

# Management System

Konica Minolta considers strengthening corporate governance a management priority. The company is reforming its management system to establish a highly transparent corporate governance structure and ensure effective responses to today's changing business environment.

## Corporate Governance

Konica Minolta believes that improving corporate governance is a vital part of fulfilling its responsibilities to stakeholders. The company is continuing to reform its management and governance structure to ensure more timely and appropriate decision-making on matters such as restructuring.

### Company-with-Committees System

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.

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 includes four outside directors, who are highly independent and have no significant business relations with the company. A majority of directors do not serve as executive officers.

There are three committees within the Board of Directors: Nominating, Audit, and Compensation Committees—all of which are chaired by outside directors.

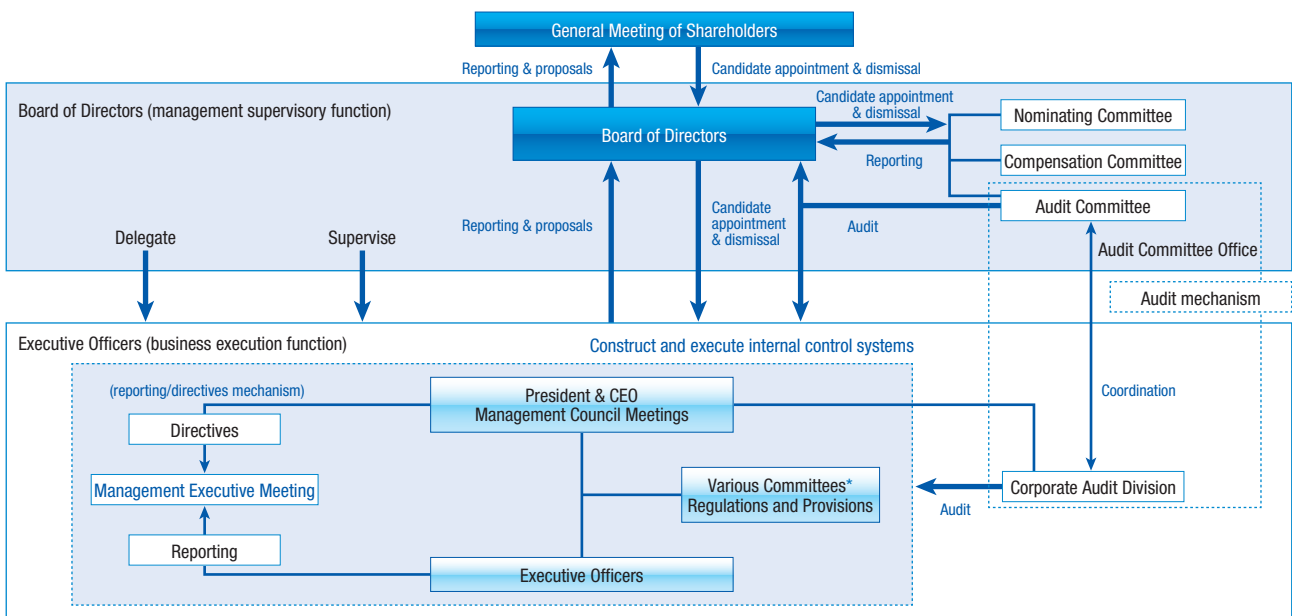
Although the law in Japan only requires that no executive officers serve on the Audit Committee, Konica Minolta has implemented a system in which its executive officers do not serve on any of these committees, in order to ensure better transparency.

Board of Directors and Three Committees (as of June 19, 2014)

Board of Directors (total of 11 people)			
Seven Non Executive Officers			
	Nominating Committee	Audit Committee	Compensation Committee
Directors (Chairman of the Board)	●		
Outside Director	●	●	
Outside Director	●		●
Outside Director		●	●
Outside Director	●	●	●
Director	●	●	●
Director		●	●

Four Directors and Executive Officers: President & CEO, one Senior Managing Executive Officers and two Senior Executive Officer ● Chairman

## Corporate Governance Structure



Note : Committees related to internal controls

Risk Management Committee Compliance Committee Corporate Information Disclosure Committee Investment Assessment Committee Business Assessment Committee Technology Strategy Council, etc.

## Compliance

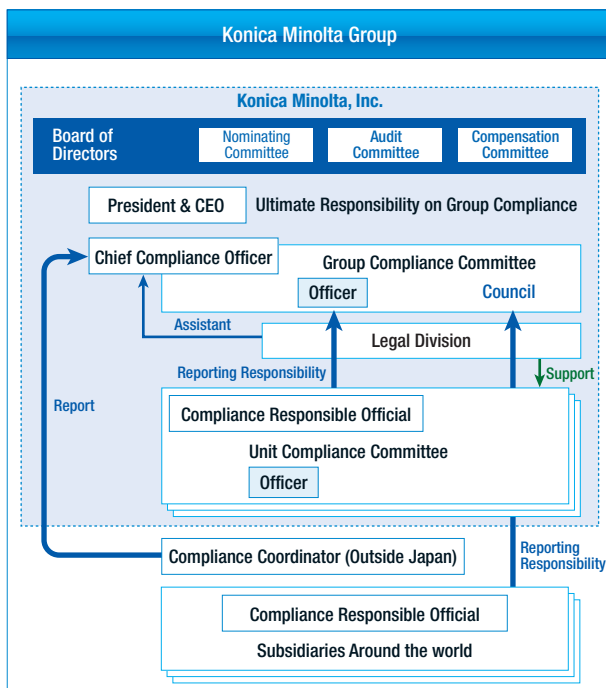
At Konica Minolta, the Chief Compliance Officer decides important matters for promoting group compliance and has the responsibility to promote and oversee compliance under the President and CEO of Konica Minolta, Inc., who has ultimate responsibility for Group compliance. To fulfill that responsibility, the Chief Compliance Officer appoints persons responsible for compliance at various business departments who also serve as members of the Group Compliance Committee, which is a consultative body for deciding important matters related to compliance.

The Legal Department of Konica Minolta, Inc., helps the Chief Compliance Officer with important matters in promoting Group compliance and with planning promotion measures. It also directly and indirectly supports the compliance activities of group companies and supports crosscutting information management across the Group.

The Chief Compliance Officer has appointed regional compliance coordinators (for Europe, North America and China), further strengthening the compliance system outside Japan.

At subsidiaries under Konica Minolta, Inc., the president of each company heads a compliance promotion system as the person responsible for compliance.

### Group Compliance Promotion System



### Global Compliance Network

Konica Minolta has been working on its Medium-term Compliance Plan since fiscal 2011 as one of the strategies under its Medium Term Business Plan "G PLAN 2013." The priority measures taken under the Medium-term Compliance Plan were: (1) global implementation of compliance programs, (2) responding to the diversification of social requirements and international trends, and (3) continual implementation of promotion efforts.

In fiscal 2013, the final year of the medium-term plan, compliance coordinators in North America, Europe, and China led the full-fledged start of local compliance activities carried out by each company to suit local circumstances while Group-wide policies and measures were rolled out under a Global Compliance Network.

### Anti-Corruption Initiatives

In April 2011, Konica Minolta published the Konica Minolta Group Guidance for the Charter of Corporate Behavior, which is shared globally and illustrates expected behavior in detail. The Guidance includes specific anti-corruption rules, including prohibition of extortion of gifts, benefits or business entertainment, prohibition of bribery, and a resolute stand against any contact with organized criminal elements.

Moreover, an anti-corruption training program has been released on the company intranet and made available to Group sales companies worldwide. Group companies are also asked to share best practices and to produce programs that comply with the laws of their respective countries and regions.

Group companies in China, for example, established their own compliance manual, which includes specific guidance on gifts, benefits or business entertainment. Additionally, in response to foreign companies in China being accused of anti-bribery law violations, education on commercial bribery was provided in May 2013 to the persons responsible for compliance at all 15 Group companies in China.

In North America, the compliance coordinator revised the online teaching materials related to the Code of Business Ethics in October 2013, strengthening the content on bribery prevention, in order to comply with the stricter application of the Foreign Corrupt Practices Act (FCPA).