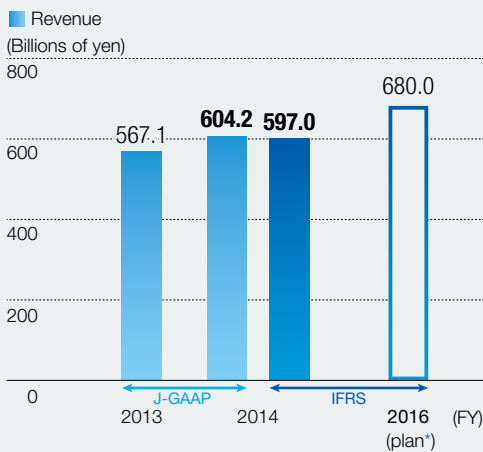


Business Results

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

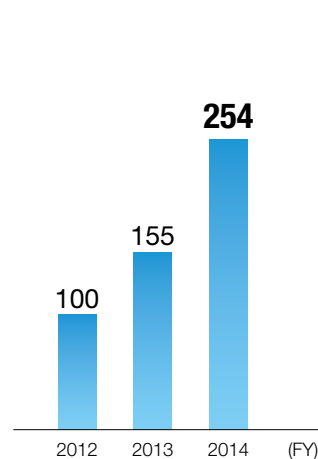
One basic strategy for this segment involves improving the proportion of sales of high-profitability A3 color MFPs and medium- and high-speed MFPs, which carry the greatest potential for high print volume. Another involves strengthening our competitiveness in the market and ensuring stable earnings by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

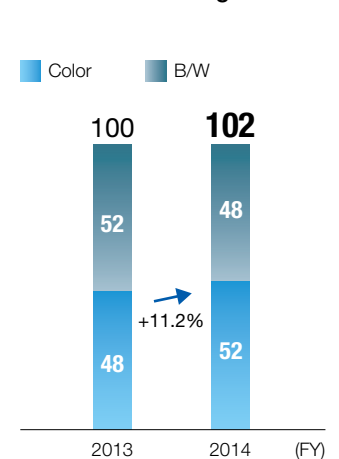
For small- and medium-sized customers, the Group further evolved its hybrid-type sales that combine IT services with MFPs, an initiative being developed primarily in the European and U.S. markets, and started MCS (Managed Content Services), which

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

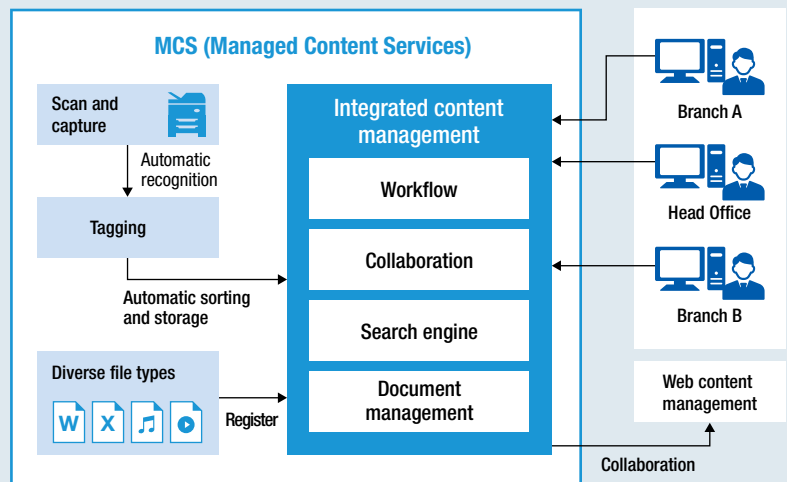
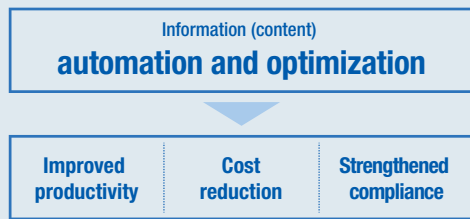
June 2015 we acquired SymQuest Group, a company that provides similar IT services while maintaining a strong focus on customers. We will also be ramping up such efforts in European markets, where these services drive user base expansion and print volume growth. The above factors contribute to a fiscal 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.

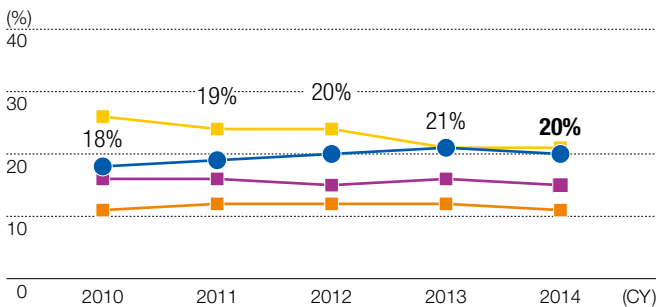
Providing value through Konica Minolta's MCS



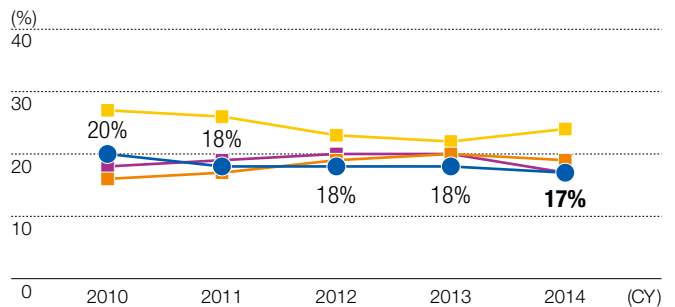
Konica Minolta share of A3 office MFPs

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

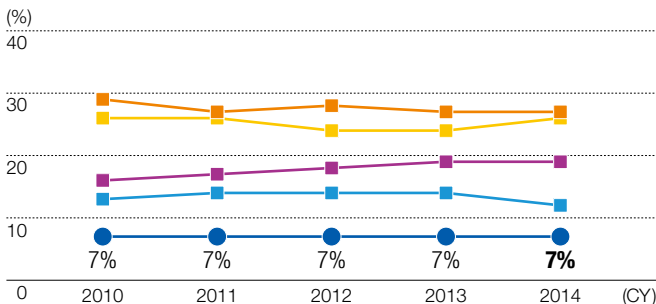
Europe



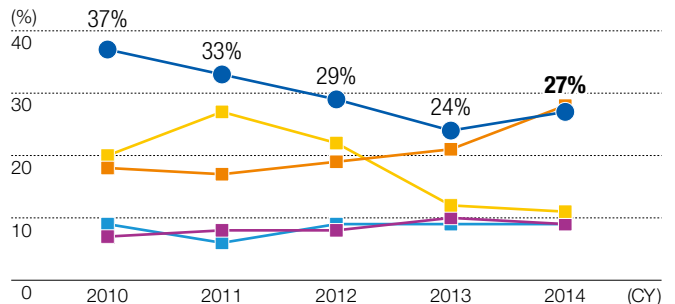
North America



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.

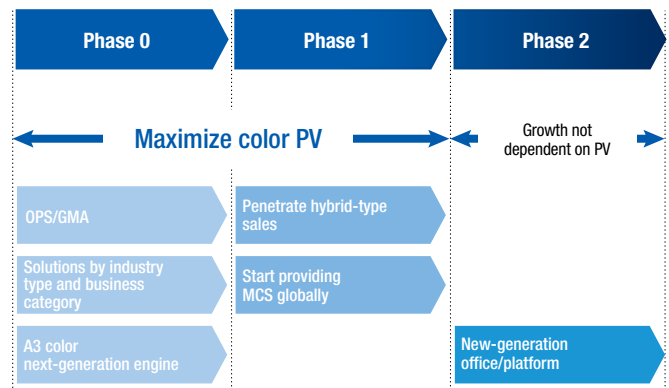
The first step in Phase 0 will be promoting genre-top strategies aimed at putting Konica Minolta at the top of the color MFP segment. Growth will be driven by the evolution of our current business, which will involve introducing new A3 color models as new growth engines and establishing a customer-centric 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.

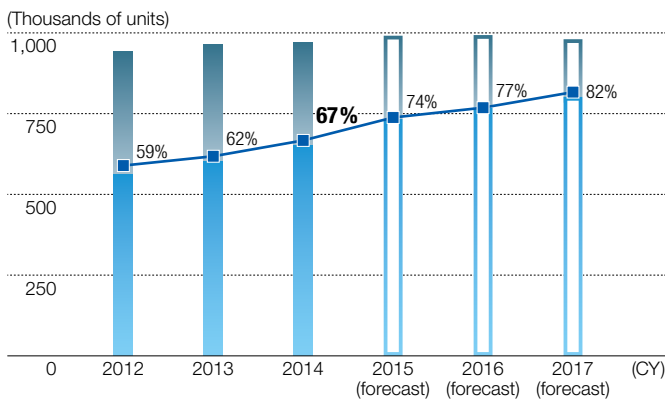
Roadmap for growth



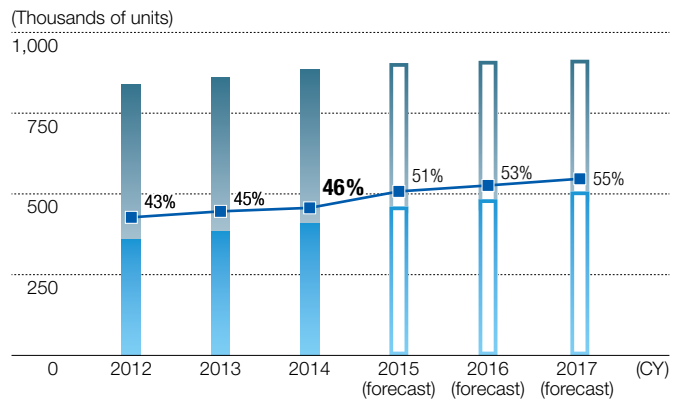
Unit shipment trends and forecasts in the office A3 MFP market

■ Color ■ B/W ■ Color ratio

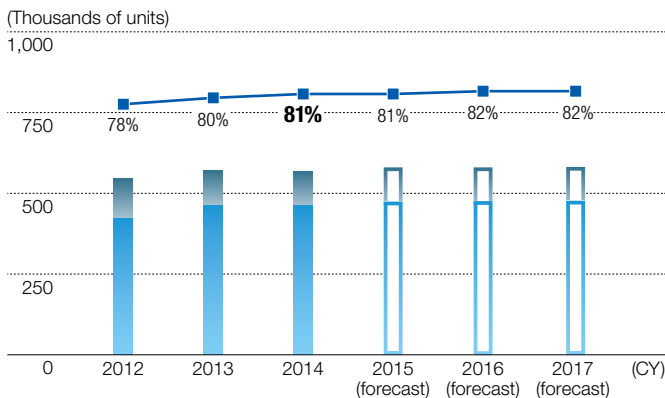
Europe



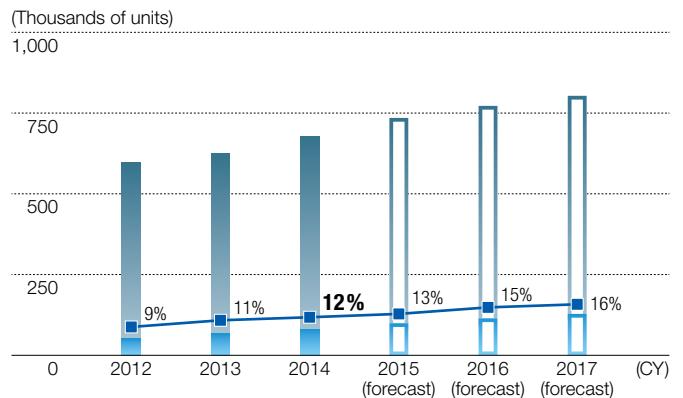
North America



Japan



China



*Konica Minolta estimate