

Employee Relations

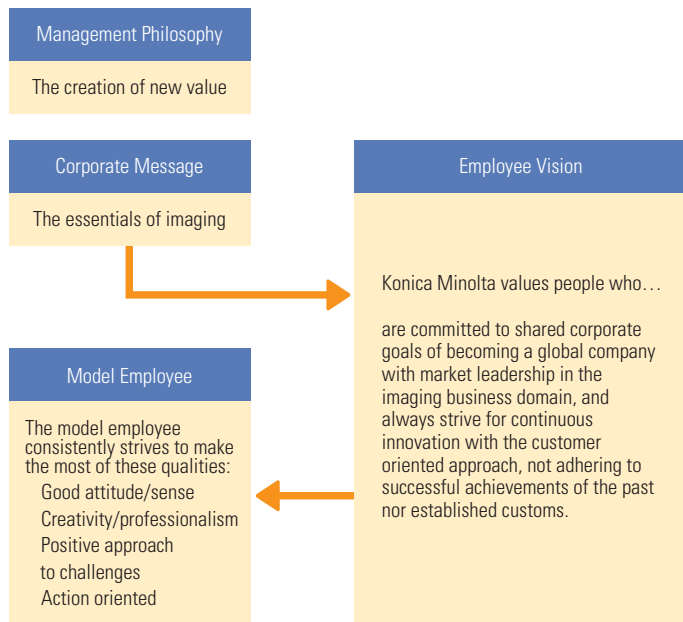
Konica Minolta places an emphasis on employee relations, as employees are the key to increasing company value. Employee unity is boosted by clarifying what we want our employees to be and communicating closely with them, and Konica Minolta works hard to create a good working environment and excellent training programs for employees to develop their individual abilities.

Konica Minolta's Basic Approach on Group Employees

Personnel philosophy based on new values and standards

The integration of Konica and Minolta has brought employees from both sides together to work towards the success of the new Konica Minolta Group. In order for this integration to succeed, a new personnel philosophy was needed, namely some guidelines that provide an image of the model employee. This personnel philosophy serves as a guide for realizing the management philosophy, "the creation of new value". It articulates the image of the model employee and connects to employees' daily conduct and responsibilities. Personnel policies and strategies also express our respect for people.

Konica Minolta Personnel Philosophy



Communication and Information Sharing

Enhancing communication via the intranet and other means

Konica Minolta's intranet system, "Konica Minolta Online," functions as the Group's communication hub. Konica Minolta Online contains Group policies and company information, and also serves as an important direct communication link between the president and CEO of Konica Minolta Holdings and employees. Konica Minolta also conducted a survey to obtain employees' views about the integration. The results are being used to establish Group business strategies and personnel policies.

Konica Minolta Online "i-Board"

"i-Board" serves as a platform for the president and CEO of Konica Minolta Holdings to communicate with employees directly about the Group's policies and plans so they can understand and share them. Employees are able to engage in direct communication with the company president via e-mail and express their opinions and feelings.



Quarterly Group Magazine KONICA MINOLTA

The aim of this publication is to promote communication among Group employees across organizational divisions. It is distributed quarterly to all Group employees to keep them informed on a range of aspects about the business. This includes information about the Group's activities, initiatives, organization and system, in addition to profiles of fellow colleagues.



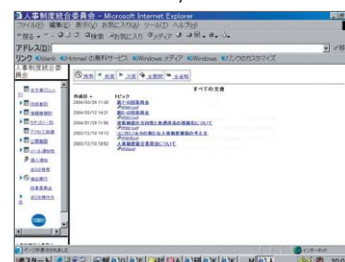
Establishing a New Human Resources System

A new human resources system that rewards ability and motivation

The Committee for Unification of Human Resources System, comprised of representatives from the Konica Minolta Group Human Resources Department as well as labor union representatives, was created to prepare the new Group personnel system, scheduled to go into effect in April 2005. The Committee is now working on establishing this new system, while respecting differences in employee and management stances, based on the spirit of maintaining and growing the relationship of trust.

Website of the Committee for Unification of Human Resources System

Labor and management are working together to establish Konica Minolta's new personnel system, and it is important to keep this process transparent. There is a page on Konica Minolta Online devoted to informing employees about decisions the committee has made as well as updates on ongoing discussions.



Promoting Equal Opportunity and Diversity

A discrimination-free work environment

Konica Minolta is committed to a diverse work environment where equal opportunities are provided to all employees. Not only is this a protection of basic worker rights, which are an extension of basic human rights, but also an important part of our overall responsibility to society. This respect for employees is also stressed in Konica Minolta's Charter of Corporate Behavior, which clearly states that there is to be no discrimination, and that individuality, individuals' rights, and privacy are to be honored.

■ Respect for Employees (Excerpt from "Conduct Guideline")

Respect for Employees

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 Workplace Opportunities for Men and Women

Konica Minolta is committed to providing equal opportunities to all employees regardless of gender. This goes hand in hand with our fundamental respect for individuals and human rights. From employment and compensation, to training and promotions, gender is never a basis for discrimination. We believe it is important to provide a work environment in which women can excel, and have put in place a number of support programs for this purpose as well as to raise employees' awareness of this issue. As a result of these efforts more women are working long-term for Konica Minolta; at the end of fiscal 2003 the average female employee age was 36.6, with the average female term of employment at 16.6 years.

Assistance with Childcare and Nursing Care

The family is an important foundation that enables employees to live fulfilling lives and to devote themselves to their work. Konica Minolta is committed to helping its employees find a good balance between their work and home life, and has established programs that allow employees—both male and female—to take time off work for childcare, nursing care, and to have shorter work days if they choose to do so. In fiscal 2003, 65 employees took childcare leave, and 2 employees took advantage of nursing leave, while 138 employees worked shorter days in order to attend to family matters. During 2003, over 80% of our employees who gave birth to children took childcare leave.

Maintaining a Pleasant Work Environment

At Konica Minolta, we are committed to providing our employees with a pleasant work environment free of any kind of discrimination or harassment. The Konica Minolta Guidelines for Conduct and Compliance Manual prohibit discrimination and harassment, particularly sexual harassment and power harassment. A Compliance Help Desk and a Human Resources Department contact point have been established to respond to any problems.



The Sexual Harassment Prevention Guide is posted on Konica Minolta Online to raise awareness on this issue.

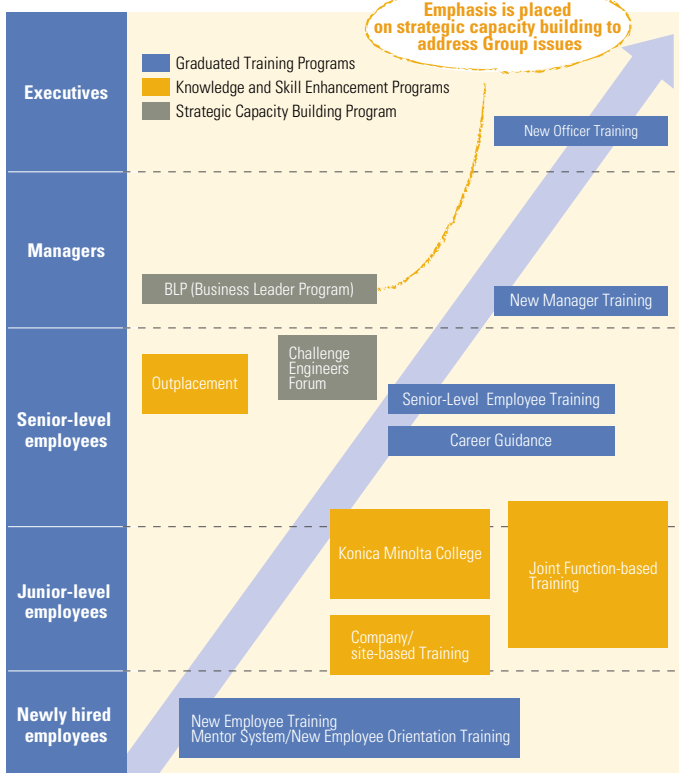
Employee Development

Training employees as part of our total corporate strategy

At Konica Minolta, each person's capacity development is, in principle, done through on-the-job development (OJD), which is conducted as each person executes his or her job duties and deals with tasks in the workplace. To enhance the learning benefits of OJD, we offer "Graduated Training Programs" as employees assume new roles and positions, as well as various types of "Knowledge and Skill Enhancement Programs." We respect each employee's own level of motivation, so in principle, participation in these programs is voluntary. In addition, we are implementing a "Strategic Capacity Building Program" which develops future leaders of the Konica Minolta Group.

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

■ Konica Minolta's Employee Training System



Knowledge and Skill Enhancement Programs

Konica Minolta College

The Konica Minolta College is an educational program open to employees who wish to become more knowledgeable in a certain area or more skilled at certain tasks. A wide range of classes (from technical training to management courses) are offered. 1,425 employees attended classes at the Konica Minolta College in fiscal 2003.



Strategic Capacity Building Program

Challenge Technicians Forum

This forum gives technicians dedicated to their craft the opportunity to polish their senses, think hard, communicate, and act in order to become even more skilled at what they do. The forum consists of both self-study and group sessions.



Business Leaders Program

Business Leaders Program develops leaders who will be able to promote the changes and develop the new businesses that will allow Konica Minolta to flourish in the midst of the ever-changing business environment and stiff competition. In the program, individuals acquire basic business management skills, develop an entrepreneurial mind and become better able to make business proposals. They then take advantage of these newly acquired skills to develop actual proposals for new business activities.



Konica Minolta College—Helping Employees Enhance Their Skills
The people I meet at Konica Minolta College are motivated and have a positive attitude. Company employees teach some of the courses and show their passion when teaching others their area of expertise. I am looking forward to grow as a business person, along with the other participants.

(Chie Suenaga, Human Resources Development Service Department, Human Resources Support Division, Konica Minolta Business Expert, Inc.)

