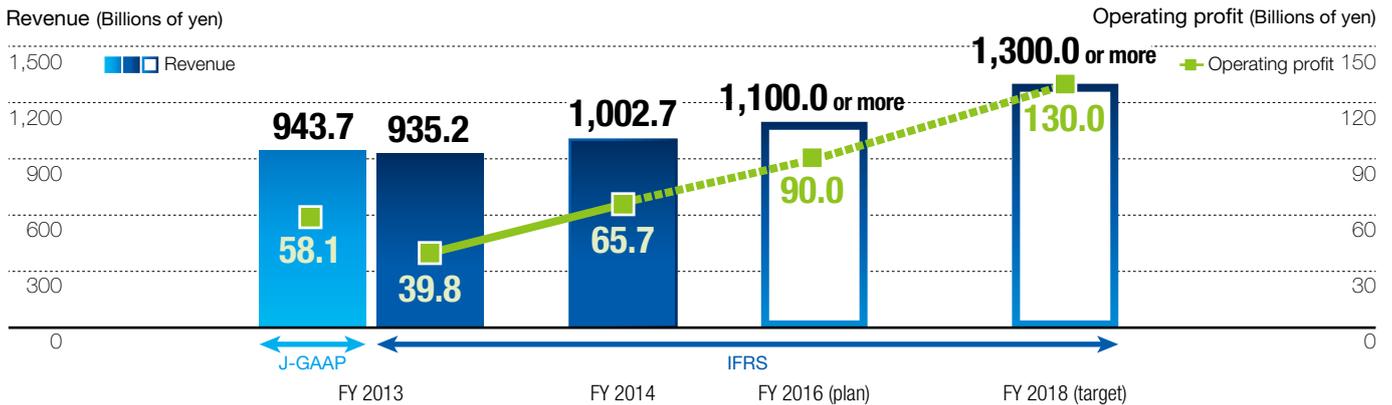


Medium Term Business Plan Progress Report

The first fiscal year has gotten off to a good start.



TRANSFORM 2016 Progress

Realizing sustainable profit growth

By focusing our efforts on corporate resources in segments that show promise for growth, we leverage coherent “genre-top” strategies to establish a higher position in the global market. To this end, in order to succeed with both maximizing earnings in existing businesses and “transforming” our business portfolio to achieve next-generation growth, we have established three phases for each business as part of our systematic growth scenario (see diagram).

In Phase 0, we will reinforce the earning power of profit engines in existing businesses. Phase 1 will focus on transforming our business portfolio with a view to achieving results in fiscal 2016, the last year of our Medium-Term

Business Plan. In Phase 2, by fiscal 2016 we will complete the preparations for creating new growth engines that will strengthen business in fiscal 2017 and 2018. Pursuing these three phases concurrently constitutes Konica Minolta’s TRANSFORM initiative.

The 3 Phases for transforming our business portfolio



Transform into a customer-centric company

To create services and solutions to address the issues faced by our customers and society, it is critical that we establish a customer-focused approach based on our management philosophy of “the creation of new value.” To this end, in fiscal 2014 we focused on building a customer-centric corporate

climate and business structure as One Konica Minolta. Part of this involved establishing Business Innovation Centers (the BICs) in 5 key regional markets. In fiscal 2015, we will work even more closely with customers to provide solutions from processes further upstream. We are also creating new services together with customers through these BICs.

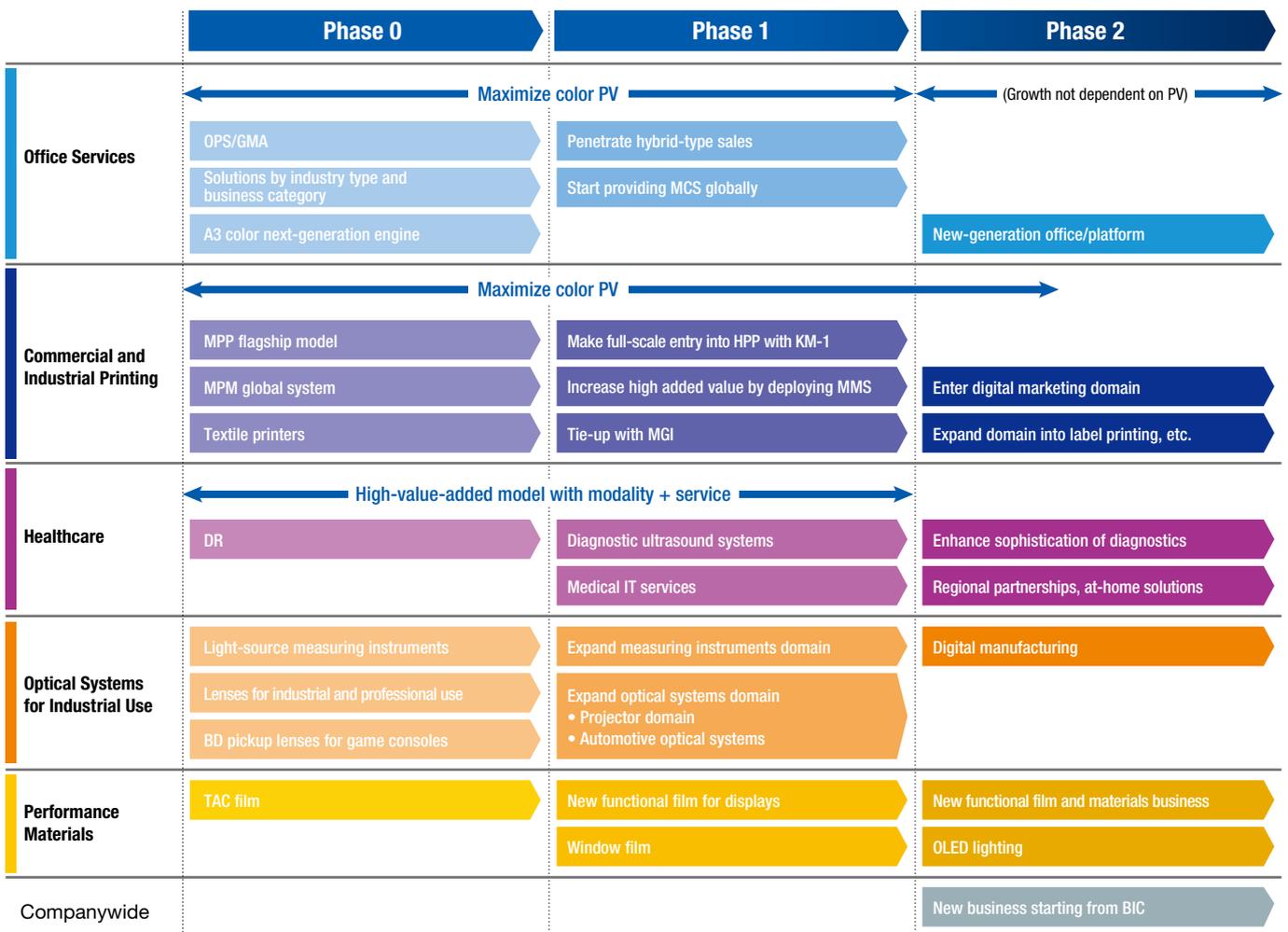
Establishing a strong corporate structure

With an eye to achieving sturdy production operations, we will be conducting fundamental streamlining of production activities through efforts including Group-wide purchasing, more extensive automation in manufacturing processes, and coordination between design and production using groundbreaking ICT. One effort made in fiscal 2014 towards

this end was shifting “digital manufacturing” into full gear at our production site in Malaysia.

We also undertook corporate reform and refined Group management to be in line with what the world expects of a global company, in addition to enhancing profitability by optimizing our cost structure.

Roadmap for growth in each business segment



Full-scale implementation of a next-generation production system on the concept of digital manufacturing begins in Malaysia

In fiscal 2014, Konica Minolta began full-scale operation of a next-generation production system based on the concept of digital manufacturing at Konica Minolta Business Technologies (Malaysia) Sdn. Bhd., a Konica Minolta production site in Malaysia.

Through a combination of cutting-edge ICT and automation technologies, the plant's production processes achieve dramatic efficiency improvements over conventional production workflows. In addition to automating operations previously performed by human hands, we have also achieved a management cockpit that uses ICT, allowing our managers to make and act on decisions concerning production with more speed and accuracy. We ultimately aim to achieve a production system whose success is not affected by change involving people, place, or country. Initiatives currently being conducted in Malaysia are a pioneering example of our worldwide business expansion going forward, which is aimed at reinforcing competitiveness throughout the Group. Furthermore, we hope to continue increasing production efficiency in society at large by offering customers and business partners the knowledge and expertise we have accumulated through these endeavors.

