

MANAGEMENT POLICY <09-10>

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*Cautionary Statement:
The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.*

Remarks: Yen amounts are rounded to the nearest 100 million.

Agenda



- 1. Review of FORWARD 08, the Medium-Term Business Plan
(Three years from Apr. 2006 to Mar. 2009)**
- 2. Outline of MANAGEMENT POLICY <09-10>**
 - 2-1. Execute structural reforms: survival and innovation
 - 2-2. Achieve strong growth: strengthen existing businesses
 - 2-3. Achieve strong growth: develop new businesses
- 3. March 2010 Forecasts**
- 4. Earnings growth from a medium-to long-term perspective**

Review of FORWARD 08



■ FORWARD 08 basic concept

Further increase the added value in operations and maximize corporate value through the Group's growth

1. Promote growth by leveraging collective Group resources
2. Build a new corporate image
3. Promote world-class CSR management

■ Main operational achievements

1. Focus on growth businesses and the progressive implementation of the "genre-top" strategy
 - Business Technologies: color MFPs for office use and color high-speed MFPs for light production printing
 - Optics: VA-TAC film and pickup lenses for Blu-ray format
2. M&A and business alliance to accelerate the "genre-top" strategy
 - Establish a strategic alliance with Océ (the Netherlands) in office printing and production printing fields (April 2008).
 - Acquire Danka, a leading independent office equipment dealer in the United States (June 2008).
3. Narrow the focus, and concentrate management resources on growth businesses associated with B2B.
 - Exit photo-related businesses (photographic film, photosensitive paper, mini-labs and cameras). (March 2007)
 - Exit the printing film business. (March 2009)

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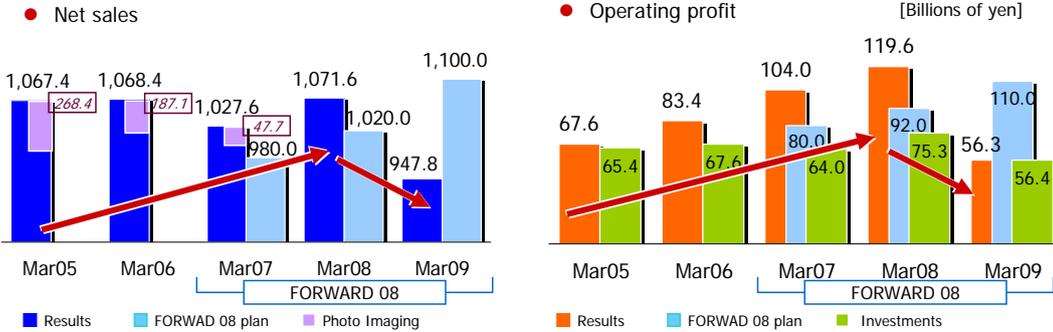
The aim of FORWARD 08, the three-year medium term business plan implemented by the Group from April 2006 to March 2009, was to "further increase the added value in operations and maximize corporate value through the Group's growth."

As indicated in IR materials, the plan's three main achievements from a business standpoint were to "focus on growth businesses and the progressive implementation of the 'genre-top' strategy," "M&A and business alliances to accelerate the 'genre-top' strategy" and to "thorough implementation of the select and concentrate policy."

Review of FORWARD 08



Business progress (earnings targets and results)



1. In line with the "genre-top" strategy, investments were accelerated in the key growth businesses of office color, light production and optics.
2. The operating profit target set in the FORWARD 08 was achieved in FY/Mar08, a year ahead of schedule.
3. The targets for FY/Mar09 could not be met, given the slowdown of the global economy and sharp appreciation of the yen. Measures to strengthen and reform the Group business structure have been initiated to secure earnings for FY/Mar10.

Net sales (left-hand graph) experienced steady growth during the years ended March 2007 and 2008. Having discontinued photo imaging operations, sales were supplemented by growth from other ongoing lines of business. Operating profit (right-hand graph) also increased year on year during the years ended March 2007 and 2008 thanks to sales growth and active capital investment. Drastic changes in the business environment during the year ended March 2009 however, including a worldwide recession and the rapid appreciation of the yen, unfortunately got in the way of achieving projected figures. With a genuine sense of urgency given the current situation, measures have been initiated to strengthen and reform the Group's operating structure in an effort to secure a profit for the year ending March 2010.

MANAGEMENT POLICY <09-10> - Business environment



■ Outlook for 2009 - 2010

Drastic changes in the business environment

- Sharp deterioration in the macro economy (simultaneous slowdown of the global economy)
- Rapid appreciation of the yen
- Contraction of global credits and demand

The current economic development is not merely a temporary economic slowdown, but the harbinger of significant changes in the future global order

Opportunities for improving business process, creating business models, and increasing our business presence

Build a new Konica Minolta by creating a paradigm shift and overcoming substantial changes

- Ride with the changes,
- and create new trends
- to achieve growth.

Looking ahead to the years ending March 2010 and March 2011, the current sweeping changes in the business environment are thought to be indicative of major changes in the world as a whole rather than merely a temporary trend. The very fact that the world is changing however is likely to present the Group with opportunities to improve its position.

By riding with the changes, Konica Minolta intends to create a paradigm shift and usher in new trends in order to achieve growth in the future and establish a new identity for itself.

1. Enhance Corporate Capabilities

Survival : Select & concentrate, and streamline rapidly

Innovation: Innovative thinking and actions

2. Achieve Strong Growth

Strengthen and expand existing businesses

Develop new businesses

3. Reform the Corporate Culture

“simply BOLD” – Challenges born of courage and daring ideas

Three basic policies have been set out as part of the Management Policy <09-10> in an effort to overcome the sweeping changes currently facing the Group. The first basic policy is to “enhance corporate capabilities.” The second is to “achieve strong growth” and the third to “reform the corporate culture.” The Group intends to implement all three basic policies progressively and simultaneously.

Enhance corporate capabilities: Survival



Rapidly streamline and practice “select & concentrate” to remain competitive in the drastic change of business environment

■ Reduce fixed costs

Targets for March 2010:
Cut at least ¥30 billion vs. FY/Mar09

- Reduction in production fixed costs and selling fixed costs
- Cut in R&D expenses
- Reduction in bonuses (Bonuses linked to the company's performance)

■ Slim down balance sheets and generate free cash flow (FCF)

Targets for March 2010:
Create FCF of at least ¥30 billion

- Inventory reduction: Aim to achieve an inventory turnover period of 40 days.
- Improve accounts receivable/payable terms
- Cut investments: Capital spending < Depreciation

■ Assess existing businesses and concentrate on key businesses

Review loss-making and unprofitable businesses, and shift and concentrate management resources on key businesses.

- Printer business: Focus on A4 color multi-function printers
- Lens unit business: focus on industry standard modules
- Graphics business: terminate production and sales of films

In order to “enhance corporate capabilities,” the Group has set out three priority measures aimed at restructuring operations so as to ensure survival.

The first priority measure is to “reduce fixed costs.” The aim is to achieve a reduction of at least ¥30 billion during the year ending March 2010. As such, efforts to reduce fixed costs in production and sales divisions, cut other expenses and reduce bonuses have already got underway.

The second priority measure is to “slim down balance sheets and generate free cash flows (FCF).” The aim is to generate FCF of at least ¥30 billion during the year ending March 2010. Initiatives will include inventory reduction measures and improvements to accounts receivable/payable terms.

The third priority measure is to reinforce efforts to “assess existing businesses and concentrate on key businesses.” Initiatives will include reviewing loss-making and unprofitable businesses and shifting management resources to key businesses.

Enhance corporate capabilities: Innovation



Aim to become a strong corporate group that initiates innovative thinking and business activities with a clear vision in the future and create ideas from the customer's standpoint in all aspects.

■ Improve business process

Increase productivity through the entire business process including R&D, manufacturing, sales, and administration.

- Strengthen management systems that promote corporate strategies focusing on the future
- Establish quality operations by thorough assessment of the business process
- Sophisticated utilization of IT

■ Create innovative business models

Strengthen marketing capabilities and establish new business models from the customer's standpoint

- Introduce products and services that contribute to customers
- Create new earnings models in service
- Develop standard modules that initiate the industry

■ Strengthen environmental management

Aim to establish a corporate group by considering the environment as the focal point of competitiveness for corporate growth.

- MFPs and printers: top-level energy-saving functions
- New businesses: new large-scale businesses related to the environment and energy
- Comprehensive environment conservation programs: Aim to become an industry leader in every aspect of environmental activities.

The main aim of innovation to “enhance corporate capabilities” is to transform the Group into a strong corporate group that continually initiates innovative thinking and actions in all of its business activities.

The first initiative is to improve business processes, which means changing the way in which the Group does business.

The second initiative is to set about urgently changing business models for existing lines of business as they mature.

The third initiative is to strengthen environmental management. Rather than merely complying with environmental restrictions however, the environment will be positioned as the focal point of the Group's competitiveness in the interests of growth.

Achieve strong growth: Strengthen existing businesses



Strive to strengthen competitiveness by further focusing on the "genre-top" strategy in existing businesses and establish the unchallenged position in the market

Business Technologies

Office MFPs

Maintain the leading position in the US and EU markets by further focusing on the color "genre-top".

- Introduce a series of new color MFPs in FY/March 2010

Production Printing

Expand operations to the medium/heavy segments and commercial printing field.

- Introduce new color and black & white products in higher segments

Optics

TAC Film

Maintain the current position of existing businesses, and fully enter into new areas

- Develop next generation VA-TAC products and expand operations by entering new areas

Optical Pickup Lenses

Maintain the overwhelming position by strengthening cost competitiveness.

- Strengthen overseas production structures

In order to strengthen existing businesses, the Group intends to push ahead with its "genre-top" strategy in both the Business Technologies and Optics businesses, which have been the driving forces behind growth under the FORWARD 08 plan to date, and establish a powerful position within the market.

There are plans to launch new medium- to high-speed office MFP and reconfigure the Group's product lineup during the year ending March 2010. New products will help customers cut their costs and will be promoted in line with current trends in areas such as energy saving design and security.

In production printing, maintaining Konica Minolta's strengths in the field of light production printing, the Group plans to expand into other areas such as high volume and high resolution technology in the future. A number of new core products are scheduled to be launched during the years ending March 2010 and 2011.

In terms of TAC film, the Group intends to maintain the position of existing businesses, such as VA-TAC, while also expanding operations into new areas.

Building on its superior technical capabilities, the Group plans to strengthen the cost competitiveness of its optical pickup lenses and maintain its overwhelming position within the market.

Achieve strong growth: Expand existing businesses



Expand existing businesses and create new customer value by utilize our strong core technologies in a innovative way

Production Printing

Step up full efforts to the introduction of the core next-generation products by leveraging the sophisticated product development know-how developed through light production and the industry-leading polymerized toner. Expand operations to the medium/heavy segments and commercial printing field.

Establish the "genre-top" position in the digital color printing field by taking advantage of our color management capabilities and unique concept in the production printing work-flow.

Optics Devices

Integrate our core technologies such as optics, image processing and sensing, and expand the area of application. Enter into new areas besides the information appliances segment

The steps taken to ensure growth in three years' time will be crucial in terms of expanding the Group's existing businesses. As such, the Group intends to focus more deliberately on achieving growth in the production printing and optical device areas.

In the production printing area, the Group plans to build on its achievements in the field of light technology in order to expand into medium and heavy printing fields, manufacturing products that offer advanced levels of cost performance exclusive to Konica Minolta and setting out new business models.

In the optical device area meanwhile, the Group intends to integrate existing technologies from its Optics business with other core Group technologies to broaden the scope of potential applications and expand its business into new areas beyond information appliances.

Achieve strong growth: develop new businesses



Contribute to society in the areas of the “environment and energy”, and “health, security and safety”, and establish a new business structure besides the business equipment and information appliances fields.

■ Environment and Energy

Create unique, distinctive materials businesses that contribute to the environment and energy in the living space by further improving material, coating and thin-film technologies enhanced in photosensitive materials and display materials.

OLED lighting

- Aim to achieve a leading position in the next generation lighting field.
 - Develop commercial products in FY/Mar11 through collaboration with GE

Also, aim to commercialize energy-saving high-function films in the area of thin film.

■ Health, Security and Safety

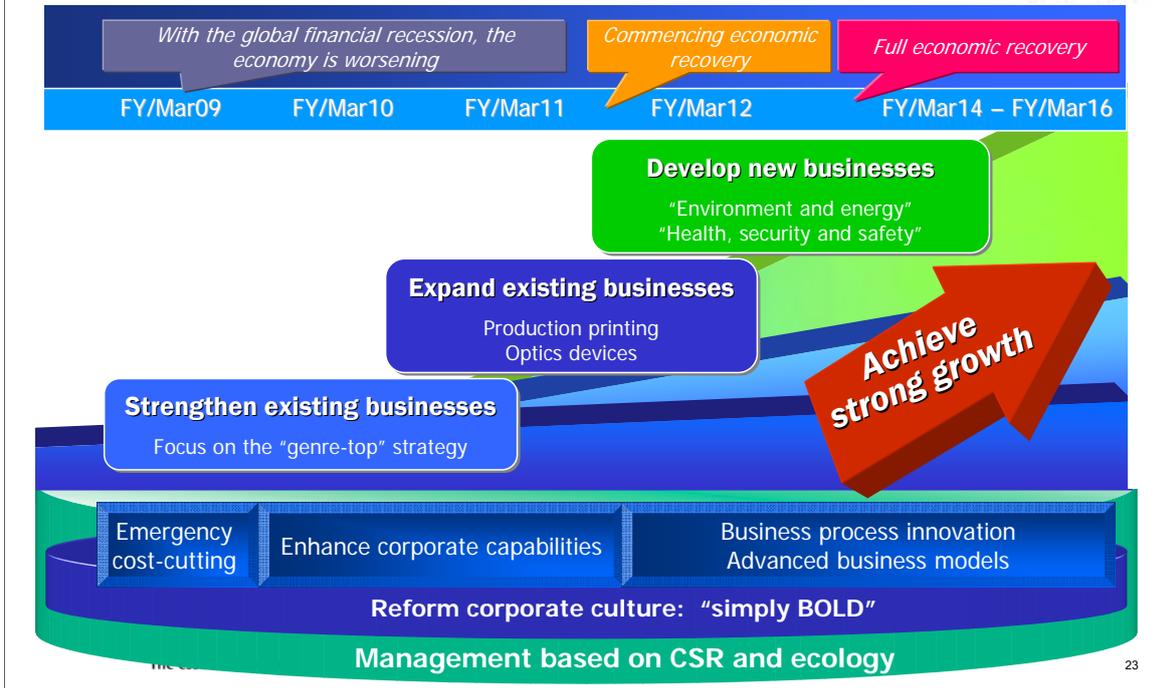
Provide new value for health, security and safety in the medical diagnostics and industrial processing sectors by creating equipment and modules using the company's unique optical sensing technologies.

New businesses are the foundations that will underpin the sustained growth of the Group as a whole over the next five to ten years and beyond. Focusing on needs from a long-term perspective, the Group plans to establish operations in two new fields, namely “environment and energy” and “health, security and safety,” in an effort to contribute to society. The commercialization of some products is due to get underway in the near future.

In the environment and energy field, the Group is working on the commercialization of organic EL (OLED) lighting with the aim of achieving the cost to bring it into widespread use as part of everyday life, based on Konica Minolta's unique coating and roll-to-roll technologies.

In the health, security and safety field, the Group intends to combine its unique optical and optical measurement technology to develop ground-breaking devices and modules in an effort to provide exclusive new value in areas such as early diagnosis and industrial processes.

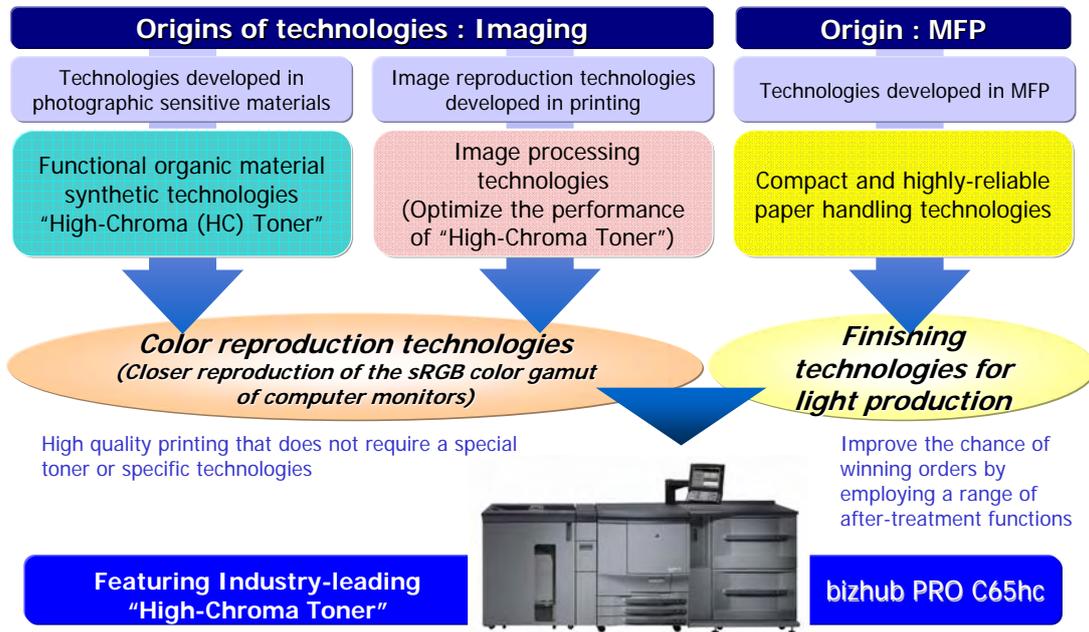
MANAGEMENT POLICY <09-10> Summary



This diagram summarizes everything that has been discussed so far.

Considering CSR management as the Group's fundamentals, Konica Minolta is working to reform its corporate culture based on CSR management and intends to enhance its corporate capabilities in order to create a robust company whilst also focusing on business process innovation and advanced business models. From an operational standpoint, the Group intends to strengthen its existing businesses over the coming two years and set about consciously expanding its business activities in roughly three years' time. From a longer-term perspective, over the next five to ten years, the aim is to develop new businesses in the interests of continued strong growth. Initiatives such as these will in turn help to enhance corporate value.

Strong technological background: Production printing



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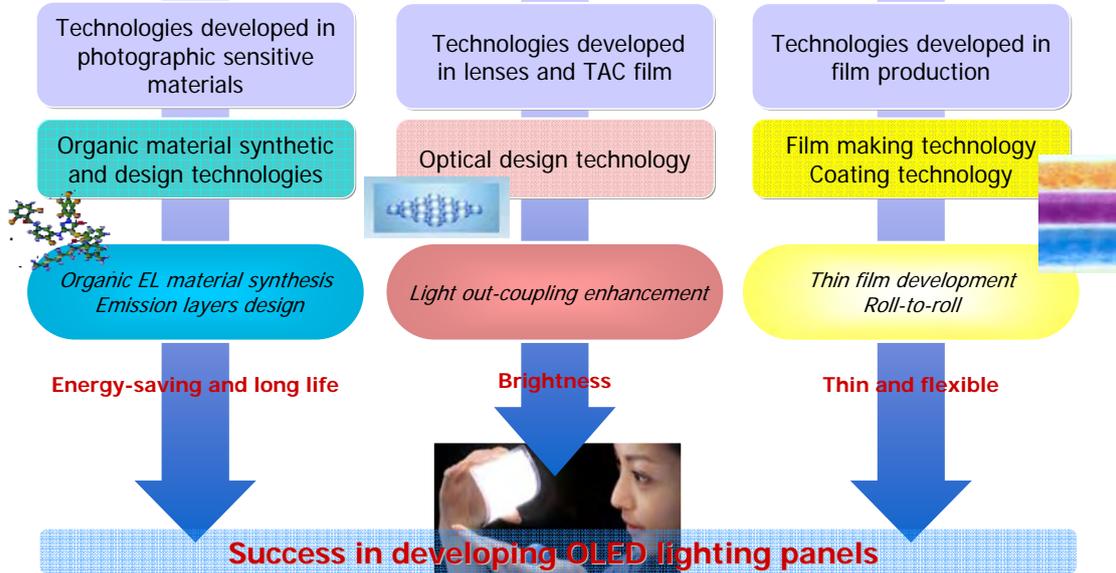
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As one of Konica Minolta's core technologies, polymerized toner technology is set to underpin the expansion of business in the production printing business. In addition to excelling as consumable goods, Konica Minolta's polymerized toner also increases cost efficiency, especially in the case of engine design, meaning that it offers the advantage of total cost competitiveness. The Group has recently managed to successfully develop "high-chroma toner," which caters to a wider range of colors than conventional toners, thanks in part to its extensive library of color materials developed based on photographic technology.

Strong technological background: OLED lighting



Origins of technologies : Film and Camera



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Konica Minolta's strengths in the field of organic EL (OLED) lighting once again stem from organic material synthetic and design technologies developed based on photographic technology and the company's coating and roll-to-roll technologies. Konica Minolta and GE are confident that they are leading the field with regard to the utilization of coating technologies for OLED lighting production, which is thought to be the ultimate solution in terms of cost competitiveness.

Forecasts FY/Mar2010



	FORCAST	RESULT	[Billions of yen]	
	FY/Mar10	FY/Mar09	YoY	%
Net sales	880.0	947.8	-67.8	-7%
Operating income	45.0	56.3	-11.3	-20%
<i>Operating income ratio</i>	<i>5.1%</i>	<i>5.9%</i>		
Ordinary income	38.0	45.4	-7.4	-16%
Net income before taxes	30.0	33.2	-3.2	-10%
Net income	17.0	15.2	1.8	12%
<i>Net income ratio</i>	<i>1.9%</i>	<i>1.6%</i>		
FOREX [P/L] [Yen]				
USD	95.00	100.54		
Euro	125.00	143.48		
R&D expenses	75.0	81.8		
Investments	50.0	61.2		
Depreciation	70.0	70.2		
FCF	30.0	17.4		
Dividends [Yen]	15.00	20.00		

[Notes] Impact of exchange rate fluctuation to FY/Mar09 operating income if given ¥1 change (full-year base)

USD → ¥50 million Euro → ¥850 million

Maintaining a realistic outlook with regard to current business conditions, the Group's sales forecast for the year ending March 2010 is relatively conservative. The Group nonetheless intends to focus on enhancing corporate capabilities in an effort to achieve its profit projections, while also executing investment and R&D spending by carefully determining the priority and necessity.

In line with its dividend policy, the Group plans to pay out dividends for the year ending March 2010 at the rate of ¥15 per share, a reduction of ¥5 per share.

Forecasts FY/Mar2010 - segment



Net sales	FORCAST		RESULT		[Billions of yen]	
	FY/Mar10	FY/Mar09	YoY	%		
Business Technologies	590.0	623.7	-33.7	-5%		
Optics	155.0	173.4	-18.4	-11%		
Medical & Graphic	110.0	125.9	-15.9	-13%		
Other businesses	15.0	15.5	-0.5	-3%		
HD and eliminations	10.0	9.4	0.6	6%		
Group total	880.0	947.8	-67.8	-7%		

Operating income	FORCAST		RESULT		[Billions of yen]	
	FY/Mar10	FY/Mar09	YoY	%		
Business Technologies	41.0	52.6	-11.6	-22%		
<i>Operating income ratio</i>	<i>6.9%</i>	<i>8.4%</i>				
Optics	17.0	12.5	4.5	36%		
<i>Operating income ratio</i>	<i>11.0%</i>	<i>7.2%</i>				
Medical & Graphic	2.0	3.1	-1.1	-35%		
<i>Operating income ratio</i>	<i>1.8%</i>	<i>2.4%</i>				
Other businesses	1.0	1.1	-0.1	-11%		
HD and eliminations	-16.0	-13.0	-3.0			
Group total	45.0	56.3	-11.3	-20%		
<i>Operating income ratio</i>	<i>5.1%</i>	<i>5.9%</i>				

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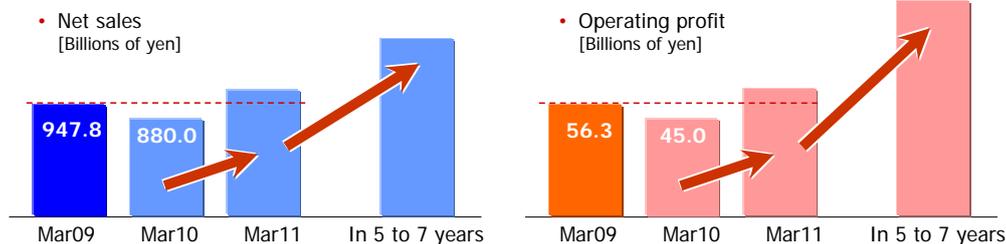
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This slide shows a breakdown of net sales and operating income of each business.

Earnings growth from a medium-to long-term perspective



■ Forecasts for March 2010 and beyond



■ Management mission

FY/March 2010

By executing structural reforms, prevent a further downturn in results, even in the severe business environment, and strive to meet all annual targets.

FY/March 2011

Establish a foundation for achieving strong growth by surpassing the earnings level of FY/March 2009 with higher sales and profits.

In 5 to 7 years' time

Achieve strong growth by strengthening existing businesses and creating new businesses, the key growth drivers.

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Although it is extremely difficult to precisely foresee the future given the rapidly shifting business environment at present, this slide shows the Group's predicted earnings growth over the medium to long term, as mapped out in its Management Policy <09-10>.

The Group will make every effort to reliably achieve its published forecasts for the year ending March 2010.

The aim for the following year, ending March 2011, is to restore underlying growth in both sales and profit and bring about a recovery to levels achieved during the year ended March 2009.

In terms of the envisioned scale of earnings in five to seven years' time, the Group intends to achieve strong growth based on the initiatives set out under its Management Policy <09-10>.