

# Konica Minolta's new management structure is designed to make our corporate activities more transparent and build the trust of our stakeholders.

We established Konica Minolta as a group of separate companies linked through a holding company, as the best structure for the Group, and in order to improve management transparency, we established Konica Minolta Holdings, Inc. based on the "board-with-committees" structure promoted under Japanese law. Along with

## Konica Minolta's Governance

Our new structure allows us to achieve timely, effective, and transparent management.

Konica Minolta's system of separate companies linked through the holding company has placed all of our business functions within separate companies, thus clarifying the managerial responsibility for each of our businesses; this devolution and separation of control is aimed at increasing our competitiveness. Each business company is given the authority to conduct all necessary operations for each of their business activities. This allows for flexible and rapid responses in the operation and management of each company, while at the same time allowing the holding company to concentrate on the management of the Group as a whole. More efficient management of the entire Konica Minolta Group has also been made possible by concentrating activities that benefit the entire Group—such as research and development and other indirect functions—within specialized, common-function companies.

these features, we have also strengthened the governance of the entire Konica Minolta Group by enhancing our internal auditing systems, promoting regulatory compliance, and other measures.

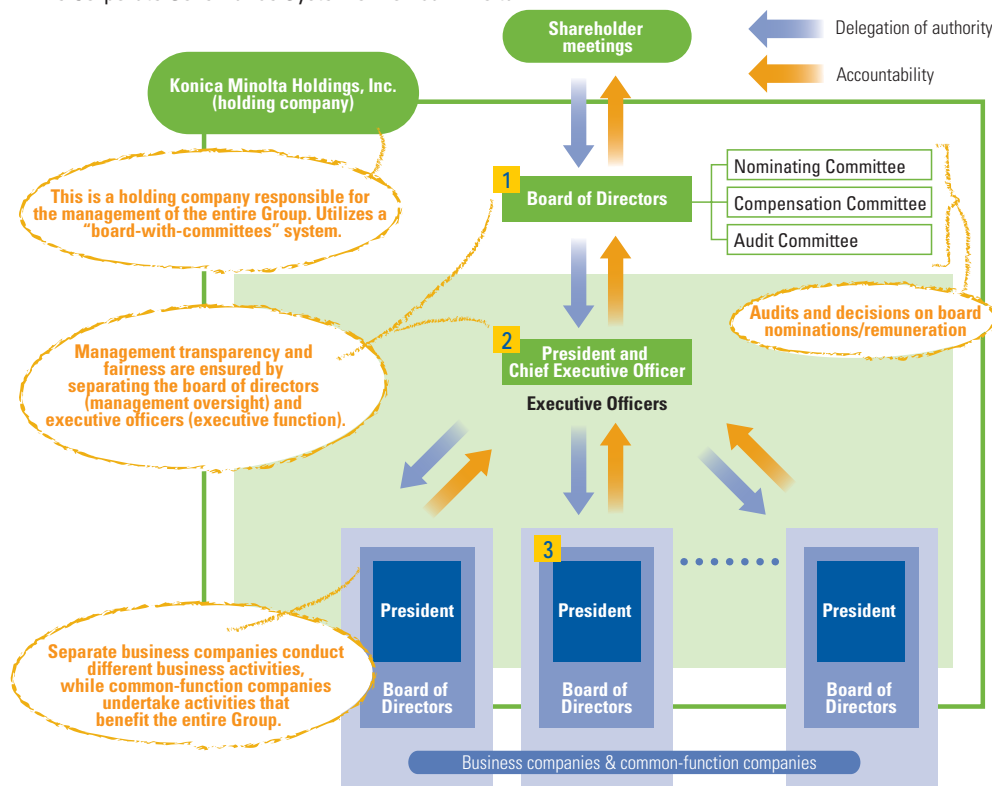
## The Board of Directors (and its Committees) and Executive Officers—Organization and Roles

Our new operations management systems have given us better control and speed.

A traditional board of directors with an auditing system was responsible for both management oversight and executive functions. Under our new "board-with-committees" system at Konica Minolta Holdings, these functions have been separated, with the board of directors responsible for overseeing management, and executive officers responsible for actually performing the management function. This improved system enhances the transparency of management.

The executive officers implement the activities entrusted to them by the board of directors. The president of each business company and common-function company serve also as the executive officers for Konica Minolta Holdings, thus running their respective companies while being fully aware of the management of the entire Konica Minolta Group. Furthermore, a majority of members of each of the three board committees for Konica Minolta Holdings, as well as the chairman of each committee, are outside directors; this serves to improve the soundness of the board's management oversight function.

### The Corporate Governance System of Konica Minolta



#### Konica Minolta Holdings, Inc. (holding company)

##### 1 Board of Directors

The highest decision-making body for the Group. In order to improve the oversight function, a majority of each of the three committees of the board are from outside the Group.

##### 2 President and Chief Executive Officer

Entrusted by the board of directors with responsibility for controlling and directing decisions about all operations, as well as for their execution.

To support these activities, the Executive Committee has been established. This committee has supporting committees on cross-cutting issues relevant to the entire Group, such as investment, technical strategy, brand management and compliance.

#### Business companies and common-function companies

##### 3 President

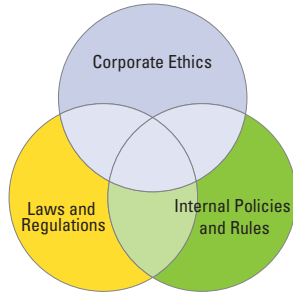
In addition to being the top management official within each business company, each president also serves as an executive officer for Konica Minolta Holdings. These presidents receive instructions from and report to the CEO of the holding company at the Group Executive Officer's Meetings and Group Management Meetings.

Compliance: The Foundation for Good Governance

# We increase corporate value by establishing and implementing Conduct Guideline

Konica Minolta views ‘compliance’ in broad terms—not only complying with applicable laws and regulations, but also complying with corporate ethics, internal policies and regulations. Moreover, we view compliance as a key pillar of good governance for the entire Konica Minolta Group, making it a high priority for all of our corporate activities. The CEO of Konica Minolta Holdings therefore issued the ‘Compliance Promotion Declaration’ in October 2003, at the time of our corporate integration, and we established the “Konica Minolta Group Conduct Guideline”.

Compliance at the Konica Minolta Group



■ Konica Minolta Group Conduct Guideline (excerpts)

### Basic Stance

1. We shall comply with all applicable laws and internal policies and regulations.
2. We shall respect social standards, and act with good discretion, responsibility, and due awareness of corporate ethics.
3. We shall endeavor to fully understand the contents of this Guideline and comply with them at all times.
4. We shall not act in violation of this Guideline. Pursuit of profit, service for the company, orders from superiors, precedent, prior cases in other companies, and industry or national practices provide no justification for any violation.

#### Products and Services

1. We shall provide useful, safe, high-quality products and services to customers. (Six items total)

#### Fair Transactions

1. We shall comply with anti-trust and competition laws, and conduct transactions in a manner that is fair, transparent and promotes free competition. (Eleven items total)

#### Export and Import Procedure

1. We shall comply with all applicable export control laws as well as internal policies and regulations, in the export or provision of any item or technology. (Three items total)

#### Confidential Information and Intellectual Property

1. We shall be aware of the importance of protecting the confidential information of the company or third party, and shall maintain the confidentiality of such information, in compliance with all applicable internal policies and regulations. (Five items total)

#### Communication and Information Disclosure

1. We shall conduct voluntary, fair and timely disclosure of useful and reliable information when required by law, and as appropriate on other occasions. (Five items total)

#### Environmental Protection

1. We shall develop and provide products and services with due consideration to the environment, health and safety at all stages—from design, manufacturing, distribution, and use, to disposal. (Two items total)

#### Contribution to Society

1. We shall work for the mutual benefit of and harmonious relations between society and Group companies, whether domestically or overseas. (Two items total)

#### Antisocial Forces

1. We shall not enter into relations with any entity working against the interests of society. We shall steadfastly refuse any unlawful demand from any such entity, and shall not offer cash or other compensation to settle such demands. (Two items total)

#### Respect for Employees

1. We shall endeavor to make the lives of employees comfortable and fulfilling. (Four items total)

#### Internal Policies and Regulations

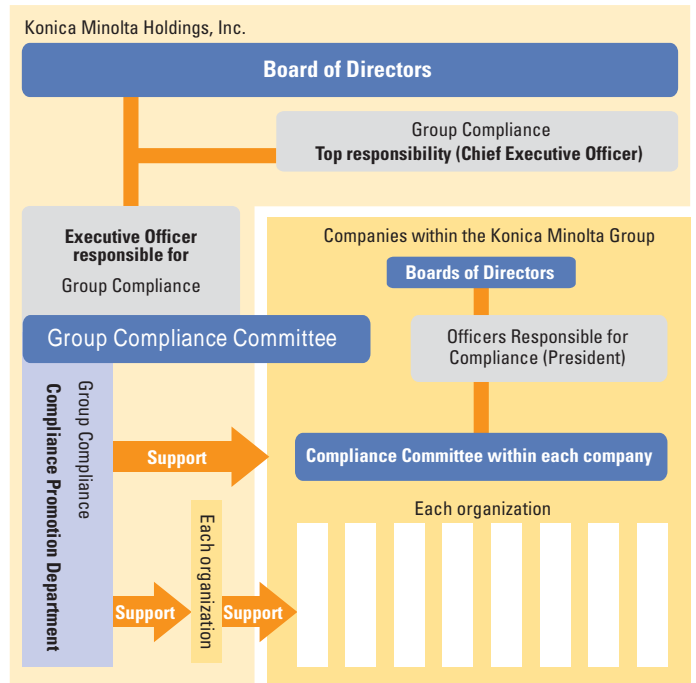
1. We shall comply with all applicable internal policies, rules, regulations and manuals. (Seven items total)

Compliance Promotion System

# We have created a system to promote compliance throughout the Konica Minolta Group.

To create our new compliance system in October 2003, an executive officer in charge of compliance was appointed by the Board of Directors of Konica Minolta Holdings. This officer established a “Group Compliance Committee” as an advisory body that is empowered to coordinate, implement, and monitor the Group’s compliance. Instructed by this committee, the Legal Division in the Holding company assists each of Group companies with compliance activities. At the same time, each of the major subsidiaries also has its Compliance Committee led by its compliance officer to promote compliance activities suited to the particular situation of each company.

■ Compliance Promotion System



### Help Line

In the event an employee within the Konica Minolta Group discovers an act that violates our policies on compliance, he or she can directly contact and consult with the Compliance Committee in each Group company or go through the ‘Help Line’ service set up at Konica Minolta Holdings. To make such consultations as easy as possible, employees can use various channels to reach the Help Line, including not only the telephone but also e-mail and the company intranet. Accessing the Help Line will not lead to any negative actions against the employee.

### Distribution of Our Compliance Manual

So that our Conduct Guideline can be put into practice by every employee in the Konica Minolta Group, we have developed a ‘Konica Minolta Compliance Manual’ and distributed it in April 2004. This manual lists about a hundred specific situations that employees could encounter, and indicates the relevant issues and appropriate responses. A Chinese language version has also been produced.



The Konica Minolta Compliance Manual