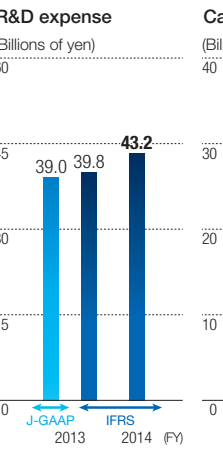
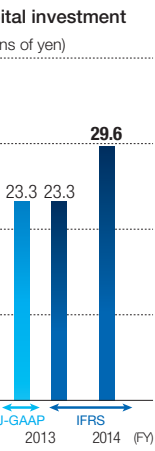
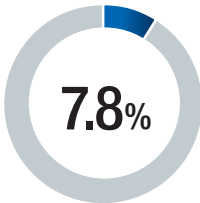
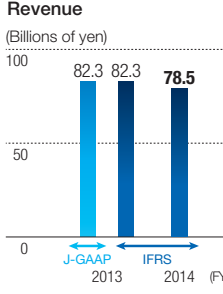
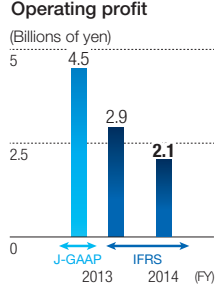
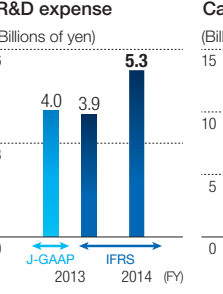
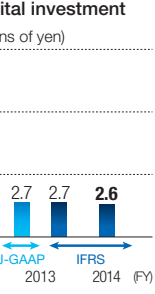
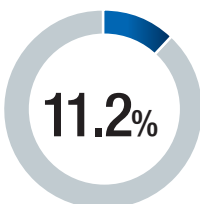
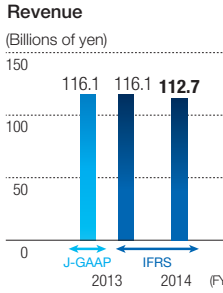


Business Results

Major gains were seen in our core business, the Business Technologies Business.

Business Overview	
<p>Business Technologies Business</p>  <p>80.6%</p>	<p>External revenue in this business stood at ¥808.2 billion, up 10.5% year on year, and operating profit was ¥72.6 billion, up 1.5% year on year. An increase in gross profit in line with an increase in sales of color units centering on service provision capabilities coupled with growth in sales of digital printing systems and the impact of the weak yen contributed to higher sales and profit in this segment.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Revenue (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>Operating profit (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>R&D expense (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>Capital investment (Billions of yen)</p>  </div> </div>
<p>Healthcare Business</p>  <p>7.8%</p>	<p>External revenue in this business amounted to ¥78.5 billion, a decrease of 4.6% year on year. Operating profit was ¥2.1 billion, down 27.6% year on year, due to a decrease in gross profit in line with a decline in sales of local procurements in Japan and significant advance expenses related to the launch of the diagnostic ultrasound systems business.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Revenue (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>Operating profit (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>R&D expense (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>Capital investment (Billions of yen)</p>  </div> </div>
<p>Industrial Business</p>  <p>11.2%</p>	<p>Revenue decreased despite an increase in sales in the performance materials field compared with the previous year due to falling demand in lenses for compact cameras, downsizing of the lens business for mobile phones and withdrawal from the glass substrates for HDDs business in the field of optical systems for industrial use. Meanwhile, an increase in sales in the performance materials field and measuring instruments field coupled with the effect of a series of structural reforms implemented in the previous fiscal year in the field of optical systems for industrial use contributed to an increase in profit.</p> <p>As a result, revenue of the Industrial Business to external customers stood at ¥112.7 billion, down 2.9% year on year, and operating profit was ¥19.7 billion, a ¥19.5 billion increase year on year.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Revenue (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>Operating profit (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>R&D expense (Billions of yen)</p>  </div> <div style="text-align: center;"> <p>Capital investment (Billions of yen)</p>  </div> </div>

*1 OP: Office Product *2 MIF (Machine in the Field): In the market for MFPs (multi-functional peripherals), production print machines, etc., it refers to the total installed base (number of working units).

*3 PV (Print Volume): The print output quantity *4 Multi-application: Applications of print technology to media other than paper, such as textiles and labels.

*5 MPM (Marketing Print Management): Service that offers print solutions optimized for customers' marketing divisions. *6 PP: Production Print

	Genre-top strategy	Growth strategy (IFRS)	
<p>Office Services</p> 	<p>Color MFPs: No. 1 or 2 share in 29 countries</p> <p>Unit basis, Konica Minolta estimate using external CY2014 data</p>	<p>FY2014 (Results)</p> <p>Revenue ¥597.0 billion</p>	<p>FY2018 (Targets)</p> <p>Revenue ¥700 billion</p> <p>Expansion in MIF*² and PV*³ with service proposals</p> <p>■ Services ■ OP*¹</p>
<p>Commercial and Industrial Printing</p> 	<p>Color digital printing systems: Large global market share</p> <p>Unit basis, Konica Minolta estimate using external CY2014 data</p>	<p>Revenue ¥211.1 billion</p>	<p>Revenue ¥300 billion</p> <p>Expansion in MIF and PV with MPM proposals</p> <p>■ Multi-application*⁴ ■ MPM*⁵ ■ PP*⁶</p>
<p>Healthcare</p> 	<p>Cassette-type digital radiography systems: Large market share in Japan</p> <p>Konica Minolta estimate using external data from CY2014</p>	<p>Revenue ¥78.5 billion</p>	<p>Revenue ¥150 billion</p> <p>Expansion in MIF with service and medical IT proposals</p> <p>■ Services, medical IT ■ Modality*⁷, etc.</p>
<p>Optical Systems for Industrial Use</p> 	<p>Display analyzers: Large market share</p> <p>Konica Minolta estimate using CY2014 data</p>	<p>Revenue ¥51.8 billion</p>	<p>Revenue ¥100 billion</p> <p>Expansion in devices and systems with service proposals</p> <p>■ Measuring instruments, optical systems ■ Lenses, components / materials</p>
<p>Performance Materials</p> 	<p>TAC films: Large global market share</p> <p>Area basis, Konica Minolta estimate using external CY2014 data</p>	<p>Revenue ¥60.9 billion</p>	<p>Revenue ¥100 billion</p> <p>Create new businesses in addition to TAC*⁸</p> <p>■ New business ■ Existing business</p>







*7 Modality: The various diagnostic equipment used in the practice of medicine. At Konica Minolta, this refers to CR/DR and diagnostic ultrasound systems.

*8 TAC: General term given to protective film for LCD polarizers, composed primarily of cellulose acetate.

Fiscal 2014 Business Activity Highlights

Fiscal 2014 saw further efforts made towards achieving TRANSFORM, including conducting several M&As aimed at enhancing our service businesses and establishing new sales companies to upgrade our customer-centric management structure.

2014

April	May	June	July
<p>April</p> <p>Opening of a new R&D facility, Konica Minolta Hachioji SKT</p> <p>The Company opened a new R&D facility, Konica Minolta Hachioji SKT, as its core technology development campus to promote open innovation. The facility was granted the fiscal 2014 Good Design Award.</p>  		<p>June</p> <p>Commercial and Industrial Printing</p> <p>A strategic push into the heavy production printing segment</p> <p>Konica Minolta launched the bizhub PRESS C1100 and C1085 digital printing systems.</p> 	
<p>Healthcare</p> <p>Launch of a diagnostic ultrasound system</p> <p>Konica Minolta launched the SONIMAGE HS1, a diagnostic ultrasound system that achieves the world's highest level* of resolving power in a hand-carried unit.</p> <p>* When compared to general hand-carried diagnostic ultrasound systems</p> 	<p>April</p>	<p>Full-scale entry into the Chinese market with inkjet textile printers</p> <p>Into this increasingly-digitalized growth market, Konica Minolta introduced a top-of-the-line model that combines high quality with high productivity while reducing strain on the environment.</p>	<p>Building a system for strengthening the competitiveness of and globally expanding MPM services</p> <p>Konica Minolta reached an agreement to acquire Ergo, a major player in Australia's print management services market.</p>
<p>Office Services</p> <p>Acquisition of Thailand sales company with a view to expanding business in emerging markets</p> <p>Konica Minolta acquired a sales company for office equipment in Thailand, a country set to see demand rise alongside strong economic growth.</p>	<p>May</p>	<p>Office Services</p> <p>Launch of an MFP to create optimal printing environments at everywhere from small offices to large-scale workplaces</p> <p>Konica Minolta launched the bizhub C3110, an A4 color MFP, and three A4 MFP/A4 printers.</p>	<p>June</p>
<p>Acquisition of business positioned to strengthen Konica Minolta's customer base and IT solutions in Canada</p> <p>Konica Minolta acquired the document imaging business of Pitney Bowes Canada, which holds the lion's share of the mailing system market in Canada.</p>		<p>Healthcare</p> <p>Launch of the imaging CRO Business with the informity clinical test support service</p> <p>To its informity medical ICT service platform, Konica Minolta added clinical test support services, which provide support specialized in imaging to pharmaceutical companies and medical institutions for clinical testing.</p> 	<p>July</p>
<p>Commercial and Industrial Printing</p> <p>Launch of a digital printing system for building hybrid workflows with offset printing</p> <p>Konica Minolta launched the bizhub PRESS 2250P, a digital printing system that helps reduce TCO in printing operations with highly productive double-sided printing.</p>	<p>May</p>	<p>Start of method using Konica Minolta products for conducting radiation therapy for breast cancer in much less time</p> <p>For the first time in Japan, medical institutions began employing a method of treatment that uses the SAVI applicator for breast brachytherapy, which had been developed by Konica Minolta in 2013 and was the first such product in the country.</p>	
		<p>Office Services</p> <p>Full-scale operation of a next-generation production system employing digital manufacturing</p> <p>Konica Minolta established a manufacturing subsidiary in Malaysia in its Business Technologies Business. The state-of-the-art facility utilizes both ICT and automation technologies to achieve high production efficiency.</p> 	<p>July</p>

Business Technologies Business

Office Services

Commercial and Industrial Printing

Healthcare Business

Healthcare

Industrial Business

Optical Systems for Industrial Use

Performance Materials

2015

August

September October November December

August

Cancellation of 20 million treasury shares

Healthcare

August

Launch of the AeroDR PREMIUM, the world's lightest* cassette-type digital X-ray system with improved robustness

Konica Minolta launched the AeroDR PREMIUM, which features improved robustness and stands as the world's lightest* cassette-type digital X-ray system.

* As of August 27, 2014



Office Services

August

Release of strategic MFP for emerging nations

Konica Minolta has launched strategic models of A3 color MFPs tailored to emerging nations—the bizhub C281, C221, and C221s—in China, with other countries to follow.



October

Acquisition of treasury stock (approximately 8.72 million shares for 10 billion yen)

Office Services

October

Global launch of MCS solutions for optimizing customers' upstream operations

As one cornerstone of business portfolio transformation for the office services segment, Konica Minolta has begun its Managed Content Services (MCS) program worldwide with a view to optimizing the management of customers' massive content.

Launch of industry-specific MCS solutions worldwide, beginning with North America

Konica Minolta has entered into a global partnership with U.S.-based Hyland, a world leader with its OnBase ECM solution. This move allows us to create new added value in customers' workflows and speed up the expansion of our MCS business.

Performance Materials

December

Huis Ten Bosch theme park uses Konica Minolta's OLEDs in the world's first* illuminating OLED tulip

Konica Minolta's plastic substrate flexible OLED lighting panels were used in the "illuminating OLED tulip" flower illumination, a global first for OLED lighting. Visitors to this springtime event saw the night sky light up with some 15,000 OLED lighting panels.

*The first time OLED lighting has been used in a flower illumination



January

February March April

Commercial and Industrial Printing

January

Strengthening of direct sales system for production printing in Brazil

As the first step in efforts to further strengthen its foothold in the commercial and industrial printing filed in Brazil, Konica Minolta acquired Milsul, a company that enjoys high market share in Brazil's two southern states.

Acquisition of Indicia, a successful UK-based MMS provider

In order to enhance its MPM services—an area key to transforming the business portfolio for the commercial and industrial printing field, Konica Minolta has acquired UK-based Indicia, a company with extensive experience implementing MMS at companies that own world-renowned brands.



Optical Systems for Industrial Use

January

Launch of a spectrophotometer to support light management in the printing industry using light-measurement technologies

Konica Minolta has developed the FD-9 auto-scanning spectrophotometer, which is the world's fastest device* capable of measuring color charts for the creation of color profiles in general use in the printing industry.

*Among auto-scanning spectrophotometers that use spot measurement as of January 13, 2013.

Development of wide-angle laser radar supporting up to 24 layers

Konica Minolta has developed a laser radar capable of wide-angle scanning. Even at night, this laser radar can distinguish between people and things like terrain and structures, and detect and observe people and objects in real-time, without being affected by streetlights and other lighting.

Optical Systems for Industrial Use

March

Establishment of measuring instruments sales company in South Korea to enhance marketing activities primarily in the display industry

Konica Minolta has established a measuring instruments sales company in South Korea in view of the importance of creating and implementing customer-centric sales strategies in the country, which is home to many world-class manufacturers of displays and consumer electronics.

Office Services

March

Creation of a global system for providing MPM services

Expanding its sphere of MPM service provision in Europe and Asia Pacific (APAC), Konica Minolta has created a global system that now encompasses the U.S. and Japan.

Commercial and Industrial Printing

April

Quadrupling the current number of sales branches and building a direct sales system that drives market share growth in India

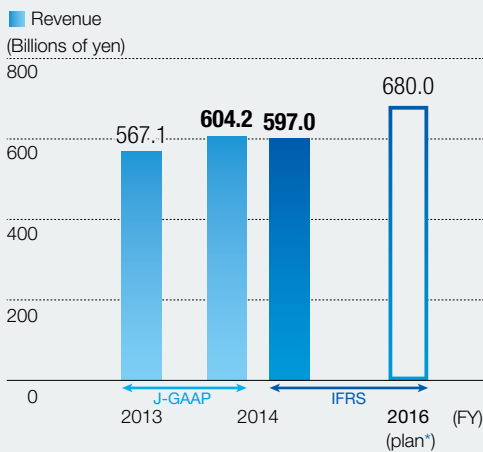
Konica Minolta has built a direct sales system for commercial and industrial printing throughout India as part of efforts to strengthen this segment in emerging countries, where robust market growth is on the horizon.

Business Results

Business Technologies Business Office Services



Revenue



Market environment (opportunities and challenges)

- At small- and medium-sized companies, the bulk of our customer base, there is often a shortage of IT specialists, and latent demand for IT services is high.
- The market for MFPs has reached maturity in developed countries, and we need to find a way to further enhance the value we provide to customers while avoiding price competition as these products become increasingly commoditized.

*Figures published in May, 2014

Main Achievements in Fiscal 2014

IT solution services

- Our hybrid-type sales model, which combines IT services with our MFP products, experienced strong growth in both Europe and North America.

Office products

- Sales remain strong for A3 color MFPs, introduced as strategic products into countries where markets are growing.
- In the U.S., the now large MIF (machines in the field) with regard to color MFPs resulted in steady color print volume.
- We entered into a new global business deal with French conglomerate in the defense, aviation, and communications fields.

Strengths and strategies

- We focused on high-profitability A3 color MFPs and high-speed models.
- We improved hybrid-type sales that integrate IT services with MFP products.
- We enhanced Konica Minolta solutions aimed at putting MFPs at the center of offices' IT networks. As a result, we expanded sales to medium enterprises and larger organizations by removing ourselves from price competition.
- We transitioned to an industry-specific and business type-specific system of sales structure from a region-specific system in order to conduct strategic sales directed at companies that handle high print volume. We are achieving good success in North America.

• Fiscal 2014 business results and fiscal 2015 forecast

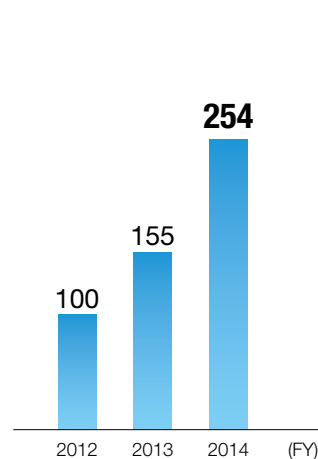
One basic strategy for this segment involves improving the proportion of sales of high-profitability A3 color MFPs and medium- and high-speed MFPs, which carry the greatest potential for high print volume. Another involves strengthening our competitiveness in the market and ensuring stable earnings by way of hybrid-type sales that integrate IT services with MFPs.

Regarding fiscal 2014 business results, sales of IT service solutions were up 15% year on year and sales of mainstay A3 color MFPs remained solid, with sales units expanding in all regions.

The number of contracts and sales steadily increased for OPS (Optimized Print Services) as well, which optimize a customer's output environment, following efforts to strengthen the sales and support system for major customers globally. Sales units of A4 color MFPs also increased as a result of these conditions.

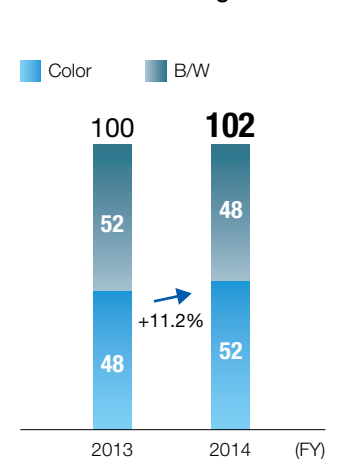
For small- and medium-sized customers, the Group further evolved its hybrid-type sales that combine IT services with MFPs, an initiative being developed primarily in the European and U.S. markets, and started MCS (Managed Content Services), which

OPS sales



*Base index: FY2012=100

A3 MFP unit sales growth



*Base index: FY2013=100

entails entering into a customer's business process and optimizing content management.

As a result of these efforts, fiscal 2014 revenue for the segment increased 7% year on year to ¥604.2 billion (¥597.0 billion based on IFRS).

In fiscal 2015, we will focus further efforts on hybrid-type sales, including MCS. As an effort towards this goal and an initiative to strengthen our IT service solutions for companies, in

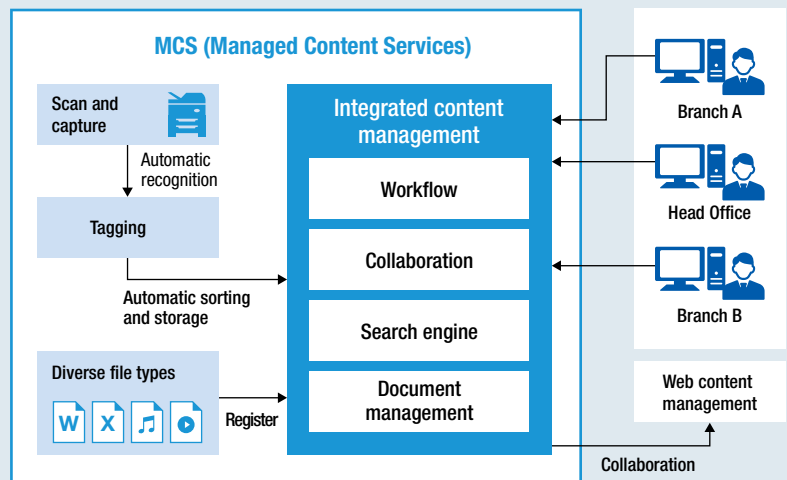
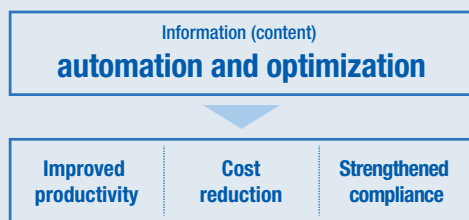
June 2015 we acquired SymQuest Group, a company that provides similar IT services while maintaining a strong focus on customers. We will also be ramping up such efforts in European markets, where these services drive user base expansion and print volume growth. The above factors contribute to a fiscal 2015 segment revenue forecast of ¥650.0 billion (based on IFRS), a 9% year-on-year increase.

Focused Topic

Improving customer productivity with MCS

Konica Minolta's MCS seek to understand customers' information and content flow as a business process. After this is done, we "automate" and "optimize" their business process as a service. This lets customers enhance their productivity, cut costs, and improve compliance.

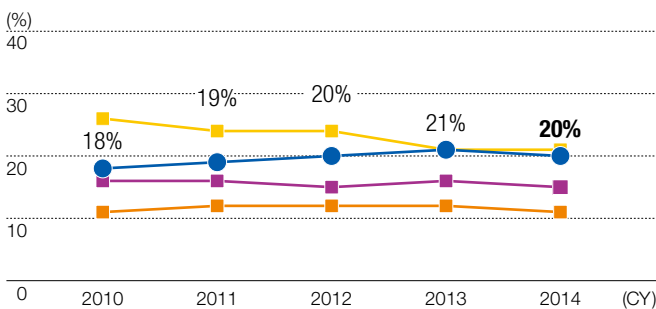
Providing value through Konica Minolta's MCS



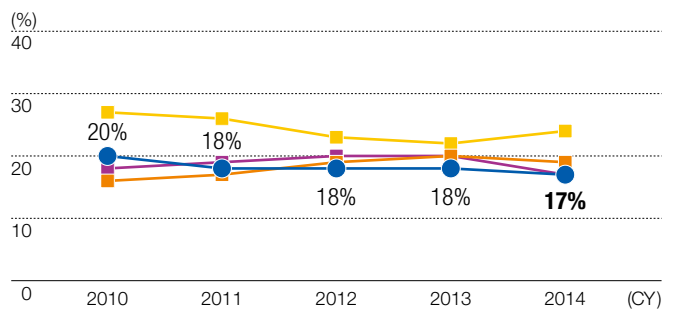
Konica Minolta share of A3 office MFPs

● KM ● Company A ● Company B ● Company C ● Company D

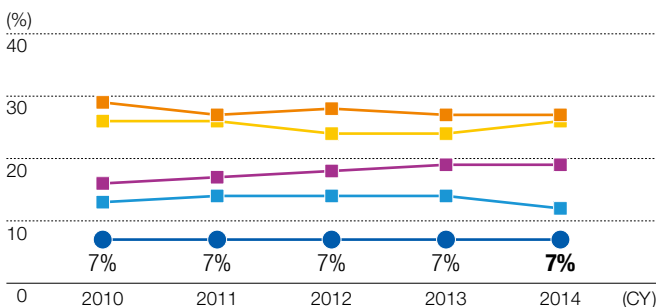
Europe



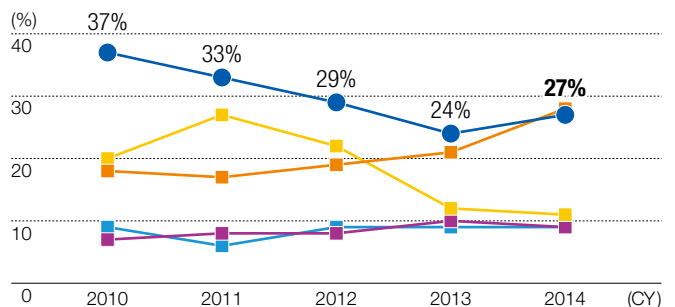
North America



Japan



China



*Konica Minolta estimate

Business Results

Business Technologies Business (Office Services)

• **Growth strategies**

Earnings from color MFP print volume is the engine currently driving growth in this segment (see market forecasts in the figure below). The goal from Phase 0 through Phase 1 is to achieve reliable and continued growth by maximizing this color print volume. Phase 2 will focus on establishing growth independent of color PV.

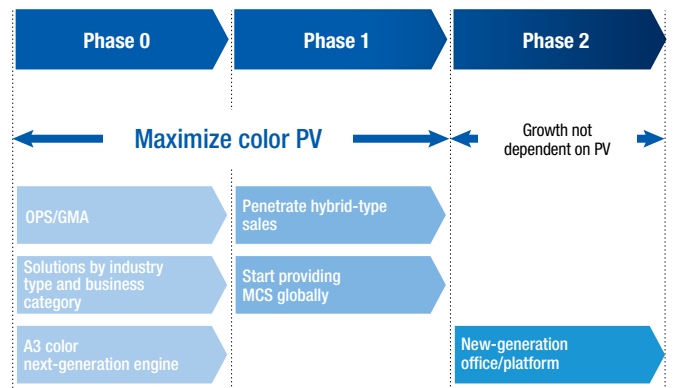
The first step in Phase 0 will be promoting genre-top strategies aimed at putting Konica Minolta at the top of the color MFP segment. Growth will be driven by the evolution of our current business, which will involve introducing new A3 color models as new growth engines and establishing a customer-centric sale style that enables us to provide solutions for different industries and business types. We will also strengthen GMA initiatives (business targeting major accounts with a global presence) for OPS, which optimize customers' printing environments.

Phase 1 will focus on further enhancing added value through efforts including adding MCS to our list of services. These efforts are aimed at further upgrading the hybrid-type sales system that incorporates our IT services, which have been enhanced through M&As conducted in recent years. By managing customers' business processes themselves and helping to improve and upgrade these processes while solving problems, we aim to become a trusted and essential business partner for our

customers. These efforts will enable us to differentiate ourselves from competitors and disengage from price competition.

In Phase 2, we will focus on further merging MFPs and IT services with a view to the more distant future. The end goal is to transition MFPs from being considered office automation equipment to being platforms that serve as information network hubs for offices in an effort to achieve growth that avoids reliance on print volume.

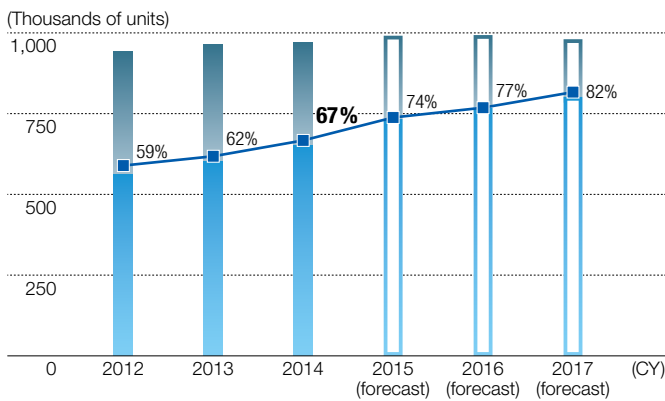
Roadmap for growth



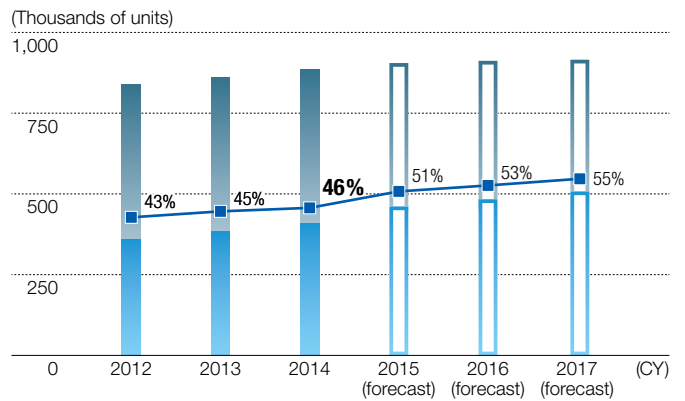
Unit shipment trends and forecasts in the office A3 MFP market

■ Color ■ B/W ■ Color ratio

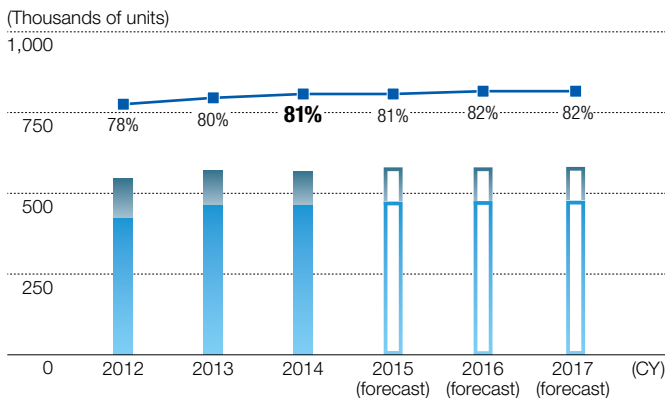
Europe



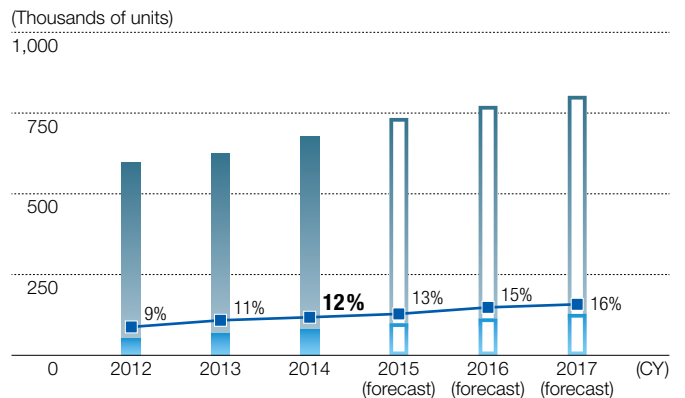
North America



Japan



China



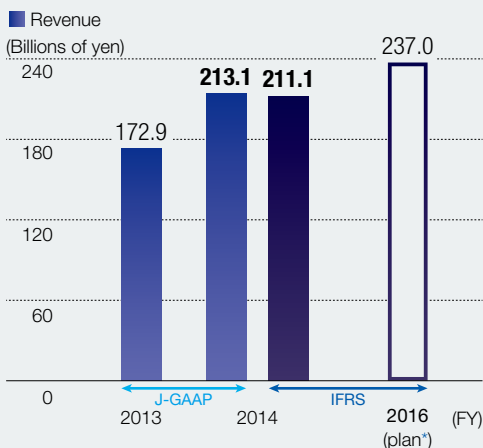
*Konica Minolta estimate

Business Technologies Business

Commercial and Industrial Printing



Revenue



Main Achievements in Fiscal 2014

Production printing

- Color unit sales were strong worldwide.
- Healthy sales were also seen for non-hardware such as consumables and maintenance services.

MPM/print services

- The creation of our global system has been completed.
- We have received business from several companies, including a company based in Europe that is the world's largest energy company.

Industrial inkjet business

- Good progress is being seen in our printer component business, which includes inkjet heads and ink.

Market environment (opportunities and challenges)

- Within marketing departments at large enterprises, which are a major customer category in this segment, there is a desire to curb costs associated with the dominant form of media—printed materials—in favor of marketing centered on new media such as the web and SNS.
- In response to needs at printing companies, another key customer category, they are considering implementing digital printing systems in addition to offset printing products. However, there is concern among these companies that sales might not justify the investment.

Strengths and strategies

- To expand and improve sales of non-hardware such as consumables and maintenance services, we are focused on providing solutions for upstream business processes.
- In November 2012, Konica Minolta acquired U.K.-based Charterhouse, a major presence in the MPM (Marketing Print Management) services industry. By leveraging Charterhouse's expertise as a company whose clients include some of the world's largest companies and matching printing companies with large corporations who purchase printed materials, we will provide cost reductions and efficiencies to client companies and a stable volume of printing to printing companies, while at the same time growing print volume and ramping up sales of digital printing systems.
- In January 2015, Charterhouse acquired U.K.-based Indicia, a veteran in cross media marketing. This completes a system for providing solutions in upstream processes, including the designs, the drafting of media plans and the analysis of customer data, as a means to expand MPM business.

*Figures published in May, 2014

• Fiscal 2014 business results and fiscal 2015 forecast

Governed by a basic strategy aimed at expanding the proportion of color printing and print volume, Konica Minolta's commercial and industrial printing field is focused on providing MPM services that meet the needs of companies' marketing departments.

MPM services involve assigning full-time staff to companies' marketing departments to help optimize printing costs and improve business processes by centrally managing the output of large volumes of printed materials including catalogs and pamphlets. Konica Minolta has provided these services through large MPM-segment enterprises such as U.K.-based Charterhouse and

Australia-based Ergo, which we have acquired through M&A. We also established subsidiaries of these Group companies in fiscal 2014 in the U.S. and Japan, respectively. With the completion of a global system for providing services that cover Europe, Asia Pacific, the U.S., and Japan, MPM and print services saw sales increase 52% year on year.

In the production printing segment, new models of digital printing systems such as the bizhub PRESS C1100 and bizhub PRESS C1085 showed strong sales throughout the year, pushing unit sales of color units beyond last year's level.

Business Results

Business Technologies Business (Commercial and Industrial Printing)

In the industrial inkjet business, strong sales of both components and textiles resulted in a sales boost over last year.

As a result of these efforts, fiscal 2014 sales for the segment increased 23% year on year to ¥213.1 billion (¥211.1 billion based on IFRS).

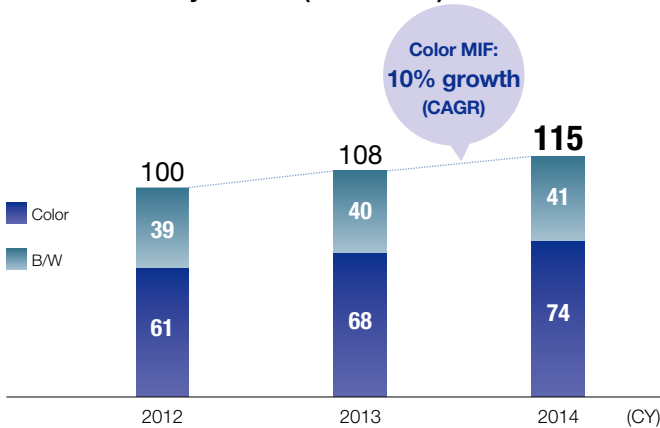
Fiscal 2015 will see us further expand our global MPM business and ramp up sales of the C1100, the flagship model among our digital printing systems. We will also focus on expanding business in emerging nations. One effort here was the acquisition in June 2015 of the PP business of Monotech Systems, a major sales company based in India, which is enjoying a booming PP market. The above factors contribute to a fiscal 2015

segment sales forecast of ¥240.0 billion (based on IFRS), a 14% year-on-year increase.



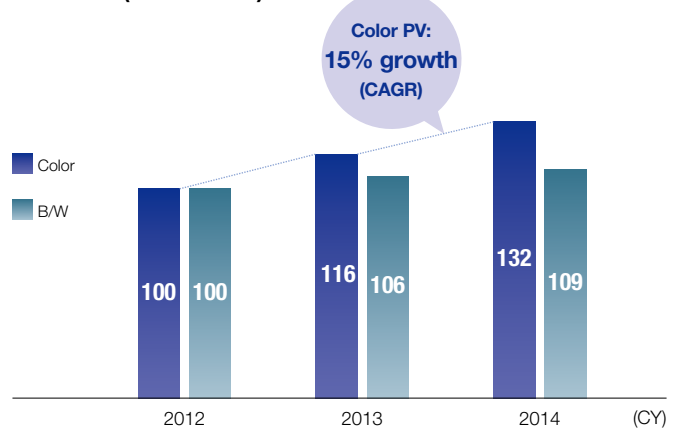
bizhub PRESS C1100/C1085

MIF in the five key markets (Direct sales)



*Five key markets: Japan, North America, the U.K., Germany, France
*Base index: CY2012 = 100

PV of MIF (Direct sales)



*Base index: CY2012 = 100

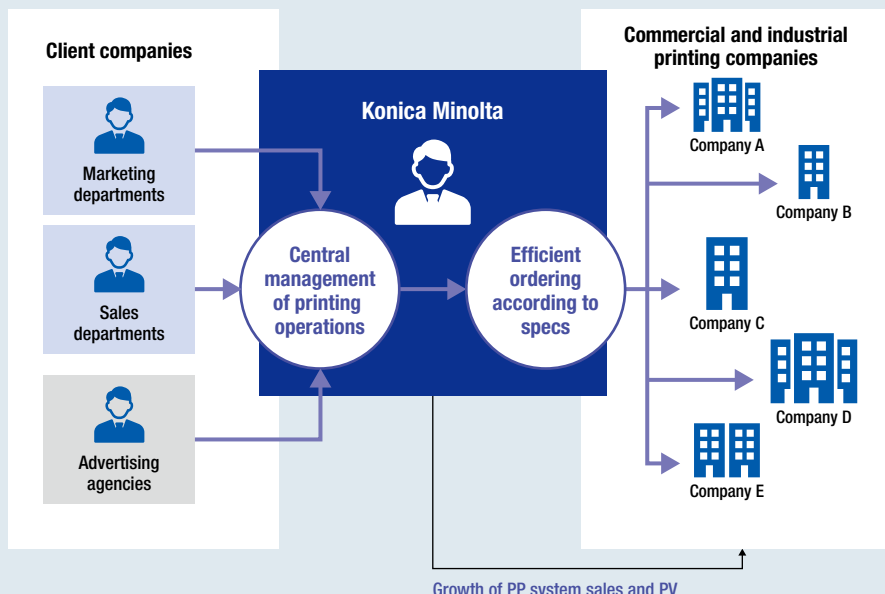
Focused Topic

Supporting marketing operations in upstream processes with MPM services

Konica Minolta's MPM services provide central management of printing needs at our customers' marketing and sales departments and—occasionally—advertising agencies, and provide print management optimized for each customer. These services allow our customers to cut costs and streamline operations while achieving timely delivery schedules and to provide printing companies with a stable supply of print orders. The end result is better sales of Konica Minolta's production print systems and greater print volume.

Providing value through MPM services

Solutions for printed materials	Cost reduction	Quality control
--	-----------------------	------------------------



• **Growth strategies**

Earnings from color page volume is the engine currently driving growth in this Field (see market forecasts in the figure below). The goal from Phase 0 through Phase 1 is to achieve reliable and continued growth by maximizing this color print volume. Phase 2 will focus on establishing growth not dependent on color PV.

Digital printing currently accounts for 10% of sales in the commercial and industrial printing segment. With future growth expected, there is still plenty of room for digital printing needs to grow even as the commercial and industrial printing market overall reaches maturity.

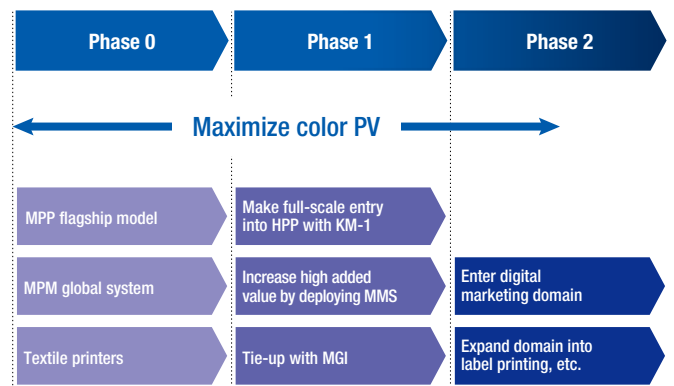
In light of the current market environment, Phase 0 will focus on increasing color PV through the sale of the bizhub PRESS C1100 digital printing system—the flagship model among our mid production printers (MPPs)—and global expansion of MPM. We will also be expanding and improving on our textile printer lineup in response to the rapidly digitizing global textile printing market, as well as strengthening our sales channels to increase sales and expand our industrial inkjet business.

Phase 1 will see the release of the KM-1—a new product attracting attention as a next-generation digital printing device that uses sophisticated inkjet technologies—as part of efforts to expand our portfolio, which will include even heavy production printers (HPPs). In response to the increasing globalization of MPM services, we will roll out MMS (Marketing Management Services) that leverage the expertise of U.K.-based Indicia, which we acquired in January 2015. By implementing consumer communication strategies that leverage a variety of media and by

providing a full range of services including planning and the creation and usage of media, we will further strengthen the support we provide to companies' marketing departments. We will also enhance operations in the industrial printing segment by way of collaboration with France-based printing equipment manufacturer MGI, with whom we entered into a capital and business partnership in January 2014. This will include printing on cards, labels, plastic, and electronic circuits, in addition to paper.

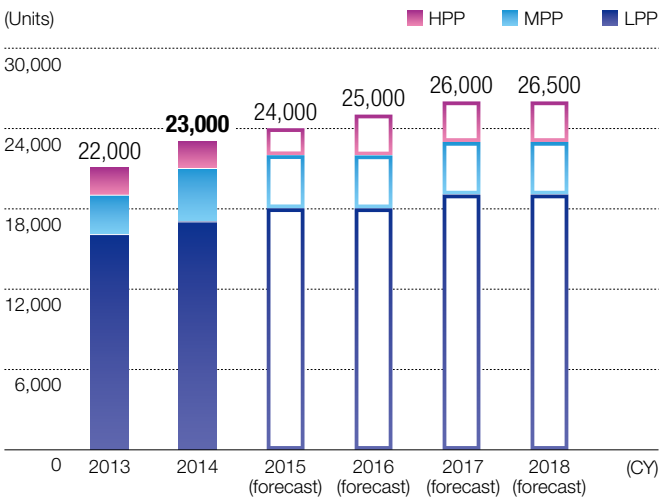
Phase 2 will then see us achieve full-scale commercialization in the digital marketing segment as we further enhance the value of MPM services. This will be in addition to laying the groundwork for growth not dependent on print volume by strengthening solutions for industrial applications, which will include collaboration with MGI.

Roadmap for growth



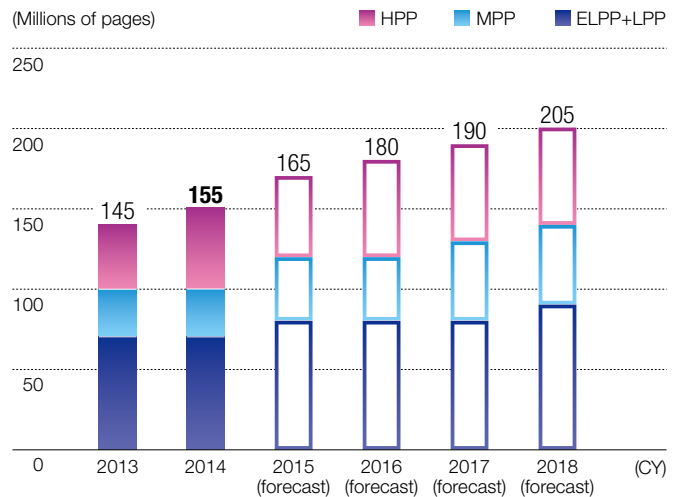
Worldwide color MFP sales forecast

Units shipped



*Konica Minolta estimate
 *HPP: Heavy Production Printer
 MPP: Mid Production Printer
 LPP: Light Production Printer
 ELPP: Entry Light Production Printer

Worldwide color PV forecast



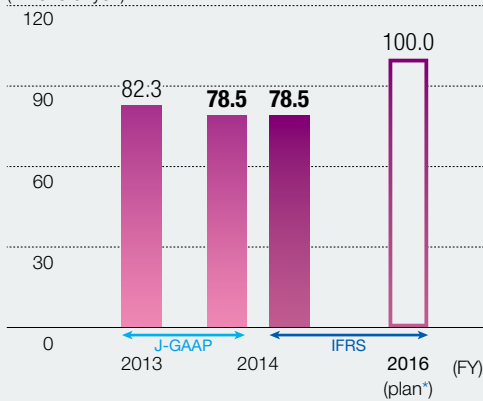
Business Results

Healthcare Business



Revenue

Revenue
(Billions of yen)



Main Achievements in Fiscal 2014

X-ray diagnostic imaging systems

- Despite difficult business conditions in and outside of Japan, unit sales of cassette-type DR (digital radiography) devices increased.
- Konica Minolta launched the AeroDR PREMIUM, which features better durability and a lighter weight.

Medical IT services

- As a new component of our medical IT service platform, informity, Konica Minolta launched the Home Medicare Cloud to support the sharing of data among home care providers.
- Konica Minolta has entered the imaging CRO (contract research organization) business with clinical test support services through its informity platform.

Diagnostic ultrasound systems

- The market has lauded the SONIMAGE HS1 for its top-level* resolving power in a hand-carried form.
- With the sales setup in order, sales picked up towards the end of the fiscal year.

*When compared to general hand-carried diagnostic ultrasound systems

Market environment (opportunities and challenges)

- There is growing demand in the medical care sector for solutions that assist in administering medical exams and improve operational efficiency.
- In the domestic market, there is a growing move towards regional collaboration and home-based care to curb overall healthcare costs.
- In the international market, demand is on the rise in ASEAN countries and other emerging nations.
- There is currently a high dependency on the domestic market, and strategies for expanding overseas business are needed.

*Figures published in May, 2014

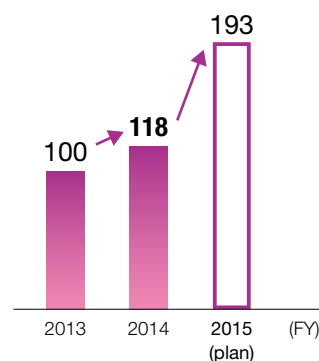
Strengths and strategies

- Konica Minolta possesses advanced medical imaging-related technologies and knowledge cultivated through the development of X-ray diagnostic imaging systems.
- We possess superior technologies in the field of ultrasound probes/sensors, which determine the competitiveness of the diagnostic ultrasound systems that use them.
- We provide equipment maintenance services in Japan 24 hours a day, 365 days a year.
- We will strengthen our solutions-based businesses by utilizing our domestic customer base, with a focus on medical clinics.
- We will ramp up overseas business by leveraging the strategic global sales partnership with the healthcare division of GE.

• Fiscal 2014 business results and fiscal 2015 forecast

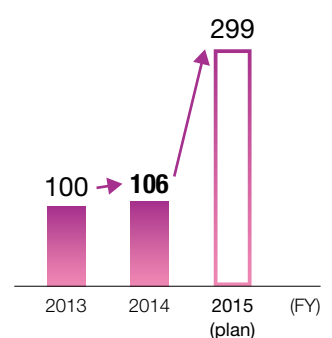
In the Healthcare Business, although sales were strong in the U.S., China, India, and other overseas markets, conditions remained poor in Japan, with local procurement sales declining as a result of a cooling market. Compared with the previous year, worldwide sales of core Konica Minolta products increased. Looking at individual products in the X-ray diagnostic imaging systems segment, the AeroDR cassette-type digital X-ray system saw expanded unit sales as a result of greater demand for digital products among medical care providers. We also released the SONIMAGE HS1, a new product developed by Konica Minolta for the diagnostic ultrasound system product range that we are working to develop as a new segment. The product has been well received for its superior resolving power, and we saw sales expand towards the end of the period. Film products sold well in emerging

AeroDR unit sales



*Base index: FY2013=100

Diagnostic ultrasound system unit sales



*Base index: FY2013=100

nations, and unit sales were roughly on par with the previous year. As a result, fiscal 2014 sales for the segment decreased 4.6% year on year to ¥78.5 billion (¥78.5 billion based on IFRS).

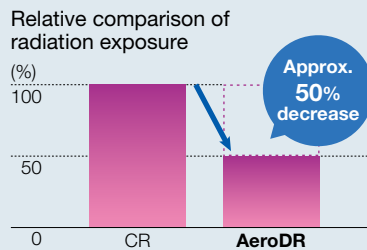
In fiscal 2015, efforts will focus on enhancing and expanding sales of priority product line, cassette-type DR products, while

increasing sales of the HS1 diagnostic ultrasound system among customers in the field of internal medicine, as well as our traditional business source, orthopedics. The above factors contribute to a fiscal 2015 segment sales forecast of ¥85 billion (based on IFRS), an 8% year-on-year increase.

Focused Topic

Launch of the AeroDR PREMIUM, the next level in cassette-type DR systems aimed at meeting the needs of medical practitioners

Compared to conventional computed radiography, digital radiography improves the quality and efficiency of medical exams by subjecting patients to less than half the radiation exposure and enabling images to be checked immediately after they are taken. To expand the range of application for DR systems, Konica Minolta has focused on growing sales of AeroDR, whose wireless nature improves both portability and usability. In August 2014, Konica Minolta launched AeroDR PREMIUM. A true evolution in a number of ways, AeroDR PREMIUM is the lightest of its kind in the world*, has a durability that can stand up to hard use, and can accommodate repeated actions and continuous operation for extended periods. We are currently expanding its range of application, which includes not just hospitals but also emergency medical care providers, the scenes of disasters, and home care situations.



Wireless operation allows for a greater range of application



*As of August 27, 2014

• Growth strategies

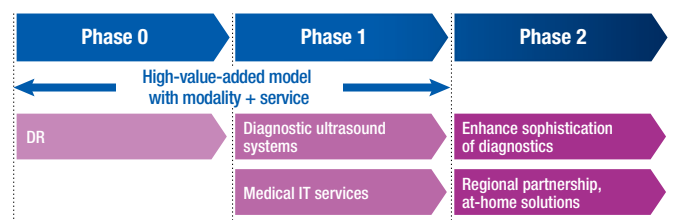
In the Healthcare Business, we are carrying out our basic strategy of investing products with higher added-value and strengthening solutions-based business for medical care providers by complementing our modality equipment—including X-ray diagnostic imaging systems and diagnostic ultrasound systems—with IT services.

First, in Phase 0, we will bolster and expand sales of our lineup of cassette-type DR systems, which are positioned as core products in our “genre-top” strategy (see market forecasts in the figure at bottom right). Compared to conventional computed radiography, digital radiography improves the quality and efficiency of medical exams by subjecting patients to less than half the radiation exposure and allowing images to be checked immediately after they are taken. This has resulted in the rapid growth of their market. Although we are currently targeting primarily developed countries, we will be leveraging our strategic business partnership with GE’s healthcare division to expand sales worldwide and meet the needs of emerging nations, where we expect to see more demand for such products in the future.

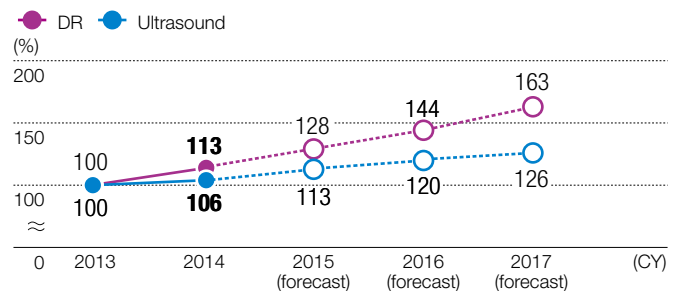
In Phase 1, we will fully promote our diagnostic ultrasound systems, a segment experiencing significant growth worldwide, by leveraging our customer base and sales channels cultivated through our sales efforts involving X-ray diagnostic imaging systems (see market forecasts in the figure at bottom right). In particular, efforts will be focused on business involving medical exams that we can leverage our ultrasound probe technologies, an area in which Konica Minolta excels. Additionally, we will be working towards bringing medical equipment and IT services together. One example of this will be minimizing downtime at medical institutions and improving the safety and efficiency of the care provided by utilizing IT services in the maintenance of medical equipment. This will also result in the establishment of businesses producing income streams that leverage the already sold medical equipment.

Phase 2 will involve organizing multiple modality devices through informity, providing cloud-based electronic health records, and otherwise strengthening the link between medical equipment and IT in order to make effective use of our products for a better regional healthcare coordination and for home care situations. We will also be further enhancing the functionality of our diagnostic imaging equipment in order to play a bigger role in a wide range of fields including diagnostics and nursing.

Roadmap for growth



Global market trends and forecasts of digital radiography and diagnostic ultrasound system



*Base index: CY2013=100

*Source: InMedica, The World Market for General Radiography etc. and Ultrasound Imaging, 2013

Business Results

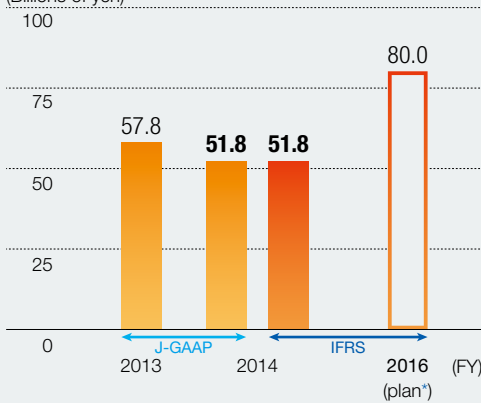
Industrial Business

Optical systems for industrial use



Revenue

Revenue
(Billions of yen)



Main Achievements in Fiscal 2014

Measuring instruments

- Sales of measuring instruments were mostly strong, primarily buoyed by light-source color measuring devices for displays, a core product.

Industrial and professional lenses

- Strong sales of core products resulted in a year-on-year sales increase despite difficult market conditions.

Other

- Decreased demand concerning lenses for compact digital still cameras resulted in lower sales for the category.

Market environment (opportunities and challenges)

- A rising number of mobile displays and the growing size of display devices is expanding the market for light-source color measuring.
- In the automobile industry, a major customer for object color measuring devices, production volume is gradually increasing.
- The FA measuring market is expanding as a result of growing investment in production line automation.

Strengths and strategies

- We possess a wide-ranging product lineup for high-precision measuring equipment.
- In our light-source color measuring device segment, we have a number of global major accounts (GMA) mainly among manufacturers of mobile devices, lighting equipment, and automobiles.
- With the acquisition of Radiant Vision Systems, we are expanding our vaunted color measurement technologies into related fields that include FA and visual inspection applications.

*Figures published in May, 2014

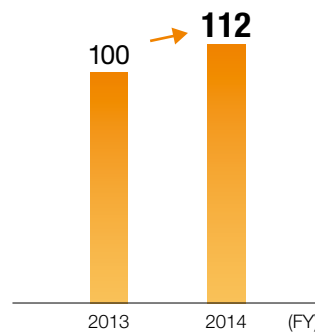
Fiscal 2014 business results and fiscal 2015 forecast

In the field of optical systems for industrial use, sales were strong for all core products, including light-source color measuring devices for displays and industrial and professional lenses. However, sales of lenses for compact cameras slid in response to decreased demand.

As a result, fiscal 2014 sales for this field decreased 10% year on year to ¥51.8 billion (¥51.8 billion based on IFRS).

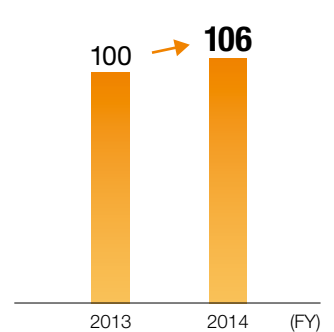
In fiscal 2015, efforts will continue to focus on expanding sales of core products while at the same time we target business that includes FA applications and visual inspection to expand the range of applications for color measuring technologies, an area where Konica Minolta excels. The above factors contribute to a fiscal 2015 segment sales forecast of ¥63.0 billion (based on IFRS), a 22% year-on-year increase.

Measuring instrument business sales



*Base index: FY2013=100

Industrial and professional lens sales



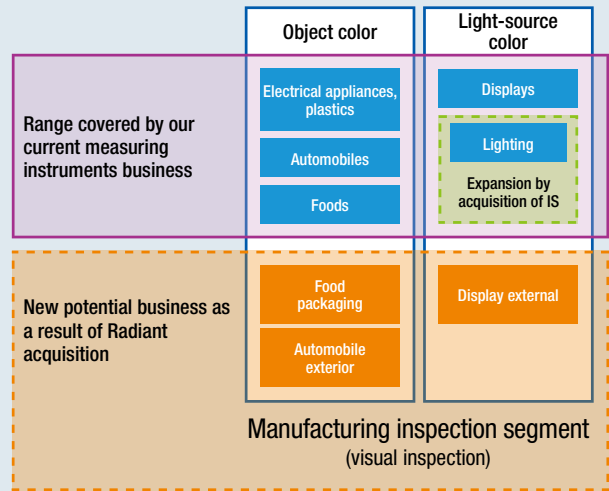
*Base index: FY2013=100

Focused Topic

Acquisition of major U.S.-based display inspection system manufacturer

As an initiative involving the global display testing market, in August 2015 Konica Minolta acquired Radiant Vision Systems, a leading manufacturer that supplies inspection systems based on customer specifications.

Growth in the market for digital products in recent years has boosted demand for systems capable of reliably detecting the scratches and defects that can impact these products' quality. This acquisition has allowed for a synergy between the visual inspection systems for which Radiant excels and the color measuring technologies that are Konica Minolta's forte.



• Growth strategies

In the measuring instruments segment, the December 2012 acquisition of Instrument Systems, a major German manufacturer of measuring devices used with lighting applications, led to a significant strengthening of our technologies for measuring light-source color. In Phase 0, in addition to pushing this business segment to a "genre-top" position, we will be focusing on acquiring new GMA (global major accounts) in the display inspection field in the automobile industry and high-growth industries including smartphones and tablets. This will involve providing services that incorporate new technologies, including color solutions and cloud services (see market forecasts in the figure at bottom right).

Phase 1 will emphasize the expansion of business in peripheral segments by leveraging technologies and expertise developed in light-source color and other such areas in which Konica Minolta excels. One such initiative is focusing on the growing FA measurement market, which involves conducting wide-ranging visual inspections of production lines, an area that has been reinforced with the acquisition of Radiant Vision Systems.

Our entry into FA measurement is a step towards digital manufacturing services, one of the themes under Phase 2. Manufacturing automation is heating up of late. This can be seen in the growing interest for Industry 4.0, an idea promoted in Germany in recent years that seeks to create smart factories using digital

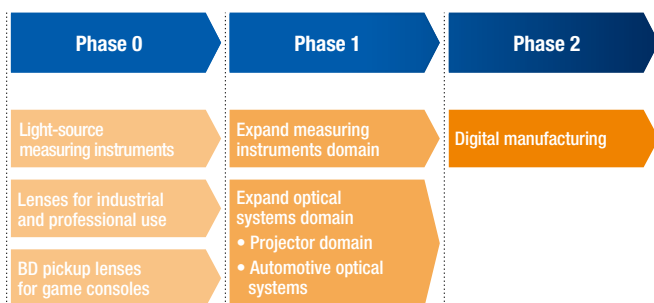
technologies. This trend will further heighten the importance of conducting visual inspections as part of the inspection process. This is a chance to create new business opportunities by supporting digital manufacturing through the use of Konica Minolta's highly sophisticated light and color measuring technologies.

In the industrial and professional lens segment, sales were strong for optical units for projectors and interchangeable lenses. Konica Minolta also has a high market share in pickup lenses, which are used mainly in home gaming devices. In Phase 0, we will establish a revenue base by capturing a significant share of the market in this domain.

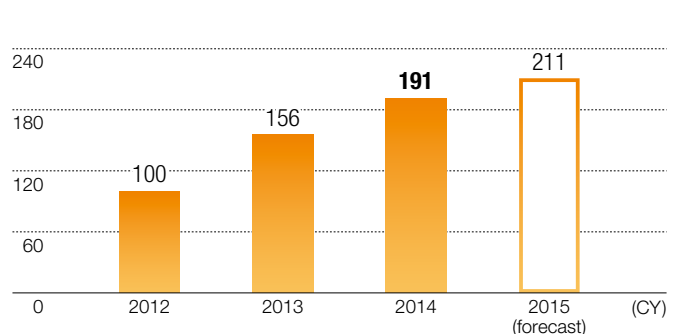
One aspect of Phase 1 will involve further refining Konica Minolta's technologies involving optical design and high-definition optical processing, two areas in which Konica Minolta excels. The other will center on establishing the component and unit technologies that we have so far developed and shifting away from the consumer-electronics applications that have been a mainstay towards growth domains such as automobiles, healthcare, optical communication, and projectors.

Looking to the future, Phase 2 will see us working towards becoming a company that can provide peace of mind and high added value to society as a whole by continuing to provide some of the very best optical devices in the industry.

Roadmap for growth



Smartphone and tablet market trends and forecasts

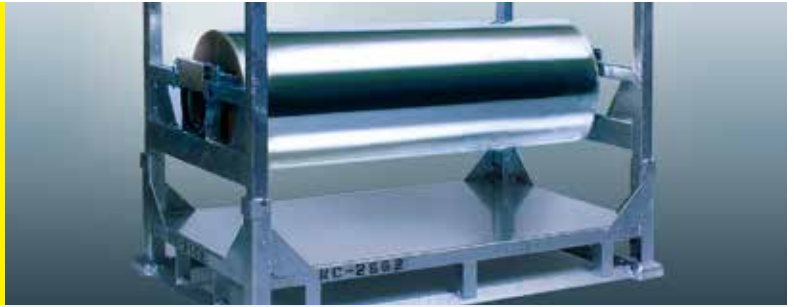


*Base index: CY2012=100
*Konica Minolta data.

Business Results

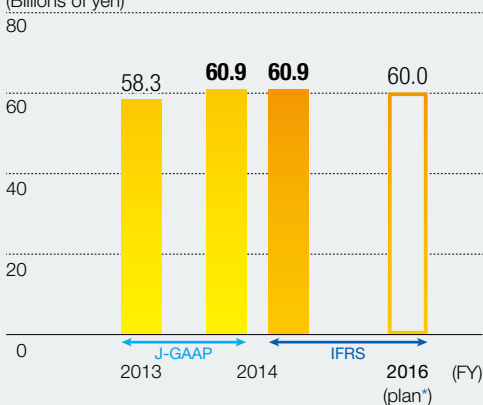
Industrial Business

Performance materials



Revenue

■ Revenue
(Billions of yen)



Main Achievements in Fiscal 2014

Polarizing plate protection film for flat panel displays

- Amid an increasing trend towards larger screen sizes, VA-TAC films for LCD televisions are showing strong sales.
- Supported by greater smartphone demand, sales of thin TAC films for small- and medium-sized panels continued to do well.

New business areas

- We launched a new window film product.
- We provided OLED lighting for theme park illumination. Mass production is set to begin in the fall.

Market environment (opportunities and challenges)

- In the displays market, demand for televisions and smartphones continues to grow. Including demand for higher definition products and outdoor applications, needs will increasingly diversify.
- There is a continued trend towards larger TV screens and TV screens of higher definition. High-definition technologies using quantum dots are now hitting the market.
- There is a growing demand for small- and medium-sized displays in completely new applications, including wearable devices and free-form displays.
- Even in fields unrelated to displays, consumers are also looking for products equipped with various functions that include heat insulating, UV ray reducing, and anti-fogging capabilities.

Strengths and strategies

- In the field of displays, we are developing products that apply TAC technologies and expertise. This includes QWP films that enable sharper image recognition by emulating unpolarized light when wearing polarizing sunglasses outdoors, hence improving customer productivity, and the quantum dot barrier films that allow visual displays to show high-definition content.
- It is an advantage that Konica Minolta's technologies and expertise can be utilized for these products enhanced by our distinguished TAC technology. There are, moreover, other strengths such as the low costs, high quality, high productivity, and speed of manufacture enabled by the ability to use our existing production equipment and supply chain.
- We are also making steady progress towards commercializing products in fields unrelated to displays, including window films for automobiles.

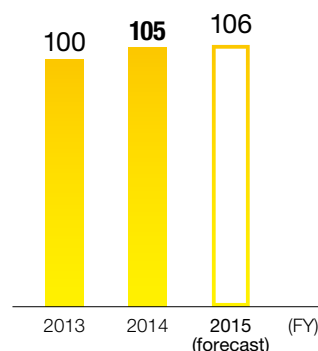
*Figures published in May, 2014

• Fiscal 2014 business results and fiscal 2015 forecast

In the field of performance materials, sales of TAC (triacylcellulose) film, which is used as protective film for LCD polarizers and is a core product of the Company, are being supported by strong sales of large LCD TVs and smartphones. Sales were strong for both applications involving large panels and small- to medium-sized panels. Among these, VA-TAC films that achieve increased viewing angle, ultra-thin films, and other such products that enable thinner mobile devices also saw robust sales.

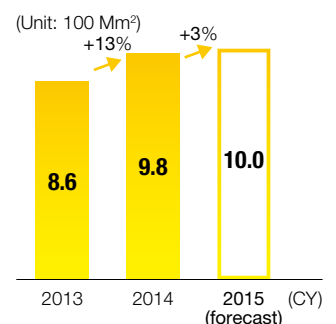
Konica Minolta has established its new OLED lighting business as a driver of future growth, and in the fall of 2014 we began operations at the world's first plant engaged in the mass production of plastic substrate flexible OLED lighting panels. These panels were used for an outdoor illumination at a prominent Japanese theme park in December, showing an example of how

Sales in the performance materials field



*Base index: FY2013=100

Polarizing plate protection film market trends and forecasts



*Konica Minolta data

these panels are being recognized for the new value they provide in being thin, light, and bendable—characteristics not seen in conventional light sources.

As a result, fiscal 2014 revenue for the segment increased 5% year on year to ¥60.9 billion (¥60.9 billion based on IFRS).

In fiscal 2015, along with continuing to satisfy market demand with TAC films, we will further solidify our business base through

expanded efforts involving peripheral industries. At the same time, we will look at bringing new products to market—including window films and barrier films—in order to make the fiscal year a springboard from which to develop businesses that will become cornerstones of the Company, following TAC films. The above factors contribute to a fiscal 2015 segment sales forecast of ¥62.0 billion (based on IFRS), a 2% year-on-year increase.

Focused Topic

QWP film: emulating unpolarized light to show device screen colors as they normally appear

As people increasingly use their smartphones and tablets outdoors, people are beginning to see a problem in how images on these screens can appear darker or discolored when viewed through polarized sunglasses. Konica Minolta has developed QWP film in response. Used on displays, this film emulates unpolarized light, allowing people to see the colors of images on device screens as normal even when wearing polarized sunglasses. The roll-to-roll manufacturing method can be used to produce the polarizing plates, dramatically improving polarizing plate manufacturer productivity. A mass production system will be built in the spring of 2016, with further expansion to follow.

How images appear



• Growth strategies

High-quality TAC film born from long-cultivated technologies for manufacturing photographic base film is the engine driving growth in this field. It is used to protect polarizing plates, a constituent material of LCD screens used in everything from LCD TVs to computers to smartphones, and there has been a steady demand for these products.

Phase 0 will focus on achieving substantial TAC film sales growth. Developments that include the emergence of 4K televisions are expected to prompt a continued increase in TV sizes. Total manufactured display area should continue to increase with growth remaining strong in the market for small- to medium-sized displays. This should result in more film being used. Although we predict there will be greater competition with respect to things such as pricing, we will focus on providing greater added value in order to satisfy our customers' expectations concerning quality and survive the competition.

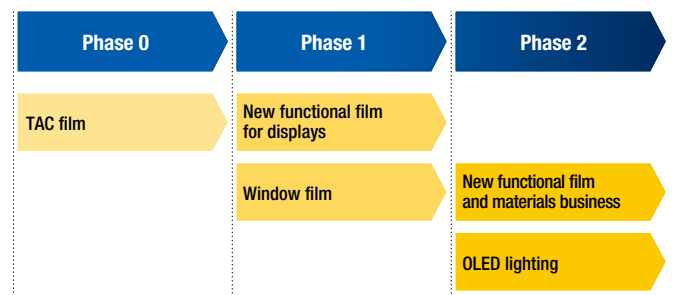
In Phase 1, efforts will focus on new areas of business that are cropping up as displays find use in more and more applications. This will involve expanding the range of TAC film application by leveraging the many connections we have developed with our customers to provide new value. One example of this is investing technologies, expertise, and resources into automobile window films that provide heat insulation and high polarization performance, as well as QWP films used for device screens, which are easier on the eyes and allow people wearing polarized sunglasses to see screen colors as they normally appear by emulating unpolarized light (see expected growth in the figure on the right).

In Phase 2, we will begin full-scale efforts to market solutions involving OLED lighting, which use organic materials that emit light when voltage is applied. We will focus on a wide range of applications including construction materials, automobiles, and

mobile devices, making the most of their strengths: being lightweight, thin, and flexible; emitting light across the entire surface; and consuming very little power.

By refining material technologies unique to Konica Minolta, we will focus on creating new key business areas in the performance materials field.

Roadmap for growth



Expected growth of new functional film business (Billions of yen)

