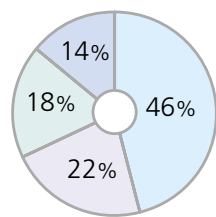


Creating a Work Environment that Encourages Personal Commitment

An excellent work environment and a performance-based Human Resources Management System to value the diversity of people

Employment status

Breakdown of Employees



Japan	15,443
North/South America	7,412
Europe	5,812
Asia	4,721
Worldwide	33,388

33,000 employees in the world are working for the Konica Minolta Group under the "Globe Mark"

As of the end of fiscal 2004, the number of employees working for the Konica Minolta Group totaled 33,388 on a Group basis, covering 97 companies in 22 countries.

For everyone working under the "Globe Mark," we provide an excellent work environment that supports our employees in demonstrating their individual abilities, encourages their engagement in reform and innovation and ensures their adherence to the Konica Minolta Personnel Philosophy under our Management Philosophy of "The creation of new value."

Konica Minolta Personnel Philosophy under Management Philosophy

Management Philosophy
The creation of new value.

Corporate Message
The essentials of imaging

Model Employee
A model employee consistently strives to make the most of these qualities:

- Good attitude/motivation
- Creativity/professionalism
- Positive approach to challenges
- Action oriented

Personnel Philosophy
Konica Minolta values people who are committed to shared corporate goals of becoming a global company with market leadership in the imaging business domain, and always strive for continuous innovation with a customer-oriented approach, not adhering to successful achievements of the past nor established customs.

Sharing and exchanging information throughout the Konica Minolta Group

Utilizing an intranet system to share information and maintain interactive communications

Konica Minolta Online, an intranet system in place throughout the Konica Minolta Group, serves as the Group's communication hub and connects our business bases across the world. Konica Minolta Online facilitates the sharing of information by conveying the



•Konica Minolta Online "i-Board"
"i-Board" is a page on Konica Minolta Online used by the top management to deliver information on the Group's policies and strategies. It is a place for direct communications between the President and CEO and employees.



•Quarterly Group Magazine **KONICA MINOLTA**
A publication covering the entire Konica Minolta Group across organizational and regional boundaries. It reports activities of the Group as a whole, regional topics and articles featuring fellow colleagues around the world. A total of 13,000 issues are distributed on a quarterly basis.

Human Resources Management System

Konica Minolta has launched a new Human Resources Management System in Japan that is expected to lead to innovative changes.

Upon the integration of Konica and Minolta in 2003, the resulting Konica Minolta Group laid down a new personnel philosophy and standards. In fiscal 2004, we introduced a new Human Resources Management System in Japan for managers, which utilizes mission assessment tools developed by an external consulting firm. While doing so, the Human Resources Department of Konica Minolta Holdings and labor union representatives formed a Committee for Unified Human Resources Management System to organize a new system that capitalizes on performance-based human resources systems utilized by former Konica and Minolta. The progress, including the topics discussed and decisions made, is promptly reported via Konica Minolta Online. The new system successfully launched operations in April 2005.

representatives formed a Committee for Unified Human Resources Management System to organize a new system that capitalizes on performance-based human resources systems utilized by former Konica and Minolta. The progress, including the topics discussed and decisions made, is promptly reported via Konica Minolta Online. The new system successfully launched operations in April 2005.

Human Resources Management System framework

Augmenting existing performance-based systems

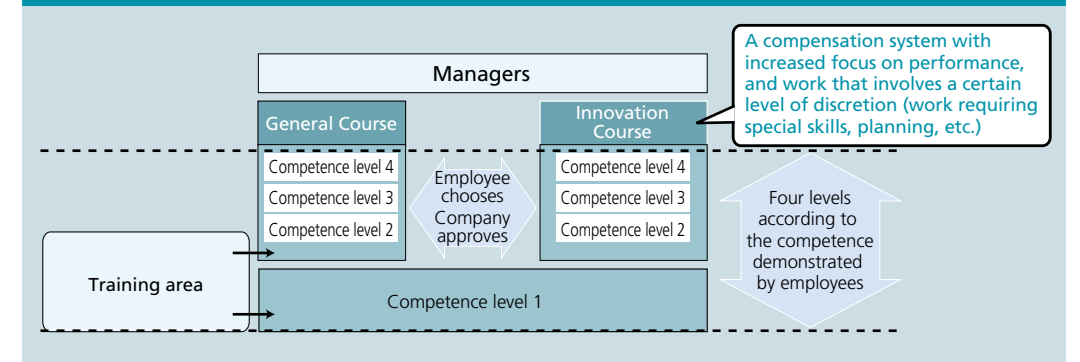
Under Konica Minolta's new Human Resources Management System in Japan, we promote employees solely on the basis of their ability and performance, not seniority. The new system consists of a competence assessment system and a new career program called "Innovation Course."

The competence assessment system uses performance indicators (assessment rankings) to aid human

resources development and personnel assessment standards to facilitate fair and open promotion. Competence assessment is divided into four major levels, and employees are promoted or demoted according to their skill level.

The innovation course aims to create a group of workers imbued with a challenging spirit.

Competence Assessment System and Innovation Career Path



Strategic human resources development plans

Konica Minolta develops a variety of educational programs and multi-skilled persons.

To make effective use of our new performance-based Human Resources Management System, we promote human resources development chiefly through OJD (On the Job Development)* programs in Japan. In line with these programs, we also offer "Rank-based Training" programs designed to meet the needs of employees when they assume a new position or role, "Knowledge and Skill Enhancement" programs and a "Strategic Capacity Building" program that concentrates on developing global players capable of managing global companies.

Our Group companies carry out employee training both through their own training courses and our online e-learning programs.

•Konica Minolta College

An educational program open to Konica Minolta employees, with class enrollment announced on Konica Minolta Online. At present, Konica Minolta College offers about 30 courses, ranging from business and technical skill enhancement to other e-learning topics. In fiscal 2004, 869 employees attended various classes offered by Konica Minolta College.

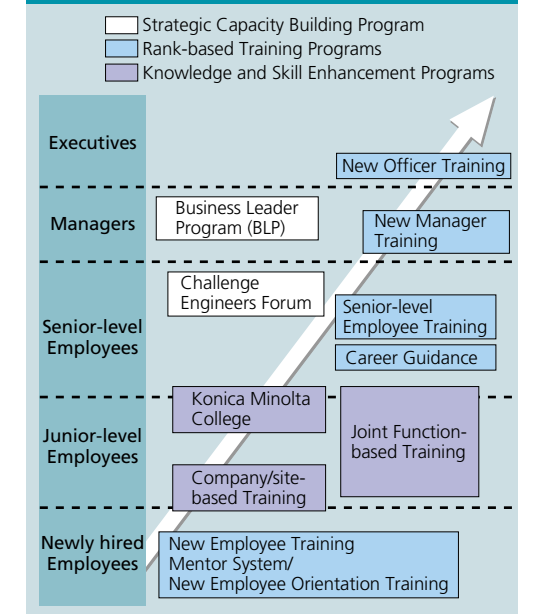


•Challenge Engineers Forum

A forum particularly designed for engineers to expand their knowledge and skill base through self-study courses and group sessions. The forum is designed to brush up various skills, particularly ways of knowing, thinking, communicating and acting. In fiscal 2004, 23 engineers participated in the forum.

*On the Job Development refers to training employees in the workplace as they engage in actual work.

Konica Minolta's Employee Training System



Creating a Work Environment that Encourages Personal Commitment

A pleasant workplace

Konica Minolta is actively promoting respect for employees.

People have the right to work, and it is one of the basic human rights duly given to them. The Konica Minolta Group gives equal career opportunity to all employees. Our stance is also emphasized in the Konica Minolta Group Conduct Guideline, which clearly states that there is to be no discrimination in the workplace, and that the individuality, rights, and privacy of employees are to be honored.

■ Respect for Employees (excerpt from Konica Minolta Group Conduct Guideline)

1. We shall endeavor to make the lives of employees comfortable and fulfilling.
2. We shall comply with all applicable laws, internal policies and regulations concerning the health and safety of employees at work, and endeavor to create a safe and healthy workplace.
3. We shall respect the individuality, human rights and privacy of employees, and create a cooperative and comfortable working environment that is free of discrimination of race, nationality, gender, religion, belief or physical disability.
4. We recognize that men and women are equal, and shall not engage in any conduct that may be construed as sexual harassment.

Equal career opportunities

A global approach to expanding career opportunities

The Konica Minolta Group does not discriminate against employees and is promoting global employment and recruitment of diverse personnel. Affiliate companies in Europe have a trainee program to allow college students to experience and learn the reality of working at affiliate companies and gain practical business knowledge for an extended period. (In this program, college students take a leave from college for 1–3 years and learn about business at respective com-

panies. About 30 students are participating in this program in Germany. Konica Minolta also hires full-time employees from many countries, including Poland, Russia and Italy.)

The employment rate of disabled persons in Japan improved from 1.64% in fiscal 2003 to 1.72% in fiscal 2004, but Konica Minolta believes that continuous efforts are necessary for progress in this area.

A scheme to support employees

Aiming to create a workplace that will enable a balance between work and family

In Japan, under our new Human Resources Management System, we provide various support programs to employees, including maternity leave, parental support (parental leave and shorter work hours), special leave taken from time to time to tend a sick child as well as family and medical leave, while making our support policies known to all employees. As of fiscal 2004, the average age of female employees working for Konica Minolta is 37.7, with the duration of service reaching 17.9 years. An increasing number of female employees choose to stay with us and in the workforce.

Use of Maternity Leave and Parental Support in Japan (Fiscal 2004, Number of Female Employees: 1,514)

Number of employees who used maternity leave	95
Number of employees who used parental leave	77
Number of employees who used parental support (shorter work hours)	166

Streamlining work environment and health care activities

An comfortable working environment for everyone

The Konica Minolta Group Conduct Guideline and Compliance Manual clearly state that we are to eliminate discrimination and harassment in the workplace. For sexual harassment and harassment related to the abuse of authority, in particular, we take various opportunities to educate our employees to foster their understanding and adherence to our policies. Our Help Line provides consultation services, and the Human Resources Department has set up a separate point of contact to specifically handle harassment issues.

Konica Minolta pays particular attention to mental well-being as a part of promoting employees health. In fiscal 2004, we developed a plan to mainly prevent health hazards caused by overwork, with the plan set to be implemented in fiscal 2005. In response to the Health Promotion Law that aims to prevent secondary smoke in public places, we have been installing separate smoking spaces which take into consideration air flows and ventilation rates.

Employee welfare benefits programs

Shift toward a system that supports employees' ability and performance

In line with the implementation of our new Human Resources Management System, we shifted the focus of our welfare benefits package from "support for life and livelihood" to "support for ability and performance growth." Responding to a rise in the number of work-related accidents, particularly those occurring on the way to the workplace, changes in social needs and increasingly diverse lifestyles, we reorganized our welfare scheme by setting up four key objectives. Our welfare benefits package must serve as a safety net against sudden accidents, give support when employees experience positional shift and are transferred to another office, aid their independence and self-fulfill-

ment in the workplace and assist them in balancing family and work commitments.

A conventional welfare program is not capable of providing equal benefits to everyone and is often used only by a particular group of employees. To counter the problem, we introduced a flexible benefit plan, which allows an employee to select respective benefits offered according to his or her preference. The plan allocates a certain number of points to each employee, and they spend these points to use various services contained in our welfare package. This points system is intended to expand the use of our welfare programs.

Occupational health and safety management

Konica Minolta endeavors to constantly improve occupational safety and health activities.

The oversight body for environmental and occupational safety and health is our Responsible Care (RC) Committee chaired by the President and CEO. The Konica Minolta Group's safety and health plan is produced under the RC Committee, which controls safety and health activities of the entire Group, and the Central Safety and Health Committee, which promotes and manages safety and health measures. In fiscal 2004, Safety and Health Managers were appointed at respective business companies and common function companies to develop a safety and health management system involving affiliate companies as a means of preparing for the introduction of an occupational safety and health management system.

In order to increase our efforts from eliminating disasters to eliminating risks, we extracted all risk factors and adverse factors and produced the Group's unified Risk Assessment Guide and manuals to objectively assess risk levels in Japan. We then applied a unified method to all of the Group's business companies and production affiliate companies and conducted risk assessments, starting with high-risk tasks, to ensure that effective risk assessments are conducted.

We carried out inspections of safety devices in each production plant and facility with regard to installment status, functions and effectiveness since fire and explosion accidents have occurred at many other large-scale Japanese production facilities in recent years.



Risk assessment for non-routine work

Employee occupational safety and health

Konica Minolta endeavors to secure the occupational safety of its employees.

The rate of lost-work time injuries (industrial accident frequency rate) in fiscal 2004 was smaller than that of fiscal 2003. However, a number of accidents that required long-term treatment took place, substantially increasing the industrial accident severity rate (the rate of the number of work days lost due to accidents). As a result of the fiscal 2004 occupational accident analysis, accidents due to human error, such as falls, were significant. In response, we are promoting preventive measures, and moreover, plan to analyze these factors in detail and take fundamental corrective measures.

Industrial Accident Frequency Rate and Severity Rate

