

Corporate Governance

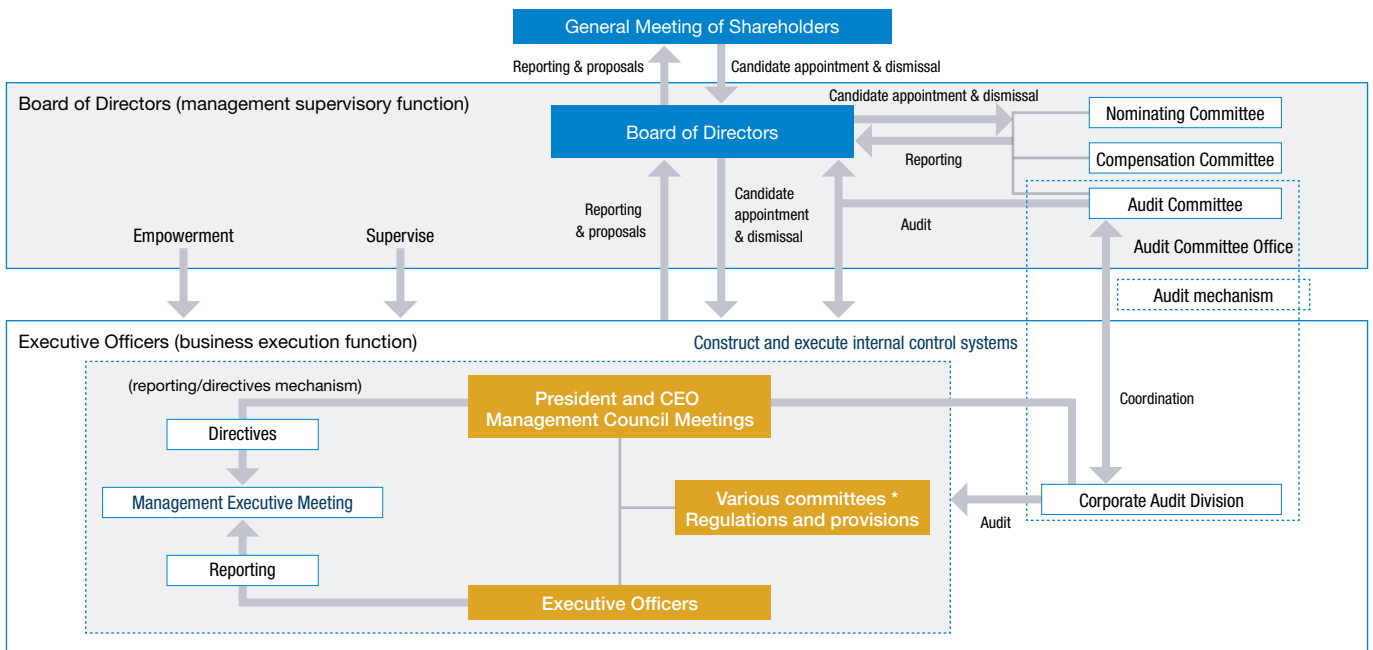
Management and Governance Structure

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.

Company with Three Committees

Konica Minolta has adopted the “company with three committees” framework, and has accordingly established the Nominating, Audit and Compensation Committees. Each of the three committees is composed of three outside directors and two internal directors, and the chairmen of the three committees are selected from among the outside directors. Representative Executive Officer

Corporate Governance Systems



Committees related to internal controls

Risk Management Committee, Compliance Committee, Corporate Information Disclosure Committee, Investment Assessment Committee, Business Assessment Committee

Board of Directors and three Committees (as of June 19, 2015)

● Chairman

Board of Directors (11 members)		Nominating Committee	Audit Committee	Compensation Committee
7 Non-Executive Officers	Director (Chairman of the Board)	●		
	Outside Director	●		●
	Outside Director	●	●	
	Outside Director		●	●
	Outside Director	●	●	●
	Director	●	●	●
	Director		●	●
4 Concurrently serving as Executive Officers	Director (President and CEO)	Directors concurrently acting as executive officers do not serve on any of the three committees.		
	Director (senior executive officer)			
	Director (senior executive officer)			
	Director (senior executive officer)			

cannot be appointed to an Audit Committee position under the provisions of the Companies Act and will not be selected by the Company for a position on the Nominating or Compensation Committees.

• Operations of Board of Directors

The Board of Directors includes four outside directors, who are highly independent and have no significant business relationship with the Konica Minolta Group. The majority of directors do not serve concurrently as executive officers.

In principle, the Board of Directors meets once a month. Outside directors receive advance briefings on agenda items in order to facilitate lively discussions at meetings of the Board of Directors. In particular, explanations of important management decisions are provided by relevant executive officers. The seating configuration changes at each Board meeting, except for the Chairman of the Board and the President, in an effort to encourage communication among board members and enliven the proceedings.

In fiscal 2014, the overall attendance by outside directors at meetings of the Board of Directors and of its three committees exceeded 90%. Every year, each board member provides an evaluation of the Board of Directors, which serves as a general review of the composition and administration of the Board and its three committees, as well as other matters. The evaluation by each board member is summarized and discussed by the outside directors, chairman, president, and other directors in an effort to enhance corporate governance.

• 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 appoints the Company's executive officers and selects the Representative Executive Officer and the President, as well as other executive officers in positions of responsibility, from among these officers. The division of executive duties is also determined by the Board. The Representative Executive Officer and President and other executive officers perform decision-making on and execute the business entrusted by the Board.

Appointment of Directors

• Nominating of Director Candidates

The Nominating Committee determines internal and outside director candidates to be put before the General Meeting of Shareholders, according to the following selection criteria.

For the selection of internal director candidates, the Nominating Committee can obtain the opinion of a president who is thoroughly familiar with the careers and track records of the candidates.

1. Good physical and mental health
2. A person that is well liked, dignified, and ethical
3. Completely law-abiding
4. In addition to having objective decision-making abilities for management, the person must have good foresight and insight
5. Someone with no possible conflict of interest or outside business relations that may affect management decisions in the Company's main business areas, and who has organizational management experience in the business, academic, or governmental sectors. Otherwise, someone with specialized knowledge in technology, accounting, law, or other fields
6. For outside directors, a candidate with a history of performance and insight in that person's field, someone with sufficient time to fulfill the duties of a director, and who has the ability to execute required duties as a member of the three relevant committees
7. The Nominating Committee has separately set forth points for consideration in the re-election of Directors and requirements concerning the number of terms of office, age and other factors. Especially, in principle, existing terms of office for Outside Directors are up to four years
8. In addition, the candidate must have the abilities necessary for a director running and building a public corporation that is transparent, sound, and efficient

• Ensuring the Independence of Outside Directors

In selecting outside directors, the highest priority is placed on their independence, as well as on their experience in corporate management (or in similar management positions at public/academic institutions), which will enhance the supervisory functions of the Board of Directors. There are written criteria on the independence of outside directors, stipulating, among other things, that eligible candidates shall have no significant business relations with the Group or personal relationships with its executive officers. At the same time, it is preferable that outside directors have experience in corporate management, since their role on the Board of Directors includes decision-making regarding management issues, as well as the supervision of corporate management.

In order to ensure the independence of outside directors, during the selection stage for new outside directors, recommendations are taken from the outside directors currently serving. To address the concern that long-serving outside directors have less independence, Konica Minolta limits their re-nomination to a four-year term of office in principle.

In June 2015, Mr. Hiroshi Tomono was appointed as a new outside director. All four outside directors have been appointed as independent executives in compliance with regulations established by the Tokyo Stock Exchange.

Corporate Governance

Outside Directors

Name	Reason for electing the outside director
Shoji Kondo*	Shoji Kondo has many years of experience at Toyota Motor Corporation and Hino Motors, Ltd. involving primarily in production and purchase activities, which are the main components of manufacturing. He has been elected as our outside director for his extensive experience and a broad range of knowledge as a corporate executive.
Takashi Enomoto*	Takashi Enomoto has many years of experience in the management of IT solutions businesses at NTT DATA Corporation. He has been elected as our outside director for his extensive experience and a broad range of knowledge as a corporate executive.
Kazuaki Kama*	Kazuaki Kama was involved for many years in the management of the heavy machinery manufacturing business at IHI Corporation, including progress of the focus of resources on strategic business activities. He has been elected as our outside director for his extensive experience and a broad range of knowledge as a corporate executive.
Hiroshi Tomono*	Hiroshi Tomono has many years of experience at Sumitomo Metal Industries, Ltd. and Nippon Steel & Sumitomo Metal Corporation in the management of the materials manufacturing sector, including having overseen activities at steelmakers ranging from technology and manufacturing to planning, administration and new business. He has been elected as our outside director for his extensive experience and a broad range of knowledge as a corporate executive.

*Every outside director has been designated an "independent director" as they each meets the independence standards established by the Company's Nominating Committee, is not a business executive or other significant person at a major supplier or customer or a major shareholder of Konica Minolta, and will not represent conflicts of interest with ordinary shareholders concerning his role as an outside director.

• Executive Officer Appointment

The president makes the initial proposals for the appointment of executive officers by the Board of Directors.

The president then determines the executive officer candidates through a candidate evaluation meeting, based on executive officer selection standards. The Nominating Committee receives information on the executive officer candidates ahead of the Board of Directors and supervises the validity of the selection process.

Compensation for Directors and Executive Officers

The Compensation Committee determines the salaries and compensation system for directors and executive officers. In June 2005, the Committee abolished the conventional retirement benefit system for directors and executive officers, and revised the compensation policy (see table below) to make it a better fit for their roles in the Company.

Compensation for directors and executive officers

Outside Directors	Base salary only
Internal Directors	Base salary + stock compensation as long-term incentive
Executive Officers	Base salary + performance-based cash bonus as short-term incentive + stock compensation as long-term incentives

Konica Minolta regards it as important to clearly indicate the Company's policy on compensation for directors and executive officers, together with the ratio of incentive compensation for the achieved performance. Consequently, the compensation policy in the business report for the fiscal year ended March 2015 stipulated that the executive officers' compensation shall comprise base salary, a performance-based cash bonus as a short-term incentive, and stock compensation as a long-term incentive, with the ratio of the three being 60:25:15. The performance targets on which the performance-based cash bonus is determined are stipulated as major consolidated performance indicators, including sales, operating profit, and ROE, associated with results of operations.

Konica Minolta participates in a survey on executive compensation for companies in Japan done by an independent party every year, and the amount of individual compensation for each position is benchmarked based upon objective data obtained from the survey.

The amount of compensation paid to directors and executive officers recorded as an expense for the year ended March 2015 is shown in the table below.

Amount of compensation paid to directors and executive officers for the year ended March 2015

		Directors			Executive Officers
		Outside	Internal	Total	
	Total	45	182	227	801
Total base salary	Persons	5	5	10	19
	Amount (million yen)	45	143	188	448
Performance-based cash bonus	Persons	-	-	-	19
	Amount (million yen)	-	-	-	233
Stock Compensation	Persons	-	5	5	18
	Amount (million yen)	-	39	39	119

Note 1. As of March 31, 2015, there are 4 outside directors, 3 internal directors (excluding those who are also executive officers), and 19 executive officers.

Note 2. In addition to the 5 internal directors shown above, the Company has another 4 internal directors who concurrently hold executive officer posts, and the compensation of these directors is included in the compensation for executive officers.

Note 3. Regarding the performance-based cash bonus, the amounts that should be recorded as an expense for the period are stated.

Note 4. Regarding the compensation-type stock options, the amounts that should be recorded as an expense based on an estimation of the fair value of the stock acquisition rights issued to directors (excluding outside directors) and executive officers (excluding non-residents in Japan) as part of their compensation are stated.

Note 5. In addition to the compensation shown above, the conventional retirement benefit abolished in June 2005 was paid, as indicated below, during the current business year, based on a resolution of the Compensation Committee:

- 35 million yen for 2 directors who retired on June 19, 2014.

- 21 million yen for 2 executive officers who retired on March 31, 2014.

• Guidelines on Officer Ownership of Konica Minolta Shares

In order to provide incentives for the boosting of earnings results and the Company's share price from the perspective of shareholders, Konica Minolta has established guidelines on ownership of Konica Minolta shares by internal directors and executive officers, along with stock options, as part of their compensation system.

Group Auditing System

Konica Minolta Inc., which has adopted the "company with three committees" framework, has established an Audit Committee, while its subsidiaries in Japan have appointed their own respective auditors. In addition, Konica Minolta Inc. has a Corporate Audit Division, which conducts an internal audit of the entire Group.

The members of the Audit Committee and the Corporate Audit Division, as well as auditors of the subsidiaries in Japan, share related information and strengthen coordination of audit activities across the Group. With the aim of ensuring effective audits, the same parties hold regular meetings with the accounting auditors, review auditing systems and policies, and examine whether or not the accounting auditors can fulfill their tasks properly.

• Audit Committee System and Roles

The Audit Committee is comprised of five directors (who do not hold positions as executive officers), three of whom are outside directors. The chairperson of the Audit Committee is selected from among the outside directors. To ensure effective operation of the committee, it has established its own office (Audit Committee Office) with staff members who are independent of any sections committed to actual business operations.

The Audit Committee members evaluate the legality and validity of the management decisions made by directors and executive officers, monitor and validate internal control systems, and assess the adequacy of the accounting auditors. In principle, a committee meeting is held before the meeting of the Board of Directors, so that the committee members can present their opinions to the meeting of the Board of Directors, if deemed appropriate.

• Corporate Audit Division System and Roles

The Corporate Audit Division of Konica Minolta Inc., which directly reports to the president and CEO, is responsible for the Group-wide internal audit and performs internal audits of Konica Minolta and its subsidiaries, as well as major overseas affiliated companies. Using the risk approach, the division evaluates these companies in terms of the reliability of their financial statements, efficiency, and validity of their businesses and the level of their legal compliance. The division also conducts follow-up audits in which it examines improvement measures taken by respective companies in response to suggestions provided by internal auditors.

In addition, major subsidiaries have their own internal audit divisions which work closely with the Corporate Audit Division of Konica Minolta Inc., and enhance the internal audit function of the entire Group.

Group Compliance Promotion System

At Konica Minolta, the Chief Compliance Officer appointed by the Board of Directors determines matters important for promoting Group compliance and is responsible for promoting and overseeing 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 officers responsible for compliance from corporate departments in charge of Group-wide functions.

To promote compliance in each department at Konica Minolta, Inc., the General Manager of each department serves as the official responsible for compliance; at subsidiaries inside and outside Japan, the president of each subsidiary serves as the official responsible for promoting compliance at each company.

Risk Management System

Konica Minolta, Inc. has established a management system in which the President and CEO is responsible for risk management and crisis management. Executive officers are responsible for managing strategic risks, operational risks, financial risks, and so on. They identify and evaluate risks and develop and monitor countermeasures in their respective spheres of management.

In addition, the Risk Management Committee, chaired by an executive officer appointed by the Board of Directors, examines the risks identified by each executive officer, as well as the countermeasures in place, and checks to ensure that the risk management system is functioning effectively, making revisions where necessary. Risks deemed particularly important are addressed by the Group under the leadership of executive officers appointed by the Committee Chairperson.

Konica Minolta has established a system for minimizing the business and social impacts of crises that may arise from a range of risks, by taking prompt and appropriate action and by releasing information. The Crisis Management Committee, chaired by the executive officer for crisis management appointed by the Board of Directors, discusses and formulates crisis countermeasures and procedures for action. Furthermore, the emergency contact system has been enhanced to enable the President and CEO, in addition to the executive officer for crisis management, to assess the situation and take decisions quickly. A system has also been established to enable the President and CEO to take leadership in critical areas in a crisis.

Corporate Governance

Directors



Front row (from left): Tomono, Enomoto, Yamana, Matsuzaki, Kondo, and Kama
Back row (from left): Koshizuka, Osuga, Ando, Shiomi, and Hatano

Chairman of the Board of Directors **Masatoshi Matsuzaki**

After serving as a Director at Konica Minolta Business Technologies, Inc., as President of Konica Minolta Technology Center, Inc., and in various other roles, became a director, and then the President and CEO of Konica Minolta, Inc. Assumed the position of Chairman of the Board in April 2014.

Director (President and CEO) **Shoei Yamana**

After serving as Senior Executive Officer (in charge of business strategy and investor relations) at Konica Minolta, Inc. and subsequently as President of Konica Minolta Business Technologies Inc., among other positions, became President and CEO of Konica Minolta, Inc. in April 2014.

Director (Outside Director) **Shoji Kondo**

After serving as a Senior Executive Director at Toyota Motor Corporation, as Representative Director and President and then Chairman at Hino Motors, Ltd., and in various other roles, became an outside director of Konica Minolta, Inc. in June 2011.

Director (Outside Director) **Takashi Enomoto**

After serving as Representative Director and Vice President at NTT DATA Corporation became an outside director at Konica Minolta, Inc. in June 2013.

Director (Outside Director) **Kazuaki Kama**

After serving as Managing Executive Officer and subsequently as President and CEO, among other positions at Ishikawajima-Harima Heavy Industries Co., Ltd., became the current Chairman of the Board at IHI Corporation (formerly Ishikawajima-Harima Heavy Industries Co., Ltd.) in April 2012. Became an outside director at Konica Minolta, Inc. in June 2014.

Director (Outside Director) **Hiroshi Tomono**

After serving as President at Sumitomo Metal Industries, Ltd. and subsequently as Representative Director, President and COO, and Representative Director and Vice Chairman at Nippon Steel & Sumitomo Metal Corporation, among other positions, became an outside director at Konica Minolta, Inc. in June 2015.

Director **Yoshiaki Ando**

After serving as Director at Konica Minolta Business Solutions Japan Co., Ltd., and subsequently as Executive Officer and General Manager of the Corporate Finance Division and as Director and Senior Executive Officer at Konica Minolta, Inc., among other positions, became a Director in April 2014.

Director **Ken Shiomi**

After serving as President of Konica Minolta Sensing Europe B.V., as Director and General Manager of the Business Management Division at Konica Minolta Sensing, Inc., and as Executive Officer at Konica Minolta, Inc., among other positions, became a Director in June 2015.

Director (Senior Executive Officer) **Ken Osuga**

After serving as President of Konica Minolta Business Solutions Europe GmbH and as a Director at Konica Minolta Business Technologies Inc., became Executive Officer at Konica Minolta, Inc. in April 2013, Senior Executive Officer in April 2014, and Director and Senior Executive Officer in June 2014.

Director (Senior Executive Officer) **Seiji Hatano**

Came to Konica Minolta, Inc. from the Bank of Tokyo-Mitsubishi UFJ, Ltd. in July 2011, and became Executive Officer and General Manager of the Business Strategy Division in April 2013, Senior Executive Officer in April 2014, and Director and Senior Executive Officer in June 2014.

Director (Senior Executive Officer) **Kunihiko Koshizuka**

After serving as Director and General Manager of the Development Center at Konica Minolta Medical & Graphic, Inc., and subsequently as Executive Officer and General Manager of the Technology Strategy Division and as Senior Executive Officer and General Manager at Business Development Headquarters at Konica Minolta, Inc., among other positions, became Director and Senior Executive Officer in June 2015.

Executive Officers

(Listed in Japanese alphabetical order by name at the time of appointment or promotion)

Title	Name	Current Position and Responsibilities at the Company
President and CEO	Shoei Yamana*	
Senior Managing Executive Officer	Takashi Sugiyama	General Manager, Business Technologies Business R&D Headquarters
Senior Executive Officer	Nobuyasu Ieji	In charge of Corporate Social Responsibility Operations, Corporate SCM Center and Business Technologies Business Quality Assurance Operations General Manager, Kansai Headquarters
Senior Executive Officer	Yoshitsugu Shiraki	General Manager, Advanced Layers Business Unit
Senior Executive Officer	Jun Haraguchi	General Manager, Business Technologies Business Marketing Headquarters In charge of Inkjet Business Unit
Senior Executive Officer	Tsukasa Wakashima	General Manager, Corporate Human Resources Division In charge of Corporate General Affairs Division
Senior Executive Officer	Kunihiro Koshizuka*	General Manager, Business Development Headquarters, In charge of Corporate R&D Headquarters
Senior Executive Officer	Ken Osuga*	General Manager, Corporate Business Management Division In charge of Corporate Accounting Division, Corporate Finance Division, Corporate Business Process Transformation Division and Risk Management
Senior Executive Officer	Seiji Hatano*	General Manager, Corporate Strategy Division In charge of Corporate CSR & Communications & Branding Division
Senior Executive Officer	Shingo Asai	General Manager, Business Technologies Business Manufacturing Headquarters
Senior Executive Officer	Toyotsugu Itoh	General Manager, Corporate Production Operations In charge of Group Production Engineering
Executive Officer	Kazuyoshi Hata	General Manager of Healthcare Business Unit
Executive Officer	Hiroyuki Suzuki	General Manager, Corporate Audit Division
Executive Officer	Tomio Nakamura	General Manager of Optics Business Unit In charge of Sensing Business Unit
Executive Officer	Kenichi Sanada	In charge of Intellectual Property Center, Corporate Legal Division, Compliance and Crisis Management
Executive Officer	Akira Tai	General Manager, Corporate IT Planning Division
Executive Officer	Ikuo Nakagawa	President, Konica Minolta Business Solutions Europe GmbH
Executive Officer	Yuji Ichimura	Deputy General Manager of Business Technologies Business Marketing Headquarters, Deputy General Manager of Business Development Headquarters
Executive Officer	Noriyasu Kuzuhara	General Manager of Performance Materials Business Unit
Executive Officer	Toshimitsu Taiko	CEO, Konica Minolta Business Solutions U.S.A. Inc.
Executive Officer	Atsuo Takemoto	General Manager, Corporate Procurement Division Deputy General Manager of Business Technologies Business Manufacturing Headquarters

* indicates the officer also holds a position as Director

CSR Management

Basic Approach

Konica Minolta aims to establish itself as an innovative, constantly evolving company that is vital to society by putting into practice its management philosophy, "The Creation of New Value." This is why the Group strives to contribute to the resolution of societal challenges by creating value that improves the quality of our world through its business endeavors. Konica Minolta's CSR activities are guided by this management philosophy and vision, and they are based on its Charter of Corporate Behavior. The Konica Minolta Group Guidance for the Charter of Corporate Behavior is shared globally and illustrates desirable behavior in each of the categories included in the Charter of Corporate Behavior as a basis for understanding and putting the Charter into practice. The Group Guidance articulates Konica Minolta's commitment to acting in compliance with international social norms such as the United Nations Global Compact, in which the company participates, and the Universal Declaration of Human Rights.



The Global Compact's Ten Principles

Human Rights	Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2:	make sure that they are not complicit in human rights abuses.
Labour	Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4:	the elimination of all forms of forced and compulsory labour;
	Principle 5:	the effective abolition of child labour; and
	Principle 6:	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7:	Businesses should support a precautionary approach to environmental challenges;
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and
	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.

Management Philosophy

The Creation of New Value

Konica Minolta Group Charter of Corporate Behavior

Corporations, in addition to being economic entities engaged in the pursuit of profit through fair competition, should be beneficial to society at large.

For this reason, the Konica Minolta Group shall behave in a socially responsible manner and shall have all of its directors, officers and employees clearly acknowledge the spirit of this Charter of Corporate Behavior.

Senior management shall recognize that the fulfillment of the spirit of this Charter is its own role and responsibility and shall take the initiative to ensure that all directors, officers and employees fully understand the Charter.

In addition, management shall constantly pay attention to the opinions of internal and external parties and shall promote the implementation of effective systems to secure ethical corporate behavior.

1. Beneficial and safe products

We shall strive to earn the confidence of consumers and clients through the development and provision of socially beneficial products and services with the utmost consideration for safety.

2. Fair and transparent corporate activities

We shall, in the pursuit of fair and transparent corporate activities, comply with laws and social regulations and act in accordance with international rules and the articles of incorporation.

3. Communications with society and information disclosure

We shall communicate with society at large and disclose corporate information fairly and adequately.

4. Environmental protection

We shall acknowledge the seriousness of global environmental issues and shall act voluntarily and affirmatively to protect the environment.

5. Contribution to society

We shall, with a global perspective, affirmatively make contributions to society while respecting local customs and cultures.

6. Respect for employees

We shall endeavor to make the lives of employees comfortable and fulfilling, provide a safe work environment, and respect each employee's personality and individuality.

7. Responsible actions

In the event of a violation of the principles of this Charter, in order to solve the problem senior management shall investigate the cause of the violation and develop reforms to prevent its recurrence in accordance with corporate compliance procedures. Prompt public disclosure of precise information and an explanation regarding the violation shall be made and responsibility for the violation shall be clarified. Strict and fair disciplinary action shall be taken including with respect to senior management where necessary.

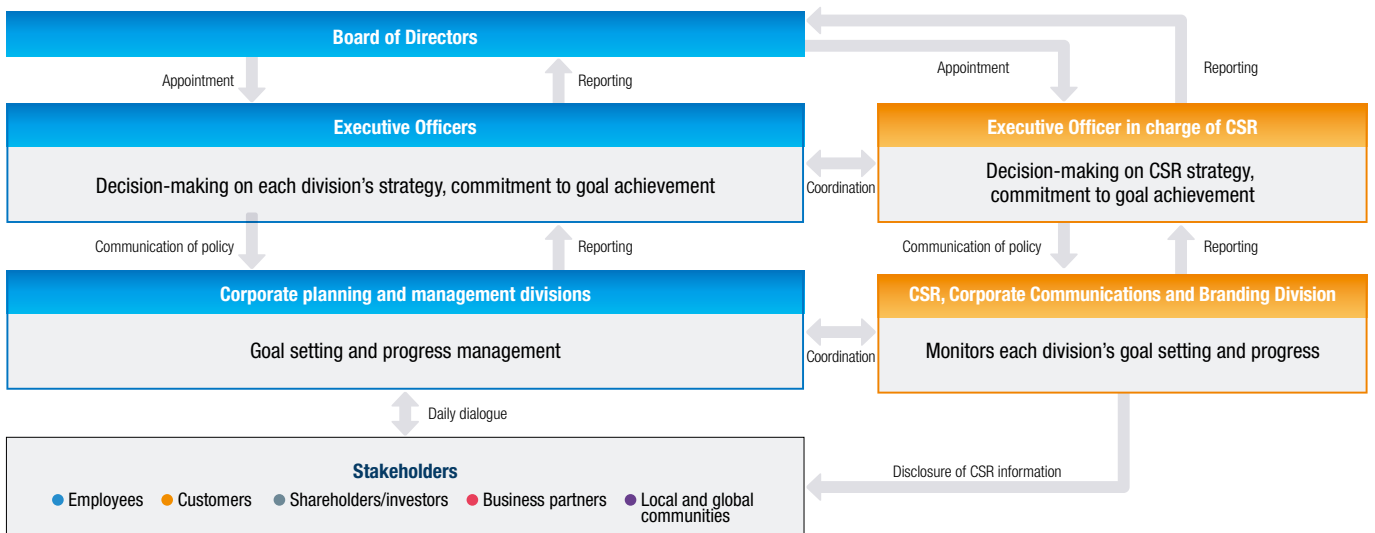
CSR Management System

At Konica Minolta, the executive officer responsible for CSR, who is appointed by the Board of Directors, carries the duties and authorities concerning the entire Group's CSR. Directly reporting to him or her is the CSR, Corporate Communications and Branding Division, which sees to the implementation of CSR management for the entire Group.

The manager of the CSR, Corporate Communication and Branding Division reports the progress of CSR activities to the

executive officer responsible for CSR, while also reviewing measures and making proposals. Regarding matters of great importance, the Management Council meets in a timely fashion to deliberate, keeping CSR at the forefront of management decisions.

Regarding environmental management, safety and quality control, the Corporate Social Responsibility Division reports to the executive officer responsible for these issues. The division organizes committees and meetings composed of managers responsible for each of these three areas, and drafts policies, constructs systems, and manages progress on a Group-wide basis.



	Characteristics of Stakeholders	Tools and Opportunities for Communication
Customers	Konica Minolta does business around the world. Major customers of Konica Minolta's main business operations are corporations, government agencies, and hospitals.	<ul style="list-style-type: none"> • Providing customer service via websites and call centers • Providing product information via websites and newsletters • Conducting customer satisfaction surveys • Exchanging information via visits to customers • Exchanging information at showrooms and trade shows • Holding seminars
Business Partners	Konica Minolta procures raw materials, parts and components from different companies depending on the type of business. The majority of these suppliers are located in Japan, China, and elsewhere in Asia.	<ul style="list-style-type: none"> • Holding suppliers' meetings • Procurement Collaboration System • Conducting CSR surveys (self-assessment questionnaires)
Shareholders and Investors	Since Konica Minolta has relatively high ownership by institutional and foreign shareholders, the company is expected to take part in IR initiatives proactively on a worldwide basis.	<ul style="list-style-type: none"> • Shareholders' meetings • Briefings for investors • Visits to investors • Briefings for business analysts and institutional investors • Annual reports • IR website
Employees	Konica Minolta employs 41,598 people worldwide. Of those, 29% are in Japan, 22% are in Europe, 19% are in North America, and 30% are in China and elsewhere in Asia, and others (Figures are based on total regular employees of consolidated companies, as of March 31, 2015).	<ul style="list-style-type: none"> • Interactive intranet • Group journal • Employee attitude surveys • Dialogue with labor unions • Offering internal help line systems • Exchanging opinions during inspection tours of production sites by senior staff • Holding town meetings attended by senior staff
Local and Global Communities	Konica Minolta operates in countries across the globe, and acts as a responsible member of every community where it operates.	<ul style="list-style-type: none"> • Activities that contribute to local communities • Community briefings and invitational events • Sending speakers to lectures and places of education • Industry group activities • Environmental reports and websites • Public relations activities through publishing international publications and websites
Global Environment	As a manufacturer, Konica Minolta engages in various operations that impact the environment. For instance, it generates CO ₂ emissions, which contribute to climate change because of the use of materials derived from petroleum, which is a dwindling natural resource, and this affects ecosystems in various ways.	<ul style="list-style-type: none"> • CSR reports, environmental reports, and websites • Community briefings and explanatory meetings • Collaboration with research institutions

CSR Management

Identify Material CSR Themes and Setting Goals

At Konica Minolta, Inc., the CSR, Corporate Communications & Branding Division coordinates with the corporate planning and management divisions within the Group to identify material themes and set goals for CSR activities and monitor their progress and outcomes.

By identifying material themes and setting priority goals for CSR activities, Konica Minolta aims to address issues that are

most important to stakeholders by analyzing feedback obtained by communicating with them in a variety of ways. In addition, it considers international guidelines related to CSR, including the UN Global Compact and ISO 26000. Further, it summarizes and organizes risks and opportunities considered when formulating business plans in each business field. Based on the results, the Group selects the issues that are most material to society and that have a great impact on business and identifies them as material themes and sets priority goals.

Flow for Identifying Material CSR Themes and Setting Goals



Konica Minolta's Inclusion in Socially Responsible Investment Indexes

Konica Minolta has been included in several international socially responsible investment (SRI) indexes. The company has been included in the World category (three years straight) and Asia Pacific category (six years straight) of the Dow Jones Sustainability Index (DJSI) issued by U.S.-based Dow Jones and Swiss-based RobecoSAM. The company has also been included in the FTSE4Good Global Index for 12 straight years as well as the Morningstar Socially Responsible Investment Index (MS-SRI).

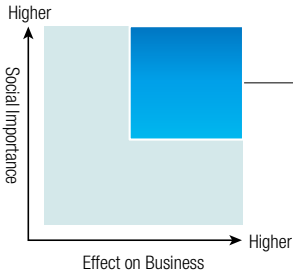
Konica Minolta has received high marks from various other SRI research institutes, such as inclusion in the RobecoSAM Sustainability Yearbook's Gold Class rating (its highest CSR

rating), the Prime rating for CSR by oekom research AG, Forum Ethibel's Ethibel Pioneer and Ethibel Excellence investment universes.

Additionally, Konica Minolta was included in the Climate Performance Leadership Index (CPLI) 2014 and the Japan 500 Climate Disclosure Leadership Index (CDLI) of CDP, an international NGO attempting to create a sustainable economy. Konica Minolta was the only Japanese company to be included in both the CPLI and CDLI in the information technology sector this year.

(As of March 31, 2015).

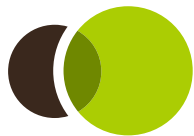
Konica Minolta's Material CSR Themes



Material CSR Themes	Boundary	GRI G4* Aspects
Assuring product safety and preventing quality-related problems	Group	Customer Health and Safety
Increasing customer satisfaction	Group	
Promoting CSR throughout the supply chain	Suppliers	Supplier Labor Practices / Human Rights / Impact on Society
Enhancing communication with shareholders and investors	Group	
Leveraging and developing diverse human resources	Group	Training and Education
Fostering a culture committed to "Health-First"	Group	Occupational Health and Safety
Promoting occupational health and safety	Group	Occupational Health and Safety
Implementing social contribution activities around the world	Group	Local Communities
Green products	Customers	<ul style="list-style-type: none"> • Materials • Energy
Green factories	<ul style="list-style-type: none"> • Group • Suppliers 	<ul style="list-style-type: none"> • Emissions to Air • Products and Services
Green marketing	<ul style="list-style-type: none"> • Group • Customers 	<ul style="list-style-type: none"> • Transport

* G4: The 4th edition of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM



ROBECOSAM
 Sustainability Award
 Gold Class 2015



Morningstar Socially Responsible Investment Index



CSR Management

Targets and Results

Stakeholders	Material Theme	Fiscal 2014 Targets
Customers	Assuring product safety and preventing quality-related problems	<ol style="list-style-type: none"> 1. Number of serious product-related accidents*1: 0 2. Improve the quality of products, sales and service throughout the product lifecycle*2
	Increasing customer satisfaction	
Business Partners	Promoting CSR throughout the supply chain	<ul style="list-style-type: none"> • Audit Konica Minolta group production sites and suppliers • Support suppliers in achieving independent initiatives • Clarify incentives for suppliers
		<ul style="list-style-type: none"> • Establish and promote a conflict minerals compliance policy • Expand scope of initiatives
Shareholders and Investors	Enhancing communication with shareholders and investors	<ul style="list-style-type: none"> • Actively disseminate information and encourage understanding of TRANSFORM 2016, the new medium-term management plan (both institutional and individual investors)
		<ul style="list-style-type: none"> • Expand effective contents and practice PR to encourage individual investors to purchase Konica Minolta stock
		<ul style="list-style-type: none"> • Feed individual investors' opinions back and disseminate information that helps make Konica Minolta a more attractive investment choice
Employees	Leveraging and developing diverse human resources	<ul style="list-style-type: none"> • Promote globally shared HR policies based on a platform for human resources development and deployment • Instill the KM philosophy and promote the development of a system for carrying out worldwide human resources development and deployment
	Fostering a culture committed to "Health-First"	<ol style="list-style-type: none"> 1. Establish Health KM2016 medium-term health plan and start rolling it out • Establish goals for level of health and work toward them following a three-year plan • Minimize the number of employees with health risks • Increase health awareness through visualization of employees' levels of health
	Promoting occupational health and safety	<ol style="list-style-type: none"> 1. Number of serious accidents**4: 0 2. Frequency rate of accidents causing absence from work: 0.1 or less <ul style="list-style-type: none"> • Enhance cultivation of a culture of safety: involvement of senior management in safety, safety management in the workplace, and raising the safety awareness of individuals • Improve global health and safety management • Enhance intrinsic safety of equipment (risk reduction)
Local and Global Communities	Implementing social contribution activities around the world	<ul style="list-style-type: none"> • CSR report 2015 P.44 Typical examples of social contribution activities in fiscal
Global Environment	Green products	
	Green factories	<ul style="list-style-type: none"> • P.21-22 Medium-Term Environmental Plan Progress Report
	Green marketing	

*1 **Serious product-related accidents:** Accidents in which products put the lives of product users at risk or cause serious bodily injury and those in which property other than the products is damaged seriously

*2 **Product lifecycle:** All processes from product planning through procurement and production to sales and service

Fiscal 2014 Results	Fiscal 2015 Targets
<p>1. Number of accidents: 0</p> <p>2. Improve the quality of products, sales and service throughout the product lifecycle*2</p> <ul style="list-style-type: none"> Conducted risk assessment training with the aim of ensuring product safety In the Business Technologies Business, measured the global NPS Score*3 and implemented measures with development, production, and sales working together based on customer feedback In the Healthcare Business, increased the rate of issues resolved by the Call Center from 60% when it was opened to 80% 	<p>1. Number of serious product-related accidents*1: 0</p> <p>2. Improve quality throughout the product lifecycle*2</p>
<ul style="list-style-type: none"> Conducted EICC audits on Konica Minolta group production sites Considered support programs for suppliers Considered incentive programs for suppliers 	<ul style="list-style-type: none"> Request suppliers to practice CSR Conduct CSR assessments and audits Clarify support programs for suppliers Clarify incentive programs for suppliers
<ul style="list-style-type: none"> Established and published a Konica Minolta Conflict Minerals Policy Statement Expanded scope of conflict minerals voluntary survey in the Business Technologies Business and improved the response rate and response accuracy 	<ul style="list-style-type: none"> Proper information disclosure Further improve the response rate and response accuracy for conflict minerals surveys
<ul style="list-style-type: none"> Held a Management Policy Briefing in April and a Medium Term Business Plan Briefing in May for analysts and institutional investors with top management directly explaining basic policies and growth strategies Held company information sessions for individual investors in Tokyo in December and in Osaka in February 2015 with top management directly explaining the Group's business and growth strategies to a total of about 700 individual investors Held two company information sessions for analysts and institutional investors (in September and October) to explain the growth strategy for the Business Technologies Business 	<ul style="list-style-type: none"> Continue disseminating information to encourage understanding of the Medium Term Business Plan
<ul style="list-style-type: none"> Updated the IR website Won gold prize for the second year in a row in the Gomez IR website ranking Won highest award (first place overall) for Internet excellence from Daiwa IR Selected as best site for the second year in a row in the Nikko IR Evaluation Participated in an event for individual investors in Osaka in February 2015, directly explaining the Group's business and growth strategies through a company information session and booth presentation Held a company information session at a securities company's branch office in March 2015 	<ul style="list-style-type: none"> Maintain high external evaluations of the IR website and improve its usability for visitors Continue to hold briefings and events for individual investors
<ul style="list-style-type: none"> Held a small meeting with analysts in December, and held meetings with institutional investors in and outside Japan at opportune times to maintain two-way communication with top management Conducted questionnaires at each information session and shared the results internally, including with top management, as a reference for future IR activities 	
<ul style="list-style-type: none"> Created common evaluation standards for global senior personnel Revised the evaluation system for managers at Konica Minolta, Inc. and adopted our 6 Values as part of the evaluation axis Held town hall-style meetings between employees and the president at different sites 	<ul style="list-style-type: none"> Conduct a global employee attitude survey Run programs for systematically developing senior personnel in Asia Continue implementing the town hall-style meetings between employees and the president
<p>1. Established the Health KM2016 medium-term health plan and started rolling it out</p> <ul style="list-style-type: none"> Expanded efforts at Group-affiliated companies in Japan to encourage employees with potential health problems to consult a doctor Implemented workplace improvement measures based on results of an organizational analysis of stress checks Started operating KENPOS, a health encouragement website to support better health among employees Held walking events and exercise workshops aimed at establishment of exercise and walking habits among employees <p>2. Selected as a Health & Productivity Stock Selection in March 2015</p>	<p>1. Continue implementing the Health KM2016 medium-term health plan</p> <ul style="list-style-type: none"> Enhance and strengthen support for Group-affiliated companies in Japan Reduce the number of high-stress workplaces by strengthening workplace improvement measures Increase the continuous usage rate of KENPOS
<p>1. Number of serious accidents*4: 0</p> <p>2. Frequency rate of accidents causing absence from work: In Japan: 0.28, Outside Japan: 0.19</p> <ul style="list-style-type: none"> Enhanced cultivation of a culture of safety: Conducted safety training for managers, training to increase sensitivity to dangers, and training to increase the level of personnel with qualifications for dangerous work Global health and safety management: Held meeting of personnel responsible for health and safety in China, and training to experience simulated dangers Intrinsic safety of equipment: Conducted comprehensive risk assessments of new processes 	<p>1. Number of serious accidents*4: 0</p> <p>2. Frequency rate of accidents causing absence from work: 0.1 or less</p> <ul style="list-style-type: none"> Enhance cultivation of a culture of safety: involvement of senior management in safety, safety management in the workplace, and raising the safety awareness of individuals Improve global health and safety management Enhance intrinsic safety of equipment and conduct comprehensive risk assessments in different safety fields

*3 **NPS (Net Promoter Score)**: An indicator that measures the percentage of customers who recommend the company and its products and services to others

*4 **Serious accidents**: 1. Death, diseases that require or may require long-term care, injuries that cause or may cause disabilities, and specific communicable diseases
2. Accidents that cause three or more employees at one time to suffer on-the-job death, injuries or diseases (including accidents that do not cause absence from work)