Moving ahead to change into a customer-centric business offering high added value

Last year, we reorganized our management framework into “One Konica Minolta” to consolidate the group’s strengths. Then, in April 2014, we embarked on our new medium-term business plan, TRANSFORM 2016. During the next three years, we will remake ourselves into a completely customer-centric company. We will also forge ahead with our “genre-top” strategy by making good use of the points of contact with our customers around the globe and by creating new value.

Our vision for Konica Minolta five years from now

TRANSFORM 2016 provides a two-pronged approach for our business five years from now, after completion of the three-year transformation.

The first is to develop businesses that provide comprehensive devices and services from the customer’s perspective. This is based on the concept of developing our business focused on our customers’ digital workflow in every area, from office services and commercial and industrial printing to healthcare and industrial optical systems. In these areas, we will offer flexible combinations of products such as components, devices, and consumables along with IT services that serve the different needs and workflows of customers in different types of businesses, offering solutions with a level of added value unparalleled by our competitors.

The other is to develop businesses that offer materials which only Konica Minolta can provide by leveraging our proprietary materials technologies. In the process of moving from a focus on photographic film to Organic Light Emitting Diode (OLED) lighting, Konica Minolta has continued to strengthen the proprietary materials technologies that contribute to the company’s DNA. Our goal is to build on these technologies to develop and supply high-performance materials to revolutionize our customers’ businesses in different fields, and, in the process, to become an essential presence in the industrial sector.

TRANSFORM 2016: our new medium-term business plan for sustainable growth

Konica Minolta came into being in 2003 with these objectives:
− To surpass our competitors as a top-tier company amid intense global competition
− To realize sustainable growth by continually gaining “genre-top” positions
− To keep our corporate DNA evolving in order to enhance the Konica Minolta brand.

A glance at our position today reveals that during the past decade, we have succeeded in consolidating our market presence through products such as the A3 color multi-functional peripherals which are established market leaders in Europe and North America, and our color production printers, which have claimed the top share of the global market.

In our present environment, the increasing use of digitalization and networking is bringing about rapid changes as people enjoy greater convenience and an ever higher standard of living as well as increasingly diverse work and life styles. The era in which companies only had to make products for people to buy has ended. Going forward, to achieve sustainable growth we will have to engage in a thorough customer-centric review of our thinking and actions so that we can transform into a company capable of creating and supplying, in a timely fashion, the value demanded by customers.

Utilizing the Konica Minolta Philosophy and TRANSFORM 2016 to become the company we strive to be

Shoei Yamana
President and CEO
Konica Minolta, Inc.
Medium-term Business Strategy to achieve our aims in the next five years

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<th>Pursuit of customer values</th>
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<td>We will take the customer’s perspective when designing our business processes and making business decisions and continue to offer solutions with high added value which lasts throughout the lifecycles of our products and services.</td>
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<th>Genre-top</th>
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<td>We will concentrate our management resources on business fields with high growth potential and where success is expected, as well as promote strategies to gain genre-top positions in those markets targeted.</td>
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Basic Policy to fulfill the Medium-term Business Strategy

1. **Realize sustainable profit growth**
   - Evolve the “genre-top” strategy and create value

2. **Transform into a customer-centric company**
   - Have customer insight and understand their needs
   - All actions and business processes of Konica Minolta should be based on pursuing customer value

3. **Establish a strong corporate structure**
   - Build a strong corporate structure by pursuing sturdy production operations and restructuring of corporate administration

The Konica Minolta Philosophy

TRANSFORM 2016 offers a path to realizing a global company that is vital to society and an innovative company that is robust and constantly evolving. Pressing ahead with the “One Konica Minolta” plan will require that each individual employee has the ability to put ideas into practice. We have therefore incorporated into the Konica Minolta Philosophy the management philosophy to which we have adhered, the values we have nurtured, and the vision of the kind of company we should be in order to enable all 40,000 of our employees around the world to hold the same values and to think and act decisively.

Konica Minolta will continue to develop into a company in which all of our employees can join together as one to consider customer needs and to help to solve the issues they face, using the Konica Minolta Philosophy as the basis for value.

I look forward to your continued support of Konica Minolta in the future.

Shoei Yamana
President and CEO
Konica Minolta, Inc.