

# 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 perform decision-making and business execution, as entrusted by the Board of Directors. 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.

There are three committees within the Board of Directors: Nominating, Audit, and Compensation Committees—all of

which are chaired by outside directors. Although the law in Japan only requires that no executive officers serve on the Audit Committee, Konica Minolta has implemented a system in which its executive officers do not serve on any of these committees, in order to ensure better transparency.

### 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 for directly executing the management activities in their respective business.

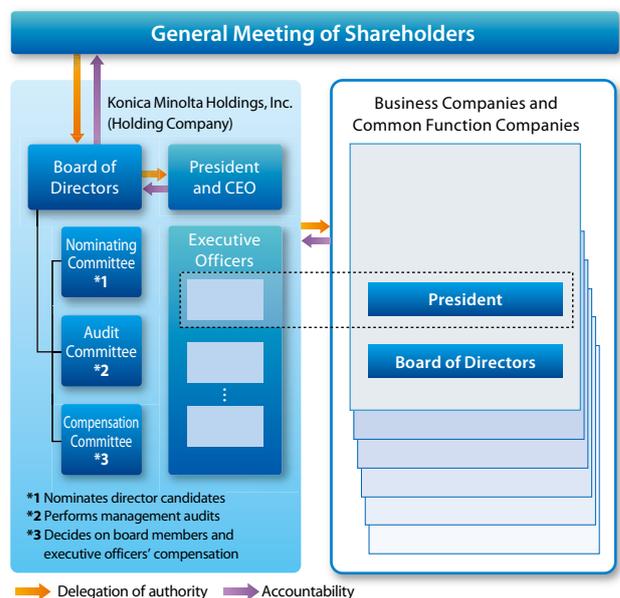
Thanks to this system, the holding company is able to focus on Group management and governance with greater leadership ability, which helps to improve corporate value for the entire Group.

Board of Directors and Three Committees (as of June 20, 2012)

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) ● Chairman  
 Three Directors (Senior Executive Officers)

Corporate Governance System





## Compliance

Compliance as Konica Minolta understands it is not simply obeying the laws of Japan and other countries but also includes adherence to corporate ethics and internal corporate rules. The Konica Minolta Group Charter of Corporate Behavior was created with this understanding and has been established as the compliance policy for the entire Group [P. 12](#). This charter represents the principles guiding Group governance and is considered the authority on how all types of corporate activities should be carried out. Moreover, the Konica Minolta Group Guidance on the Charter of Corporate Behavior was published in 2011 as a reference for employees of all Group companies worldwide to consult when implementing the Charter. The company also implements various educational programs for employees to ensure the level of compliance awareness continues to increase.

### Global Deployment of Group Compliance

Since fiscal 2011, Konica Minolta Holdings has been implementing its Compliance Medium Term Plan, as a part of the Medium Term Business Plan, "G PLAN 2013." The major policies of the Medium Term Compliance Plan are global implementation of compliance programs and efforts to meet diverse social requirements regarding corporate compliance and ethics.

Regular communication is the key to ensuring that an equal commitment to compliance will be shared by all Group companies worldwide. To make this happen, the Konica Minolta Group Compliance Committee and its office are fostering compliance promotion efforts through the "Dialogue Program," in addition to the regular compliance reporting by Group Companies and internal audit system. In fiscal 2011, the Executive Officer responsible for Group Compliance visited Group companies in Europe, the US and China and had direct discussions with the companies' compliance committee members under the "Dialogue Program."

The company is also enhancing its compliance education program to align it more closely with the UN Global Compact [P. 12](#) and other international policies, and to implement training programs in various countries.

## Crisis Management

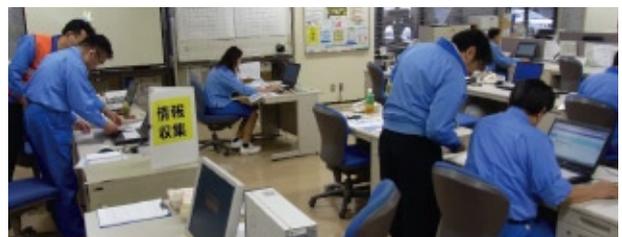
Konica Minolta has established a system for minimizing the business and social impact of crises that may arise from a range of risks, by taking prompt and appropriate action and by releasing information.

### Improving the Business Continuity Management System

Maintaining important business activities required by society even during times of large-scale disaster is one of Konica Minolta's corporate responsibilities. Konica Minolta had its Group companies devise a Business Continuity Plan (BCP) that outlines the specific actions to be taken in times of disaster. In addition, an emergency initial response system has been established to facilitate the gathering of information immediately after a disaster and facilitate decision making on whether to implement the BCP. The Group has established a system to address emergency cases by combining these actions.

The Group's major sites escaped severe damage in the Great East Japan Earthquake that struck on March 11, 2011 and the BCP did not have to be implemented. However, for the first month after the disaster, the president of Konica Minolta Holdings held an Earthquake Response Meeting every morning to gather information, give appropriate instructions, and ensure consistent information disclosure. Afterwards, the company implemented a review of its emergency systems based on what was learned through this process. It revised the emergency guidelines and reassigned the various roles of employees in charge of emergency situations. These measures resulted in the increase of disaster relief supplies and the improvement of the system for helping employees who are unable to return home in times of disaster.

On November 11, 2011, emergency drills were conducted throughout the Group's companies in Japan. The drills were based on the premise of a massive earthquake striking the Tokyo metropolitan area. A sub-headquarters in charge of the information gathering function was set up in the Itami site in Hyogo Prefecture. It coordinated with the Konica Minolta Holdings central headquarters to practice the procedures that would be carried out during such an emergency.



The Earthquake Response Sub-Headquarters set up at the Itami site during the emergency drill