

# Paramount Objectives for Konica Minolta

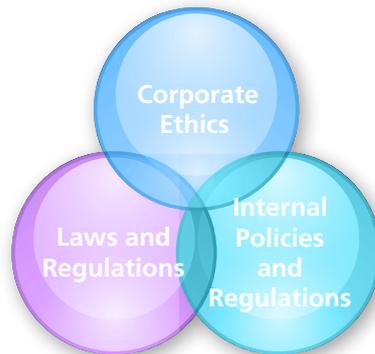
Fairness and transparency form the most important principles of Konica Minolta's corporate activities. To uphold these principles, all people working in the Konica Minolta Group take responsibility for their actions based on corporate ethics that go beyond simply obeying the law. The following is an overview of the Group's compliance system for ensuring fair and transparent corporate activities.

## Konica Minolta's Compliance System

### ● Scope of Compliance

Konica Minolta's view of compliance comprises much more than just adhering to relevant laws in a particular country, and extends to living up to other important standards such as corporate ethics and in-house rules.

#### ■ Scope of Compliance at the Konica Minolta Group



The Konica Minolta Compliance Manual has been prepared and distributed in order to ensure that the Konica Minolta Group Conduct Guidelines are being followed diligently in employees' daily activities. A Chinese-language version has also been prepared that reflects the legal requirements in China.



Konica Minolta Compliance Manuals

## Guidelines for Each Employee

### ● Konica Minolta Group Conduct Guidelines (excerpts)

#### Basic Approach

We will observe all relevant laws and regulations, along with in-house rules and codes.

We will respect social norms and will act in full awareness of corporate ethics, as well as common sense, so as to be accountable for our acts.

We will seek to understand the Guidelines thoroughly, and to comply with them always.

We will not violate the Guidelines under any circumstances, even to benefit the Company or increase profits, even if so instructed by our superiors; or if the Guidelines have long been violated by our predecessors and many other companies, or their violation has become industrial or national practice.

The Konica Minolta Group Conduct Guidelines are of a universal character, adhered to throughout the Group's corporate governance, and given the highest priority in all Group activities. Based on this fundamental approach, a total of 40 conduct-guideline items have been established in the categories of Products and Services, Fair Transactions, Export and Import Procedures and Regulations, Protection of Confidential Information and Intellectual Property, Communication and Information Disclosure, Environmental Protection, Contribution to Society, Respect for Employees, and Internal Policies and Regulations.

## Multilingual Handbook of Konica Minolta Group Charter of Corporate Behavior



To share the spirit of the Konica Minolta Group Charter of Corporate Behavior globally, Konica Minolta prepared a multilingual handbook written in nine languages (Japanese, English, Chinese, German, French, Spanish, Portuguese, Italian and Russian) and distributed it to all people working in the Konica Minolta Group around the world.

### Worldwide Compliance throughout the Konica Minolta Group

#### Compliance Promotion System

The Konica Minolta Group makes fair and transparent corporate activities an integral part of the corporate culture wherever the Group operates around the globe. Even before the Japanese New Company Law came into effect in May 2006, Konica Minolta had been building a compliance system in line with the law concerning the company-with-committee system. The executive officer responsible for Group compliance, who is appointed by the Board of Directors of Konica Minolta Holdings, Inc., convenes the Group Compliance Committee, an advisory board comprising the chairpersons of compliance committees in the Group's business and common function companies. Thus, a powerful compliance system has been created, in which ultimate responsibility is assigned to the top management at Konica Minolta Holdings, Inc. and at each Group company. In this way, consistency is ensured for compliance activities at all affiliated companies worldwide.

### From Policy Creation to Practical Application

#### Progress in Promoting Compliance

In fiscal 2007, the Konica Minolta Group held thematic compliance seminars nationwide in which the Group employees can voluntarily participate. Topics included the prevention of harassment (1,305 participants), the Antimonopoly Act (632 participants), the Subcontracting Law (372 participants), and the Personal Information Protection Law (256 participants), among others. The Group also conducted position-based compliance education for a total of 500 individuals in different positions. In North America, local staff members (company lawyers) held educational sessions on issues including competition laws, sexual harassment, and import and export regulations. In Europe, education was provided through such means as the publication of handbooks on matters including environmental directives and competition laws.

The Group's business companies and common function companies are required to report such compliance promotion progress to the Group Compliance Committee every month.

#### Staff Voice

##### Values shared by all employees

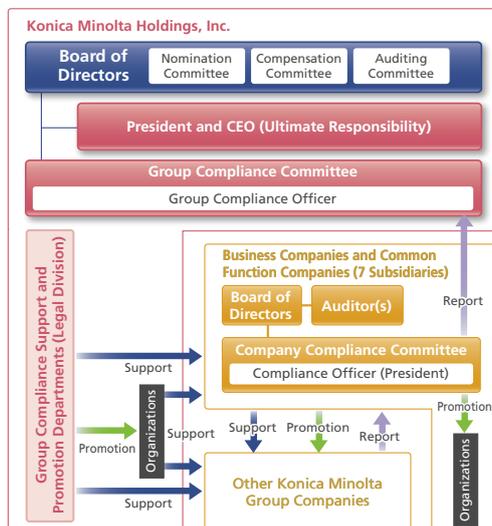
We are working to promote compliance so that all group employees can go forward with a sense of pride in their work. At Konica Minolta, we think that the passive approach to compliance of adhering only to explicit laws and regulations is not enough. We are striving to set a higher ethical tone and create a shared value: Wanting to do the right thing.



Manager  
Legal Division  
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Yuji Taguchi

#### Compliance Promotion System



Seminar raises employee awareness

# Paramount Objectives for Konica Minolta

## | An Open and Fair Partnership with Suppliers

### ● Group Procurement Policy

On April 1, 2008, the Konica Minolta Group established a new procurement policy for the entire Konica Minolta Group, in order to pursue customer satisfaction and fulfill social responsibilities.

#### Konica Minolta Procurement Policy

The Konica Minolta Group pursues customer satisfaction by creating innovative products and services that contribute to the development of society, according to our management philosophy, "The Creation of New Value." In procurement activities, we establish firm partnerships with our suppliers based on fairness and transparency and aim to build a sustainable society by fulfilling social responsibilities with our suppliers.

Open	We will build transparent and reliable relationships with our suppliers and manage procurement in an open manner, while sharing objectives from a long-term and global perspective.
Fair	We will carry out transactions under the principle of free competition with rational evaluation criteria, and seek mutual benefit with suppliers.
Global	We will have a global outlook and carry out procurement in the regions that best suit our operational needs.
Compliance	We will comply with all relevant laws and regulations, corporate ethics, and internal policies and regulations.
Ecology	We will contribute to the international society and local communities by striving to take the lead in environmental protection, while reducing the impact of our operations on ecosystems.

#### ..... Request to Suppliers .....

Based on strong partnerships with our suppliers, we ask them to focus on the following areas in order to increase customer satisfaction and fulfill social responsibilities.

**1) Excellent quality**

Ensuring the safety of products and services, including compliance with the safety standards of each country and region and improving quality to meet the demands of customers

**2) Reasonable prices**

Pursuing prices with market competitiveness

**3) Response to changes in demand**

Developing a stable supply system that can respond flexibly to changes in demand

**4) Compliance with laws, regulations and corporate ethics**

Complying with all laws and regulations of each country and region, and with corporate ethics

**5) Environmental protection**

Undertaking environmentally conscious business activities and material procurement

**6) Respect for the human rights of workers**

Respecting basic human rights, including the prohibition of child labor, forced labor, and discrimination based on ethnicity, sex, and any other grounds

**7) Health and safety**

Providing safe and clean work environments

**8) Information security**

Continuously improving information security

**9) Firm management foundation**

Building a firm management foundation to ensure a continuous and stable supply of materials

## Hotlines to Promote Compliance

### ● Establishment of the Hotline

In Japan, the Konica Minolta Group maintains a Group-wide hotline that allows employees to report any compliance violations that are discovered. Employees can consult with the hotline by telephone, email, or letter. In addition, independent hotlines have been set up at each business company in Japan for the business company's organization, including its subsidiaries. Likewise, some of the Group companies outside Japan also maintain their own hotlines.

In fiscal 2007, the Group Hotline was operating effectively. Investigations were made into the content of the reports, while ensuring that the identities of the whistleblowers remained protected. These efforts were immediately followed up, as necessary, with measures for improvement. Those contacting or making reports to the hotline have not suffered any negative consequences.

### ■ Konica Minolta Group Hotline (Japan)



## Creating Mechanisms to Prevent Accounting Improperities

### ● Complying with the Financial Instruments and Exchange Law

As part of worldwide efforts to prevent improper corporate accounting practices, the Japanese Financial Instruments and Exchange Law (J-SOX) came into effect in fiscal 2008. The Konica Minolta Group has implemented measures to comply with this law in four phases. Phase one covered the overall planning and was completed in fiscal 2006. The next three phases were completed in fiscal 2007. Phase two covered the documentation of internal controls, phase three involved evaluation of the design and operation of business processes, and phase four took care of identifying and resolving the deficiencies discovered in the phase three evaluation. Currently, the implementation system has been put in place, and evaluation of internal controls is being carried out. Konica Minolta will continue to promote Group-wide efforts to create mechanisms to prevent any errors by reviewing the report preparation process, and will publicize the efficacy of the reporting process.

### Staff Voice

#### Prepared for full enforcement of J-SOX Law

We have been supporting the preparation of more trustworthy financial statements mainly through Process Level Control (PLC) and IT General Control (ITGC), which are part of the internal controls that are the foundation of reliable financial statements. Thanks to the efforts of each company, we are prepared for the full enforcement of J-SOX.



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