

3. MANAGEMENT POLICY

(1) Basic management policy

Management philosophy: "The Creation of New Value"

Management visions: "An innovative corporation that continues to create inspiring products and services in the field of imaging"
"A global corporation that leads the market by advanced technologies and reliability"

Corporate Message: "The essentials of imaging"
(The message represents our wish to be acknowledged as an essential company, by offering essential products, services and solutions to our customers in the world of imaging.)

(2) Target management indices

The Group has adopted a medium-term business plan, "G PLAN 2013", which runs for three years from the fiscal year ended March 31, 2012. The Group's performance targets for the final year (fiscal year ending March 31, 2014) of the plan are net sales of 1 trillion yen or more, an operating income ratio of 8% or more, and an ROE of 10% or more.

(3) Medium-to long-term management strategies and pending issues

Looking at the global economic conditions surrounding the Group, the outlook for the European economy remains uncertain due to its fiscal problems. We expect that the United States will grow moderately overall but will rise and fall for some time to come. Growth in emerging economies, especially China, India, and other Asian economies, is expected to slow, but we expect these economies will maintain higher economic growth rates than those of developed economies. The Japanese economy is expected to recover, backed by demand associated with post-earthquake reconstruction.

In the circumstances, the Group will implement initiatives for achieving the goals set in the medium-term business plan, "G PLAN 2013", in the fiscal year ending March 31, 2013, the intermediate year in the plan.

To achieve strong growth, expand business scale, which is the top priority, the Group will focus on expanding sales and profits by accelerating business expansion in growth areas, including the production print field and emerging countries, improving its profit structure primarily through cost cutting, and reducing sourcing costs and expenses from a global perspective. In association with the Group's organizational restructuring in April this year, the Group will accelerate the development of future businesses in the functional films field and new growth in the optics field and sensing field. In addition, the Group will earnestly pursue M&A for future growth.

To change into a "Global Company," the Group aims to become a corporate entity that will give its best performance through cooperation among Group companies to provide the best value for customers worldwide. The Group will strive to optimize management resources beyond organizational boundaries and regardless of nationality from a global perspective to strengthen its relations with its customers.

To increase the Konica Minolta brand higher recognition, the Group will promote and establish activities from the perspective of customers by all its organizations and employees based on its communication message, "Giving Shape to Ideas," and will thereby endeavor to build confidence in the Konica Minolta brand among its customers.

Through these initiatives, the Konica Minolta Group will aim to become a corporate group that will be widely supported in society and will be able to achieve sustainable growth.

Reorganization within the Group

To integrate technologies and human resources and thereby to expand operations and increase competitiveness and profitability through the resulting synergies, the Group carried out the following reorganization on April 1, 2012:

1. The LA Business Division, a division for commercializing new functional materials, especially organic light emitting diode (OLED) lighting, was transferred from Konica Minolta Holdings, Inc. to Konica Minolta Opto, Inc.
2. The optical business, which primarily manufactures pickup lenses for optical disks, glass substrates for HDDs, and lens units, was transferred from Konica Minolta Opto, Inc. to Konica Minolta Sensing, Inc., which engages in the Sensing Business.

The Group changed the trade names of Konica Minolta Opto, Inc. and Konica Minolta Sensing, Inc., whose businesses have changed in association with the reorganization, as follows:

Former Trade Name	New Trade Name
Konica Minolta Opto, Inc.	Konica Minolta Advanced Layers, Inc.
Konica Minolta Sensing, Inc.	Konica Minolta Optics, Inc.