

### 3. MANAGEMENT POLICY

#### (1) Basic Management Policy

The fundamental management policy of the Konica Minolta Group is to aim to realize a better society by creating and providing unique "new value" for customers and the community through its daily corporate activities based on the management philosophy, "The Creation of New Value."

#### (2) Target Management Indices

The Group formulated the Medium Term Business Plan, "G PLAN 2013," which runs for three years from the fiscal year ended March 31, 2012. Net sales, operating income ratio and ROE are emphasized as target management indices expressing the results of the Group's business activities.

During the two-year period from the fiscal year ended March 31, 2012 to the fiscal year ended March 31, 2013, we worked to expand business in existing fields and actively promoted investment in growth fields and M&As toward our goal of "achieving growth, expanding business scale," which is the top priority of this plan. Due to various changes in the business environment, however, such as economic stagnation in Europe in line with the debt crisis, weaker demand caused by a slowdown in emerging economies and significant currency rate fluctuations, we recognize that there is a gap between the key indices initially targeted in the final year of the plan and the results forecast for the fiscal year ending March 31, 2014 announced today. We will implement a variety of measures outlined below to minimize this gap.

#### (3) Medium-to Long-term Management Strategies and Pending Issues

##### <Reorganization in the Group Management System>

The business environment has changed abruptly, characterized by a shift in economic and corporate activities along with rapid expansion of digital networks, borderless information communication and growing concerns over resources and energy. Against this backdrop, companies are required to conduct business faster than ever before.

The Konica Minolta Group executed reorganization of its management system from the foundations in order to enable flexible response to such environmental changes, continue outstripping the global competition and retain dynamic growth. Konica Minolta Holdings, Inc., a pure holding company, absorbed seven group companies that were under its umbrella and became a company engaging directly in business operations as well as group management. In line with this move, the Company's trade name was changed to Konica Minolta, Inc., and a new start was made on April 1, 2013. The following three points outline the goals of the reorganization.

##### 1. Innovative management capabilities in the Business Technologies Business

The Business Technologies Business, which accounts for about 70 percent of the Group's net sales, strengthened its innovative ability to upgrade the quality of business processes and administrative efficiency by integrating the Company and the Business Technologies Business, Inc. so that it will keep transforming the portfolio of business, while driving growth and profitability.

##### 2. Strategic and agile utilization of management resources

This reorganization clears a path for a system to align organizations and assign human resources strategically and with higher agility. That will help accelerate growth in emerging and promising fields such as functional films, including Organic Light Emitting Diode (OLED) lighting, and industrial inkjet businesses, as well as stepping up efforts to implement changes in segments that need to drive profitability growth.

3. Creation of systems to support efficient operation

While keeping the merits of the split-business structure by employing an in-house company system, the reorganization will consolidate corporate functions to enable more efficient operational support.

**<Konica Minolta Group Medium Term Business Plan>**

The fiscal year ending March 31, 2014 is the final year of our Medium Term Business Plan, "G PLAN 2013." Under the new management system, we will steadily promote the following three fundamental policies stated in the plan and proactively aim to achieve enhanced sales and profits.

1. Achieving growth, expanding business scale

We will swiftly create an earnings structure in each business field that can achieve strong growth and leverage the effects of past M&As to drive increases in sales and profits. Corporate divisions strengthened through the reorganization will take the lead in promoting investment of management resources into growth fields.

2. Changing into a "Global Company"

We aim to shift away from the idea of suboptimization of each group company and pursue optimization as an overall group to produce the best results based on a global perspective.

To achieve this, we will continue to promote measures for global human resources.

3. Increasing the recognition of the Konica Minolta brand

The group reorganization has provided us with an opportunity to work toward the realization of our management philosophy, "The Creation of New Value," across the organization. By doing so, we can provide attractive products, services and solutions to customers and make Konica Minolta even more appealing.