

### 3. MANAGEMENT POLICY

#### (1) Konica Minolta Philosophy

“TRANSFORM 2016,” the Medium Term Management Plan, offers a path to realizing a global company that is vital to society and an innovative company that is robust and constantly evolving. Pressing ahead with the “One Konica Minolta” plan will require that each individual employee has the ability to put ideas into practice. We have therefore incorporated into the Konica Minolta Philosophy the management philosophy to which we have adhered, the values we have nurtured, and the vision of the kind of company we should be in order to enable all 40,000 of our employees around the world to hold the same values and to think and act decisively.

Konica Minolta will continue to develop into a company in which all of our employees can join together as one to consider customer needs and to help to solve the issues they face, using the Konica Minolta Philosophy as the basis for value.

Our Philosophy: The Creation of New Value

6 Values\*: Open and honest  
Customer-centric  
Innovative  
Passionate  
Inclusive and collaborative  
Accountable

\* Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

Our Vision: A global company that is vital to society

An innovative company that is robust and constantly evolving

Brand Proposition: Giving Shape to Ideas\*

\* It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high quality society.

#### (2) Management Targets Aimed for

The Group has formulated a three-year Medium Term Business Plan, “TRANSFORM 2016,” that runs from fiscal 2014 to fiscal 2016. We have set numerical targets with a view to the scale of enterprise we are aiming for by fiscal 2018, five years from the start of the plan, namely net sales of ¥1.3 trillion or more, operating income of ¥130.0 billion and an operating income ratio of 10%. As markers to help their realization, we are targeting net sales of ¥1.1 trillion or more, operating income of ¥90.0 billion, an operating income ratio of 8% or more and ROE of 10% or more in fiscal 2016, the final year of the plan.

All figures are based on International Financial Reporting Standards (IFRS)

	Medium-term management plan targets (fiscal year ending Mar 2016)	Vision five years from now (fiscal year ending Mar 2018)
Net sales	¥1.1 trillion or more	¥1.3 trillion or more
Operating income	¥90.0 billion	¥130.0 billion
Operating income ratio	8% or more	10%
Return on equity (ROE)	10% or more	—

\*Assumed exchange rates during the period of the plan (FY2014-FY2016): U.S. dollar = ¥100; euro = ¥135

\*The Company will voluntarily adopt International Financial Reporting Standards (IFRS) beginning with the securities report released in fiscal 2014 (year ending March 31, 2015).

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

Under the Medium Term Business Plan, “TRANSFORM 2016,” we aim to fully understand our customers and become a partner that can provide them with high added value in order to outstrip global competition amid changes in the management environment surrounding the Group. We have decided on the following three items as basic policies of the Medium Term Business Plan in order to realize sustainable growth backed by business portfolio expansion as a corporation. We will achieve this by accelerating the transformation to a proposal-type business model supporting the resolution of customer issues through the addition of services to products while promoting manufacturing innovation as a manufacturing business.

1. Realize sustainable profit growth
2. Transform into a customer-centric company
3. Establish a strong corporate structure

As the intermediate fiscal year of the Medium Term Business Plan, “TRANSFORM 2016,” in fiscal year 2015 we will strive to build up new growth engines and enhance our earning power as a company in order to achieve the targets of the plan.

In order to **realize sustainable profit growth**, we will strive to maximize income in existing profit drivers, notably digital color printing systems in the Business Technologies Business and the performance materials field as well as expand sales and profit by strengthening regional strategies and alliance capabilities. We will accelerate the launch of new businesses in the performance materials field and concentrate management resources into businesses for industrial and professional use in the field of optical systems for industrial use. In addition, we will implement initiatives that include procurement based on cross-Group activities, promoting automation in manufacturing processes, and enhancing production efficiency through the use of ICT while also seeking to continue reducing manufacturing costs.

In order to **transform into a customer-centric company**, we will strive to fully understand customer needs and workflow and strengthen solutions and service business supporting the resolution of our customers’ management issues. Further, leveraging our Business Innovation Centers established in five major regions around the world as bases, we will strive to achieve technological innovation and create a business model that is not constrained by existing industrial frameworks while using customer needs as the starting point. Within these activities, we will continue working to build up new growth drivers that can generate results by fiscal year 2017-2018.

In order to **establish a strong corporate structure**, we will comprehensively pursue efforts to create sturdy production operations and optimize the Group’s global business operations. At the same time, we will work to enhance productivity in operations in corporate divisions and to boldly implement functional reforms as a means to boost efficiency.

We aim to realize a global company that is vital to society by steadily executing the initiatives stated under the Medium Term Business Plan, “TRANSFORM 2016,” and achieving sustainable growth by transforming our business portfolio.

### **4. BASIC VIEWS on SELECTION of ACCOUNTING STANDARDS**

The Company will voluntarily adopt International Financial Reporting Standards (IFRS) beginning with the consolidated financial statements in the securities report for the fiscal year ended March 31, 2015 (April 1, 2014 through March 31, 2015) aiming to unify accounting treatments within the Group and to improve international comparability of the financial information in capital markets.