

# CSR REPORT

# 2013

[SUMMARY]



## Our Basic Management Beliefs

### Corporate Motto

# 敬天愛人

### Respect the Divine and Love People

Respect the Divine and Love People

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

### Management Rationale

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

### Management Philosophy

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

## Corporate management in accord with the Kyocera Philosophy

To ensure the Kyocera Group Management Rationale is realized in practice, KYOCERA Document Solutions always manage our operations in accord with the Kyocera Philosophy.

Based on the real-life and business experiences of the founder of the Kyocera Group, Kazuo Inamori, the Kyocera Philosophy emphasizes a strong commitment to fair management and operating practices that focuses on doing what is right as a human being as the principal criterion for making right decisions.

Consequently, we have prepared the Kyocera

Philosophy Handbook and Kyocera Employee Action Guidelines and distributed them to all employees to encourage employees to proactively learn the Kyocera Philosophy and act responsibly as a member of the company.

In addition, our management practices utilize two principal management tools – the Amoeba Management System (a small group based management method) and Kyocera Accountancy (the Kyocera Group's accounting principles), which were both formulated from the Kyocera Philosophy.

### The Kyocera Philosophy Handbook



The Kyocera Philosophy Handbook is distributed to all employees of the Kyocera Group. Furthermore, in April 2011, we issued the Kyocera Philosophy Handbook II, which is currently being translated into multiple languages to help promote its assimilation into practice at all of our locations throughout the world.



WEBSITE  
HERE!

"KYOCERA Document Solutions  
Management Rationale"

Search



## About the CSR Report 2013

The purpose of the CSR Report 2013 (Summary) is to provide information about our CSR activities so that our stakeholders can gain a better understanding of what we are doing. This report was edited as a summary of CSR activities that are of particular importance to stakeholders. More detailed information is available on our website.

<http://www.kyoceradocumentsolutions.co.jp/company/csr/index.html>

### Applicable Period

The report primarily applies to activities during the 2012 fiscal year (May 1, 2012 to March 31, 2013), but also includes some references to more recent activities (since April) and ongoing activities that were initiated in the past.

### Issue Date

November 2013

### Published by

KYOCERA Document Solutions Inc.  
Corporate CSR Division

## Corporate Profile

### Corporate Name

KYOCERA Document Solutions Inc.

### Headquarters Address

1-2-28 Tamatsukuri, Chuo-ku, Osaka City, Osaka 540-8585, Japan  
Phone: +81-6-6764-3555 (main number)

### President

Katsumi Komaguchi

### Foundation

November 1934

### Established

July 1948 as Mita Industry Co., Ltd.  
Name changed to KYOCERA MITA Corporation on January 2000  
Name changed to KYOCERA Document Solutions Inc. on April 2012

### Capital

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

### Net Sales

250.5 billion yen (consolidated sales for period ending March 2013)

### Employees

15,983 employees (for entire Group, as of the end of March 2013)

### Business Description

Manufacturing and sales of monochrome and color printers, multifunctional products, wide format systems, document solutions, application software, and supplies

### Business Description

Japan: 1 sales company  
International: 28 sales and service companies, 2 plants,  
1 logistics center, and 2 R&D companies  
Other affiliated companies: 34  
(current as of the end of March 2013)

Note: Capital and net sales amounts indicated in billions of yen are rounded off to one decimal place.

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# Supplying the best possible document solutions for each customer

The information society we live in is advancing and developing due to the widespread adoption of mobile information devices, cloud computing, etc. Due to the increasing need of customers to handle documents in any place at any time, their needs in regards to document devices are becoming more diverse.

Therefore, we should continue to offer quick and effective solutions to the problems that customers face in their respective document environments.



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## Aspiring to deliver new value to customer businesses and earn customer trust

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We supply value to customers for their document work, in the form of economical, environmentally-friendly printers and multifunctional products equipped with our long life technology, and our extensive software portfolio that we have cultivated over many years. As a result, we now sell products in over 140 countries around the world, with directly managed sales offices in 31 of them. In more recent years, we have focused on offering not only equipment sales and maintenance, but also have been actively developing a total solution service business. As a result, we have come to realize that increasing business productivity while reducing costs is currently a major issue for many customers. Therefore, we will take advantage of the extensive experience and expertise we have cultivated in global markets to offer a managed document service (MDS), which surveys and analyzes customer document environments to propose optimal equipment layout, system installation, operation management, and perform ongoing system optimization after installation. MDS will not only reduce paper and toner consumption, but will also reduce the time spent on crisis management and will improve business efficiency.

Therefore, we are committed to continuously improving our ability to resolve document issues and earn the trust of our customers as their business partner.

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## [ Living together ] Promoting CSR activities globally

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As a member of the Kyocera Group, to "coexist harmoniously with our society, our global community, and nature (living together)" is the underlying foundation of all our business activities. Therefore, all of our activities are conducted based on our desire to continue progressing in harmony with people and society.

In a Kyocera class offered at a public secondary vocational school in China, for example, students not only receive vocational training, but are also taught how to be responsible citizens that can make a positive contribution to society. At our Vietnam plant, in addition to providing the workforce with manufacturing skills, we are also providing research and development skills by teaching local young aspiring engineers the advanced skills necessary to develop new products. We believe that by providing hope to the young people who represent the future of the country and supporting them to achieve their dreams, we are helping to promote the development of the country and the surrounding region. In this way, we feel that our company should serve as a public institution that lives together with society by contributing to the progress of host countries and regions through our corporate activities, while also respecting the history, culture, customs, laws, and regulations of each respective country and region.

To achieve this commitment, we ensure that management practices are highly transparent and business activities are fair and honest. In addition, we are dedicated to further developing and promoting CSR activities by working together with local communities and employees on measures that contribute to society.

I hope that this CSR Report 2013 will help readers better understand the activities of KYOCERA Document Solutions.

**Katsumi Komaguchi**  
President

# CSR of KYOCERA Document Solutions

KYOCERA Document Solutions conducts its corporate social responsibilities based on the corporate motto "Respect the Divine and Love People" and management rationale "To provide

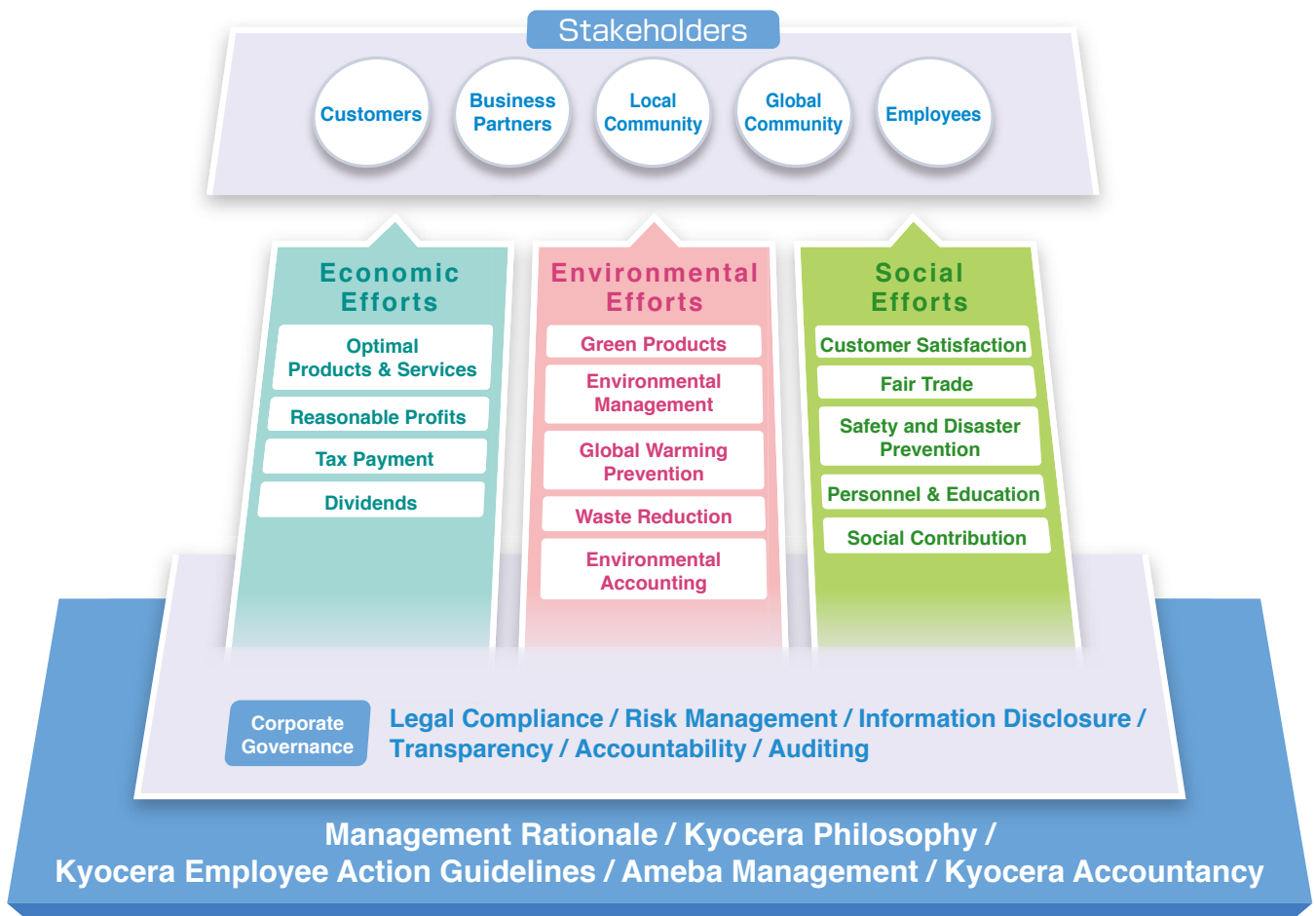
opportunities for the material and intellectual growth of all our employees, and through our joint efforts, contribute to the advancement of society and humankind."

## ••• CSR essentially means putting the Kyocera Philosophy into practice

For the Kyocera Group, ensuring corporate social responsibility essentially requires putting the Kyocera Philosophy into practice. We intend to manage the company in a highly transparent manner so that we can build and maintain a trusting relationship

with stakeholders and share in the progress of society by supplying superior products and services, preserving the environment, contributing to society, etc., in response to the needs of society.

CSR of KYOCERA Document Solutions



## ••• Participant in the United Nations Global Compact

The Kyocera Group agrees with the ten principles regarding human rights, labor, environment, and anti-corruption as specified in the United Nations Global Compact and is a participant.



## Corporate governance

### Corporate governance system

As a member company of the Kyocera Group, the KYOCERA Document Solutions is committed to achieving corporate governance with fairness, justice, and high transparency based on the Kyocera

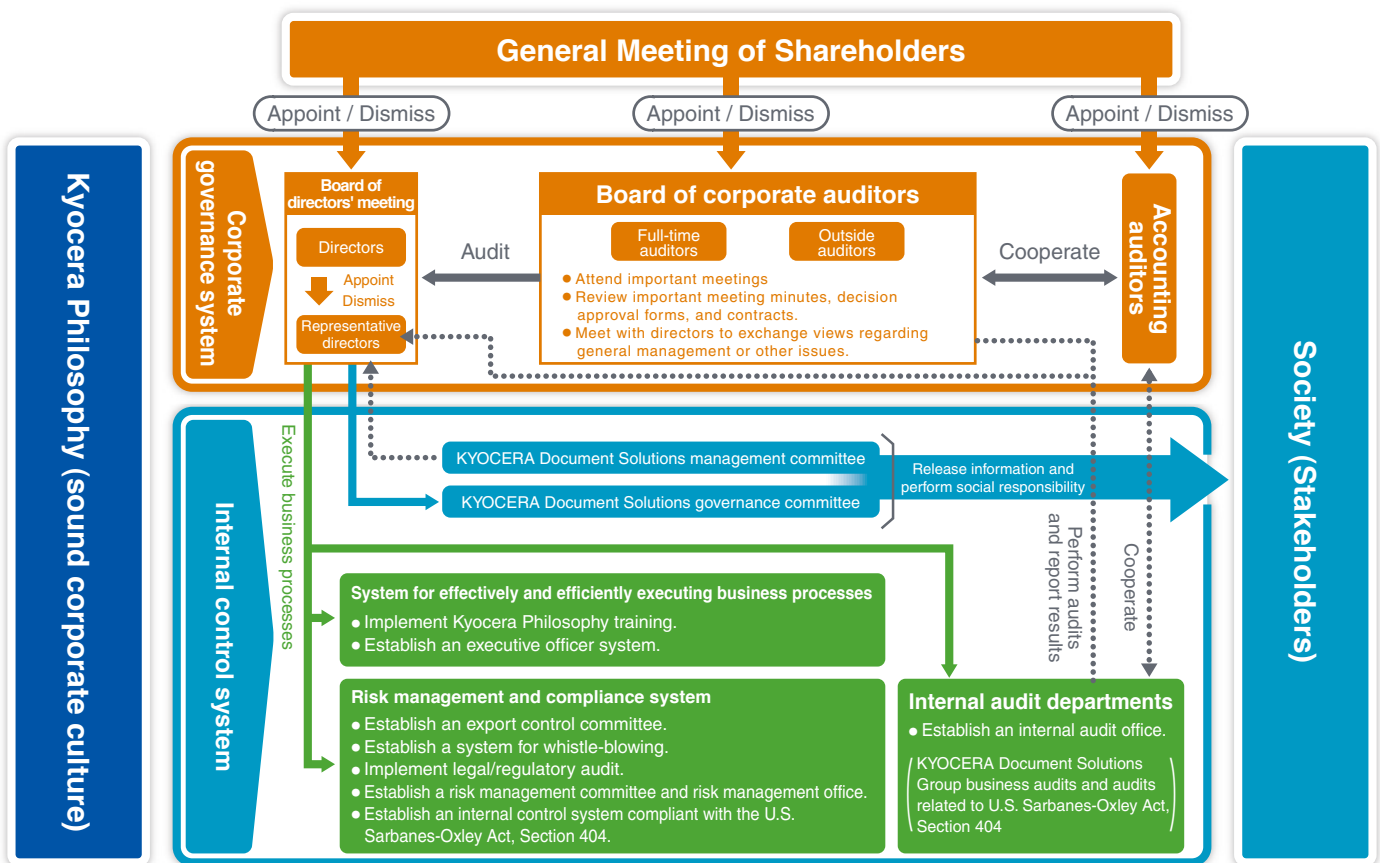
Philosophy. The corporate governance system is established to ensure that directors' duties are executed in accordance with applicable laws, regulations, and articles of incorporation.

### Corporate governance bodies

KYOCERA Document Solutions has established auditors and a board of corporate auditors as corporate governance bodies. In addition to submitting reports to the board of corporate auditors whenever requested by an auditor or board of corporate auditors, each director shall promptly submit a report to the board of corporate

auditors whenever they discover any violation of a law, regulation, or article of incorporation or uncover any information regarding significant damage or potential damage to the Group. Furthermore, they shall comply with any requirements for ensuring that the auditors perform their audits effectively.

Diagram of Corporate Governance System



WEBSITE HERE! "CSR of KYOCERA Document Solutions"  検索

## Creating a circle of trust around the world through the cycle of research and development, procurement, manufacturing, sales and support

As a manufacturer of printers and multifunctional products based on proprietary ECOSYS concept technology for longer product life, KYOCERA Document Solutions operates in over 140 countries around the world, with research and development facilities established in 3 countries and directly managed sales offices in 31 countries.

### America Coordinated Regions

<Sales Companies & Branch Offices>

- KYOCERA Document Solutions America Headquarters
- Northwestern Region (New Jersey)
- Midwestern Region (Illinois)
- Western Region (California)
- Southeastern Region (Georgia)
- Southwestern Region (Texas)
- KYOCERA Document Solutions Canada
- KYOCERA Document Solutions Mexico
- KYOCERA Document Solutions Brazil

### Europe Coordinated Regions

<Sales Companies & Branch Offices>

- KYOCERA Document Solutions Europe Headquarters (The Netherlands)
- KYOCERA Document Solutions Europe – Swiss Branch Office
- KYOCERA Document Solutions Germany
- KYOCERA Document Solutions United Kingdom
- KYOCERA Document Solutions France
- KYOCERA Document Solutions Italy
- KYOCERA Document Solutions The Netherlands
- KYOCERA Document Solutions Belgium
- KYOCERA Document Solutions Spain
- KYOCERA Document Solutions Portugal
- KYOCERA Document Solutions Austria
- KYOCERA Document Solutions Russia
- KYOCERA Document Solutions South Africa
- KYOCERA Document Solutions Nordic (Sweden)
- KYOCERA Document Solutions Nordic – Norway Branch Office
- KYOCERA Document Solutions Denmark
- KYOCERA Document Solutions Finland



### Production-Related Offices

#### China

#### KYOCERA Document Technology Shilong Plant (China)

Company Name: KYOCERA Document Technology (Dongguan) Co., Ltd.  
 Location: 3 Fang Zheng East Road, Shilong Town, Dongguan City, Guangdong Province, People's Republic of China  
 Number of Employees: 6,140 (as of October 2013)  
 Major Products: Multifunctional products, printers, and photoreceptor drums



#### Vietnam

#### KYOCERA Document Technology Vietnam Plant

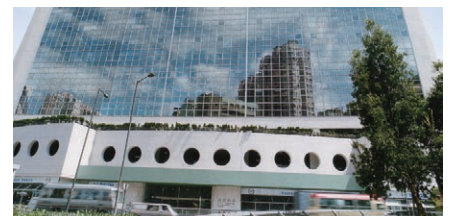
Company Name: KYOCERA Document Technology Vietnam Co., Ltd.  
 Location: VSIP Hai Phong Township, Industrial and Service Park, Thuy Nguyen District, Dinh Vu-Cat Hai Economic Zone, Hai Phong City, Vietnam  
 Number of Employees: 666 (as of October 2013)  
 Major Products: Multifunctional products and printers



#### Hong Kong

#### KYOCERA Document Technology Hong Kong Distribution

Company Name: KYOCERA Document Technology Company (H.K.) Limited  
 Location: 13/F., Mita Centre, 552-566 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong  
 Number of Employees: 140 (as of October 2013)  
 Main Functions: Product shipping, service parts procurement and shipping, and production parts procurement







KYOCERA Document Solutions Europe Headquarters (The Netherlands)



KYOCERA Document Solutions Global Headquarters R&D Center (Osaka, Japan)



KYOCERA Document Solutions Asia Headquarters (Hong Kong)



KYOCERA Document Solutions Tokyo R&D Center (Tokyo, Japan)

## Asia Coordinated Regions

<Sales Companies>

- KYOCERA Document Solutions Asia Headquarters (Hong Kong)
- KYOCERA Document Solutions China
- KYOCERA Document Solutions Korea
- KYOCERA Document Solutions Hong Kong
- KYOCERA Document Solutions Taiwan
- KYOCERA Document Solutions Thailand
- KYOCERA Document Solutions Singapore
- KYOCERA Document Solutions India

## Headquarters Coordinated Regions

<Offices>

KYOCERA Document Solutions Global Headquarters (Osaka, Japan)

<Sales Companies>

- KYOCERA Document Solutions Japan
- KYOCERA Document Solutions Australia
- KYOCERA Document Solutions New Zealand

## Group

TA Triumph-Adler Group (Germany)

## Research and Development Locations

KYOCERA Document Solutions Global Headquarters R&D Center (Osaka, Japan)

KYOCERA Document Solutions Tokyo R&D Center (Tokyo, Japan)

KYOCERA Document Solutions Development America (San Francisco & Los Angeles, USA)

KYOCERA Document Solutions Development Philippines

### Japan

#### KYOCERA Document Solutions Tamaki Plant (Mie, Japan)

Location: 704-19, Aza Matabe Nojino, Tamaki-cho, Watarai-gun, Mie, Japan

Number of Employees: 281 (as of October 2013)

Major Products: Consumables (color and monochrome toner)

#### KYOCERA Document Solutions Hirakata Plant (Osaka, Japan)

Location: 1-38-12, Tsudakita-cho, Hirakata-shi, Osaka, Japan

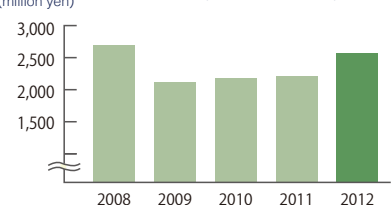
Number of Employees: 232 (as of October 2013)

Major Products: Devices procured by the U.S. government (printers and multifunctional models) and consumables (color and monochrome toners and photoreceptor drums)

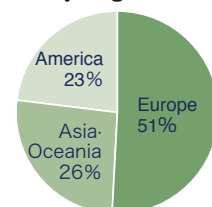
Services: Product and parts storage and delivery



(million yen) Sales (as of March,2013)



Sales Ratio by Region (as of March,2013)



[Feature]  
Reforms to Improve  
Quality

## Reviewing the origin of manufacturing "Quality" in order to become a more reliable presence in society

Based on the belief that high quality benefits society financially and in terms of happiness, KYOCERA Document Solutions has started

preparing concepts and measures in an effort to create new value by improving quality. This feature highlights some of our reforms.



**Keiji Itsukushima**

Director, Managing Executive Officer  
Senior General Manager, Corporate Quality Assurance Division

### Quality control measures that overturn conventional ideas result in more professional products and services

Since April 2013, the KYOCERA Document Solutions Group has been engaged in reforms to improve quality. These innovative reforms have been accomplished by reexamining the basics of quality control to take a fresh look at the reliability of products that

enter the marketplace and the quality of after-sales services. This will fundamentally change our approach to how we perform our work, and establish new process steps and decision-making criteria.

#### ◆ Evaluation technology over evaluation process

The ultimate goal of the reforms is to supply professional products and services. Previously, the primary function of quality assurance departments was to confirm that products functioned accurately when used by the customer so that they achieved their intended purpose. Products were evaluated from the perspective of passing them if no problems were discovered during tests. However, with ongoing globalization and the emergence of new IT technologies, that approach is no longer appropriate for today's world. Therefore, we need to closely examine whether or not products are beneficial to customers or cause any problems assuming in advance that customers will be using the products in various environments in a wide variety of ways.

Consequently, we are now expecting quality assurance personnel to go from the conventional "evaluation process" mentality to an "evaluation technology" level where they can confirm target settings, have a correct understanding of the technology, and also adopt a broad quality engineering approach that is deeply contemplative and imaginative. Specifically, this means understanding information and then describing and executing an evaluation plan. Therefore, to better utilize historical data, such as information from troubleshooting databases, and broaden our knowledge and perspective, we have been discussing a wide variety of topics on a daily basis and conducting various training sessions on topics outside our normal areas of expertise.

#### ◆ Linking engineering, manufacturing, and service in an organic manner

In terms of evaluating product reliability and guaranteeing new products, we are introducing a system for ensuring reliability that involves reliability engineering methods and other new techniques to evaluate durability and understand the limits of how the materials affect the function of products. Only then can we be confident that our products will be reliable under highly diverse market applications. In addition, we are implementing measures to raise the technical understanding level of manufacturing personnel and improve product quality down to each component part by creating quality control techniques intended for factory

manufacturing processes. Meanwhile, we are upgrading and using statistical methods to process our service information, which is accumulated to serve as a resource for building the next manufacturing process. We predict this will generate new signs of growth due to synergistic effects from technical information. This is because the quality assurance departments will also have the important role of organically linking the three functional areas of engineering and R&D, manufacturing, and market support, based on the keyword "quality."

## Delivering the best possible products to market

Quality is of the greatest concern regarding new products. Therefore, in addition to evaluating values based on past experience, we are focusing on evaluating and predicting potential problems before they occur.

### Reforming evaluation methods

Evaluating products after understanding design concepts and technology



**Makoto Noro**  
Reliability Assurance Sec. 31

As a measure in response to the issue of whether or not our current evaluation methods adequately meet the changing needs of customers and able to satisfy the demands of users in different countries around the world with different usage conditions, we have introduced a "My Understanding Sheet." For example, this sheet is used by people in charge of new products scheduled for release to write down the types of evaluation necessary.

This is based on their understanding of the product as obtained from engineering departments such as new technology and design changes, operating requirements, and factors that could affect the mechanism of how the product works. As a result, new evaluation criteria are established based on the knowledge and imagination of all those involved to better evaluate products in order to achieve a more reliable verification of the product's quality and also reduce customer downtime.

### Reforming verification

Discerning product limits to transmit even prognostic information



**Kiichiro Hori and Shigenori Kadoshima**  
Reliability Assurance Sec. 33

Pass/fail decisions using the previous evaluation checklist form did not allow us to adequately understand variability in production and its causes. These reforms involved new verification methods where failure modes were predicted by understanding product limitations based its technological background and recognizing the symptoms in cases where those limits were exceeded. We thought that establishing a new perspective for determining which performance parameters are most appreciated by customers under various conditions was essential for improving quality. Factors such as high versus low specifications, with or without regular maintenance, with or without minor design changes as well as the various characteristics, climates, and environments of respective countries were all taken into consideration.

## Better utilizing market information

The host of problems that can occur after a new product is released can provide major reference information for developing and improving products. To utilize this important resource more effectively, we changed the way we viewed how we gathered and analyzed the information.



### Reforming information analysis

Aiming for global market data analysis and utilization by management

**Hidechika Kumamoto**  
Quality Assurance Sec. 13

Currently we are building a system to gather a wide range of data from around the world, such as customer operating data, maintenance and service activity data, maintenance parts shipping information and call reports from customer contact centers. This will accelerate the process of proposing solutions to product development, maintenance and service issues, and make them more specific. This data can then be analyzed in an integrated manner. The goal is to use the results for management, ongoing quality improvement, and to search for latent market needs.



### Reforming information gathering

Nipping problems at the bud during morning telephone meetings with overseas sales offices

**Koji Hayashi**  
Reliability Assurance Sec. 31

The failure to gather all the necessary information and communication difficulties due to the time differences and distances involved can be a real bottleneck when cooperating with relevant departments to investigate and respond to questions and problems from overseas, and applying that information to improve product quality or incorporate it in future models. Therefore, to resolve the problem, in 2012 we started a system of 15 to 30 minute long morning telephone meetings with Japanese technical personnel stationed overseas. Exchanging information directly each day also provides other benefits, such as preventing problems before they occur.



## Measures to Increase Customer Satisfaction

KYOCERA Document Solutions practices the "customer-first" principle throughout all processes of the product life cycle, from planning, development, and manufacturing, to sales, use, support, and recovery.

### •• Quality assurance policies

#### Quality improvement

The Corporate Quality Assurance Division of KYOCERA Document Solutions performs various reliability testing to ensure our products always function in a stable and reliable manner at the customer site. In addition, based on our market information, the division supports

the creation of even better products that satisfy customers. In fiscal 2013, we strengthened our quality assurance system to achieve further quality improvements. This involved the following four measures.

- 1 Reform reliability assurance processes to incorporate new evaluation methods and verification techniques aimed at prevention.
- 2 Reform manufacturing quality control by building quality into manufacturing processes.
- 3 To ensure products can be used with more confidence, improve the quality of service support in the market.
- 4 To better maintain quality, maintain and manage quality systems on an ongoing basis.

Product design and development focuses on better understanding customer's opinions and usage circumstances and then providing that information as feedback to design new products from customers' viewpoints. After designing products with value to the customer, reliability is verified by performing verification tests based

on the customer's actual usage environment. In addition, through market support, we listen to what customers say so that their feedback can be incorporated in new models. We also use the PDCA (plan-do-check-act) cycle for quality when manufacturing products.

#### Safe Design Committee

We maintain a "Safe Design Committee" with the purpose of having customers use our products safely and increasing product safety even further.

The Safe Design Committee comprises experts who evaluate product design and confirm, from an independent viewpoint, that the product is safe to use.

#### Product Liability Act Management Provisions

In addition to applying the regulations concerning product safety established by public institutions in countries products are sold in (safety specifications, laser specifications, environmental regulations, etc.), we have also established our own "Product

Liability Act Management Provisions" and clearly set forth the procedures to ensure product safety and the roles of each division to prevent accidents before they happen.

### Easy-to-use and user-friendly products

At KYOCERA Document Solutions, we use a user-centered design (UCD) process to listen to the customer and understand the various ways customers use the products before we design them. To help understand the perspective of users with disabilities or the elderly, engineers and designers in charge of developing products verify products under development by visiting the workplaces of disabled people or by using an elderly user simulation kit or a wheelchair.



Elderly user simulation kit



Verification of operability from a wheelchair

### Basic approach for purchasing activities

Fundamental policies for purchasing activities are specified in the KYOCERA Document Solutions Basic Purchasing Policy, which is distributed in document form to all suppliers. In addition

to observing applicable laws and regulations, this document specifies active measures to protect the environment.

### Compliance with regulations on conflict minerals

The Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in the United States in July 2010 includes clauses that restrict trade in conflict minerals (gold, tin, tantalum, and tungsten) used to finance armed groups in the Democratic Republic of the Congo and other neighboring countries. Consequently, the KYOCERA Document Solutions as Kyocera Group has established a policy to not purchase any materials, products, or other items made using conflict minerals that finance armed groups in the subject regions.

Therefore, to help suppliers understand the new policy regarding conflict minerals, in January 2013 the Kyocera Group conducted presentations at four locations in Japan to explain the policy and how surveys would be conducted. In China as well, suppliers were invited to a local presentation at the Shilong Plant in July 2013. Currently we are conducting surveys to determine whether or not any content of the four metals in items delivered to us originates from conflict regions.

### Assessing the current CSR procurement promotion status and preparing a CSR procurement system

We have now finished analyzing and evaluating the results from the supplier CSR procurement status survey, which was started in 2008. In addition, to help suppliers understand our CSR system and encourage them to check their progress themselves so that they can re-realize their current situation, a rule was established to provide suppliers with a KYOCERA Document Solutions CSR Promotion Guidebook and a KYOCERA Document Solutions Supply Chain CSR Promotion Check Sheet before starting any new supply agreement.

After suppliers are surveyed, we will continue to reassess their progress in areas that require improvement, which we plan to do annually.



KYOCERA Document Solutions CSR Promotion Guidebook



KYOCERA Document Solutions Supply Chain CSR Promotion Check Sheet

### TOPICS

#### CSR procurement initiatives in Shilong Plant

July 25, 2012, we conducted a briefing about the revision of CSR Procurement guidebook inviting 230 people 190 local business partners in KYOCERA Document Technology Shilong Plant. We preached the importance of performing the right business activities in order to expand our business, and we asked for cooperation on action schedule in China in the future. We conducted a questionnaire survey of CSR Progress by check list, and the analysis of collected results was almost finished.



CSR procurement briefing to local business partners



## Measures to Protect the Environment

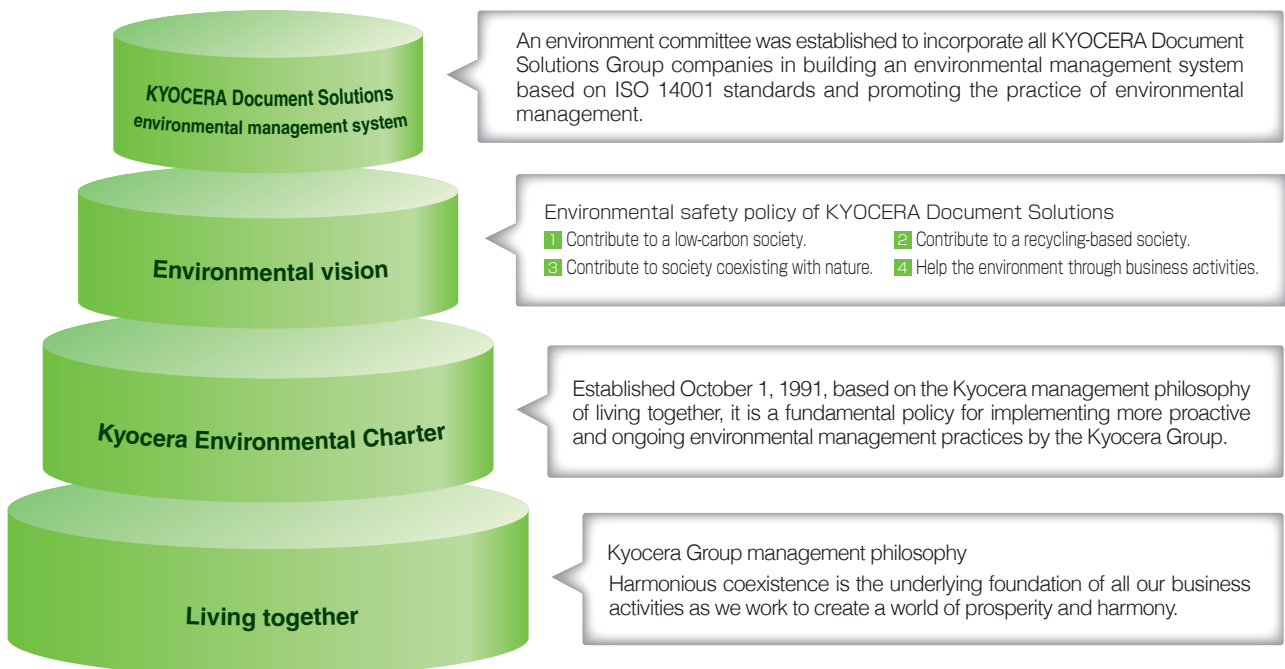
To realize the environmental vision established by the Kyocera Group, KYOCERA Document Solutions is engaged in measures to minimize the environmental impact of business activities and from the life cycle of products.

### ●● Environmental management of KYOCERA Document Solutions

As a member of the Kyocera Group, KYOCERA Document Solutions is engaged in environmental management practices, based on living together and in accordance with the Kyocera Environmental

Charter, established in 1991, and the Kyocera Environmental Vision, which specifies the charter in more specific terms. These practices are intended to promote the ongoing growth and development of the company.

Overview Diagram of the KYOCERA Document Solutions Environmental Management System



### ●● Results from measures to achieve Kyoto Protocol targets and future measures

As a result of measures to achieve an average 6 % reduction in CO<sub>2</sub> emissions between 2008 and 2012 compared to 1990 levels, as specified for the First Commitment Period of the Kyoto Protocol, we were able to actually reduce CO<sub>2</sub> emissions between 2008 and 2012 by an average of 9.2 %, compared to 1990 levels.

As a part of our commitment to actively engage in measures to reduce

global warming, KYOCERA Document Solutions announced our participation in the voluntary electrical/electronic action plan established in April 2012 by electrical and electronic goods manufacturers that are members of the Keidanren (Japan Business Federation). For the future, we have established a target of reducing CO<sub>2</sub> emissions from each energy source by 2 % per year until 2020.

## ●● Activities to reduce global warming and reduce energy consumption

In 2012 as well, the final year of the First Commitment Period of the Kyoto Protocol, KYOCERA Document Solutions remains engaged in various measures to reduce our energy consumption

at each manufacturing base and other business locations in an effort to achieve the target levels specified in the Kyoto Protocol.

### Updating equipment to highly efficient models

The efficiency of air conditioning systems was improved by replacing older packaged air conditioner systems and water chilling/heating systems and rationalizing the number of units. (An inefficient 124 ton chilling capacity water chiller/heater was replaced with two 50 ton capacity units.) Additionally, a variety of other power

saving measures were implemented, such as optimizing the number and layout of commercial power supply frequency converter systems used in product development areas based on the frequency of use, installing motion detectors for light fixtures, and installing LED light fixtures.

### Reducing power consumption by switching to virtual servers

Since 2010, KYOCERA Document Solutions has actively switching to virtual servers to mitigate the increase in power consumption by servers. Currently, there are 219 servers operating in a virtual

environment. If those servers were still operating as physical systems, they would be consuming an estimated 9 million kWh or more of power, which is about four times the current power consumption level.

### Main measures to reduce power consumption

- Peak power usage rates were reduced at production plants by implementing anticipatory production methods and using weekends and holidays to avoid operation multiple production lines at the same time.
- Cool and Warm Biz campaigns (casual dress codes) were implemented.
- Desktop computers were replaced with laptop computers.
- Personnel were encouraged to run laptop computers using battery power during periods of peak electricity usage.
- Air conditioner usage was managed more carefully (set to 28 °C in summer and 19 °C in winter), all heat exchangers were temporarily shut off, etc.
- Heat blocking film and blinds were installed on skylights and balcony windows.
- Alternate lighting fixtures were switched off, the amount of office equipment was reduced, vending machines were switched off, neon signs were switched off, etc.
- Fans were used to reduce air conditioner power consumption.
- The number of operating elevators was reduced, except during arrival and departure of personnel.
- Air conditioners were switched off by changing the floor layout.
- Solar electric generating equipment was installed.

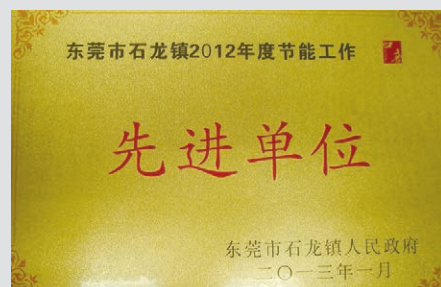


Solar electric generating equipment installed on the roof of the headquarters building (generated 13,614 kWh during 2012)

## TOPICS

### Recognized by Shilong Town government as an advanced energy efficient company for the second consecutive year

The Shilong Plant is a key energy user in Dongguan. To fulfill our social responsibility, we have actively engaged in measures to reduce energy consumption. As a result, we were recognized by the government of Shilong Town, Dongguan as an advanced energy efficient company for two years in a row (2011 and 2012).



Plaque awarded to recognize advanced energy efficient companies

## ●● Environmentally responsible design

### Development of new long-life photoreceptor drum

The color multifunctional model (A3) released in 2012 is equipped with a newly developed long-life photoreceptor drum. The service life of the new drum is 600,000 pages, which is twice the 300,000 page service life of the drum in the previous color MFP model. It achieves the longer service life by using a harder and more durable a-C (amorphous carbon) type coating to protect the surface of the photoreceptor drum, instead of the previous a-Si

(amorphous silicon) coating. Due to a hardness approaching diamond, the a-C coating can be applied much thinner, which improves sensitivity as well and also helps improve image quality.



Long-life photoreceptor drum (600,000 pages, compared to 300,000 for the drum in the previous color MFP model)

### New fixing system reduces power consumption significantly

The ECOSYS FS-2100D monochrome printer released in 2012 features 29 % lower power consumption than previous models. It features a heated fixing system for the fixing system, which normally consumes large amounts of power. It also features an energy saving controller. The heated fixing system melts the toner with heat and slows the temperature drop of the fixing thermal roller and press roller after printing by heating them with a layer of air around the rollers. This reduces the time required to reheat the rollers for the next printing.

Comparison of Power Consumption (TEC value\*)

KYOCERA Document Solutions Previous Model	New Product	Effect
ECOSYS FS-2010D 2.794 (kWh/week)	ECOSYS FS-2100DN 1.991 (kWh/week)	<b>29 % reduction</b>
ECOSYS FS-4020DN 3.456 (kWh/week)	ECOSYS FS-4200DN 2.668 (kWh/week)	<b>23 % reduction</b>

\*Test method for ENERGY STAR® of Imaging Equipment Product

### Considerations for the office environment

KYOCERA Document Solutions products comply with the strictest environmental labeling requirements, on which many other environmental labeling systems are based, the German ECO mark (Blue Angel). (We manufactured the first printer in the world to receive the label in 1997.) They offer superior environmental performance for protection of office environments by featuring lower

dust, noise, and VOC\*1 emission levels.

In addition, by using an a-Si drum, PSLP\*2 organic photoreceptor drum, or other photoreceptor device capable of using a positive charge, our products are able to keep ozone emission levels, associated with the small amounts of odor emitted from conventional charging methods, down to barely detectable levels.

\*1 VOC: Volatile organic compound. Typical VOCs are toluene, xylene, or ethyl acetate. They are commonly contained in paints, printing inks, adhesives, cleaning agents, gasoline, paint thinner, etc.

\*2 PSLP: Positive-charged single layer organic photoconductor drum

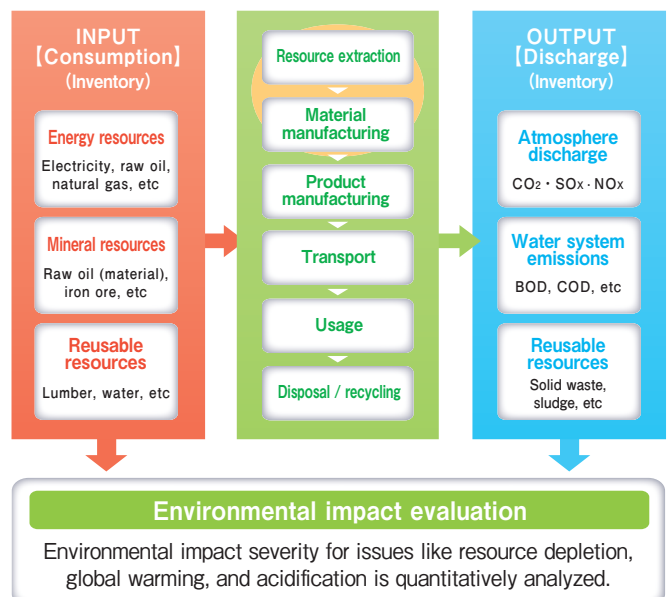
## ●● LCA measures

### Life cycle assessment

Life cycle assessment (LCA) is a technique of visualizing the environmental impact of a product or services by assigning values corresponding to the amount of resources and energy consumed and quantity of waste products at each stage of a product's life cycle from acquisition of resources and manufacture, to transportation, use, and disposal. KYOCERA Document Solutions is actively engaged in reducing the environmental impact of products by obtaining the EcoLeaf Environmental Label, which is based on ISO standards, and performing LCA for all products.

Environmental data is published for KYOCERA Document Solutions products at the following website.

<http://www.ecoleaf-jemai.jp/eng/label.html>





## Obtaining environmental labeling

Environmental labeling is specified by ISO\* standards, which specifies three types – Type I, Type II, and Type III. From the beginning of each of our product development projects, we aim at the satisfaction of environmental standards of all major environmental labels such as the Eco Mark, the Blue Angel and the International Energy Star Program, and are aggressive in our acquisition of these accreditations.

\*ISO: International Organization for Standardization



### Blue Angel (Germany)

Standards are established by the Federal Environment Agency (UBA) in Germany and environmental labeling is administered by the German Institute for Quality Assurance and Certification (RAL).



### Nordic Swan (Northern Europe)

Common standards are established by the Nordic Ecolabelling Board (from Sweden, Norway, Finland, Iceland, and Denmark) and environmental labeling is administered by relevant agencies or institutions in respective countries.



### Energy Star

International ENERGY STAR Programme is an international power-saving programme for office automation equipment. It has been implemented since October 1995 as a registration programme where Japan's Ministry of Economy, Trade and Industry and the U.S. Environmental Protection Agency mutually grant certification to products.

## External assessment

### KYOCERA Document Solutions United Kingdom

A4 monochrome multifunctional model receives highest award at Green IT Awards

At the Green IT Awards, sponsored by the Green IT Magazine in the UK, which supports measures to establish environmental laws and regulations for corporations, the ECOSYS FS-1220MFP A4 monochrome multifunctional model from KYOCERA Document Solutions won the top award for Hardware Product of the Year. This award was the results of recognition for the product's low waste emission level due to its long service life, improved recyclability due to its ease of unit replacement and disassembly, and other factors. It indicates that society appreciates our environmentally conscious products.



The certificate of merit of "Green IT Awards 2013"



Center : Tracey Rawling Church Kyocera Document Solutions UK

### ECOSYS printer earns high marks from external institution

The ECOSYS concept received awards from technical organizations and product testing institutions in Europe and the U.S. in recognition of its high environmental friendliness and economy. In 2000, the ECOSYS printer was awarded the 46th Okochi Memorial Technology Prize. In 2003, it was awarded the Technology Award from the Imaging Society of Japan. In 2013, the ECOSYS FS-4300DN monochrome printer and FS-C8650DN color printer were endorsed as "Highly Recommended" by the BLI\* in the U.S., due to its high reliability, durability, environmental friendliness, and economy.

\*BLI: Buyers Laboratory Inc., which is an independent testing institution that evaluates the reliability, image quality, usability, and other aspects of office equipment.



Left: ECOSYS FS-4300DN A4 monochrome printer that was awarded the highest rating of "Highly Recommended" in 2013.  
Right: ECOSYS FS-C8650DN A3 color printer

# Activities to Contribute to Society

The Management Rationale of KYOCERA Document Solutions is to contribute to the advancement of society and humankind while coexisting harmoniously with our society, our global community, and nature. All of our Group companies are engaged in measures to protect the environment and contribute to society based on our belief that these connections will enrich our hearts.



**Masaki Kimura**

Senior General Manager,  
Corporate CSR Division

## Thoughts on activities to contribute to society

### For the sake of children, the leaders of our future

Based on our view that companies are a member of society, we want to play a more active role in solving the issues faced by particular regions and society as a whole. To achieve this end, we plan to effectively use of all the resources made available to us and continuously contribute to society.

It has now been seven years since we established our social contribution committee for the purpose of giving back to the regions and communities in which we operate and expressing our gratitude to the customers and trading partners that sustain our business to all those in the regions.

Our social contribution activities are conducted in a wide range of fields, such as activities to educate children, social welfare activities, environmental conservation activities, and humanitarian and disaster relief activities. However, our activities are primarily directed at educating children based on our desire to contribute to the healthy growth and development of the leaders of our future. For example, we perform on-site science experiment lessons and environmental lessons at elementary schools in Osaka City, or near our plant office, and also support a variety of activities at child welfare facilities in the city. Through these activities, we are able to experience the smiling faces and laughter of these children. Employees that participate can also grow, develop, and recapture a sense of motivation and purpose for their work.

All of our employees share in our commitment to continue these activities in order to contribute to society.

## ●● KYOCERA Document Solutions Group activities to contribute to society

### KYOCERA Document Solutions Europe

Participating in environmental conservation activities at a nature park

In the Netherlands, a volunteer event called "NL Doet Day" is held each year. On March 16, 2013, six KYOCERA Document Solutions Europe employees participated in environmental conservation activities at a nature park that is a breeding site for birds. The participants cut the forest undergrowth to let in more light and removed weeds along the water's edge. This gave them a sense of satisfaction and contributed to the welfare of the local community.



Employees that participated in NL Doet Day

### KYOCERA Document Solutions United Kingdom

Supporting youth soccer teams

KYOCERA Document Solutions United Kingdom supports eight youth soccer teams, made up of some from the city of Reading, where the head office is located, and others from Milton Keynes, where a support center is located. Playing on a youth soccer team not only helps the kids develop physically but also gives them an opportunity to learn important lessons about teamwork. KYOCERA Document Solutions United Kingdom outfitted the teams with uniforms with the KYOCERA Document Solutions logo on them.



Giving kids with dreams for the future uniforms featuring the KYOCERA Document Solutions logo

### KYOCERA Document Solutions South Africa

Ongoing support to an NGO that offers job training and assistance to disadvantaged people

We provide ongoing support to the NGO "Potter's House Training Centre." This facility serves people disadvantaged by Apartheid policies by offering basic education and training in the maintenance and repair of office equipment. For trainees that complete the one-year course and pass an examination, we act as a mediator to help them find work at our South Africa headquarters or at a dealer in neighboring countries. We also donate money to cover the cost of operating the facility.



Providing various forms of support, such as job training and job assistance

### KYOCERA Document Solutions The Netherlands

Aiding the fight against cancer

KYOCERA Document Solutions The Netherlands supports the Bewegen tegen kanker, a group that provides assistance to cancer patients. At an event on April 27, 2012, we sold posters of the women's ADO Den Haag team members, the Dutch professional soccer team that KYOCERA Document Solutions has sponsored since 2012. The posters were printed during the event with the names of the team members along with the purchasers' names using a Kyocera multifunctional system. The proceeds were then donated to Bewegen tegen kanker to support cancer patients after they finish treatment and to aid in the fight against the disease.



Team members of ADO Den Haag. (April 27, 2012, KYOCERA Stadium)

### KYOCERA Document Solutions Development America

Participating in activities to give Christmas presents

The San Francisco office of KYOCERA Document Solutions Development America, our product development center in the United States, participated in activities held by the NPO Family Giving Tree, which gives Christmas presents to the financially disadvantaged. Employees at the KYOCERA Document Solutions America headquarters, our sales subsidiary, also raised donations from employees for toys to be donated to the Toys for Tots program, sponsored by the U.S. Marine Corps Reserve.



Giving gifts to children from financially disadvantaged families

### KYOCERA Document Solutions Tamaki Plant

Conducting the kid's ISO program for the eight consecutive year

The Tamaki Plant has been conducting a kid's ISO program annually since 2005. The series of three lessons has also been praised by their guardians for increasing the environmental awareness of the children, resulting in comments such as they are now more careful to switch off lights at home, etc. Now in its eighth year, the program will conduct lessons this year at all four elementary schools in the Tamaki area. For the sake of the children responsible for our future, we intend to continue these activities.



Children becoming leaders to change their families' awareness

### KYOCERA Document Solutions Australia

Participating in the Business Clean Up Day

On February 26, 2013, fourteen employees participated in the Business Clean Up Day to help clean up along nature trails in Christie Park, located on the outskirts of Sydney. This event was sponsored by the non-profit organization Clean Up Australia as part of an annual cleanup day, performed mainly by company volunteers, all over Australia. KYOCERA Document Solutions has participated as a partner of this organization since 2000.



Employees participating in volunteer cleaning activities



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