita Group also received the BLI "Pick of the Year" prize, the BERTL Best Award.



BLI "PICK of the YEAR" Prize



BERTL Best Award



Industrial Analyst Grand Prize

4 Good Packaging Prize awarded at Japan Packaging Contest

Kyocera Mita Group has been awarded the Good Packaging Prize in two consecutive years since last year in the Japan Packaging Contest sponsored by the Japan Packaging Institute for selecting the best packaging as judged on every function and aspect including materials, design technique, environment, design, logistics, idea, etc. The contest aims to utilize general-purpose pulp mold spacer cushion material to develop and propagate Japan's advanced packaging and technologies. The general-purpose pulp mold spacer cushion material currently being exhibited received the prize for its environmental consideration and efficiency in packaging operation, which were highly rated.



5 Sustainability report meeting held (Hirakata Plant and Tamaki Plant)

The sustainability report meeting was held at Hirakata Plant for the first time. A total of 38 people representing regional communities, customers and competent administration were invited to attend the meeting. They visited production lines of color multi-function machines, the automated drum production line and the centralized control room in the newly built toner plant. Before closing the meeting, the Tsuda ward mayor commended the company saying that the plant is neatly arranged and that employees are thoroughly trained. He said that he was particularly impressed by a slogan posted in the plant that stated "This one unit of machine speaks all about Kyocera!" He said that he felt every employee was seriously engaged in building up individual units of product. He expressed his appreciation for our routine activities that contribute to communities such as Adopt cleaning activities, etc. He expressed his hope that this corporation will develop hand-in-hand with the local communities. The 2nd sustainability report meeting was held at the Tamaki Plant in succession to the one held the previous year and was attended by 33 people.



The Kyocera Mita Group aims to become a Company with high-level sustainability.



Society
Community Service

Community Service activities

As well as the production of our ECOSYS products, our group contributes to human, social, economic and cultural development through a broad range of activities by positively solving social problems and fully utilizing our corporate characteristics.

Environment
Environmental Preservation

Environmental preservation activities

Out of many problems encountered by modern society, the environment is one of the biggest problems potentially affecting the future of Mankind. As well as environmental products, the Kyocera Mita Group promotes many environmental preservation activities through the life cycle of those products.

Company
Corporate Activities

Corporate activities of high transparency

The Kyocera Mita Group ensures that its business activities are carried out with full transparency based on universal sense of ethics. In fact, we are striving to promote understanding of the Kyocera Mita Group by the whole of society for the purpose of gaining further trust through timely disclosure of information.

Business
Business Activities

Business activities to attain higher profits

Kyocera Mita continually strives to maintain healthy profit levels in order to invest in further research and development. By doing this we can improve our products and services that benefit our customers, society and the environment. To realize this, we think that enterprises must always gain high revenues.



Social Report



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Kyocera Philosophy (Corporate Philosophy)

The management of Kyocera Mita is based on the "Kyocera Philosophy", which was established by the Founder and Chairman Emeritus of Kyocera, Kazuo Inamori.

The underlying concept of the philosophy is "To do what is right as a human being in the right manner." For a corporation, this means carrying out management and operations in a fair and ethical way while complying to universal standards of ethics, moral frameworks and social norms required of man.

Thus "Kyocera Philosophy" not only establishes business standards we are to observe in our course of business, but also advocates the code of conduct for the Kyocera Group to apply to its every dimension whether public or private.

Kyocera Mita adopts the administration system known as "amoeba" management where groups of employees assume small, independent management units based on this Kyocera Philosophy. The "amoeba" management system means that responsibilities for each small group are clearly defined, which ensures transparency of actions and enables thorough checking of management efficiency. Moreover, each "amoeba" fully understands that it cannot exercise corporate strength as a whole unless each of them respects and helps each other. Thus, they carry out management policies in which everyone participates on the basis of "mental bond."

Kyocera Mita also implements the Kyocera Philosophy-based "Kyocera Accountancy" as the management method along with the "amoeba" management.

This "Kyocera Accountancy" pursues the answer of "What is right" to solve a problem by going back to the bottom line of accounting without being restricted by common sense.

Kyocera Corporate Philosophy Pocketbook

The pocketbook describes the 4 items.



- 1 The Heart of Management
- 2 To Lead a Wonderful Life
- 3 At Kyocera, Everyone is a Manager
- 4 Performing Our Daily Work

"Kyocera Accountancy" Pocketbook

The pocketbook describes the 7 items.



- 1 One-to-One Accounting
- 2 Always Double Check
- 3 Perfectionism
- 4 Muscular Management
- 5 Steady Profit Improvement through Hourly Efficiency
- 6 Cash-Basis Management
- 7 Transparent Management

Customer-First principle throughout

Although Kyocera was founded as a parts manufacturer, from the beginning it was an autonomous and independent corporation, not in the position of a subcontractor.

To be autonomous and independent means to create a succession of products of value as desired by customers.

Consequently, we are required to have more advanced technologies than our customers in particular field. We have to satisfy our customers with advanced technologies with respect to delivery, product quality, price, new product development, and so forth.

We are required to have an attitude of striving to meet customers' needs by exploding established concepts.

To please customers is the basis of business. No one can keep on making profit without producing customer satisfaction.

Perfectionism throughout

Some people stop and compromise saying, "Well, this much will do," when things are accomplished 90 percent. We cannot expect such people to produce a perfect product, so called "new and perfect product like a crisp new bill out of the mint that has fingertip-cutting sharp edges." As long as one has an easygoing attitude that says, "if you made a mistake, just erase it with eraser" - such a person cannot achieve a result satisfying to oneself or to other people in a true sense. Whether you are in sales or on the production line, you may fail to get an order or produce defective products because you neglected to make the final effort by 1 percent.

To make your own effort more fruitful, you have to always pursue perfection in your work.

Fair play spirit throughout

Kyocera Group carries out its business openly and squarely with the spirit of fair play. Therefore, we abhor the idea that you can do anything to make money, or that small violations of rules or purposely producing incorrect figures are permissible.

This is true with the world of sport, in which people are pleasantly moved by watching a game played in the spirit of fair play and without foul or dirty play. Anyone who comes to notice contradictions or unfairness should point them out openly.

In order for our workshops to be always pleasant and full of vitality, each member has to be a fair player and at the same time, a referee with sharp eyes of judgment.

Field-oriented throughout

The origin of manufacturing lies in the manufacturing site. The origin of sales operations lies in customer contact.

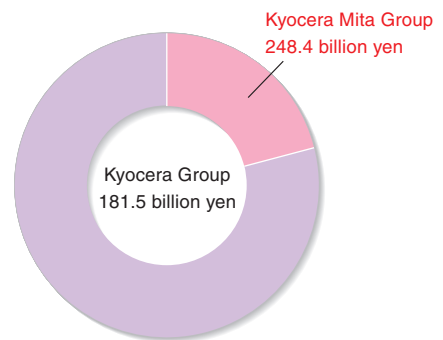
Should any problems rise, it is necessary for you to return to the site in the field where that problem occurred. No solution can be reached by arguing about theories or logic at a desk away from the site of the problem.

It is often said that the "site is a goldmine." Hidden in the site is raw information that can be the key to the solution of the problem. By constantly visiting the site, you can discover not only clues to the solution but also unexpected hints for productivity and quality improvement and opportunities that could lead to new orders. This is not confined to the line and business sectors but is all true with any department in the company.

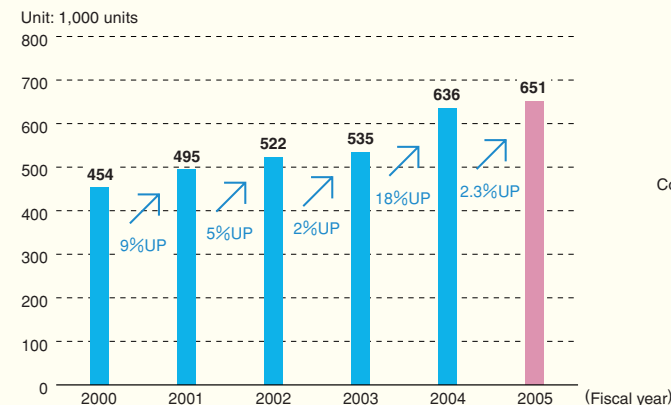
Business Strategy

For the Kyocera Group to contribute to human and social advancement and development while continuing to grow, it aims to achieve valuable diversification by concentrating the Group's total power into three fields. The first field is the "Environment Protective Industrial Field" involving solar generation system and help preserve the future of the Earth's environment. The second field is the "Consumer Industrial Field" to render the richness of people's minds and affluent living through commodities and jewelry goods manufactured in the application of fine ceramic technologies. And the third field is the "Communication and Information Industrial Field" that provides comprehensive tools ranging from parts to equipment to realize the ubiquitous network that evolves communication more richly. Kyocera Mita is fully responsible for the information equipment and machinery business in this "Communication and Information Industrial Field" and is contributing to the development of the Group from it. For the fiscal year 2005 (from April 2005 to March 2006) annual sales of the Kyocera Mita Group were 248.4 billion yen, which made up about 20% of Kyocera Group's annual sales, befitting to the name of a core company in the Group. Kyocera Mita develops products that are consistently based on the ECOSYS concept. The ECOSYS concept is based on the integration of ecology, economy and systems. This concept is supported by long-life technology used to develop durable parts and network solution system technology. Supported by customers, ECOSYS-concept Kyocera Mita products enjoy sales that grew annually. This concept was especially valued in Europe, and in particular Germany, which had a strong, early interest in environmental issues. As a result, market share in Germany expanded quickly. This trend is still continuing and our printers had the second largest share of 20.3%, and our multi-function machines 10.2% of the German market in 2005. Along with ever-increasing worldwide interest in environmental issues, we will further pursue our strategy based on the ECOSYS concept to provide our customers with environmental- and people-friendly products. To support ECOSYS deployment, we have expanded our global sales network to 15 sales subsidiaries in Europe, 4 in North and South America, and 6 in Asia and Oceania. We have also expanded our sales network in Japan and in fast-growing China.

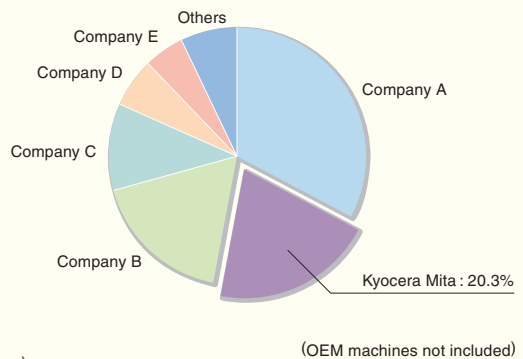
● Annual Sales in FY2005

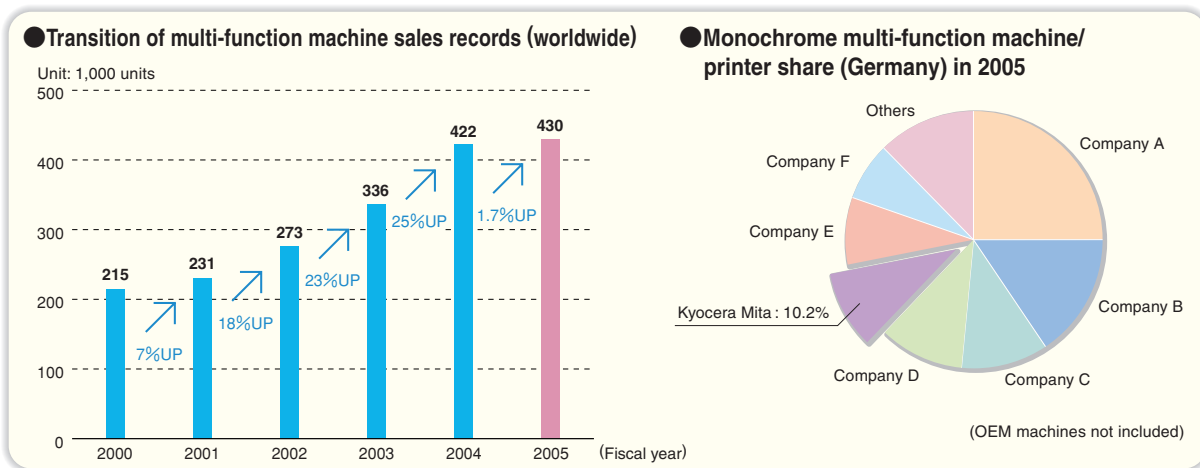


● Transition of printer sales records (worldwide)



● Monochrome printer share (Germany) in 2005





FS-920

Compact printer adopted with FS-920 energy-saving system "EcoFuser"



KM-6030/KM-8030

High-speed multi-function machine adopted with KM-6030/KM-8030 long-life amorphous silicon drum



Furthermore, BLI, BERTL, Industrial Analyst and various other testing laboratories in Europe and USA highly rated the high reliability and productivity of our printers, multi-function machines and various enhancements based on the ECOSYS concept, which contributed to improving customers' satisfaction in sales and service. We regard this as the proof of acceptance of our anti-pollution measure/concept by our distributors and customers.

1 Our solution software KYOCAPTURE was awarded the Best Award for FY2005 in the field of Best Workflow Management Application by authoritative American testing laboratory BERTL, which is an internationally known independent organization engaged in the testing and assessment of digital imaging

3 Kyocera Mita products were awarded the Grand Prize by Industrial Analyst as the most reliable copier/multi-function machine in the American market. Industrial Analyst is a testing laboratory engaged in researches, testing and evaluation of office automation industry.

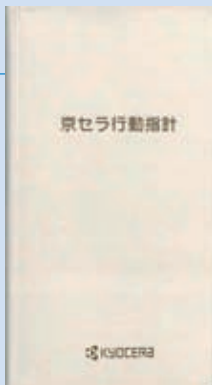
2 In the American market, three of our models, KM-1820, KM-6030 and 8030 were awarded the "PICK of the YEAR" award for FY2005 monochrome copier by BLI, a highly-reliable testing laboratory headquartered in New Jersey, USA with a 40 year history of testing the service life of copiers and printers.

Compliance

Fundamental principles and regulations that form the basis of our corporate management are included in the Kyocera Philosophy. As a member of the Kyocera Group, Kyocera Mita Group ensures that these principles and regulations are complied with.

Kyocera Action Guideline

The pocketbook describes the following 9 items.



- 1 Basic attitude
- 2 Work attitude
- 3 Pleasant and comfortable workshop environment
- 4 Community activities
- 5 How to associate with customers and organizations
- 6 Compliance with law
- 7 Handling of information
- 8 Behavior in overseas
- 9 Promotion of global environment preservation activities

Compliance system

Compliance has to be inevitably promoted in order for an enterprise to avoid various business risks and to be able to continue to carry out healthy and appropriate activities. It requires each employee to observe regulations. Subsequently, it is necessary to enhance individual's compliance consciousness.

Kyocera Mita makes employees highly compliance-minded by providing them with educational courses and seminars on in-house rules including the aforementioned "Kyocera Philosophy" and "Kyocera Action Guidelines" and by availing itself with other opportunities. We promote this compliance training with the belief that honest implementation of those rules and regulations ultimately leads to our acquiring still higher trust and evaluation from society.

At Kyocera Mita, the Risk Management Department is in charge of the internal compliance audit. Departments associated with the "personal information protection and control" and "export control" conduct self-imposed checking. Together they form a system to detect problems and give guidance for improvement.



Enlightenment on compliance

Starting in 2005, new recruits training program was added with a section for compliance. Employees will be trained to understand and be conscious about the compliance from the early days of their employment. The Intranet provides the boards for "Personal information protection and control", "Promotion of compliance", "Export control", etc. to enable employees to understand the house rules and associated legal materials, etc. in an effort to share information for the purpose of enlightening them about compliance issues.



Personal information protection

In March 2005, Kyocera Mita established a "Privacy Policy" from the viewpoint of giving importance to the handling of personal information. An "Individual Information Security System" was established to control personal information. One year elapsed after the Personal Information Protection Law was implemented. Consciousness among Kyocera Mita employees was raised about in-house protection and control of personal information.

To have customers better understand that Kyocera Mita is carrying out reliable business activities, Kyocera Mita Japan, a domestic sales subsidiary acquired in February 2006 the "Privacy Mark" certificate as authorized by the third party.



Safeguards for those who disclose information in the public interest

Regarding the Law for Safeguards for Those who Disclose Information in the Public Interest to be implemented in and from April 2006, an information contact window has been newly opened in-house. At the same time the associated regulations and manuals were formulated and a system was built to cope with the matters including the protection of those who disclose information.

In view of the facts that misconducts at a number of enterprises were disclosed under anonymity, Kyocera established a broad-based contact window for accepting anonymous information to accelerate earlier discovery of problems.

Response to Sarbanes-Oxley Act (an act for innovating U.S. enterprises)

Accounting scandals by major U.S. enterprises prompted the establishment of an act for innovating U.S. enterprises by formulating an internal control system for financial reports.

This act was applied from April 2006. Falling under the target class of enterprises of this law, Kyocera Mita has already completed the construction of its internal control system.

In addition, Article 301 of this Act makes it compulsory for the enterprises concerned to establish and operate their internal information systems starting in July 2005. Kyocera Mita Group has introduced this system to every affiliated company including those situated overseas. Using this system, the board of auditors receives and measures itself on information concerning "matters of concern regarding accounting or auditing of accounting" as received from concerned personnel in affiliated companies around the world.

Export Control

In recent years, world peace is being greatly jeopardized by ever-intensifying international disputes and terrorist activities. Global enterprises are required to control their exports based on the international framework to check for disorderly exports of controlled items to countries and/or clients suspected of using them to manufacture weapons of mass destruction.

"Foreign Exchange and Foreign Trade Law" has been observed within the "Kyocera Export Control Program." At the same time, export administration committees are established in individual divisions for thorough compliance with the "US Re-export Control."

Personnel Policy

In materializing the management rationale, all personnel systems and activities are based on the principle "Preserve the spirit to work fairly and honorably" under the corporate motto of "Respect the Divine and Love People" and the philosophy of "Coexistence."

The management rationale "to provide opportunities for material and intellectual growth of employees" does not simply mean material growth, but also the formation of rich minds that enjoys living and work worthwhile for a human being. With this rationale, Kyocera is striving to construct a personnel system capable of appropriately corresponding to changes in social environments such as diversification of values, an aging population and changes of practices caused by a more fluid employment system and globalization of corporate activities while recognizing characteristics and lifestyle in respective countries.

Target Control System

We think that each employee should have highly set targets and continue to work towards achieving them. This will give employees a great sense of achievement through their work, simultaneously helping individuals to improve their skills and experience permanent growth as human beings. Accordingly, we have introduced a target control system from FY2005 to clearly set individuals' targets and offer appropriate advice and assistance to enable staff to realize them.

Under this system, each employee meets with his/her superior in the beginning of the half term and sets their own target, then works to realize this target while receiving appropriate guidance and advice from their superior. This system is also utilized to create a workshop climate under which superiors and staff can hold brisk communication through which employees' thoughts and ideas can be passed on frankly to management.

In combination with the employees' "Merit System" (a wage system with the express policy of retaining an employee by reflecting their actual skills and contribution to the company more appropriately while eliminating seniority factors from the ratings of pay rises and bonuses, etc. Reviewed in FY2002), the introduction of the Target Control System aims to help activate the employees' volition and create a much more challenging, vigorous and dynamic corporate climate.

Discretionary Work system

As the business environment becomes increasingly severe, it is imperative for a business entity to cope with changes. To do this, it is important to create a working environment where the individual's skill can be exploited to a maximum.

Accordingly, we have introduced a specialist type discretionary work system from FY2004 as the measure for realizing a comfortable working environment for employees. At present about 500 employees are on this new working system. This specialist type discretionary work system is one of the deemed work systems where more flexible working hour management is legally allowed. This is applied to research and development work or parts of business with different modes of operation from others, which must be left to a large extent to the discretion of the worker. This system enables the realization of a flexible working environment to let workers carry out more subjective and creative work.

Senior Employee System

Against the background of the oncoming "senior citizens' society" and the revision of the public pension program, we introduced the Senior Employee System (re-employment system) from FY2006 to provide employment opportunities for employees who reach the retirement age of 60. The purpose of this system is twofold. It offers employees a place to work after retirement in order to stabilize them financially and enable them to work with a purpose in life,

and at the same time to further contribute to the development of the company and hand over the company "climate" and culture to younger generations of employees.

Leave System

Relaxation and comfort are essential for workers to attain new skills and regenerate vitality in order to lead productive lives. To realize vigorous and exciting lives for workers' by combining creative and highly productive modes of work in an appropriate balance with fulfilling leisure time, leave plays a role of ever-increasing importance.

To spend leave in a more fulfilling way, it is necessary to retain a long leave of absence. We conventionally had a leave system of 5 consecutive days, which was expanded to 9 consecutive days from April 2006. We have also newly introduced refreshing leave and multi-purpose leave.

We believe that employees can realize well-balanced lives by using their leave for the purpose of self-education according to their lifetime work plan, promotion of health, and motivation in life as this enables them to exhibit varieties of individual characteristics.

Child-Care Leave/Nursing Leave/ Recruiting Challenged People

Starting in 1992, Kyocera Mita has provided a child-care leave program for employees with children that are less than 1 year old. The needs of the system are being continually enhanced. The system allows employees to

continue working while bringing up children.

In April 2005, Kyocera Mita improved the program to apply it to fixed-term employees, and to extend the leave period to 6 months.

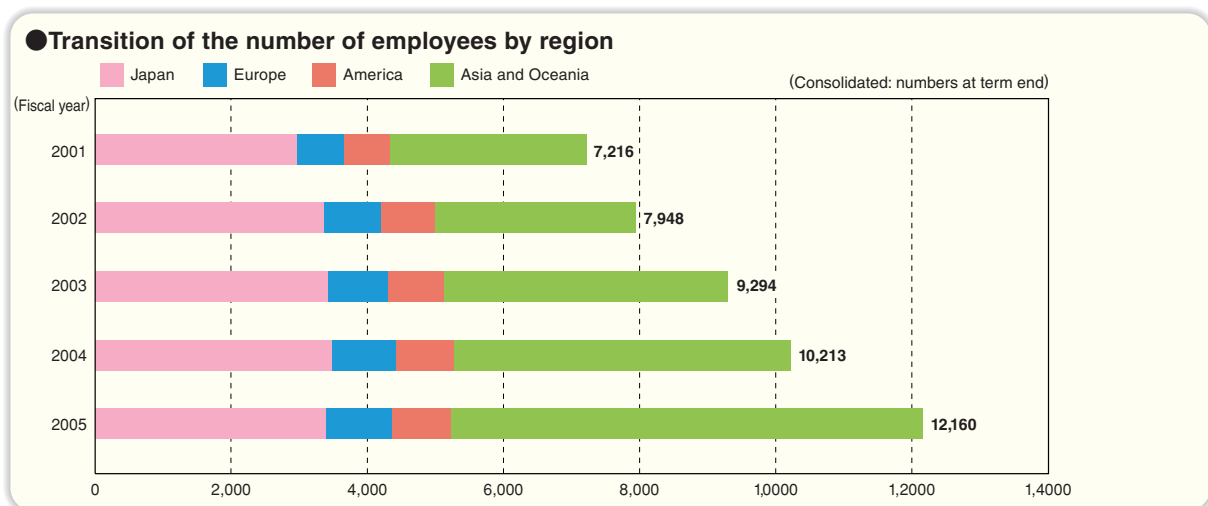
A family-care leave program has also been set up to allow employees who need to attend to and care for family members to take leave for a maximum of one year.

Furthermore, it is important for physically-challenged people to feel worthwhile by contributing to society through their jobs by best exploiting their skills and aptitude. Kyocera Mita positively promotes the hiring of physically-challenged people and the creation of environments that are easy to work in. The company assigns them to work places and provides roles by considering each individual's aptitude.

Kyocera Mita intends to advance other programs as well to cope with diversification of lifestyles and demographic changes.

Employees

Kyocera Mita Group has a total of 12,160 employees of which 2,232 belong to Kyocera Mita Corporation. The increase in the number of employees in Asia and Oceanic regions is attributable to the increased production at Kyocera Mita China's Shilong Plant as it did in the previous year.



Employee Education

Kyocera Philosophy providing a basis for management is the prime mover for the development of Kyocera. Kyocera strives to educate employees about this philosophy as it thinks that it is the origin of employee training and education to correctly pass along what the Philosophy describes. At the same time, management training, engineering and skills training are conducted for the purpose of developing personnel who will contribute to the future growth of Kyocera Mita Group.

Education Principle

To provide opportunities for the global growth of Kyocera and the growth of all our employees through the process of learning Kyocera Philosophy with sincere and indefatigable efforts, and, at the same time developing competent personnel who contribute to the advancement of society and Mankind.

Education Principle

- 1 Permeation of Kyocera Philosophy into all employees
- 2 To develop management executives with advanced management capabilities
- 3 To develop professional personnel with advanced expert knowledge and high technical faculties
- 4 To train employees to master basic knowledge and skills required for the execution of business activities

Education System



1 Philosophy

Kyocera Philosophy is based on "What is the right thing to do as a human being?" and it serves as the judgment criteria and the guidelines for our business activities.

Continual and thorough philosophy seminars were conducted for all employees.

Kyocera Philosophy is learned systematically by means of video tapes with Chairman Emeritus Inamori explaining Kyocera Philosophy in detail, lectures by management executives and group discussions. Management executives and general employees are trained with the same teaching materials to achieve common understanding of Kyocera Philosophy among all employees.

In the Kyocera Mita Philosophy senior staff training program, a one-day course for promoting understanding is offered to all appropriate senior staff members 10 times every three months. Similar philosophy training was provided for general employees using the same teaching materials in order to share common understanding of Kyocera Philosophy.

After completing the "Understanding Promotional Course" where Kyocera Philosophy is systematically



taught, the director and management executives attended a two-day training camp program on the "Management Course 12 Articles" once every half term for FY2005.

Philosophy

- Executive education
- Employee training
(Manager and deputy manager training)
(Staff training)
- Overseas philosophy training

Overseas philosophy training

In overseas subsidiaries, senior managers of Kyocera Mita overseas sales companies continually participated in top management philosophy seminars for senior general managers of the Kyocera Group. These seminars are operated in order to enable management executives of overseas affiliated companies to fully understand Kyocera Philosophy. English and Chinese videotapes based on the executive education curriculum in Japan are used. Other philosophy seminars were held for middle management staff at Shilong and other plants in China in order to promote permeation of the Kyocera Philosophy into employees.



Kyocera Mita Shilong Plant (China)

2 Management education

The aim of this training is to develop executives to have advanced management capabilities. It is

intended that the executives learn management administration techniques such as "amoeba management," "hourly efficiency system" and "Kyocera accounting" based on Kyocera Philosophy. Management executives continually participate in Management Course 1 and 2, which are offered once every six months at the Kyocera Management Research Institute.

The same course will be provided for all the eligible people during FY2006. Managers in the management and administrative sectors will give lectures.

3 Management education

Various engineering and skill training courses are provided. The aim of these courses is to develop personnel who have advanced professional knowledge, and high-level engineering faculties and skills within departments of production, engineering, R&D, sales and administration.

A total of 27 courses were held during 2005 and a total of 257 young engineers and technicians received the engineering/skill training.

4 Basic training

New recruits (from periodical hiring) were given 75-day seminars and training before each was assigned to respective workshops.

The training is offered to younger generation employees for the purpose of their acquiring the basic capabilities required for the execution of business activities.

Benefits Package

The basic policy on the benefits measures for employees and the basic concept for the management of the benefits package are as follows:

Basic policy

- 1 Measures for a healthy life (Health maintenance)
- 2 Measures for a stable and affluent life (Housing, property accumulation and support for daily life)
- 3 Measures for rich mental life (Leisure time use and lifelong learning)
- 4 Measures for fulfilling retirement (Worthwhile living after retirement)
- 5 Measures for an emergency (Disease, death, casualty and others)

Basic ideas

- 1 fair to all employees
- 2 realized by employees' own will
- 3 suitable for employees
- 4 intended to support employees' own hard work

1 Health Promotion

To maintain and promote employees' health, individual guidance after a given health check is positively provided. At the same time, employees are introduced to medical specialists as required for the purpose of preventing, detecting and treating adult diseases at an early stage.

In 2005, overseas health counseling was conducted by the industrial health and medical staff. Positive health care and control measures were taken for the employees and their family members overseas.

As part of health promotion program, physical activities named "Healthimpic" are being observed each year in the fall for all employees, both domestic and those based overseas, under a familiar theme of "Walking."

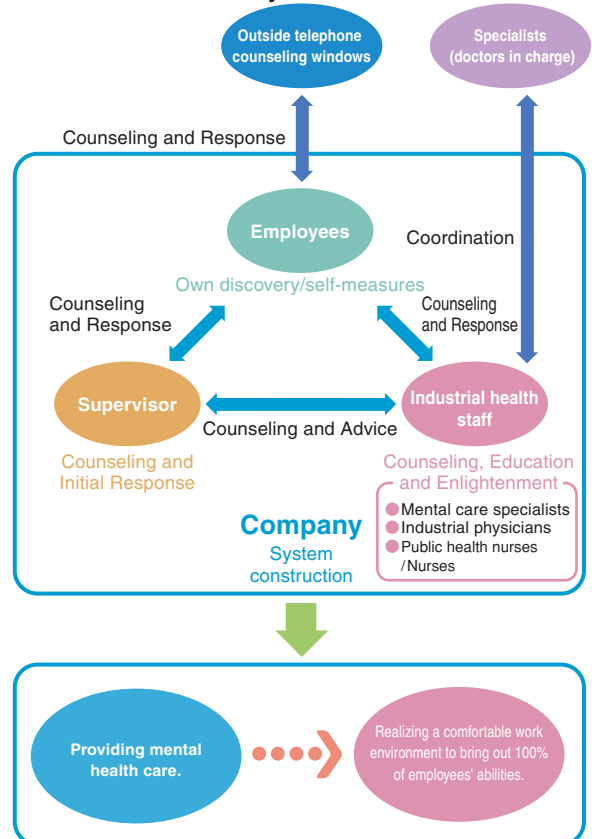
This program is intended to solve problems related to the lack of physical exercises. This is a relay game among the teams in which each walker carrying a passometer. A total of 3,226 people in 344 teams joined the relay held for one month from Oct. 3 to Nov. 2,

Promotion of mental health care.

By paying attention to not only physical health but also mental health, "Mental care specialists" were assigned in-house from 2004.

These specialists conduct training and education for employees about mental health care. They opened various contact windows for counseling jointly with the corporate health insurance society. Employees are able to consult with them about their mental problems in a comfortable environment.

●Mental health care system



Smoking in the Workplace

Measures to deal with smoking have been implemented to maintain employees' health. Smoking is totally prohibited of course outside designated smoking areas and outside break times.

To prevent passive smoking, spatial smoke separation is measured at every designated smoking area, while smoking is totally prohibited in the meeting rooms and employees' dining halls.

2 Promotion of recreational activities.

① Summer evening festa

(Family members and community people are invited to the summer festivals to promote exchanges with local



② Athletic meeting

(A grand athletic meeting was held for all employees)



③ Sports events

(Held jointly by Kyocera Mita and Kyocera

④ Club activities

(Employees enjoy off-duty hours or holidays by joining favorite clubs)

3 Promotion of Leisure Time

- Arrange travel and accommodation, and recommend sports clubs.
- Services matched to individuals' life plans for nursing, education, etc.

*Each facility offers various user-friendly services.

4 Support life design.

- Arrangement for life insurance and health insurance.
- Arrangement for personal pensions
- Arrangement for auto insurance, accident insurance and liability insurance
- Arrangement for savings for building assets.

5 Worthwhile living after retirement

The old Boys' Club has been established to provide a place for deepening exchanges with ex-colleagues. Kyocera Mita to provide group employees with benefit packages to support individuals' and their families' happy retirement life plans.



Health and Safety & Disaster Prevention

The safety record of the Kyocera Mita Group Health and Safety & Disaster Prevention

Committee for 2005 sharply improved with the rate of lost-work time injuries reducing to 0.29 from the 0.71 for 2004. The number of accidents at work also decreased by 50% of the preceding year's figure.

	FY2003	FY2004	FY2005
Rate of lost-work time injuries	1.02	0.71	0.29
Rate of total accidents per 1,000 employees	5.4	4.2	2.1

●Rate of lost-work time injuries: Number of lost-work time injuries per 1 million working hours

●Rate of total accidents per 1,000 employees: Number of total accidents occurring to every 1,000 employees

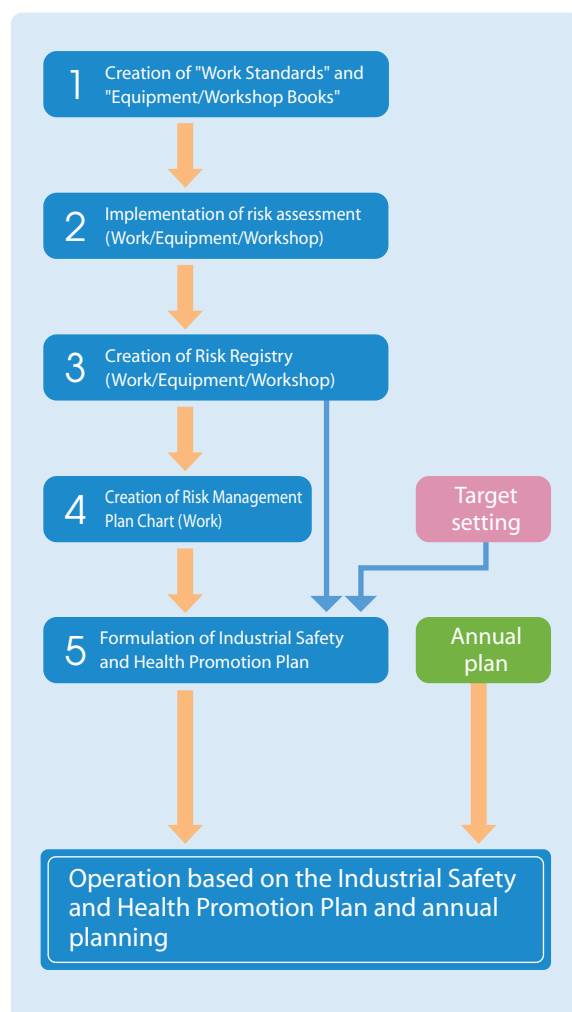
Introduction of Industrial Safety and Health Management System (OHSAS18001)

Management rationale to "provide opportunities for the material and intellectual growth of all our employees" was the bottom line of our introduction of Occupational Safety and Health Management System [OHSAS18001]. To realize this, safe and healthy working environments have to be provided so that employees may work healthily and safely. To do this, Kyocera Mita positively promoted safety, health and disaster prevention activities while introducing the "Kyocera Group Industrial Safety and Health Management System (OHSAS18001*)" to Hirakata and Tamaki Plants. On April 1, 2006, Kyocera Mita Group Industrial Safety and Health policy was formulated followed by concrete risk-reduction activities.

General Description of Industrial Safety and Health Management System

The Industrial Safety and Health Management System flow, its basic ideas and system configuration are aimed at realizing effective, efficient and continual improvement by operating the Plan-Do-Check-Act cycle similar to ISO9001 or ISO14001.

Industrial Safety and Health Management System flow



* OHSAS18001 Standard

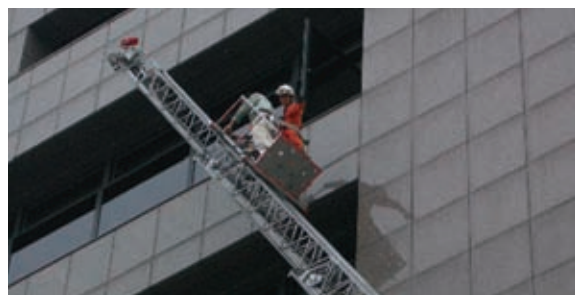
Currently introduced "Industrial Safety and Health Management System" is based on HHSAS18001. OHSAS18001 stands for Occupational Health and Safety Assessment Series established by British Standards Institution in 1999 with the purpose of the organization managing the risks concerning employees' occupational safety and health, preventing hazards and maintaining suitable levels of safety for them.

Kyocera Mita Group Industrial Safety and Health policy

- 1 To comply with the laws and regulations of the countries concerned, ordinances of prefecture and city governments of the site location of respective plants and offices to retain and improve employees' safety and health, and other requirements to which we have agreed as an organization, and promote to improve the level of management.
- 2 To develop organizations and clearly define their roles and responsibilities to effectively promote the industrial safety and health management activities, simultaneously providing all employees on a continual basis, with necessary and sufficient education and training for the operation of the industrial safety and health management system.
- 3 To implement risk assessments to clarify and evaluate the sources of risks on the industrial safety and health, set up and/or review the targets for industrial safety and health, simultaneously building and executing the industrial safety and health management system and making necessary improvements on a continual basis.
- 4 To formulate "safe and reliable workshop environment", to give priority to working on the following items and to promote and implement safe and correct work methods using the work standards, and to improve industrial safety and health performance.
 - (1) Risk reduction through the improvement of "unacceptable risks"
 - ① Measures for improving working methods, machinery and equipment, and workshops
 - ② Measures for calling attention of employees on the way to or from work or while they are on business trips
 - (2) Health promotion activities
 - (3) Promotion for creating pleasant workshops through perfect 5S (Seiri, Seiton, Seiso, Seiketu and Shituke) activities [Seiri: orderly arrangement; Seiton: tidy up; Seiso: sweeping; Seiketsu: cleanliness; Shituke: Discipline]
- 5 To positively participate and cooperate with industrial safety and health-related activities sponsored by the administration and regional communities.

Promotion of fire and disaster prevention activities

To promote fire and disaster prevention methods and to be ready for emergencies, Kyocera Mita Group implemented general fire and disaster prevention drills in each office and group company under assistance provided by competent fire stations. The drill included early firefighting, warning and communication, evacuation guidance, etc. aimed at strengthening the fire prevention and preventive management. We also held an ordinary life-saving study course using AED (Automatic External Defibrillator) for the first time. Installation of this device has already begun at airports and public facilities. People who have completed the training course are authorized to use this life-saving device. About 120 people out of our group completed the training. They are ready to give prompt and appropriate life-saving aid in the case of an emergency. Measures to minimize damage from falling furniture such as shelves, cabinets and others, caused by earthquakes have also been implemented.



Quality Assurance and Market Service

Hoisting a slogan of "Customers First", Kyocera Mita Group promotes its product quality improvement activities daily in order to remain as an enterprise that is "reliable" to our customers.

On top of the function, capability, durability, safety and other basic performance, our mission is to provide our customers with product quality exhibiting ease-of-use characteristics and prompt and friendly service capability when unexpected problems occur.

We think matters with our customers' viewpoint, give priority in acting for our customers' benefit, and aim at improving customer satisfaction.

Communication with the markets

To discover trends of product requirements in the future, not only for specifications but also for operability and maintainability, we hold frequent meetings with local members on the front line of major sales subsidiaries on the above matters before finalizing the product. Data collected from the meetings are taken as raw voices of the market and subsequently reflected in the products.

Sales subsidiaries are in daily contact with customers who are actual users. They can directly absorb the latest customer requirements which are changing constantly. Our system is constructed so that it checks whether customers' requirements are met on the merchandizing stage without fail. To do this, the sales subsidiaries' opinions are given careful consideration and the basic rules are established to reflect their considerations about the products.

Enhancement of technical support

To keep our customers as free as possible from the initial problems that are experienced whenever new products are put to the markets, our system assigns those members who actually tested and assessed the new products to solve problems if and when they occur. In this way, we not only accelerate problem solving but also feed back raw information to the sales, service and engineering departments to improve necessary points and create standardization for the future.



Provision of product information and knowledge by local staff



Provision of detailed engineering information and knowledge on the products

Enhancement of follow-up

For our customers' carefree use of our products after purchases, we are developing an engineers training system not only for domestic but also for overseas service front lines. We are building up the system to deliver a prompt and friendly service.



Provision of product information and knowledge by head office staff

Training for service personnel

Workshops for maintenance service qualification for service representatives are held in 7 locations throughout the nation. An average of 500 people attended these workshops every month. The Service Skill Certification System was established for service representatives of the company to improve our system technology such as maintenance service skills and networks.



Enhancement of domestic service

Kyocera Mita Japan, a domestic sales subsidiary, in its concrete measures for "sticking thoroughly to customer firstism and improving customer satisfaction", proceeded in 2005 to establish a "Contact Center" for integrating functions of conventional call centers that served as customer receiving points and national branches. It was established in May 2006.

At this Contact Center, they receive calls from customers all across the country with whom direct service is being provided. Its purpose is to improve customer service by standardizing the receiving response and upgrading the service level.

Regarding the engineering support provided to service staff at the distributors, Kyocera Mita provides prompt support by establishing a special system to which staff members with high technical skills are assigned.

Another major role of the Contact Center is to promote the enhancement of customer service activities by improving business performance including "toner dispatch function" and "voucher register function", etc.

Valuable opinions and requests thus received from the customers are fed back to related departments.

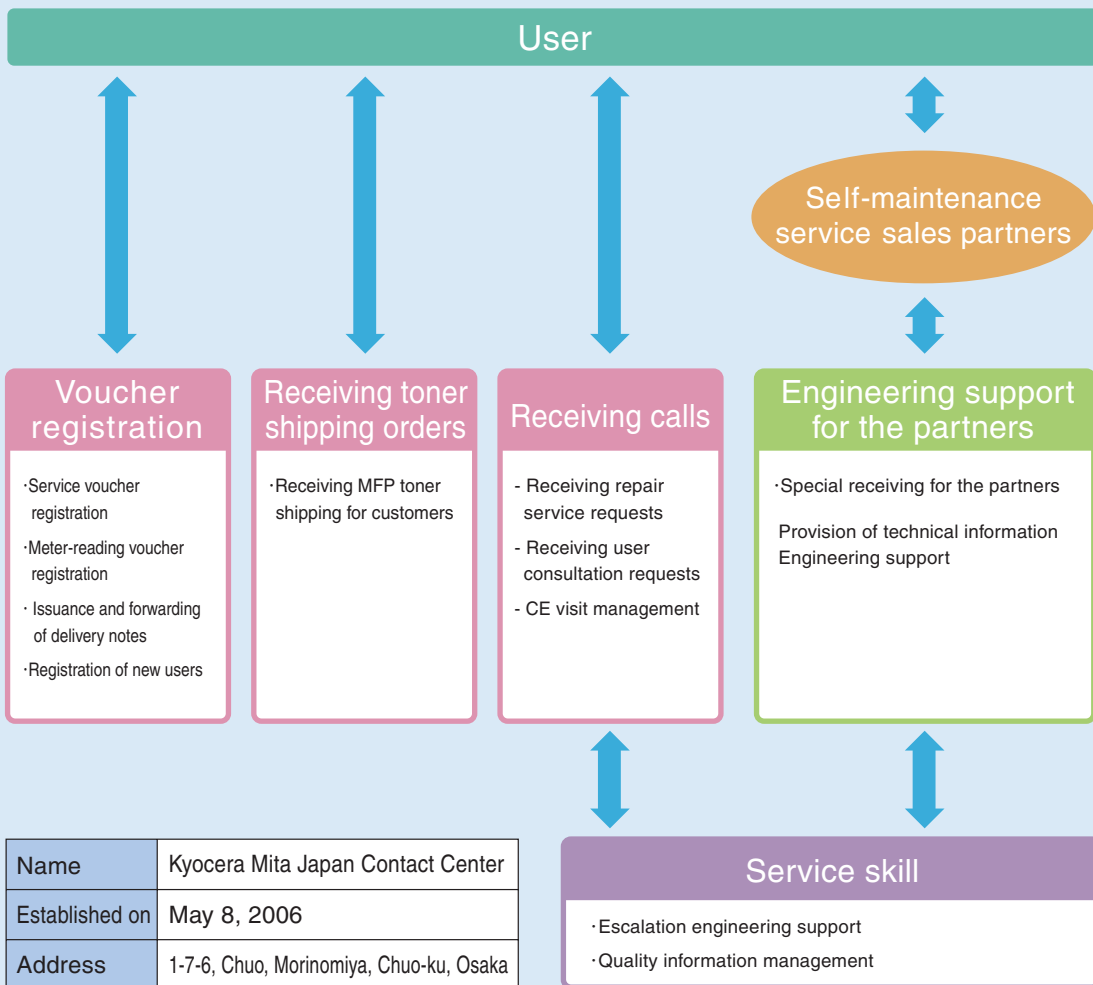
Quality Assurance and Market Service

Role of Kyocera Mita Japan Contact Center

Kyocera Mita Japan Contact Center has functions for receiving customer calls, offering skilled service, and registering the vouchers. Each function (team) understands customer's requirements and realizes early solutions of customer problems by appropriately escalating the service level.



●Contact Center system





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Environmental Charter

"Kyocera Environmental Charter" applies to the whole Kyocera Group including Kyocera Mita Group. It clearly expresses the concept of this enterprise in working on global environmental problems within the corporation and outside of it as well.

The Kyocera Mita Group carries out environmental protection activities by standing by this Charter and regarding its observation as its supreme objective.

(The Kyocera Environmental Charter was established in October 1991 and revised in January 2006.)

1 Underlying Principles

In accordance with our corporate motto - "Respect the Divine and Love People" - Kyocera has long complied with its management philosophy "to pursue employees' material and spiritual happiness, simultaneously making contributions to the progress and development of Mankind and society." We conduct business in a way that is harmonious with the "will of our universe" so to speak. Kyocera early on adopted a way of thinking that is demanded of every business enterprise in relation to today's global environmental problems. This way of thinking is based on the principle that business activities should uphold the dignity of man and contribute to the sustainable development of human society. Based on the management philosophy stated above, Kyocera and its domestic and overseas affiliates will continue to adopt comprehensive measures including environmental preservation, resource/energy conservation, prevention of global warming, development of environmentally friendly products, and improvements that contribute to global environmental protection in a more active and sustainable manner.

2 Environmental policy

In the course of business activities, Kyocera Mita will take a serious view of global environmental protection in compliance with the company's basic management philosophy and will emphasize the following points.

- 1 Compliance with the internal environmental standards of which global environmental protection is placed as the first priority.
- 2 Most efficient utilization of resources and energy, development of processing technologies.
- 3 Aggressively promote development of environment protection products and minimize our products' burden on the environment.
- 4 Cooperation with government environmental policies, and participation or support to social contribution activities.

3 Environmental Objectives

- 1 In order to minimize damage to the natural environment and any harmful effects on the ecosystem, Kyocera will establish and comply with internal standards that are equal to or more stringent than standards specified by applicable international agreements, or the regulations of the regions where the company's facilities are located.
- 2 At all levels, Kyocera will scientifically study and evaluate the effects of business activities on the environment, and then take the necessary protective measures.
- 3 Kyocera will develop process technologies and production facilities that will have resource and energy efficiency at all levels of the manufacturing processes. It will promote the reduction of material and chemical substances used in all processes.
- 4 Kyocera will promote in-house energy conservation activities, such as more efficient use of electricity and fossil fuels, the introduction of high efficiency equipment, and the reutilization of thermal energy, simultaneously promoting measures for preventing the global warming.
- 5 Kyocera intends to establish a recycling system to promote the effective use of resources. At the same time, it will positively promote the decontamination and reduction of the the volume of all industrial waste.
- 6 Kyocera will research and develop "Environment Improving Products" that make a positive contribution to the improvement of the global environment. At the same time, it will promote propagation and expansion of such products.
- 7 Kyocera will research and develop "Environmental Load Reducing Products" that reduce the environmental load in each stage of production, sale, distribution, use and disposal, simultaneously promoting the propagation and expansion of such products.
- 8 Kyocera will promote the "greening" (forestation) of its facilities. It will develop the environment to be rich in greenery and pleasant to live in. It will participate and support activities contributing to society.

Environmental Action Plan

To promote global environment protection activities and contribute to the formation of a resource-recycling society, Kyocera Mita Group formulated the fundamental strategy for environmental management in FY2005 along with the mid-term (3 years) and long-term (5 years) environmental action plans for making the environmental management activities more concrete by setting actual numerical targets.

The environmental action plan makes an overall review of the company's environmental protection activities conventionally grasped within the category of ISO14001*, extract environmental challenges to

Environmental Management Fundamental Strategy

<p>1 Adoption of a recycling society in business activities and development</p> <p>To create a resource recycling society through continual activities for reducing environmental load.</p>	<p>2 Provision of superb environmental products</p> <p>To develop and provide more evolved (longer-life and better energy efficient) "Environment Products" on the basis of the ECOSYS concept.</p> <p>A total of 16 WG (Working Groups) started activities among the Kyocera Mita Group to achieve the environmental action plans.</p>	<p>3 Establishment of environmental management</p> <p>To implement a continual and profit-yielding environmental management, environmental education and training will be provided for all employees and a system to control the environmental index will be constructed.</p>	<p>4 Strengthening of Corporate Social Responsibility (CSR) activities</p> <p>To meet the social responsibilities as an enterprise through information disclosure and social contribution activities.</p>
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Principle environmental action plans and the contents of WG activities (excerpt)

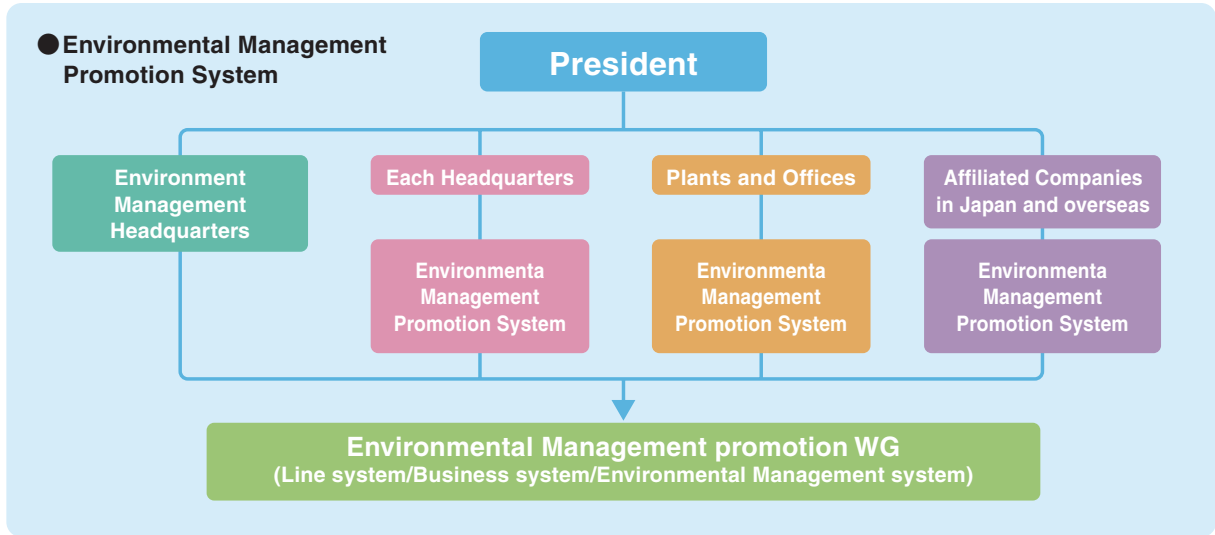
Line of business	Reduction of energy and water consumption in the offices and plants (achieving emission reduction targets in the Kyoto Protocol)	Office energy-saving promotion WG
	Working on reducing CO ₂ emission in association with logistic concern	Distribution ecologistics WG
	Review and implementation of office wastes reduction plan (Domestic/Industrial wastes)	Zero-emission promotion WG
Products	Upgraded quality of recycled used products	Product regeneration WG
	• Planning and manufacture of RC (ReConditioned) machines	Parts regeneration WG (Parts G)
	• Promotion of parts reuse and promotion of adoption of reusable parts to the next-generation development machines	Parts regeneration WG (Consumables)
	• Recovery of used consumables and promotion of reuse	
	Strengthening working on the recovery and disposal of used products in overseas markets	Overseas 3R promotion WG
	To disclose environmental load information on every product	Low-environmental load product review WG
Environment management	To introduce product environmental efficiency (factor E) to develop/sell low-environmental load products.	Energy-saving WG
	Construction of environmental management system to carry out effective environmental management	Environmental accounting improvement WG
	Review and implementation of environmental education by hierarchy and department to carry out company-wide environmental management	Environmental education promotion WG

* ISO14001

ISO14001 defines continuous environmental protection activities by the Plan-Do-Check-Action (PDCA) cycle, starting from the environmental policy.

- Environmental policy
- Planning (Environmental perspective, legal requirements, objectives and targets, environmental management program, etc.)
- Implementation and operation (Systems, drills, communication, document management, etc.)
- Checks and corrective action (Monitoring, correction and prevention, recording, internal audits, etc.)
- Review by management

Environmental Action Plan



FY2005 Records of Environmental Actions

The records of FY2005 actions based on the conventional ISO14001 are as follows:

FY2005 Goal	Result	Reduction trend /results
6% reduction of industrial waste discharge per unit of output* from FY2004 level	19% reduction	↘
2% reduction of electricity consumption per unit of output from FY2004 level	8% reduction	↘
2% reduction of fuel consumption per unit of output from FY2004 level	23% reduction	↘
10% reduction of CO ₂ emission from FY2004 level	6% reduction	↘
2.5% reduction of vehicle fuel consumption per unit of output from FY2004 level	19% reduction	↘
5% reduction of water consumption per unit of output from FY2004 level	16% reduction	↘
3% reduction of paper consumption per unit of output from FY2004 level	20% increase	↗
3% reduction of purchased packing material per unit of output from FY2004 level	25% reduction	↘
Sustainability Reporting Seminar	Held at the Hirakata Plant in August 2005 and at the Tamaki Plant in September 2005.	○
Participation and cooperation in environmental activities held by government and local communities	Participated in the Eco-Business Seminar sponsored by Mie Prefecture as a panelist	○
Periodical implementation of clean up activities around offices and plants	Implemented clean up activities more than 4 times a year.	○
Complying with/obtaining the Green Purchasing Law, the International Energy Star Program, the Energy Conservation Law and other environmental certifications for our printers and multi-function machines	Complied with and obtained.	○

*** Unit of Output**

Unit of output is an index derived by dividing the amount of waste and input resource by net sales to evaluate effects of environmental protection activities regardless of total volume difference depending on the size of the company.

Environmental Accounting

Environmental accounting* is the means for pursuing the achievement of environmental management by analyzing the "environmental protection effect" in return to the "environmental protection cost" and improving the cost-effect. This was introduced to us from FY2002. Summarization was made for each quarter from FY2005 and the resulting analysis was reflected for carrying out more efficient environmental management.

Outline of analysis

The environmental protection investment cost for FY2005 rose to 148.48 million yen or about 3 times of the preceding year. This increase is attributable to our investment in the environmental protection facilities such as the toner wastewater disposal device and the cooling tower built when the toner plant at the Hirakata Plant was expanded. In addition, the investment made to convert the conventional oil boiler to a gas boiler for reducing CO₂ emission accounts for part of the cost increase. As a result, the CO₂ reduction effect was 2.7 times as much of the preceding year.

The upstream and downstream costs also increased. This was due to the checking and the auditing of suppliers made to confirm that no restricted substances were contained in our parts delivered in compliance with the European RoHS Directive.

1.Environment Protection Investment Costs and Environmental Protection Costs

Accounting period
April 2005 to March 2006
Scope of aggregation: Offices, plants and affiliated companies in Japan

Cost categories Large (Intermediate)	Amount invested in fiscal 2005 (yen)	Cost (yen)			
		Fixed assets costs	Running costs	Expense	Total
Pollution protection costs (Prevention of air pollution, water pollution, soil and ground water contamination, noise and vibrations, foul odors and land subsidence)	39,267,500	30,115,911	47,363,118	7,075,183	84,554,212
Global environmental protection costs (Prevention of global warming, energy conservation, prevention of ozone layer depletion, other environmental preservation measures)	37,103,817	6,458,350	8,026,523	3,274,977	17,759,850
Resource recycling costs (Recycling/reduction/management of wastes)	70,147,714	43,079,246	6,740,004	79,583,289	129,402,538
Upstream/Downstream costs (Product recycle/survey of suppliers)	0	36,323,947	680,875	153,379,222	190,384,044
Management activity cost (Environment management system control/information disclosure)	0	45,385,087	1,023,658	194,569,298	240,978,043
Research and development costs (Research on environmental load reduction)	1,961,270	26,374,542	0	113,391,068	139,765,610
Social activity costs	0	105,600	0	789,710	895,310
Natural environment restoration costs	0	0	0	0	0
Total	148,480,301	187,842,684	63,834,178	552,062,747	803,739,608

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

Activity	Annual benefits		Monetary benefits (yen)
	Quantity	Unit	Total
Electricity reduction	698,621	kwh	9,023,642
Fuel reduction	82,197	Converted to crude oil $\frac{1}{2}$	8,478,688
Water reduction	660,538	m ³	116,339,637
Packaging materials reduction	55,250	kg	908,248
Chemical substance reduction	2,682	kg	2,268,060
Paper reduction	1,728	kg	241,880
Waste reduction	1,503,750	kg	46,396,031
Improved yield	165,303	kg	61,887,640
Reuse (Part)	1,790	—	9,464,787
Total monetary benefits (yen)			255,008,614

Activity	CO ₂ reduction (Kg-CO ₂)	Monetary benefits (yen)
		Total
Electricity reduction	260,282	1,008,854
Fuel reduction	214,621	831,870
PFC	0	0
Total	474,903	1,840,724

(Note) For making the monetary conversion of reduced CO₂ emission, the rate of \ 3,876/ton-CO₂ is used.
(As to the cost of CO₂, the EU emission trading price as of the end of March 2006 is adopted. 27.3 euro/ton-CO₂)

3.Economic Benefits (Valuables Sales Revenue)

Valuables sales revenue (yen)	2,533,537
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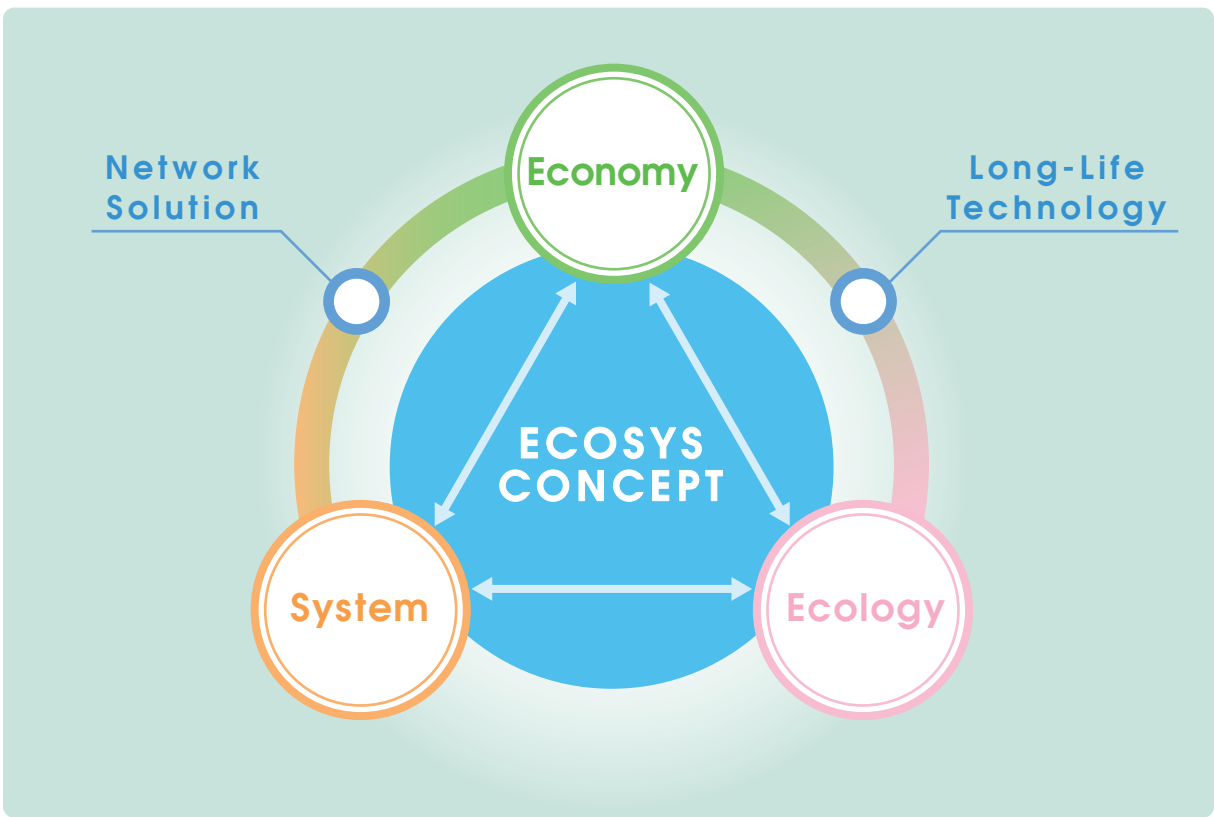
* Environmental Accounting

Environmental Accounting is a framework for quantitatively evaluating the environmental protection activities of a company or organization. Environmental accounting is an analytical method used by management to build more effective environmental protection activities and produce better results from them. It also provides the information necessary for understanding the activities of an organization. The Ministry of the Environment publishes Environmental Reporting Guidebook and supports businesses that want to introduce environmental accounting.

ECOSYS Concept

Kyocera Mita is working hard to develop products with minimal environmental impact to have more number of customers use our products.

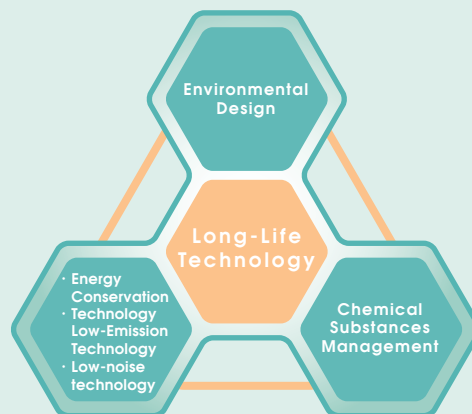
The ECOSYS concept combines environmental and economical efficiency by reducing the volume of consumable and parts waste, and the cost of replacing them. Kyocera Mita's long-life technologies support the realization of these objectives.



Long-Life Technology

High Ecological and Economic performance has been achieved by the development of long-life component technology, which is further complemented by environmental design, energy-saving technology, low noise and low emission technology, and chemical substances management.

Our products must have tough performance not to interrupt business flow, and be environment-friendly and economical. We always lead the new sense of value.



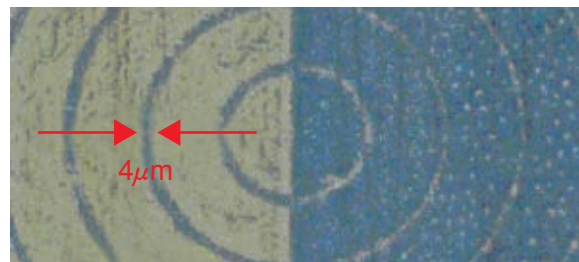
Development of Long-Life Drums

To realize epoch-making durability, Kyocera Mita has adopted the "amorphous silicon drum" of high-level hardness and wear resistance, and the "positive-charged single layer photoconductor drum for printers and multi-function machines. As a result, reduction in the waste, such as consumables, etc, was realized.

Different from the conventional drum of the negative-charged layer OPC (Organic Photo Conductor), this PSLP drum enables charging by positive-charging that emits less ozone than the negative-charged type. At the same time, images are formed on the surface of the photoconductor compared with the conventional negative-charged layer OPC drum that forms images on the bottom of the photoconductor layer. This enables the obtaining of high resolution with greater ease. It has a resolution of 6,400 dpi that can actually reproduce fine lines of 4μm.

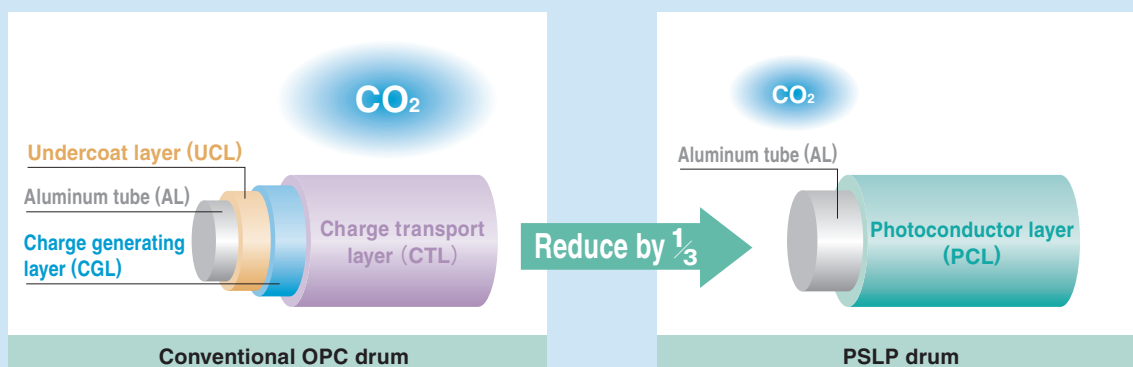
In addition, different from the conventional negative-charged multi-layer OPC drum, the PSLP drum that performs with a single layer stably retains balanced photoconductor characteristics for the long term if wear should progress. By optimizing this PSLP drum within our unique long-life technologies, we could create drums with 10 or more times longer life than conventional negative-charged layer OPC drum.

Moreover, this PSLP drum contributes greatly to the reduction of CO₂ emissions in the manufacturing process because it requires only a single coating process of photoconductor layer.



Resolution chart using contact exposure and liquid developing system

●CO₂ Reduction in The Production

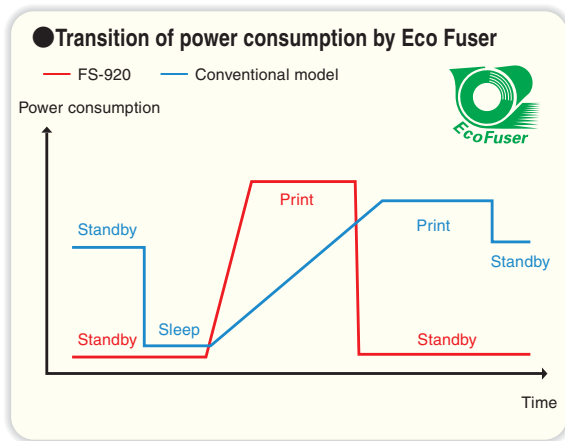


CO₂ reduction [comparison with conventional negative-charged layer OPC drum (with 3 layers of coating) in the production facilities of comparable scale]

Development of the Eco-friendly Products

Energy Saving with "Eco Fuser" temperature control technology

The FS-920 introduced to the market in September 2005 adopts an "EcoFuser" developed with Kyocera Mita's own temperature control technology, which enables the machine to be ready for printing after 12 seconds from standby state or 16 seconds after power ON. This helps prevent users from becoming irritated and impatient while waiting, simultaneously reducing power consumption during standby period to 6W or by 45% of the conventional machine.



FS-920

Realization of pleasant office environment with low noise and low emission

To pursue development of low-noise equipment in the office environment, the KM-8030 introduced to the market in October 2005 adopts a clutch less drive system using a fine-controlled stepping motor. This has reduced the operating noise level by 3 dB as compared to the conventional machine. In addition, elimination of aggressive clutch operation noise realized "quietness that can be felt." Also, as to chemical substance emitted from the equipment, KM-8030 has a ventilation system designed in the early stages of development that gives consideration to the air flow inside the machine. Along with the adoption of parts material of lesser levels of chemical emissions as well as appropriate filters, the model could clear the severe Blue Angel (RAL-UZ 114) emission standards.



KM-8030

Environmental Design/Environmental Label

In order to efficiently promote reuse and recycling, it is necessary to efficiently and easily disassemble and sort used products. Reusable or recyclable materials for parts must also be selected and standardized. Kyocera Mita has set "Eco-friendly Development Standards" that take all of this into consideration. By implementing the assessment where designers themselves conduct the checking, 3R*(Reduce/Reuse/Recycle)-conscious product development is promoted from the designing phase.

Content of the Eco-friendly Design Standards

◎Policy

These standards have been provided to ensure design under the 3Rs (Reduce, Reuse and Recycle). By observing these points in the development stage, it becomes possible to manufacture products with reduced environmental load.

◎Excerpts from Eco-friendly Design Standards

Easy to disassemble (for reuse/recycle)

- ◎Standardization of tools
- ◎Standardization of fastening materials
- ◎Prohibition of inserts, press fittings, etc.

Easy to Reuse

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

Easy to Clean (Reuse)

- ◎Shapes that enable easy cleaning
(example: exhaust outlet port)

Environmental Label

Kyocera Mita is developing environmental-friendly products for safe and comfortable use, and is continuously seeking to obtain certifications to give consumers easy reference when selecting products of lesser environmental load. Kyocera Mita products sold during FY2005 comply with the International Energy Star Program Standards and the criteria on the "eco-friendly goods and services" specified in the Green Purchasing Law (Law Concerning the Promotion of Procurement of Eco-friendly Goods and Services by the State and Other Entities) that went into effect in April 2001 in Japan.



International Energy Star Logo



Kyocera Mita's Green Purchasing mark

●FY2005 certification obtained and registered products

	 Eco Mark (Japan)	 Blue Angel (Germany)	 Green Mark (Taiwan)	 Ecoleaf environmental label (Japan)	
Copiers/Multi-function machines	KM-6030 KM-8030	FS-1018MFP KM-1650 KM-2550 KM-4035	FS-1118MFP KM-2050 KM-3035 KM-5035	KM-1650 KM-2020 KM-2050 KM-2550	KM-6030 KM-8030
Printers	FS-920	FS-720 FS-820 FS-920	FS-720 FS-820 FS-920 FS-1920	FS-1020D FS-3820N FS-3830N FS-9120DN FS-9520DN FS-C5016N	FS-920

* 3R (Reduce/Reuse/Recycle)

●Reduce

Refers to the reduction in use of materials: compact, lightweight and reducing the number of parts, etc.

●Reuse

Refers to the reuse of products and parts after cleaning and checking.

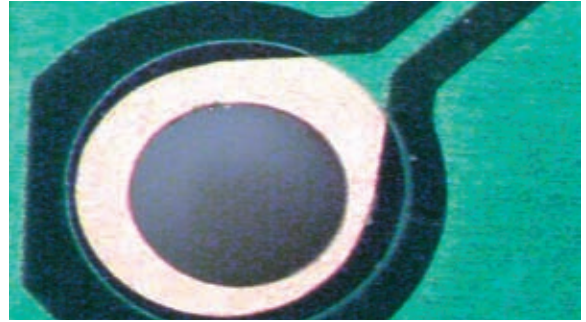
●Recycle

Refers to the returning of used products and parts to their raw material state to reuse or find other application for.

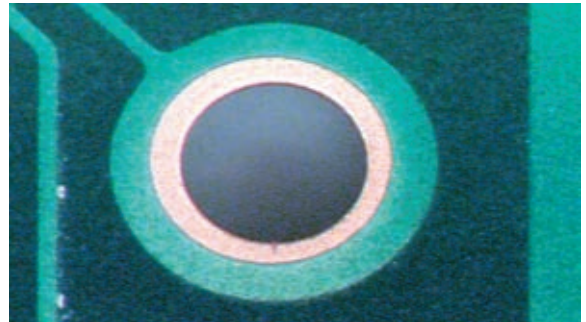
Elimination of Toxic Substance (Lead-free measures)

Lead-free solder measure technology

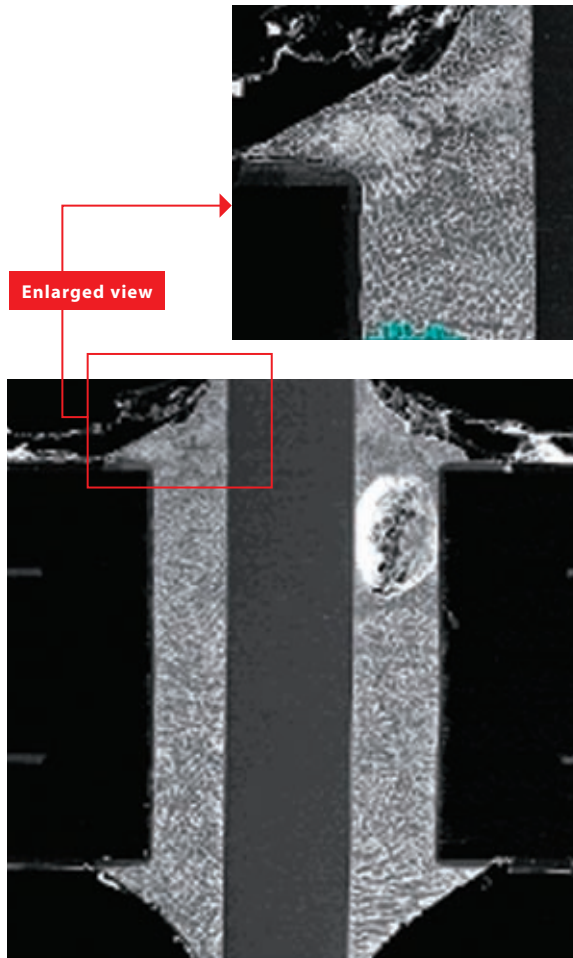
Kyocera Mita uses lead-free solder to comply with RoHS Directive, the European regulations against toxic chemical substances. In the case of printed circuit boards parts-installed on both sides of the substrate, solder is separated from the land (copper foil) of the printed board due to the substrate cooling rate at the time of solder dipping, solder composition, lead diameter, etc. of the inserted part when the solder cools down, or the land itself is peeled off the substrate by solder by the defective joint phenomenon called "lift-off." To prevent this, Kyocera Mita tried to solve the problem by reviewing the dip cooling time, solder composition, stress analysis, etc. in the past, simultaneously applying resist around the land as the protective film to strengthen it.



Before taking measures (for strengthening the land with resist coverage)



After taking measures (for strengthening the land with resist coverage)



Generation of lift-off

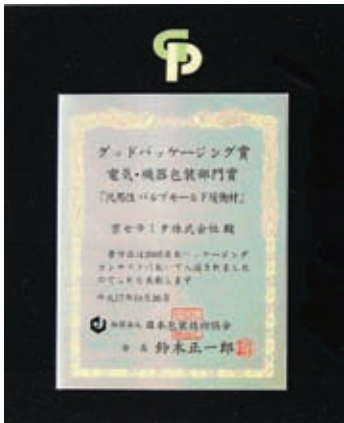
Lead-free solder measure technology

Lead is used to enhance the refractive index of optical lens. Since it is difficult to substitute lead with other substances, "lead in the optical lens" is excluded from the restriction by the RoHS Directive. It was considered difficult to develop a lead-free SELFOC lens for image sensors and LED arrays. This time, with successful development of lead-free SELCOC lens, Kyocera Mita was quick in adopting it for image sensor lens. It is Kyocera Mita's approach to positively review adoption if anything is effective in reducing toxic contents in its products.

Environmental Package Design

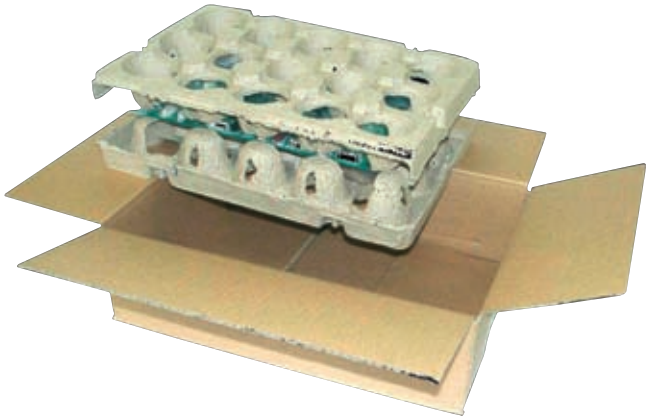
Awarded Japan Packaging Contest Good Packaging Prize

Kyocera Mita Group was awarded the Good Packaging Prize in two straight years since the preceding year in the Japan Packaging Contest sponsored by the Japan Packaging Institute for selecting the best packaging as judged from every function and aspect including material, design technique, environment, design, logistics, idea, etc. The contest aims at having general-purpose pulp mold spacer cushion material help develop and propagate Japan's advanced packaging and technologies. The currently exhibited general-purpose pulp mold spacer cushion material received the prize for its environmental consideration and efficiency in packaging operation, which were highly evaluated.



Development of all-paper packaging material for ultra heavy multi-function machine

Kyocera Mita successfully developed all-paper packaging material for multi-function machine KM-6030/8030 weighing over 200 kg. Material for spacer cushions was changed from Styrofoam to corrugated fiberboard, simultaneously changing the skids on the bottom from wood to corrugated fiberboard to realize the environmental package. Moreover, by building in the slope for sliding the product out of the package, we reduced work load and realized safety during setup work.

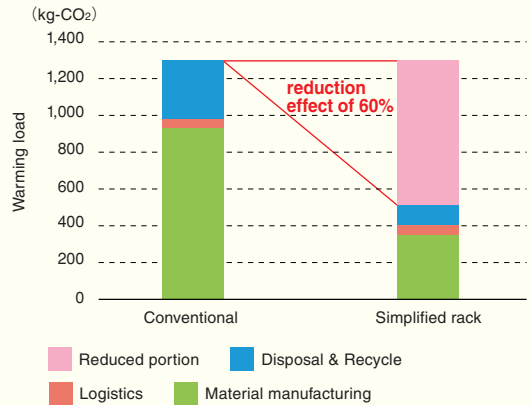


Package Life Cycle Assessment

Reduction of Warming load by the "Simplified Rack"

Kyocera Mita is reviewing the method for applying LCA (Life Cycle Assessment) method to product development and the preparation for the introduction is being promoted. The objectives are to drastically reduce the global-warming load by using "Simplified Rack" and giving consideration to the LCA environment in the packaging. The environmental load of our products is quantitatively grasped throughout their life cycles to promote still improved environmental design. LCA is an evaluation method for numerically determining how the environmental impact items consumed and emitted through the product's entire lifecycle would affect the environment. Kyocera Mita built up the product's life cycle environmental data integration system for the purpose of disclosing information with the "EcoLeaf Environmental Label" using LCA. On the basis of data collected with this system, Kyocera Mita analyzes the environmental load items according to respective life cycles of the products and feeds analysis data back to the environmental product design. For example, conventional all-paper one-way packaging material for domestic sales of the KM-C2630 has been switched to a repetitively usable stainless steel "Simplified Rack" and actual operation has started. The company aims to reduce the environmental load by reducing the waste disposal quantity of paper packaging material after use. This "Simplified Rack" is designed collapsible by giving consideration for transporting efficiency when returning the racks. Kyocera Mita implemented LCA of its own on this changeover and confirmed that it can reduce the global warming load by as much as 60%.

Comparison of Global Warming Impact



[Condition for comparison]

- Conventional: Paper packaging material x 20
- Simplified rack: 20 repetitive use



Conventional all-paper one-way packing material



Simplified rack during transportation of product

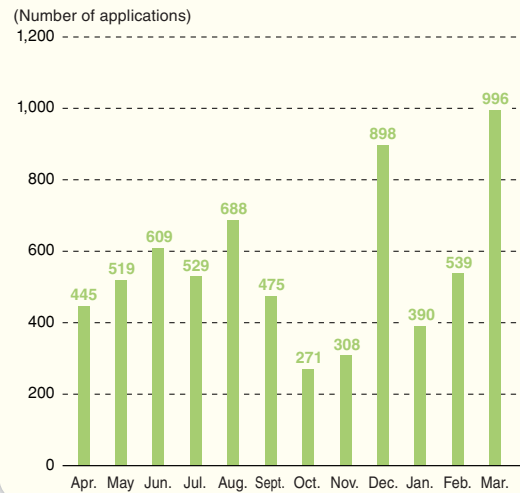


Simplified rack (for 4 units of products) at the time of return

Patenting of Environmental Technology

The comprehensive actions that Kyocera Mita has taken on developing environmental technology has lead to a high number of patents registered throughout the world. Particularly, Kyocera Mita started company-wide idea proposing activities. Under a new system, the company puts out a call for ideas about future products widely to all employees from FY2005. Employees proposing excellent ideas will be commended. A total of 6,667 new ideas were proposed for FY2005. Of these, 150 proposals were made for environmental products associated with recycle, reuse and energy-saving. When these ideas are accepted, procedures for patent applications will be made. They will be reviewed for possible application to new products sequentially.

● Record of company-wide new ideas proposed for FY2005



Patent Applications that are Environmentally Related

◎ **ECOSYS Concept Technology**

(Technology for the longer life of supplies and parts)

- Long-life amorphous silicon (a-Si) drum-related technology and long-life technologies for parts

◎ **Energy Conservation Technology**

(Technology for saving energy)

◎ **Low energy fixing**

- Low temperature fixing toner
- A fixing unit structure that greatly reduces power loss

◎ **Low power control**

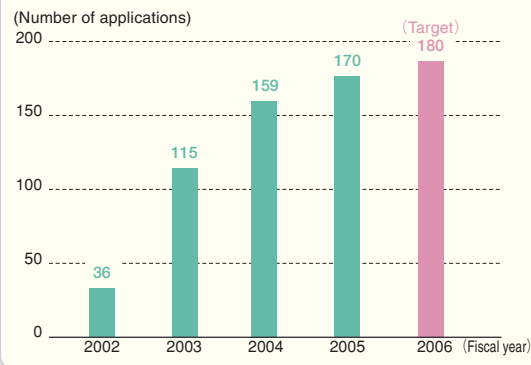
- Controls that shut down unnecessary operations in the display and machine control system

◎ **Low-Emission Technology**

(Technology for reducing the harmful effects of ozone, NOx, dust and other substances on the environment)

- Positive charged OPC drum, dust countermeasures

● Record of patent applications in relation to a-Si and OPC drums



Publication of patent application

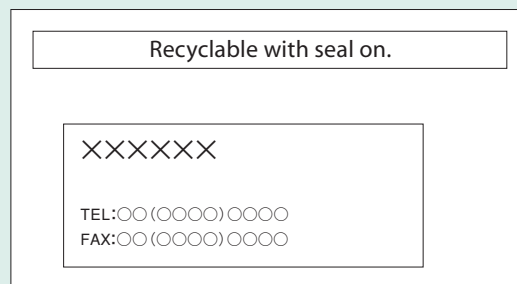
◎ **Japan Patent Office (JP)/Recycle Patent**

ApplicationName of invention

Electronic machinery

Effect of invention

According to this invention, material for the sheet-like portion consists of recyclable part and compatible thermoplastic resin. Therefore, if the part is crushed through a shredder, etc. with the sheet-like portion remaining pasted to the part, and melted by heating, characteristics of recycled part can be made so they will not be degraded.



Patent application disclosure number: Patent disclosure No. 2005-305978/Date of disclosure Nov. 4, 2005, Kyocera Mita Corporation 1-2-28 Tamatsukuri, Chuo-ku, Osaka

Green Procurement

To establish that the parts/material configuring the products are environment-friendly through an intra-company system, Kyocera Mita conducted surveys and measurement of chemical content according to the "Kyocera Mita Chemical Substance Management Standards" in compliance with the European RoHS Directive (restricting use of lead, mercury, cadmium, hexavalent chromium, polybiphenyl bromide, polydiphenylether bromide in the products) and other laws and regulations of the world and environmental label standards.

Measuring instruments used for the testing were as follows:

- ① Fluorescent X-Ray Analysis Machine* Qualitative and quantitative analyses of each RoHS Prohibited Substance
- ② Spectrophotometer for ultraviolet and visible region: Quantitative analysis of hexavalent chromium
- ③ Fourier-transform infrared spectrophotometer Analysis of PBB and PBDE
- ④ Handy type Fluorescent X-Ray Analysis Machine Qualitative and quantitative analyses of each RoHS Prohibited Substance



Handy type Fluorescent X-Ray Analysis Machine

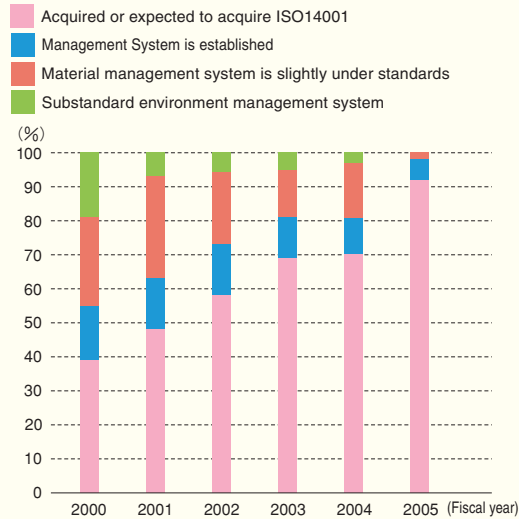
In consideration to promoting efficiency, a handy type Fluorescent X-Ray Analysis Machine was newly introduced to the Shilong Plant, China.

As a result, a total of about 16,000 items were tested on the parts and materials used for new models of Kyocera Mita at the Hirakata, Tamaki, Shilong-China and Kyocera Mita Hong Kong plants. Of those analysis machines, the handy type Fluorescent X-Ray Analysis Machine contributed to the acceleration of testing by having already completed more than 740 items.

Furthermore, auditing was carried out on chemical substance management by 72 suppliers mostly in China during FY2005, Audit will be continued in FY2006.

Regarding the "survey on the customers' environment management systems", which has been conducted since 2000, the survey results for FY2005 showed that more than 90% of the total number of customers have either acquired or are expecting to acquire ISO14001 certificates. We believe that this is the result of our down-to-earth efforts in enhancing the environmental management system together with our customers every year. In the future, we will strive to realize the acquisition by all our customers of the environmental ISO certificates.

● Transition of Environmental Management System at our customers



Green Purchasing

Thus far, each intra-company department on its own promoted the purchasing of the Green Purchasing Law compliant products. To handle this purchasing centrally for whole the Kyocera Mita Group, we prepared the "Green Purchasing Procedure", which sets the concrete flow to establishing the "Green Purchasing System." This system calls for purchasing approximately 330 recommended items basically for the products subjected to using the Green Purchasing items. Before the introduction, the Green Purchasing ratio for Kyocera Mita Group read about 70%. This ratio will be further improved upon introduction of the Green Purchasing System from April 1, 2006.

* Fluorescent X-Ray Analysis Machine

This machine analyzes element types and quantities included in a substance from wave length and intensity of character X-rays that are released by radiating X-rays into a substance.

Asbestos Measures

State of asbestos use in Kyocera Mita products and measures

Today, health hazards attributable to asbestos pose a social problem. Kyocera Mita investigated asbestos content in the products it manufactured and sold in the past. As a result, it was found that asbestos cloth and joint sheets were used as heat insulating materials for part of diazole blue printing machines (17 models) manufactured and sold during the period from 1981 through 1995.

Regarding 6 models using asbestos cloth, there is no hazard of flying asbestos during ordinary usage. However, there is the possibility of touching asbestos inside the machines while opening/closing their covers for maintenance. In this connection, Kyocera Mita explained about the asbestos used to all customers using the machine models in question and substituted the asbestos portion with non-asbestos parts. At present, substitution to non-asbestos parts has been completed for products in operation in the markets.

Collected asbestos members were appropriately disposed of by our recycle center.

Regarding 11 machine models that use asbestos joint sheets, asbestos is used as the packing when installing a heater to the tank. The sheet in question is completely covered with a stainless steel cover, which prevents customers from touching asbestos while using the machine. Kyocera Mita explained on its Home Page that users can continue to use those machines safely.

Furthermore, to dispose of asbestos members appropriately, Kyocera Mita has informed via the Home Page customers using the subject models that it will be responsible for recalling and disposing of them appropriately when they stop using them.



Diazo blue printing machine



Parts before replacement (containing asbestos)



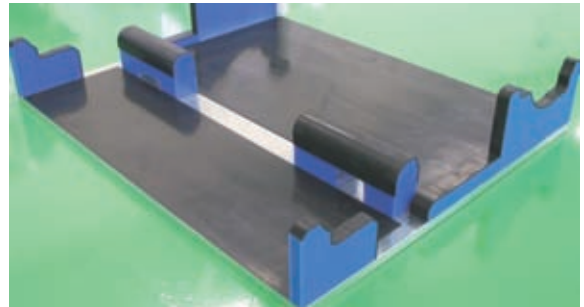
Parts after replacement

Production Innovation

Assembling process of the drum unit was improved through small group activities. Using a newly devised jig, mean work time was reduced by 24% contributing to the reduction of energy consumption per one unit of product assembled. This achievement was awarded the Most Excellent Improvement Prize in Kyocera Mita Group's WINNING JUMP activities that aims to improve business efficiency and customer satisfaction.



Small group team



Drum unit assembling jig

In conjunction with the startup of the Hirakata Plant, review was made on the conventional toner disposal process that produced a large volume of waste toner. A new formula was developed to reuse toner powder that used to be disposed of as waste. As a result, waste toner volume was reduced by about 80% compared with the conventional method.

Moreover, the new plant promoted full mechanization of toner handling from the weighing of toner material to the storage of completed product. Particularly in the toner filling process, a container (for filling toner) assembly robot was developed as part of the mechanization plan. Thus resulted in the improvement of individual worker's productivity by about 2.5 times, and the reduction of energy consumption used during production.



Automatic raw material weighing machine



Container assembling robot



Operation state supervisory panel



Automated storage system for completed product

Resource Recycling System

Manufacturing, sales and service companies have responsibility to recover used products, reuse reusable products and thoroughly recycle non-reusable products in order to reduce environmental load. Kyocera Mita promotes recovery, reuse and recycle of used products, and will create more environment-friendly products by analyzing data that has been gathered.

Recycling system of used products

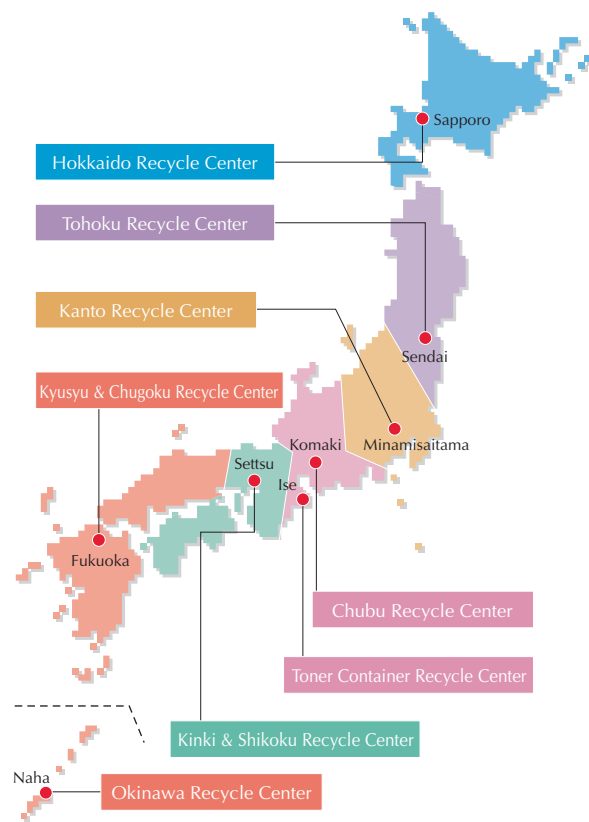
We divide Japan into 7 blocks, each block having a recovery and a recycle center. Used products and consumables are recovered from the customers and taken to the nearest Kyocera Mita recovery center. The company aims at reducing the environmental load by reducing energies spent on transportation.

The product is transferred to the recycle center after researching its production history and status of use by customers at the recovery center.

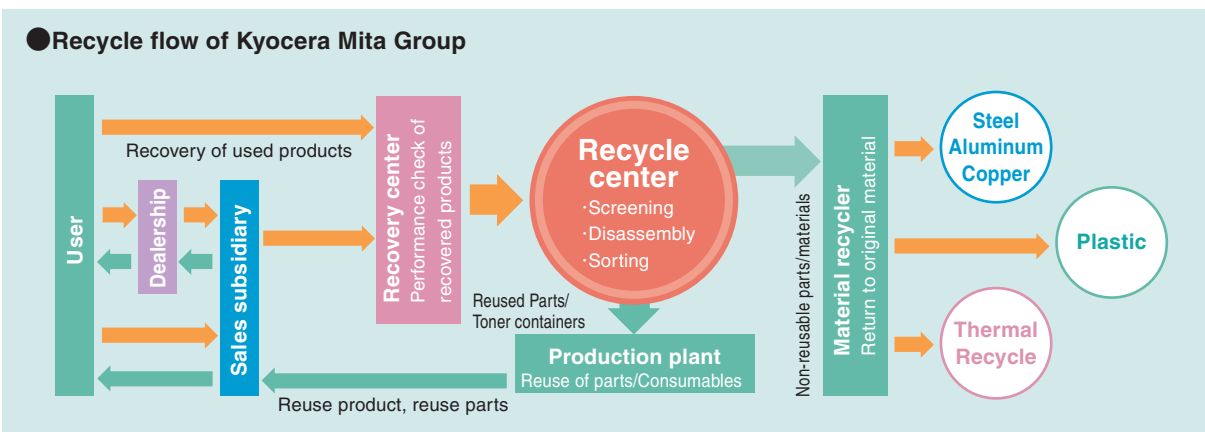
At the recycle center, reusable parts and toner containers are recovered separately from the used product, and returned to the dedicated production plant and regeneration lines to be reborn.

Wide area recycling approval was granted Kyocera Mita Corporation and subsidiary Kyocera Mita Japan from the state ministry for the environment in December 2004. This service was launched in fiscal 2005 to positively recover used products for reuse. Wide area recycling approval is a special exception defined to promote recycling of waste based on the Waste Disposal Law. Product manufacturers and dealers apply for it, and can recover and recycle their used products for value by getting approval of the state minister for the environment.

●Kyocera Mita Recycle Center



●Recycle flow of Kyocera Mita Group



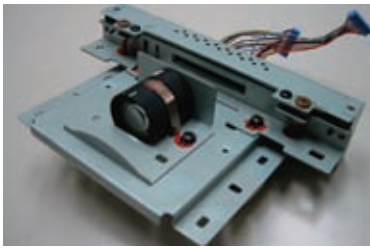
Resource Recycling System

Recycle of used multi-function machines

Kyocera Mita separates reusable parts from recovered multi-function machines and reuses them for servicing. The condition of the recovered machine is carefully checked, and reusable parts are selected. Detached parts are carefully cleaned and inspected against strict quality controls before being provided as service parts.

●Parts reused from recovered machines (number of units)

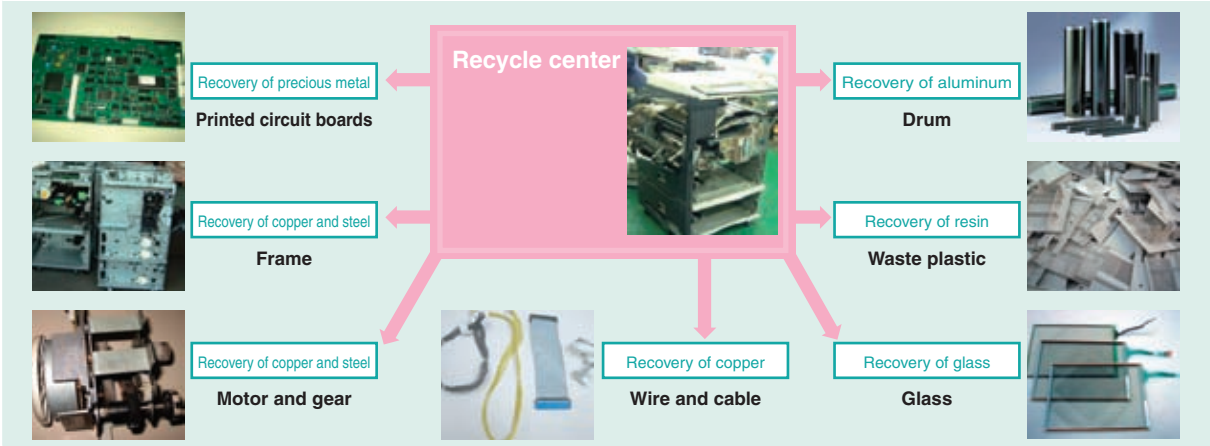
	Plastic parts	Printed circuit boards	Electronic devices	Others	Total
FY2004	60	827	129	91	1107
FY2005	178	1080	483	49	1790



For example, toner, plastic as well as iron, aluminum and copper are being recycled as materials. Valuable know-how and data on reuse and resource recycle provided by disassembling are added to Kyocera Mita Eco-friendly Design Standards, and will be used for the next product.



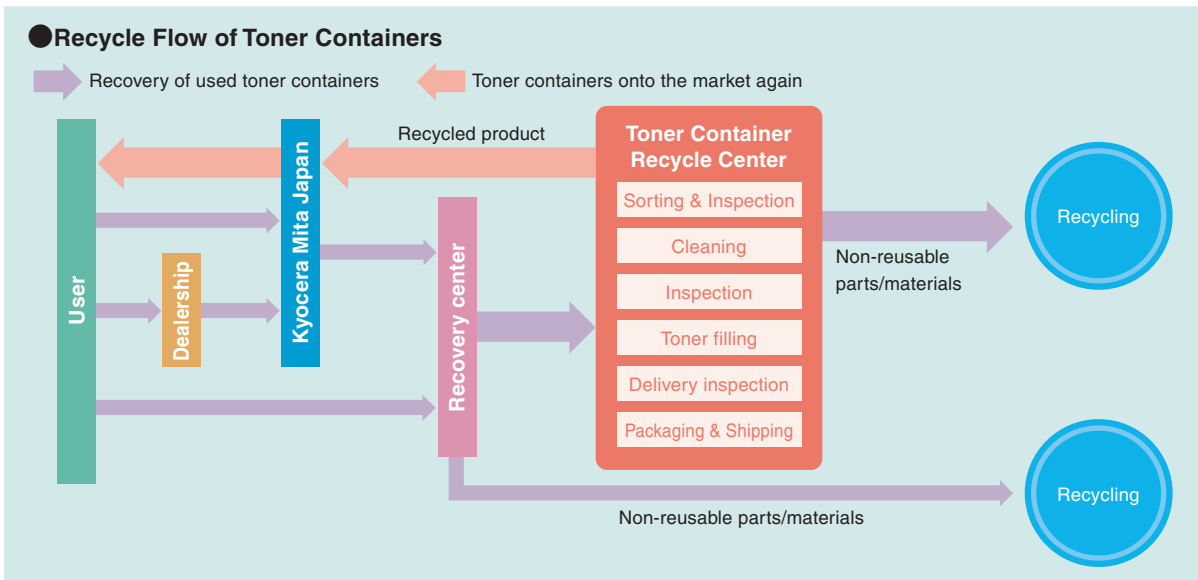
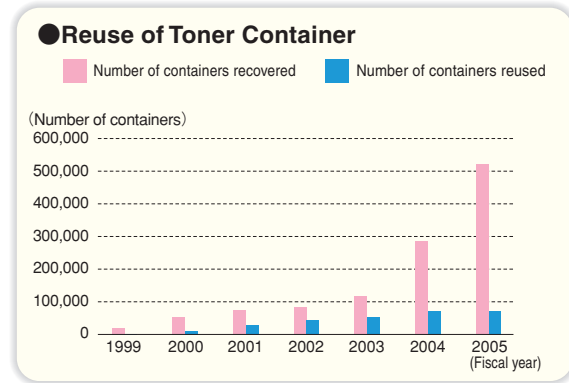
Examples of disassembly and recycling of used multi-function machines recovered



Recycling of Toner Containers

Kyocera Mita reviewed the recovery of toner containers since 1998 and positively worked on their recovery and recycling since 1999. With recovery increasing, it built recovery points at 7 locations in Japan in 2004 where the reusable was separated from the non-reusable. Only the reusable was forwarded to the recycling plant to turn out recycle product. Non-reusable items are materially recycled or thermally recycled so that 100% of the available resources are recycled in one way or another. 72,102 containers of 10 types were

recycled in fiscal 2005. We reduced the use of new plastic materials by 28.9 tons.



Inside view of a recycling plant



Recycled reuse container

Data security of multi-function machines

Hard disk drives detached at its disassembly are destroyed to prevent information from being reused and leaked from recovered multi-function machines. A certificate of disassembly and disposal is issued to customers as necessary.



HDD destruction device



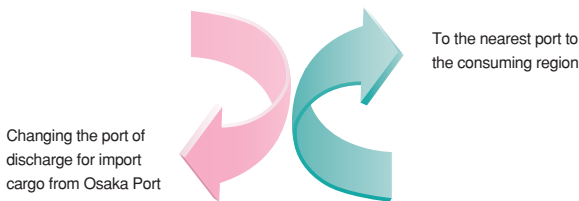
Destroyed HDD

Green Logistics

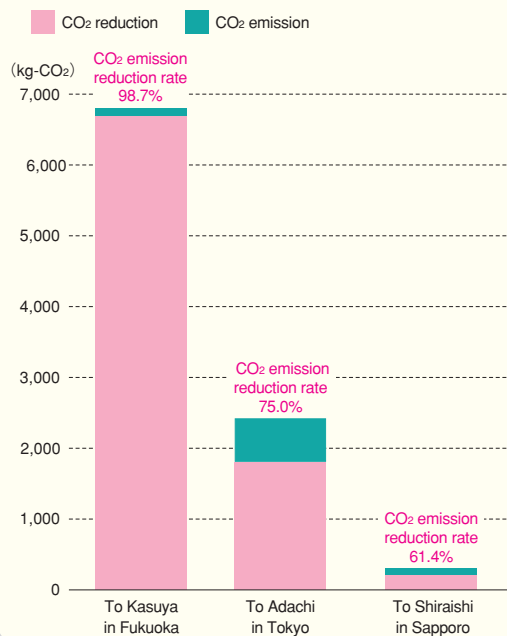
In its business activities concerning the green logistics, Kyocera Mita works on CO₂ reduction and energy conservation according to the environmental action plan formulated as measures for the "Implementation of the Global warming Prevention Activities" and "Compliance (with the revised Energy Saving Law, etc.)."

1 CO₂ Reduction by Modal-Shift

CO₂ released during transport between logistics bases is reduced by delivering cargo from a port near the consuming region.



Record of CO₂ reduction through modal-shift (Jan. through Mar. 2006)



2 CO₂ Reduction by Modal-Shift

CO₂ emission is reduced continually by adopting environment-friendly railway transportation between logistics bases instead of automobile transportation.

3 Improvement of transport efficiency and introduction of energy-saving transportation

- (1) Energy Conservation through Improved Loading Ratio**
Loading ratio was increased by selecting optimal transportation means (mixed loading or chartered) for the cargo.
- (2) Energy Conservation through Planned Transportation**
Number of service was reduced by changing the sequential shuttle service to scheduled service. Cargo volume per one transport service between the basic point warehouses was increased to reduce the number of services in return.
- (3) Energy Conservation through joint pickup service**
Improved loading ratio and reduced shipping vehicle numbers were attained through joint pickup service from respective energy-saving cooperation companies.
- (4) Introduction of low-emission vehicles for business operation use**
Low-emission vehicles (reducing emission by 50% than the emission standard for 2005) were introduced for business operation. Additionally, energy-saving vehicles (3-wheeled motorbikes) have been introduced to reduce fuel consumption of business and service vehicles.
- (5) Introduction of low-noise vehicles**
2002 noise control vehicles and energy-saving vehicles were introduced.



Plant/Office Environmental Activities

Along with the group-wide environmental activities, each of Head Office, the Hirakata Plant, the Tamaki Plant, the Yoga Office, Kyocera Mita Japan and Daiken's plants and offices created their own environmental protection activities.

Kyocera Mita Group Activities

1 Kyocera Mita Sustainability Report meeting

Hirakata Plant

The sustainability report meeting was first held on August 2. This was held to introduce our business, and social and environmental activities, and to improve them by getting representatives' opinions from the regional communities, customers and the administrative offices. A total of 38 people participated in the session. The participants consisted of local area leaders, principals of grammar, junior and high schools in the region, Master of the Kita Osaka Labor Standards Inspection Office, President of the Kita Osaka Chamber of Commerce and Industry, Director of the Hirakata Public Employment Security Office, Master of Hirakata Police Station, representatives from municipal offices, a member of Osaka Prefectural Assembly, representatives of the Environment, Agricultural, Forestry and Fisheries Dept. of Osaka Prefecture and representatives from corporate customers. Executives of the company first explained the management rationale of Kyocera Mita Group, introduced the Group's sustainability activities and outline of the Hirakata Plant and its sustainability activities. They visited the production lines for color multi-function machines, the automated drum production line and the centralized control room in the newly built toner plant. Before closing the meeting, the ward mayor for Tsuda commended that the plant is neatly arranged and the employees are thoroughly trained. He said that he was particularly impressed by a slogan posted in the plant that stated "This one unit of machine speaks about Kyocera!" He said that he felt every employee was seriously engaged in building up individual units of product. He expressed his appreciation for our routine contribution activities for the communities such as adopt cleaning activities, etc. He expressed his hope that this corporation will develop hand-in-hand with the local communities.

Tamaki Plant

This plant held 2nd sustainability report meeting after the preceding year. A total of 33 people participated in the session. The participants consisted of local area leaders, members of the Tamaki Town Council, the Tamaki town mayor, the Tamaki deputy mayor, the superintendent of education, an official of the Ise Labor Standards Supervision Office, the Ise Public Employment Security Office, a member of the Mie prefectural assembly, a representative of the Department of Environment Protection and Department of Agriculture, Forestry and Fisheries of Mie prefecture and representative people from local suppliers. According to the questionnaire made after the report meeting, 64% highly evaluated and 36% favorably evaluated Kyocera Mita's environmental protection activities. Many other opinions and requests were received, which are being reflected in our later activities.



2 Cool biz / Warm biz

In cooperation with the governmental activities for the global warming prevention, Cool Biz and Warm Biz were implemented for all the group.

◎Cool Biz

Thorough observance of room temperature setting at 28°C for the period from Jun. 14 through Sept. 30
Eco-style in the summer (Casual wear with no tie)

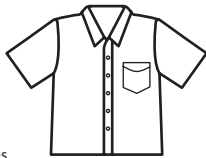
◎Warm biz

Thorough observance of room temperature setting at 19°C for the period from Dec. 1 through Mar. 31

Kyocera Mita Eco-style campaign in practice

COOLBIZ

Room temperature setting at 28°C
Casual wear (with no tie)

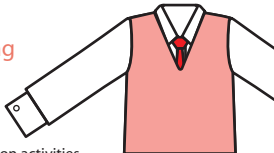


Promotion of global warming prevention activities
Implementation period: Tuesday June 14 to Friday Sept. 30

Kyocera Mita Warmbiz in practice

WARMBIZ

Room temperature setting at 19°C
Casual wear (with no tie)



PPromotion of global warming prevention activities
Implementation period: Tuesday Dec. 1 to Friday Mar. 31, 2006

3 Black illumination 2005

Eight neon sign boards on the Head Office, the Hirakata Plant and the Kyocera Mita Japan Head Office were turned off during the nights of Jun. 19 and Aug. 11 to 16.



Turn off the sign boards (Hirakata Plant)

4 Environmental safety 5S patrol

During the environmental safety month of June, environmental patrol was implemented by the Office Manager, who inspected the company's environmental activities. In addition, in December and March 2006, similar patrol was conducted at the Shilong Plant, China, the Kyocera Mita Hong Kong and the Daiken Shilong Plant, starting the global environmental safety activities.



5 Cleanup Activities

At the plants and offices, cleaning activities of the surrounding areas were held following the same activities of the preceding year.

Participation to the "Clean Osaka 2005 - Simultaneous cleaning of Osaka City" activities

Approximately 100 employees from the Head Office participated in cleaning activities of sidewalks and nearby parks in the surrounding areas of the Head Office in cooperation with the annual Clean Osaka

campaign in November that calls for simultaneous cleaning of Osaka City. Including the "Clean Osaka" campaign, our volunteers implemented the cleaning activities four times a year with our wishes to be a company rooted in the community in joint effort for creating clean townscape.



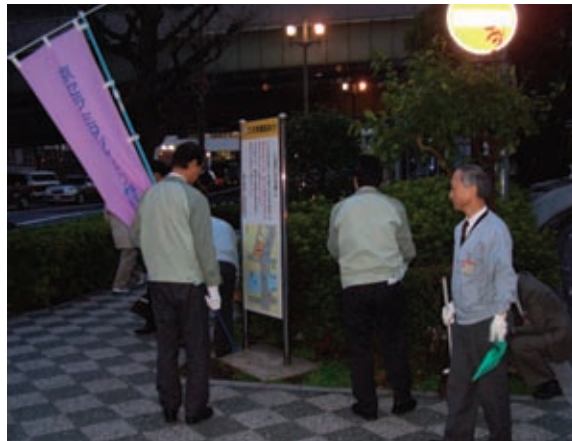
Participation to "Adopt Program"

The Hirakata Plant has participated in the "Adopt Road Program" and "Adopt River Program" since 2004 to clean up the streets from the plant to JR Fujisaka station and the left side bank trail of Hotani River along the plant (4 times a year). We cleaned up the Hotani river (Michihobashi bridge) on a holiday in March 2006.



Metropolitan Chuo-ku (ward) Cleanup Day

The Headquarters of Kyocera Mita Japan took part in the Chuo-ku Cleanup Day activities, organized by the Chuo Ward, Tokyo, to clean up the famous "Nihon Bashi bridge" and the surrounding areas.



Activities by other plant and office

The Tamaki Plant, the Yoga Office and Daiken carried out their area cleaning activities.



5 Emergency drill

At the plants and offices, they handle equipment, organic solvents and wastes. While we carry out our operation carefully according to the equipment management procedure, chemical substance management procedure and waste substance management procedure to prevent adverse impacts on the environment. If an unexpectedly emergency should occur, however, our duty is to keep resulting damages to a minimum.

Accordingly, we held an emergency drill to minimize the spread of adverse impact to the environment in the case a leakage of organic solvent should occur. This emergency drill is periodically held. Our emergency response system consists of preventive and aftermath procedures.

Hirakata Plant



Envisioned emergency: Abnormal flowout of cooling tower water



Envisioned emergency: Waste liquid flowout from the specially managed industrial waste storage

Tamaki Plant



Envisioned emergency: Abnormal flowout from a purifying tank

6 Kansai Eco-Office Declaration

The Head Office, the Hirakata Plant, the Tamaki Plant and Daiken registered to the "Kansai Eco-Office Declaration" campaign as organizations to carry out resource conservation activities according to the Kyoto Protocol. They have declared themselves as the earth-friendly offices and implemented the global warming prevention activities.

- ◎ Purchase energy saving devices and green products.
- ◎ Promote idling stop campaign and use of public transportation.
- ◎ Develop environmental-friendly products, and increase their demands.



Plant and Office environmental activities of their own

1 Head Office

Eco-drive

It has been conventionally reducing the vehicle fuel consumption as one of the environmental protection activities. During fiscal 2005, it registered itself as an "Eco-drive practice company" in one of the environmental protection activities advocated by Osaka Prefecture. The Head Office makes positive efforts in improving the employees' environment-consciousness. To implement environment-friendly "Eco-drive" beside safety drive of course, the Office holds in-house lecture meetings and adheres an Eco-drive sticker to the company vehicles.



2 Hirakata Plant

Introduces solar energy generator system

In January 2006, the plant introduced a new energy system using the solar power generator. This system can reduce CO₂ emissions that cause the global warming phenomenon by 25 tons a year. Generated energy is connected to the plant transformer station with the solar energy generator system power conditioner to feed power and lighting to the plant. Energy generation state is indicated on the panel, enabling to check generation level.



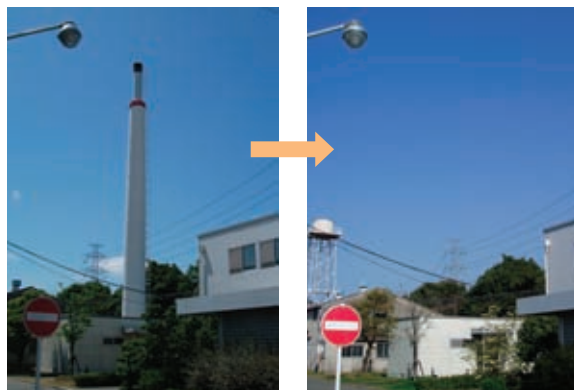
Panel indicating the level of power generation at this moment



Logistics center equipped with the solar energy generator system

A clean energy plant without smokestacks (Conversion from fuel oil energy to gas energy)

At the Hirakata Plant, fuel oil boilers were used for many years as the heat source for the air conditioning, which was replaced with a clean energy gas system to reduce CO₂ emission. Changeover to gas fuel from fuel oil results in reducing annual CO₂ emission by about 63% of 328 tons a year.



View before removing a smokestack of a fuel oil boiler

View after removing a smokestack of a fuel oil boiler

Introduction of compression machine to reduce compressed volume of wastes

Waste corrugated fiberboards and plastic film from the Hirakata Plant have very large volumes when compared to their weight, requiring large amounts of storage space. To solve this problem, a compression machine was introduced to reduce the volume of waste, subsequently reducing the waste material storage space and preventing their scattering, ultimately promoting efficiency of waste recovery and transportation.



Compression machine in operation



Compressed corrugated fiberboards



Compressed waste plastic film

Introduction of energy-saving lighting apparatus

Lighting of the plant buildings was changed to an energy-saving type to promote power saving. In addition, the new lighting system has better lighting efficiency, enabling thinning-out of lighting. As a result, reduction effect on the annual energy consumption reads about 70,500 kwh with enhanced lighting efficiency of 20%.



Newly introduced energy-saving lighting apparatus



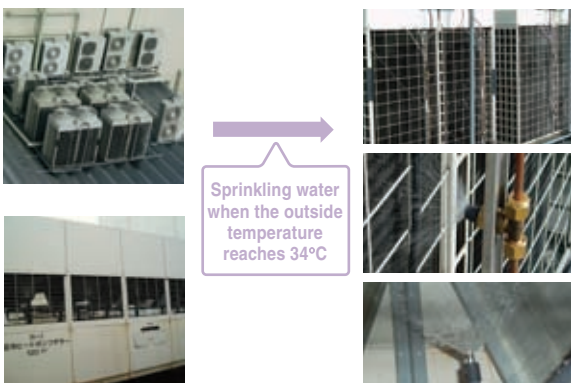
Thinned-out lighting

3 Tamaki Plant

Reduced power consumption using water-cooling function of outdoor unit of air-cooled type air conditioner

The outdoor unit of the air conditioner was provided with the water sprinkling function that starts operating when the outside temperature reaches 34°C and higher during daytime peak temperature period in the summer season. This suppressed high power consumption due to high-load operation of the outdoor unit. The outdoor unit continued low-load operation to reduce power consumption. This resulted in lowering the load to the air conditioner during daytime, contributing to the annual power saving of about 18,000 kwh.

Water-cooling function added to the outdoor unit of the air conditioner



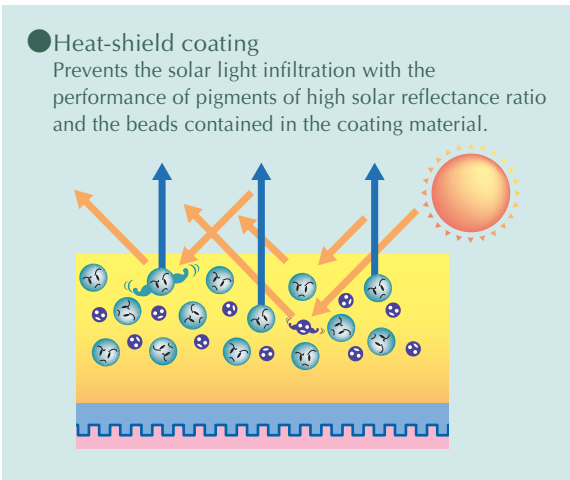
Power consumption reduced by 18,149 kwh/year

Reduced power load to air conditioner with implementation of heat shield coating to the plant roofs

Heat-shielding coating was provided for the roofs to prevent heat infiltration from the plant roofs. This resulted in reducing the temperature rise of the folded-plate roofs from the sunlight, which suppressed emission of radiation heat from the roofs, reduced load to the air conditioner subsequently reducing power consumption. The effect is power reduction of about 12,600 kwh/year.

Implementation of heat-shield coating to the plant roofs

Reduction of power load to the air conditioner



● Heat-shield coating
Prevents the solar light infiltration with the performance of pigments of high solar reflectance ratio and the beads contained in the coating material.

● Temperature after coating
Roof surface temperature: Reduced by 15 to 25°C
Room temperature: Reduced by 4 to 6°C

Reuse of industrial wastes

The plant continued working on reusing industrial wastes as recycle plastic products.



Reuse as the jack base

Local Activities

1 Tamaki Plant

Participation to the fall fire prevention campaign

The Hirakata Plant participated to the fire prevention campaign held in front of the Kuzuha station of the Keihan Electric Line sponsored by the Hirakata Fire Prevention Association and the Hirakata Higashi Fire Station on Sunday, November 13. This campaign was intended to give citizens an opportunity to think about the concept of "Beware of fire" and "Self-imposed fire prevention activities." The Hirakata Plant built a booth on the campaign site where photographs were taken of the visitors in front of a compact fire engine and red-painted motorcycle. The photos were immediately printed on to a calendar and given away to them as the memento. Although the event was only open for one and a half hours in the morning, a number of citizens stated their appreciation of the Hirakata Plant's idea of photography in front of the fire engine and red motorcycle and the prompt printing of photographs on to the calendars as such photos are rarely taken. Many people gathered in front of the station as it was a holiday. Our booth was visited by 129 pairs of people within an hour and a half and total number of prints distributed was



Presentation of a certificate highlighting a record of 400 days without an accident by Kita Osaka Labor Standards Supervision Office

As a result of daily safety and health prevention activities, the plant continually upheld the record of having no accidents. It managed to achieve 400 successive days without an accident since November 2004. As a result, the plant was presented with a certificate noting its record length with no accidents by the Labor Standards Supervision Office. We are determined to continually build up the plant where employees can enjoy working and the people of the communities can trust it as a safety- and eco-minded plant.

Global warming prevention activities televised by a local cable TV station

Hirakata City provides a cable TV program "I want to know about this on Hirakata City." The city authorities decided to broadcast a carbon dioxide suppression activities by the citizens, enterprises and administration. In this connection, the Hirakata Plant was visited for coverage of activities by the enterprise.

The TV coverage included the turning out room lighting, and temperature management in the plant and office, coolbiz activities, lights-out on the plant production lines during daytime hours, production of environmental products, greening activities, introduction of a new toner wastewater treatment device that drastically reduces waste and other activities the plant is engaged in to protect the environment. This program was broadcast for 4 weeks, twice a day (on Saturdays and Sundays) in July.



Implementation of general life-saving workshop

The plant held a "general life-saving workshop" with the cooperation of the Hirakata Higashi Fire Station on Jan. 24, 2006. The purpose of this workshop was to cooperate in assisting injured people and deploying first-aiders capable of providing appropriate first aid promptly if an accident requiring emergency treatment should occur either inside of outside the plant.

In addition, to further expand the first-aid capability, the plant trained in February two instructors who is qualified to make propagation and guidance on the general first aid workshop to



Cooperation for "Integrated Study" at Tsuda Junior High School

On Jan. 20, 2006, Hirakata City-run Tsuda Junior High School had the "Integrated Study" program under which first year students visit each enterprise in small groups to study about the themes of environmental and welfare problems. They will present their findings later at the school. The Hirakata Plant was visited by the "Environment Team" on January 20, 2006. We assisted them by explaining the methods of waste sorting and disposal and the posture of the plant to the environmental problems.



Explaining the disposal method to the junior high school students from the near by school at the industrial waste storage.

Participation to "Grand Operation Kurawanka Water Sprinkling"

This plant participated to the "Grand Water Sprinkling Operation to lower the mid-summer temperature by 2 degrees" sponsored by Hirakata City and backed by Osaka Prefecture. The plant participated to the counter-heat campaign by sprinkling water from the water reservoir for fire-fighting on the road surfaces in the plant premises.



Hirakata City Environmental Activity Prize

The "Hirakata City Environmental Commendation" was established to commend individuals, organizations or enterprises that have been developing actual environmental protection activities in Hirakata for a long period. Candidates for the commendation are applied through the presenters and decided by Hirakata City authorities by deliberation. The Hirakata Plant was recognized for its continual area cleanup activities mainly through the Adopt program and awarded the "Hirakata City Environmental Activity Prize." The prize awarding ceremony was held at the 8th Hirakata Eco-Fair 2005 on Sunday, November 20.



Hirakata City Environmental Activity Prize

2 Tamaki Plant

Communication

This plant was introduced to the Ise Area Manufacturers Safety and Health Council as the high-rated safety and health management company by the Ise Labor Standards Supervision Office. People from the Council visited this plant. On the day of their visit, they were accompanied by the Director of the Labor Standards Supervision Office who also serves as a special advisor to the Association, Managers from Sections No. 1 and 2 and the supervisor. We explained about the outline of this plant, our safety, health and environmental activities and led them to the guided tour of the plant lines. We received enthusiastic questions on our OHSAS18001 activities. Some visiting members requested more detailed explanation from us at a later date. We believe that we could offer assistance to the Standards Supervision Office, which is promoting guidance for the introduction of the labor safety management system, and those corporate members of the Council who are planning to introduce the system.



Eco-Business Seminar

Eco-Business Seminar was held by Mie Prefecture where the Tamaki Plant is located. The Seminar intended to introduce the method of creating environment protective business and of developing such business and showing actual examples. The Tamaki Plant Manager participated to this seminar as a panelist representing a successful environment-friendly enterprise in Mie prefecture. We believe that we could help enlighten people about eco-business through participation in the present seminar by erasing, if only to a small degree, the deep-rooted negative images held by communities about environment-friendliness as a cost-increasing factor.



Environmental Activities at Overseas Business Sites

1 Shilong Plant, China

The Shilong Plant in China plays a role of Kyocera Mita's main plant, whose products are exported to the world including Europe. During fiscal 2005, the plant reviewed the in-house production rule to comply with the RoHS Directive. They completed the changing of their production system, under which no parts containing toxic substances would be shipped to European markets by mistake.

The fundamental thing to do for every employee of the plant to achieve this is to observe the rule of the plant. Therefore, the plant taught all the employees (from managers to general workers and clericals) the requirements of RoHS and the importance of observing the rule of respective workshops as the training and education program on the general knowledge on RoHS. This training and education program started in Jan. 2006 and the RoHS education has been completed for all the employees of about 6,000 persons. The system is designed to check whether this rule is truly being observed or not at the time of internal audit of ISO9001. We are determined to continually make improvement as a plant that can meet the environmental protection requirements of each country with individual employee observing the fundamental rule as learnt.

In August, the plant introduced an energy-saving type conveyor system.



Site of RoHS training

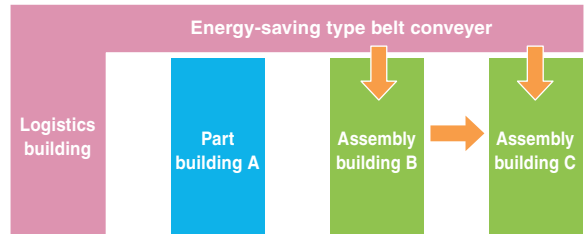
This conveyor packs necessary parts for assembling one unit of product into a container within the logistics building and then transports the container to the assembly line in a separate building. The conveyor runs a total distance of about 2 km. Several containers are stuck into one (1) kit. Conveyance capacity is 900 kits per hour, and one kit is conveyed per 4 seconds.

The currently adopted conveyor is an energy-saving type, which automatically stops the conveyor drive if the container fails to arrive after 3 minutes has elapsed. It also stops running in the case

the downstream side becomes full and no more containers can be accepted.

In addition, consideration is given to productivity. A sensor is provided to a point immediately before the container enters the conveyer. When it arrives at that point, the conveyer is automatically started.

Moreover, during the breaks in the morning and afternoon and lunch time, the conveyer is turned off for another energy-saving consideration.

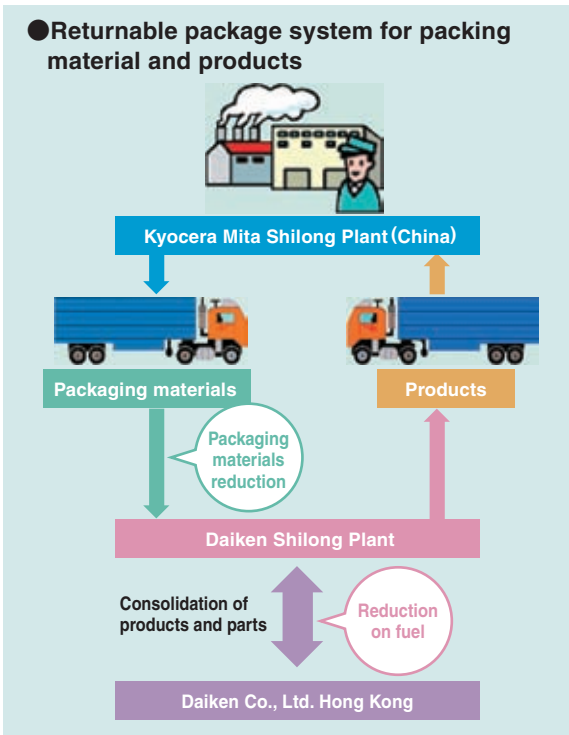


Conveyor

2 Daiken Shilong Plant

Since a one-way type packing cases were used for shipping Daiken Shilong Plant products to Kyocera Mita's China Shilong Plant, packing cases and blister, etc. were purchased for each shipment. To reduce this packing material purchases, returnable package system was adopted between the Daiken Shilong Plant and Kyocera Mita's China Shilong Plant. Other customers have adopted the returnable package system one after the other.

As part of CO₂ reduction activities, product/parts shipping items are being consolidated between the Daiken Shilong Plant and Hong Kong. This reduces the shipping frequency and fuel consumption.



3 **Kyocera Mita South Carolina Plant (KMSC)**



Kyocera Mita South Carolina Plant



Civitan Rehabilitation Workshop

The Civitan Rehabilitation Workshop, the facilities for the handicapped people was established in 1958 by the Spartanburg Civitan Club. The facilities provide job for the handicapped people. KMSC entrusts the people of this workshop with label and sponge pasting work to the KM-3035 and FS-9510DN and other toner recovery tanks in support of the physically and mentally handicapped persons.

The employees have frequent exchanges with the regional communities. One of the employees, James gave guidance to the local high school students as the leader of the team participating in a robotech (robot engineering) contest.

High school students build up their own robots and the teams compete to be the winner of the game

which changes each year. Students designed and built a robot capable of lifting a load of about 55 kg in six weeks. James continued providing guidance to the teams competing at a national level for two years.



Group cooperation activities by KMSC employees

- ① United Way
- ② American Red Cross
- ③ Witin Center
(Assistance to special care and handicapped people)
- ④ Boy Scout and Girl Scout
- ⑤ Meals on Wheels
(Meal delivery to the sick and bedfast elderly people)
- ⑥ Toys for Tots
(Provides toys for under-privileged children during the holidays (Christmas))
- ⑦ Ride for Child
(Contribution for the prevention of child abuse by the bike devotees' organizations)
- ⑧ Adopt Highway Association/State Program
(Removes waste from the bywalks and keep the roads clean)
- ⑨ Gift of Life Trust Fund
(Donation of internal organs and cells and fund)
- ⑩ Curbside drop-off recycling
(Recycling of domestic waste paper, plastic and aluminum cans)
- ⑪ Boys Home of the South
(Orphanage for boys under the age of 18)
- ⑫ Shelters for female victims of DV(domestic violence), and for homeless people
- ⑬ Rape Crisis Center
- ⑭ Literacy Association
(Individual education for children and adults <ESL, etc.>)
- ⑮ South Carolina America-Japan Society

Environmental Activities at Overseas Business Sites

4 Kyocera Mita UK

Kyocera Mita UK continued to manage "Green Card Program", an environmental information network providing various information concerning environmental matters to Kyocera Mita customers and related dealers. The number of members of Green Card Program has already exceeded 3,000. This program supplies customers with information on the importance of environmental activities, various environment-related laws and regulations, Kyocera Mita Environmental Charter, product information, etc.

Also in close tie-up with trade circles and various organizations promoting the green business, Kyocera Mita UK was active in promoting and improving this environmental network as more valuable project. Kyocera Mita UK forwarded environment-related newsletter monthly to the program subscribers. It implemented green planting activities supported by donation from each subscription member.



5 Kyocera Mita Europe Group

Kyocera Mita Europe Group donated funds to the WWF (World Wildlife Fund). A donation to the WWF will be spent on protecting wild orangutans facing extinction on the island of Borneo.

Kyocera Mita Spain continued to contribute to an NCO helping children of terminal cancer patients.

6 Kyocera Australia

Kyocera Mita Australia took part for 4 years in succession in the cleanup activities of Brush Farm Park held on February 28th, 2006. This cleanup activity is part of environmental protection and safety improvement activity named "Business Cleanup Day" for enterprises, which Kyocera Mita has co-sponsored as an official supporter for 4 years. Throughout their activities over the last 4 years, Kyocera Mita employees and their family members greatly contributed to cleaning up the park. As a result of these activities, where more than 19 waste containers used to occupy the space, all of them has been removed and replaced by animals and plants unique to this region, which were close to extinction.



7 Kyocera Mita Taiwan

A Green Mark Exhibition was held at the Environmental Protection Office, Taipei City Executive Branch in Taipei on December 22, 2005 by inviting domestic manufacturers of environmental protection products.

Kyocera Mita Taiwan participated to the Green Mark Exhibition by exhibiting a medium-speed multi-function machine KM-4035 and other own products. It explained the company "ECOSYS Concept" to the visitors.

Officials from the Environmental Protection Office are very enthusiastic in giving guidance to visitors from domestic enterprises about the importance of environmental protection activities. This exhibition was held to publicize the Green Mark rationale to the people of this nation. In recent years, people's environmental protection-consciousness has been rising and respective enterprises now carry out their environmental protection activities. Kyocera Mita Taiwan in particular sells products manufactured with environmental protection in mind. It participates positively in social contribution activities and is regarded as the model for other enterprises. Taiwan government has assessed them as an excellent manufacturer and their activities were introduced in a magazine (the PC Office).



The PC Office magazine

Data by factory site

Hirakata Factory

● Air quality-related

Item	Facility name	Regulation value	Actual measurement value		
			Average value	Max. value	Measurement frequency
Smoke dust (g/Nm ³)	Heavy oil boiler 3TON	0.15	0.011	0.011	Once/year
	Heavy oil boiler 5TON	0.15	0.027	0.027	Once/year
	Gas boiler No1	0.05	0.0048	0.0048	Once/year
	Gas boiler No2	0.05	0.0064	0.0064	Once/year
NOx (ppm)	Heavy oil boiler 3TON	180	49	49	Twice/year
	Heavy oil boiler 5TON	180	41	41	Twice/year
	Gas boiler No1	150	16	21	Twice/year
	Gas boiler No2	150	20.5	21	Twice/year
SOx (Nm ³ /h)	—	—	—	—	—
	—	—	—	—	—

● Air quality-related/total exhaust loading (Unit:ton)

Item	Total exhaust loading
NOx	0.47*
SOx	—

*Nox reduction by removal of heavy oil boilers

● Environment performance

Item	Usage/exhaust
Electric energy usage (kwh)	17,207,665
Fuel usage (LPG, heavy oil Al (kℓ) (In terms of crude oil)	412
Water usage (m ³)	99,162
Industrial waste exhaust (kg)	528,319
Displacement volume(m ³)	99,162

● Water quality-related

(Unit:mg/ℓ)

Item	Wastewater quality standard for life environment items	More stringent prefecture effluent standard	Actual measurement value		
			Average value	Max. value	Measurement frequency
Hydrogen-ion concentration (pH)	5.8~8.6	5.8~8.6	7.43	7.70	Once/year
Biochemical oxygen demand (BOD)	160	35	6.18	9.90	Once/year
Chemical oxygen demand (COD)	160	35	4.98	10.60	Once/year
Suspended matter mass (SS)	200	70	2.97	5.20	Once/year
Normal-hexane extracts mass	5	4	1.10	1.40	Once/year
Phenolic content	5	—	0.50	0.50	Twice/year
Copper content	3	—	0.04	0.04	Twice/year
Zinc content	5	—	0.07	0.08	Twice/year
Soluble iron content	10	—	0.10	0.10	Twice/year
Soluble manganese content	10	—	0.02	0.02	Twice/year
Coliform bacteria count (piece/ℓ)	3000	—	0.00	0.00	Once/year
Nitrogen content	120	60	5.87	6.92	Twice/year
Phosphorus content	16	8	0.66	0.81	Twice/year
Chrome content	2	2	0.02	0.02	Twice/year

● Water quality-related/total exhaust loading (Unit:ton)

Item	Total exhaust loading
Chemical oxygen demand (COD)	0.49
Biochemical oxygen demand (BOD)	0.61
Nitrogen	0.58
Phosphorus	0.07

● Soil contamination-related

(Unit:mg/ℓ)

Item	Regulation value	Analytical value (Soil)	Analytical value (Groundwater)
Cadmium and other chemical compounds	Cadmium0.01	—	—
Hexavalent chromium compound	Chromium hexavalent0.05	—	—
Simazine	0.003	—	—
Cyanogen compound	Cyanogen must not be detected.	—	—
Thiobencarb	0.02	—	—
Carbon tetrachloride	0.002	—	—
1·2-dichloroethane	0.004	—	—
1·1-dichloroethylene	0.02	—	—
Cis-1·2-dichloroethylene	0.04	—	—
1·3-dichloropropene	0.002	—	—
Dichloromethane	0.02	—	—
Hydrargyrum and its chemical compounds	Hydrargyrum must be 0.0005mg/ℓ or less and alkyl mercury must not be detected.	—	—
Selenium and its chemical compounds	Selenium0.01	—	—
Tetrachloroethylene	0.01	—	—
Thiuram	0.006	—	—
1·1·1-trichloroethane	1	Must not be detected.	—
1·1·2-trichloroethane	0.006	—	—
Trichloroethane	0.003	—	—
Lead and its chemical compounds	Lead0.01	—	—
Arsenicum and its chemical compounds	Arsenicum0.01	—	—
Fluorine and its chemical compounds	Fluorine0.8	—	—
Benzene	0.01	—	—
Boron and its chemical compounds	Boron1	—	—
Polychlorinated biphenyl (PCB)	Must not be detected.	—	—
Organic phosphorous compound (Limited to parathion, methyl parathion, methyl gymento, and EPN)	Must not be detected.	—	—



● PRTR object substance

(Unit:ton)

Object substance No.	Substance name	Transaction volume	Exhaust		Displacement Waste material	Recycle volume	Removal volume	Consumption
			Air	Water district				
346	Molybdenum and its chemical compounds	0.00075	—	—	0.00007	—	—	0.00068
68	Chrome and trivalent chrome compound	0.00020	—	—	0.00002	—	—	0.00018
253	Hydrazine monohydrate	0.00677	0.00677	—	—	—	—	—
307	Polyoxyethylene-alkyl ether	0.00351	—	0.00243	0.00108	—	—	—
309	polyoxyethylene-nonylphenyl ether	0.01989	—	0.01377	0.00612	—	—	—
230	Lead and other chemical compounds	0.00101	—	—	—	—	—	0.00101

Tamaki Factory

● Air quality-related

Item	Facility name	Regulation value	Actual measurement value		
			Average value	Max. value	Measurement frequency
Smoke dust (g/Nm ³)	NA	—	—	—	/year
	—	—	—	—	/year
	—	—	—	—	/year
	—	—	—	—	/year
NOx (ppm)	NA	—	—	—	/year
	—	—	—	—	/year
	—	—	—	—	/year
	—	—	—	—	/year
SOx (Nm ³ /h)	NA	—	—	—	/year
	—	—	—	—	/year
	—	—	—	—	/year
	—	—	—	—	/year

● Air quality-related/total exhaust loading (Unit:ton)

Item	Total exhaust loading
NOx	NA
SOx	NA

● Environment performance

Item	Usage/exhaust
Electric energy usage (kwh)	15,599,130
Fuel usage (LPG, heavy oil Al (kℓ) (in terms of crude oil)	10
Water usage (m ³)	20,885
Industrial waste exhaust (kg)	913,593
Displacement volume(m ³)	7,945

● Water quality-related

(Unit:mg/ℓ)

Item	Wastewater quality standard for life environment items	More stringent prefecture effluent standard	Actual measurement value		
			Average value	Max. value	Measurement frequency
Hydrogen-ion concentration (pH)	5.8~8.6	—	6.8	7.0	Twice/year
Biochemical oxygen demand (BOD)	160	—	7	13.00	4times/year
Chemical oxygen demand (COD)	160	—	16	22.00	4times/year
Suspended matter mass (SS)	200	—	8.5	16.00	4times/year
Normal-hexane extracts mass	5	—	0.8	1.00	4times/year
Phenolic content	30	—	1.0	1.00	4times/year
Copper content	5	—	—	—	/year
Zinc content	3	—	—	—	/year
Soluble iron content	5	—	—	—	/year
Soluble manganese content	10	—	—	—	/year
Coliform bacteria count (piece/ℓ)	10	—	—	—	/year
Nitrogen content	3000	—	4.5	18.00	4times/year
Phosphorus content	120	—	—	—	/year
Chrome content	16	—	—	—	/year

● Water quality-related/total exhaust loading (Unit:ton)

Item	Total exhaust loading
Chemical oxygen demand (COD)	0.13
Biochemical oxygen demand (BOD)	0.06
Nitrogen	—
Phosphorus	—

● Soil contamination-related

(Unit:mg/ℓ)

Item	Regulation value	Analytical value (Soil)	Analytical value (Groundwater)
Cadmium and other chemical compounds	Cadmium0.01	—	—
Hexavalent chromium compound	Chromium hexavalent0.05	—	—
Simazine	0.003	—	—
Cyanogen compound	Cyanogen must not be detected.	—	—
Thiobencarb	0.02	—	—
Carbon tetrachloride	0.002	—	—
1·2-dichloroethane	0.004	—	—
1·1-dichloroethylene	0.02	—	—
Cis-1·2-dichloroethylene	0.04	—	—
1·3-dichloropropene	0.002	—	—
Dichloromethane	0.02	—	—
Hydrargyrum and its chemical compounds	Hydrargyrum must be 0.0005mg/ℓ or less and alkyl mercury must not be detected.	—	—
Selenium and its chemical compounds	Selenium0.01	—	—
Tetrachloroethylene	0.01	—	—
Thiuram	0.006	—	—
1·1·1-trichloroethane	1	—	—
1·1·2-trichloroethane	0.006	—	—
Trichloroethane	0.003	—	—
Lead and its chemical compounds	Lead0.01	—	—
Arsenicum and its chemical compounds	Arsenicum0.01	—	—
Fluorine and its chemical compounds	Fluorine0.8	—	—
Benzene	0.01	—	—
Boron and its chemical compounds	Boron1	—	—
Polychlorinated biphenyl (PCB)	Must not be detected.	—	—
Organic phosphorous compound (Limited to parathion, methyl parathion, methyl gymento, and EPN)	Must not be detected.	—	—



● PRTR object substance

(Unit:ton)

Object substance No.	Substance name	Transaction volume	Exhaust		Displacement Waste material	Recycle volume	Removal volume	Consumption
			Air	Water district				
227	Toluene	0.090	0	0	0	0	0	0.090
230	Lead and its chemical compounds	0.040	0	0	0.0030	0	0	0.037
24	Dodecylbenzenesulfonic	9.400	0	0	0.7375	0	0	8.663
25	Antimony pentoxide	0.611	0	0	0	0	0	0.611

This report received a third party's comment from ChuoAoyama Sustainability Certification Co., Ltd. KYOCERA MITA generated this report to correctly provide stake holders with our social/environmental activities of 2005 in an easy-to-understand manner. We tried to provide our overseas activities as well as our domestic ones. The results of these activities are described in concrete terms where possible. In order to give you a better understanding of business activities of KYOCERA MITA Group, we have added information about our ECOSYS concepts-based product family and the bases of our global network. The third party's comment in this report was generated based on interviews with our environment officer and factory inspection at the Tamaki Plant. Descriptions of environmental protection activities as the global Kyocera Mita Group, implementation of environmental action plans based on the environmental management fundamental strategy, and the sustainability report meetings held at the Tamaki and Hirakata Plants as the interaction with stake holders are favorably evaluated. On the other hand, challenge for further improvement was expected for quantization of our sustainability report. Those comments will be referred to as guidance to the better report for the coming year.



**「社会・環境報告書 2006」
に対する第三者のコメント**

京セラ ミタ株式会社
代表取締役会長 兼 社長 細 浩二 殿

2006年8月28日

私たちの業務は「社会・環境報告書 2006」（以下、「同報告書」という。）に記載された重要な社会・環境活動及びその定量的内容に関して、特長、成果、改善点、今後の方向性等についてコメントすることを目的としています。コメントにあたって以下の事項を留意していただきます。

1. 最新情報、取締役、執行役員業務、環境経営本部長へのインタビュー
2. 工場現場の様相
3. 同報告書の最終添削の状況

1. 環境経営の事業化進展
京セラミタ株式会社（以下、「会社」という。）が掲げる事業は、環境への負担が非常に少ない事業であり、安心・安全の環境経営が実現されています。
京セラミタグループでは、国内の支店及び海外の全拠点及び物流拠点について、ISO14001の認証取得が完了していますが、環境への負担をさらに軽減し、効果的に実行するため、2005年度に環境経営本部長を新設しました。京セラ環境事業のもと、環境経営本部長及びそれを支援するための環境管理官を任命し、実行しています。
今回のトップインタビューでは、それらの効果が定量的に2006年度以降にどうなるかを期待しましたが、2005年度の環境は、ほとんどの項目において改善した点も目立っており、環境経営が顕著に実行されている結果を期待しました。

今後、工場現場の様相が予定されており、国内の環境負荷が増加することが予想されます。特に工場現場から排出されるCO2削減については改善も積極的に検討されていますが、削減率をより具体的に示すことが必要と考えます。

2. 環境経営のグローバル化進展
会社の製品はその多岐にわたって提供され、また京セラミタグループの従業員は海外にも多く存在しています。また、米国、中国などの主要市場への対応は重要として、一企業グループとしての環境経営のレベルもグローバル化が求められることとなります。
こうした中、2005年度に海外拠点に環境経営に関する担当者を配置し、京セラミタグループとして第一歩的な実現に向けた体制を整えました。従来から海外拠点では、各々の判断で環境への対応は行なわれていましたが、今後各拠点間で、環境経営を国際的に統括するだけでなく、グローバルとしての計画を定め、実行していくことが期待されます。

3. 社会情報
今回の報告書は前年と比べて社会性報告及び海外拠点の活動に関するページが増えているほか、読みやすさを追求した点が見られます。
一方で、社会性報告に際しても可能な限り定量的な情報を記載することを推奨しましたが、今回の報告書においても定量的な数値が少なく、実際の利用状況を反映した定量的情報はまだ少ないと受けざるを得ません。
今回特別した工場現場は、会社員員の3割が女性で、毎年10名程度の女性が産休を加入し、復帰後後も多くの方が再雇用されているとのことでした。このような女性の従業員の高比率は、女性活躍の促進に大きく貢献していることが考えられます。
今回の報告書では、定量的な情報を交えて記載し、会社の現状や今後の発展の実態状況（結果）を報告することが望まれます。

4. 社会情報報告書の質向上と成果
本報告書では、2004年から社会環境委員会を新設した結果、トナー事業本部の導入をはじめとする環境経営への意識が地域社会を中心に知られるようになりました。環境経営に関する問合せや、連携が実現しました。その結果、現場の工場現場に対する理解が進んでいると期待されます。
また、社会性報告は今年度の報告書では、その報告書の構成に関する改善が確認できることと、社会・環境経営においては、ミタグループ一統の計画や体制に基盤を築き、それを基盤として実行を、どのように社会情報に活かすかを認識することが望まれます。

このコメントは、同報告書の最終添削作業に際して提供されたものであり、最終報告書の最終添削作業には関係ありません。

株式会社中央南山サステナビリティ認証機構
(中央南山産産法人グループ)
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