

# Management System

**Konica Minolta considers strengthening corporate governance a management priority. The company is reforming its management system to establish a highly transparent corporate governance structure and ensure effective responses to today's changing business environment.**

## Corporate Governance

Konica Minolta believes that improving corporate governance is a vital part of fulfilling its responsibilities to stakeholders. The company is continuing to reform its management and governance structure to ensure more timely and appropriate decision-making on matters such as restructuring.

## Management System Restructured

Improving upon its holding company system, in April 2013 Konica Minolta Holdings, Inc. restructured its management, merging with seven companies, including business companies. It moved from a pure holding company structure to become a company that carries out business directly and changed its trade name to Konica Minolta, Inc. With this change, the Industrial Business and Healthcare Business were also made into internal companies.

## Company-with-Committees System

Konica Minolta 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 effectiveness, validity, legality and soundness of the management.

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.

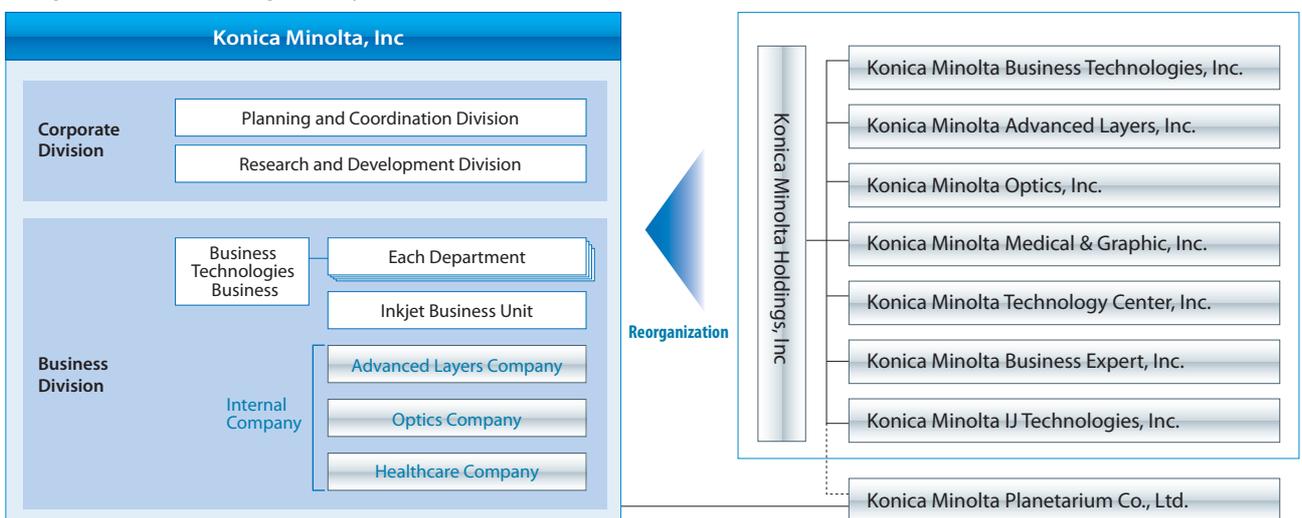
There are three committees within the Board of Directors: Nominating, Audit, and Compensation Committees—all of which are chaired by outside directors. Although the law in Japan only requires that no executive officers serve on the Audit Committee, Konica Minolta has implemented a system in which its executive officers do not serve on any of these committees, in order to ensure better transparency.

**Board of Directors and Three Committees (as of June 19, 2013)**

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		●	●

● Chairman  
 Four Directors and Executive Officers: President & CEO, two Senior Managing Executive Officers and one Senior Executive Officer

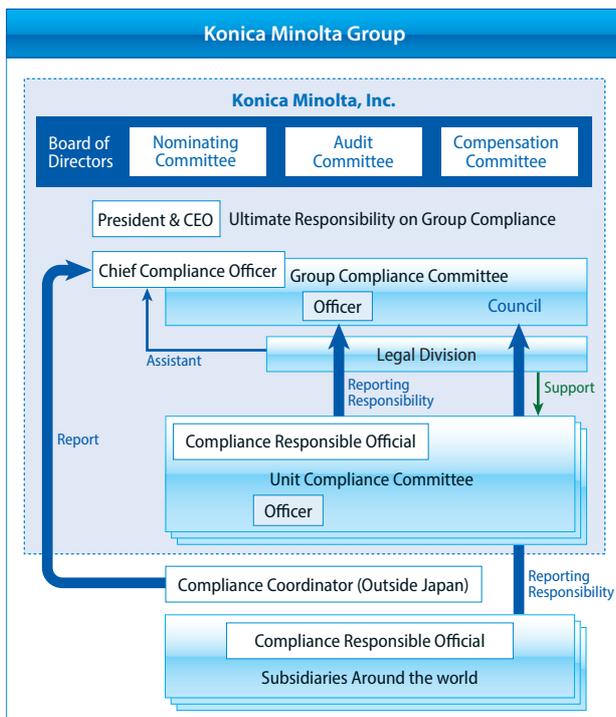
## Reorganization of the Management System



## Compliance

At Konica Minolta, the Chief Compliance Officer decides important matters for promoting group compliance and has the responsibility to promote and oversee compliance under the President and CEO of Konica Minolta, Inc., who has ultimate responsibility for Group compliance. To fulfill that responsibility, the Chief Compliance Officer convenes the Group Compliance Committee, which is composed of the persons responsible for compliance at each corporate and business department.

### Group Compliance Promotion System



### Global Compliance Network

Konica Minolta has been implementing compliance measures globally as one theme in the Medium-term Compliance Plan it has been working on since fiscal 2011.

In fiscal 2012, the Group established a Global Compliance Network constituting group companies in key locations such as Europe, the United States, and China and appointed a compliance coordinator for each region. The Group is aiming to ensure that global activities conducted by the entire Group and local activities carried out by each company according to local circumstances complement each other and are functioning

organically by fiscal 2013, which is the last year of the medium-term plan.

### Anti-Corruption Initiatives

Konica Minolta treats compliance as top priority in all of its corporate activities. As a tool for ensuring understanding of that commitment, in April 2011 Konica Minolta published the Konica Minolta Group Guidance for the Charter of Corporate Behavior, which is shared globally and illustrates expected behavior in detail. The Guidance includes specific anti-corruption rules, including prohibition of extortion of gifts, benefits or business entertainment, prohibition of bribery, and a resolute stand against any contact with organized criminal elements.

Moreover, an anti-corruption training program has been released on the company intranet, and group sales companies worldwide are being encouraged to make use of it. Group companies are also asked to share best practices and to produce programs that comply with the laws of their respective countries.

### UK Sales Company Initiative

In July 2011, the United Kingdom's Bribery Act came into force. The act broadens the scope of regulations, which traditionally dealt with bribery of public officials, and makes acts of bribery among entities in the private sector punishable for companies that conduct a portion of their business within the UK. The act expands the scope of punishment to acts conducted not only inside the UK but in other countries as well. Before the law came into force, Konica Minolta Business Solutions (UK) Ltd., a sales company in the UK, developed a guidebook and check sheet showing specific steps to prevent any misconduct.

