

Management System

Konica Minolta seeks to improve corporate value by using a holding company system and maintaining a highly transparent management and governance system that separates supervisory and execution functions.

Corporate Governance

Konica Minolta believes that strengthening corporate governance is a vital part of fulfilling its responsibilities to stakeholders. The Group has created a management and governance structure that allows more timely and appropriate decision-making on matters such as restructuring.

Company-with-Committees System

Konica Minolta Holdings, Inc. has adopted a company with-committees system, enabling the management supervisory function of the directors to be separated from the business execution function of the executive officers.

The executive officers are entrusted by the Board of Directors with the task of business execution. The content of this business execution is subject to the oversight of the Board of Directors and to audits by the Audit Committee, which enhances the soundness of management and compliance. The Board of Directors includes four outside directors, who are highly independent and have no significant business relations with the company. A majority of directors do not serve as executive officers. Moreover, the Chairman of the Board of Directors has no executive officer position, which reinforces the supervisory function of the Board of Directors.

The company has written independence criteria for the selection of outside director candidates, including the requirement that candidates not have any personal

connections to executive officers, or significant financial relationships with the company. This initiative has been publicly recognized, and the company received a Corporate Activity Award at the 2010 Listed Company Awards sponsored by the Tokyo Stock Exchange Group, Inc.

Holding Company System

Konica Minolta has adopted a holding company system comprised of a holding company, business companies and common function companies.

Having separate business companies in each business category enables accelerated decision-making processes and enhances competitiveness. Moreover, the common function companies centralize basic research and back-office operations within the Group, helping to achieve greater efficiency and stronger functionality. Each president of a business company or common function company is also an executive officer of Konica Minolta Holdings. They have the authority and responsibilities necessary for directly executing the management activities in their respective business.

Thanks to this system, the holding company is able to focus on Group management and governance with greater leadership ability, which helps to improve corporate value for the entire Group.

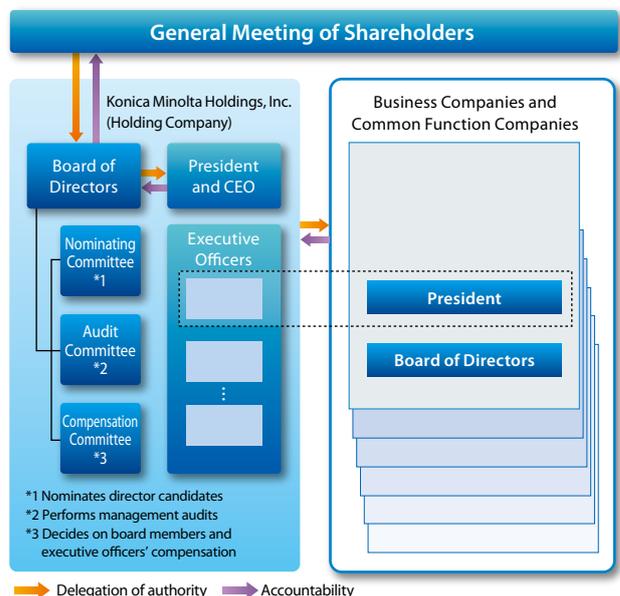
Board of Directors and Three Committees (as of June 22, 2011)

Board of Directors (total of 11 people)				
Seven Non Executive Officers	Nominating Committee	Audit Committee	Compensation Committee	
Directors (Chairman of the Board)	●			
Outside Director	●		●	
Outside Director		●	●	
Outside Director	●	●	●	
Outside Director	●	●	●	
Director	●	●	●	
Director		●	●	

Four Executive Officers:
 Director (President & CEO)
 Three Directors (Senior Executive Officers)

● : Chairman

Corporate Governance System



Compliance

In October 2003, Konica Minolta established the Konica Minolta Group Charter of Corporate Behavior [▶P7](#), as the basis for corporate activities. At the same time, the Group established the Konica Minolta Group Conduct Guidelines to serve as a foundation for the governance of the Group companies in Japan, based on the principles contained in the Charter.

Compliance manuals and codes of conduct have also been prepared by Group companies outside Japan based on these guidelines.

Guidance on the Konica Minolta Group Charter of Corporate Behavior

In April 2011, the company published the Konica Minolta Group Guidance for Charter of Corporate Behavior for all Group companies worldwide, as a reference for individual employees when implementing the Charter.

The Guidance provides specifics on practices employees should follow, based on a common understanding of the items in the Charter. It also contains specific requirements concerning human rights and anti-corruption measures, as outlined in the United Nations Global Compact [▶P7](#), joined by Konica Minolta in 2008.

Employees worldwide are required to follow their own Group company compliance manuals and codes of conduct that correspond to the social ethics and laws of their respective countries, using the Guidance as a baseline.

Revision of Compliance Manual for China

In April 2011, the compliance manual for China was revised. Complementing to the Konica Minolta Group Charter of Corporate Behavior, the manual refers to Chinese law and social ethics and describes practices employees should follow using specific examples. The first edition of this manual was issued in fiscal 2004, and the revision was necessary in order to keep pace with the legal and social changes in that country.

The compliance manual for China has been released in Chinese and Japanese, and is used not only for employee training in China, but also for preparing employees temporarily transferred from Japan to China, and those traveling there on business.

Risk Management

Konica Minolta has established a system for minimizing the business and social impact of crises that may arise from a range of risks, by taking prompt and appropriate action and by releasing information.

Response to the Great East Japan Earthquake

Immediately after the earthquake that struck on March 11, 2011, Konica Minolta set up a Disaster Response Headquarters, and began to confirm employee safety and the extent of damage to affected Group companies.

Headquarters meetings were then held each morning, headed by the president of Konica Minolta Holdings, who also serves as chief of the Disaster Response Headquarters. The meetings included the heads of relevant departments at Konica Minolta Holdings, the executive officer for personnel, and the executive officer for crisis management. The team discussed information provided by various Group companies in Japan, and issued instructions for unified Group response measures.

Meanwhile, each business company and their subsidiaries continued to confirm conditions of customers and the entire supply chain, while investigating response measures [▶P6](#). At the Headquarters meetings, the information was compiled, and rapid determinations were made on how the entire Group would move forward with recovery measures and support for the disaster region. The Headquarters team dealt with issues that were changing on a daily basis, including conditions in the disaster region, the impact of the nuclear crisis, planned power outages, and gasoline shortages. Decisions by the team were promptly disclosed in and outside the Group whenever necessary.

The Headquarters meetings at Konica Minolta Holdings were concluded one month after the earthquake, and since then reconstruction measures have been carried out at each business company according to the circumstances. Along with the continuation of these activities, the company will also analyze new potential risks brought to light by the disaster, which will be useful for improving the Group's crisis management system.



Disaster Response Headquarters on the day of the earthquake