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Securities Code: 4902
May 25, 2012

To Our Shareholders

Masatoshi Matsuzaki
Director, Representative Executive Officer
and President
Konica Minolta Holdings, Inc.
1-6-1 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 108TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA HOLDINGS, INC. ("the Company") respectfully requests your attendance at the 108th Ordinary General Meeting of Shareholders ("the Meeting"), which will be held as detailed below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or by an electronic method (via the Internet). In this case, please examine the attached Reference Documents for the General Meeting of Shareholders, indicate your approval or disapproval on the enclosed Voting Form and return it so it reaches us by 5.40 p.m., Tuesday, June 19, 2012, or vote on the website for exercising voting rights designated by the Company (http://www.evote.jp/) no later than the above-mentioned deadline.

1. Date and Time: Wednesday, June 20, 2012 at 10.00 a.m.

2. Place: Grand Arc Hanzomon, 4F "Fuji-no-ma"

3. Objectives:

Matters to be Reported:
1. Reports on the Business Report, the Consolidated Financial Statements for the 108th Fiscal Year (from April 1, 2011 to March 31, 2012); and Audit Reports by the Accounting Auditor and the Auditing Committee on the Consolidated Financial Statements
2. Reports on the Non-consolidated Financial Statements for the 108th Fiscal Year (from April 1, 2011 to March 31, 2012)

Matters to be Resolved:

Agenda Item: Election of Eleven (11) Directors

4. Guide to the Exercise of Voting Rights, etc.

Please refer to "Guide to the Exercise of Voting Rights, etc."

◙ In case of any changes to the Reference Documents for the General Meeting of Shareholders, the Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, the changes will be posted on the Company's website (http://konicaminolta.jp/about/investors/index.html).
◙ If you plan to attend the Meeting, please submit the enclosed Voting Form to the receptionist at the Meeting.
◙ Shareholders who plan to attend the Meeting are asked to wear light apparel because the temperature setting for air conditioning in the meeting room will be slightly higher than usual in order to conserve electricity.

Guide to the Exercise of Voting Rights, etc.

1. Deadline for exercise of voting rights
   As specified in the opening statement of this notice, for those unable to attend the Meeting, the deadline for receipt of votes by mail and the deadline for the exercise of voting rights on the website for exercising voting rights designated by the Company (http://www.evote.jp/) is 5.40 p.m., Tuesday, June 19, 2012.
2. Treatment of votes without indication of approval or disapproval
   Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
3. Treatment of votes cast more than once by mail
   If any voting right is exercised more than once by mail, the latest exercise will be upheld as a valid exercise of the voting right.
4. Diverse exercise of voting rights
   Shareholders are respectfully requested to notify the Company in writing of any diverse exercising of voting rights and the reason therefore not later than three days before the Meeting.

Using the Internet to exercise voting rights
1. Treatment of votes cast both by mail and via the Internet
   If any voting right is exercised both by mail and by the Internet, the exercise via the Internet will be upheld as valid exercise of the voting right.
2. Treatment of votes cast more than once via the Internet
   If any voting right is exercised more than once via the Internet, the latest exercise will be upheld as a valid exercise of the voting right. If any voting right is exercised by personal computer, by smartphone and by cellular phone, the latest exercise will be upheld as a valid exercise of the voting right.
3. Guide to using the Internet to exercise voting rights
   If you decide to use the Internet to exercise your voting rights, please read the following in advance. If you intend to attend the Meeting in person, voting in writing or using the Internet is unnecessary.

(1) Site for Exercising Voting Rights
   (i) You may only exercise voting rights via the Internet by accessing the website for exercising voting rights designated by the Company (http://www.evote.jp/) through a personal computer, smartphone or cellular phone (i-mode, EZweb or Yahoo! Mobile)*. Please note that you will not be able to access the above URL from 2.00 a.m. to 5.00 a.m. each day during the exercise period.
      * ("i-mode" is a trademark or registered trademark of NTT DoCoMo Inc., "EZweb" is a trademark or registered trademark of KDDI Corporation, "Yahoo!" is a trademark or registered trademark of Yahoo! Inc. in the United States and "Yahoo! Mobile" is a trademark or registered trademark of SOFTBANK MOBILE Corp.)
   (ii) With respect to exercising voting rights via the Internet using a personal computer or smartphone, in some network environments (including, but not limited to, the case in which you use firewall, etc. antivirus programs or a Proxy Server for Internet access), you may not be able to exercise voting rights.
   (iii) With respect to the exercise of voting rights via the Internet by using a cellular phone, please use the service by i-mode, EZweb or Yahoo! Mobile. For security purposes, the website is only compatible with cellular phones that have functions of an encrypted communication (SSL communication) and transmission of cellular phone information.
   (iv) Although the exercise of voting rights via the Internet will be acceptable until 5.40 p.m. on Tuesday, June 19, 2012, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

(2) Method of Exercising Voting Rights via the Internet
   (i) On the website for exercising voting rights (http://www.evote.jp/), please enter your approval or disapproval for the proposals by using your “Login ID” and “Temporary Password” described in the Voting Form and by following the instructions on the screen.
   (ii) Please note that if you wish to exercise your voting rights via the internet, you will be asked to change your “Temporary Password” on the website for exercising voting rights in order to prevent unauthorized access (web spoofing) or alteration of the voting by any other person than you.
   (iii) The “Login ID” and the “Temporary Password” will be renewed and sent to you for each general meeting of shareholders to be held in the future.

(3) Costs Arising from Access to the Website for Exercising Voting Rights
Any costs arising from access to the website for exercising voting rights (such as the Internet access fees, phone charges and packet communication fees, etc.) shall be paid by you.

For enquiries with respect to exercising voting rights via the Internet Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department (helpdesk) Telephone: 0120-173-027 （Operating Hours: 9.00 to 21.00, toll-free number） （Japanese language only）

To Institutional Investors
As an additional method for exercising your voting rights via the Internet described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc. subject to prior request for the use of the platform.

REFERENCE DOCUMENTS
FOR
THE GENERAL MEETING OF SHAREHOLDERS

Agenda Item Election of Eleven (11) Directors

Upon the close of this Ordinary General Meeting of Shareholders (“the Meeting”) of Konica Minolta Holdings, Inc. (“the Company”), the terms of office of all the eleven (11) directors will expire. Accordingly, shareholders are requested to elect eleven (11) directors based on the nominations of the Nomination Committee.

The Nomination Committee has nominated suitable candidates for achieving good corporate governance, i.e. ensuring the transparency, soundness and efficiency of the Company’s operations, in accordance with the director election standards determined by the Nomination Committee. In particular, outside director nominees have been nominated, assessing their professional records and visions, ensuring they have done no material business transaction with the Company and are strictly independent from the Company, and ensuring that they can devote sufficient time to the Board and committee duties.

The candidates for the position of director are as follows.

Director Candidates

No.	Name (Date of birth)	Career history, position and responsibilities at the Company, and important position concurrently held	Number of shares of the Company held by the candidate
1	Yoshikatsu Ota (December 28, 1941)	April 1964 Joined Minolta Camera Co., Ltd. April 1987 General Manager of Reprographic Marketing Division, Reprographic Operations of Minolta Camera Co., Ltd. June 1991 Director and General Manager of Reprographic Operations of Minolta Camera Co., Ltd. June 1995 Managing Director of Minolta Co., Ltd. June 1999 Representative Director and President of Minolta Co., Ltd. April 2001 Representative Director, President and Executive Officer of Minolta Co., Ltd. April 2002 Representative Director, President, Executive Officer and President of Image Information Products Company of Minolta Co., Ltd. August 2003 Director, Representative Executive Officer and Vice-President of the Company, and Representative Director, President, Executive Officer and President of Image Information Products Company of Minolta Co., Ltd. October 2003 Director, Representative Executive Officer and Vice-President of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. April 2006 Director, Representative Executive Officer and President of the Company April 2009 Director and Chairman of the Board of the Company (positions which he continues to hold) <Important position concurrently held> None	54,276 shares

2	Masatoshi Matsuzaki (July 21, 1950)	April 1976 Joined Konishiroku Photo Industry Co., Ltd. November 1997 General Manager of Development Group No. 2, Color Business Machines Development Div., Business Machines Headquarters of Konica Corporation May 1998 General Manager of Development Center No. 1, System Technology Development Div., Business Machines Headquarters of Konica Corporation October 2003 Director of Konica Minolta Business Technologies, Inc. April 2005 Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc. April 2006 Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc. June 2006 Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc. April 2009 Director, Representative Executive Officer and President of the Company (positions which he continues to hold) <Important position concurrently held> None	55,000 shares

3	Yozo Izuhara (September 23, 1938)	April 1962 Joined Nippon Sheet Glass Co., Ltd. June 1992 Representative Director and President of Nippon Glass Fiber Co., Ltd. June 1996 Managing Director of Nippon Sheet Glass Co., Ltd. June 1998 Representative Director and President of Nippon Sheet Glass Co., Ltd. June 2004 Representative Director and Chairman of Nippon Sheet Glass Co., Ltd. June 2008 Director and Chairman of the Board of Nippon Sheet Glass Co., Ltd. October 2009 Director, Chairman of the Board and Chairman of Nippon Sheet Glass Co., Ltd. June 2010 Senior Corporate Advisor of Nippon Sheet Glass Co., Ltd. (positions which he continues to hold) June 2009 Director of the Company (position which he continues to hold) <Important position concurrently held> Senior Corporate Advisor of Nippon Sheet Glass Co., Ltd.	-

- Reasons for selecting the nominee for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law) and term of office
  Mr. Yozo Izuhara has many years of experience at Nippon Sheet Glass Co., Ltd., a manufacturer of glass, in global management that includes involvement with major M&A activities. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Izuhara has a high degree of independence from the Company. Therefore, the Company believes that Mr. Izuhara can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an outside director. As of the close of the Meeting, Mr. Izuhara will have served for three years.
  Mr. Izuhara attended every meeting of the Board of Directors during the fiscal year.
- Information concerning independence
  Nippon Sheet Glass Co., Ltd. and the Company are not major customers of each other because the volume of business transactions between the two companies accounts for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
  Mr. Izuhara meets the independence standards for outside directors established by the Company's Nomination Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Izuhara as an independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

4	Nobuhiko Ito (February 5, 1947)	July 1971 Joined Exxon Chemical Japan, Ltd. July 1989 Joined General Electric Japan, Ltd. January 1999 Representative Director and President of GE Yokogawa Medical Systems, INC. October 2002 Representative Director, President and CEO of GE Edison Life Insurance Company January 2004 Representative Director, President and CEO of GE Capital Leasing Corporation February 2005 Representative Director, President and CEO of General Electric Japan, Ltd. October 2007 Left General Electric Japan, Ltd. March 2012 Representative Director and Chairman of Avon Products Co., Ltd. (position which he continues to hold) June 2010 Director of the Company (position which he continues to hold) <Important position concurrently held> Director of TADANO LTD. Representative Director and Chairman of Avon Products Co., Ltd.	-

- Reasons for selecting the nominee for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law) and term of office
  Mr. Nobuhiko Ito has many years of experience in the management of various businesses as the Representative Director and President of Japanese subsidiaries of global companies, including General Electric Japan, Ltd. and GE Yokogawa Medical Systems, INC. (currently GE Healthcare Japan, INC.). He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Ito has a high degree of independence from the Company. Therefore, the Company believes that Mr. Ito can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an outside director.
  As of the close of the Meeting, Mr. Ito will have served for two years.
  Mr. Ito attended every meeting of the Board of Directors during the fiscal year.
- Information concerning independence
  There is a business relationship between GE Yokogawa Medical System, INC. (currently GE Healthcare Japan, INC.), where Mr. Ito was Representative Director and President until August 2002, and a sales subsidiary in Japan of Konica Minolta Medical & Graphic, Inc., which is a subsidiary of the Company. However, the two companies are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of General Electric and the Company. Furthermore, the two companies are not major shareholders of each other. In addition, TADANO LTD. and Avon Products Co., Ltd. are not major customers or shareholders. Mr. Ito meets the independence standards for outside directors established by the Company’s Nomination Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Ito as an independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

<table>
<tr><td>5</td><td>Shoji Kondo
(December 6, 1942)</td><td>April 1965 Joined Toyota Motor Co., Ltd.
June 1997 Director of Toyota Motor Corporation
June 2001 Senior Executive Director of Toyota Motor Corporation
June 2003 Director and Vice-President of Hino Motors, Ltd.
June 2004 Representative Director and President of Hino Motors, Ltd.
June 2008 Representative Director and Chairman of Hino Motors, Ltd.
June 2011 Senior Corporate Advisor of Hino Motors, Ltd. (position which he continues to hold)

June 2011 Director of the Company (position which he continues to hold)
<Important position concurrently held>
Senior Corporate Advisor of Hino Motors, Ltd.</td><td>-</td></tr>
<tr><td colspan="4">● Reasons for selecting the nominee for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law) and term of office
Mr. Shoji Kondo has many years of experience in the management of manufacturers at Toyota Motor Corporation and Hino Motors, Ltd. He was involved primarily in production and purchase activities, which are the main components of manufacturing. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Kondo has a high degree of independence from the Company. Therefore, the Company believes that Mr. Kondo can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an outside director.
As of the close of the Meeting, Mr. Kondo will have served for one year.
Mr. Kondo attended every meeting of the Board of Directors during the fiscal year after his election as a director in June 2011.
● Information concerning independence
Hino Motors, Ltd. and the Company are not major customers of each other because the volume of business transactions between the two companies accounts for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
Mr. Kondo meets the independence standards for outside directors established by the Company's Nomination Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Kondo as an eligible candidate of independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.</td></tr>
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<table>
<tr>
<td>6
(*)</td>
<td>Hirokazu Yoshikawa
(October 25, 1942)</td>
<td>April 1966 Joined Dowa Mining Co., Ltd.
June 1993 Director of Dowa Mining Co., Ltd.
June 1997 Managing Director of Dowa Mining Co., Ltd.
June 1999 Representative Director and Senior Managing Director of Dowa Mining Co., Ltd.
April 2000 Representative Director and Vice-President of Dowa Mining Co., Ltd.
April 2002 Representative Director, President and COO of Dowa Mining Co., Ltd.
April 2003 Representative Director, President and CEO of Dowa Mining Co., Ltd.
October 2006 Representative Director, Chairman and CEO of DOWA HOLDINGS Co., Ltd.
April 2010 Representative Director and Chairman of DOWA HOLDINGS Co., Ltd.
June 2011 Senior Corporate Advisor of DOWA HOLDINGS Co., Ltd. (position which he continues to hold)
<Important position concurrently held>
Senior Corporate Advisor of DOWA HOLDINGS Co., Ltd.
Member of Cabinet Office Government Revitalization Unit
Member of Ministry of the Environment Central Environment Council</td>
<td>-</td>
</tr>
<tr>
<td colspan="4">● Reasons for selecting the nominee for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law)
Mr. Hirokazu Yoshikawa has many years of experience at DOWA HOLDINGS Co., Ltd. in the management of non-ferrous metal smelting operations and environmental and recycling operations while implementing business structural reforms and corporate reforms. In addition, Mr. Yoshikawa has experience in the public sector as a member of advisory bodies of the Ministry of the Environment, Cabinet Office and in other roles. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Yoshikawa has a high degree of independence from the Company. Therefore, the Company believes that Mr. Yoshikawa can contribute to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to newly elect him as an outside director.
● Information concerning independence
There is a business relationship between DOWA Electronics Materials Co., Ltd., a subsidiary of DOWA HOLDINGS Co., Ltd., and a manufacturing subsidiary of Konica Minolta Business Technologies, Inc., which is a subsidiary of the Company. However, the two companies are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of DOWA HOLDINGS Co., Ltd. and the Company. Furthermore, the two companies are not major shareholders of each other.
Mr. Yoshikawa meets the independence standards for outside directors established by the Company's Nomination Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Yoshikawa as an independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.</td>
</tr>
</table>

7	Yasuo Matsumoto (August 20, 1948)	July 1981 Joined Konishiroku Photo Industry Co., Ltd. July 1998 General Manager of Marketing Dept., Business Machines Marketing Div., Business Machines Headquarters of Konica Corporation July 2000 President of Konica Business Technologies U.S.A., Inc. October 2003 Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions U.S.A., Inc. June 2004 Executive Officer of the Company, and Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions U.S.A., Inc. April 2005 Executive Officer and General Manager of Corporate Strategy Div. of the Company April 2006 Senior Executive Officer of the Company June 2006 Director and Senior Executive Officer of the Company April 2010 Director of the Company (position which he continues to hold) <Important position concurrently held> None	30,500 shares
8	Akio Kitani (August 1, 1948)	April 1972 Joined Minolta Camera Co., Ltd. June 2001 Executive Officer of Minolta Co., Ltd., and President of Minolta Europe GmbH October 2003 Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions Europe GmbH June 2004 Executive Officer of the Company, and Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions Europe GmbH April 2005 Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc. April 2006 Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. June 2006 Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. April 2011 Director of the Company (positions which he continues to hold) <Important position concurrently held> None	34,863 shares

9	Shoei Yamana (November 18, 1954)	April 1977 Joined Minolta Camera Co., Ltd. July 1996 General Manager of Management Planning Div. of Minolta Co., Ltd. January 2001 CEO of Minolta QMS Inc. July 2002 Executive Officer, General Manager of Management Planning Div., Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd. August 2003 Senior Executive Officer of the Company, and Executive Officer and General Manager of MFP Operations and Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd. October 2003 Senior Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc. April 2006 Senior Executive Officer of the Company June 2006 Director and Senior Executive Officer of the Company April 2011 Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. (positions which he continues to hold) <Important position concurrently held> Representative Director and President of Konica Minolta Business Technologies, Inc.	22,000 shares
10	Yoshiaki Ando (November 16, 1951)	April 1975 Joined Konishiroku Photo Industry Co., Ltd. March 1994 Executive Vice-President and CFO of Konica Business Machines U.S.A., Inc. June 1998 General Manager of Planning Dept., Business Machines Marketing Div., Business Machines Headquarters of Konica Corporation October 2002 Director of Konica Business Machines Co., Ltd. October 2003 Director of Konica Minolta Business Solutions Japan Co., Ltd. April 2005 General Manager of Corporate Finance Division of the Company April 2007 Executive Officer and General Manager of Corporate Finance Division of the Company April 2010 Senior Executive Officer of the Company June 2010 Director and Senior Executive Officer of the Company (position which he continues to hold) <Important position concurrently held> None	16,500 shares

11	Takashi Sugiyama (November 21, 1950)	April 1974 Joined Minolta Camera Co., Ltd. July 1997 General Manager of Design Division No.1, Image Information Products Development Headquarters of Minolta Co., Ltd. April 2001 General Manager of Development Center No.1 of Minolta Co., Ltd. October 2003 Director of Konica Minolta Business Technologies, Inc. April 2005 Executive Officer of the Company, and Senior Executive Director of Konica Minolta Business Technologies, Inc. April 2009 Senior Executive Officer of the Company, and Senior Executive Director of Konica Minolta Business Technologies, Inc. April 2011 Senior Executive Officer of the Company June 2011 Director and Managing Executive Officer of the Company (position which he continues to hold) <Important position concurrently held> None	19,500 shares

Notes 1.The candidates for directors marked with (*) are first-time candidates.

2. Mr. Yoshikatsu Ota, Mr. Masatoshi Matsuzaki, Mr. Yozo Izuhara, Mr. Nobuhiko Ito, Mr. Shoji Kondo, Mr. Yasuo Matsumoto, Mr. Akio Kitani, Mr. Shoei Yamana, Mr. Yoshiaki Ando and Mr. Takashi Sugiyama are currently directors of the Company, and their positions and responsibilities at the Company are as specified in "Names, etc. of directors and executive officers" on p. 26~ p. 28 of the Business Report.
3. No conflicts of interest exist between the Company and the director candidates.
4. The Company has entered into liability limitation agreements with outside directors Mr. Yozo Izuhara, Mr. Nobuhiko Ito and Mr. Shoji Kondo, the content of which is summarized in "Liability limitation agreements" on p. 32 of the Business Report. The Company will enter into similar agreements with them when they will be re-elected, and with the first-time candidate for outside director Mr. Hirokazu Yoshikawa when he will be elected.

[Reference]

If the eleven directors are elected at the Meeting, the members of each of the committees under the company-with-committees-system provided for in Article 2, Item 12 of the Company Law will be appointed as follows from among three inside directors, Mr. Yoshikatsu Ota, Mr. Yasuo Matsumoto and Mr. Akio Kitani who do not concurrently hold executive officer posts, and the four outside directors.

The Company appoints the Chairman of each committee especially from among outside directors. The Representative Executive Officer and President serves as neither member of the committees. Thus, the Company continues to strive to ensure the transparency of the administration of three committees.

Nomination Committee	Shoji Kondo (Chairman), Nobuhiko Ito, Hirokazu Yoshikawa, Yoshikatsu Ota, Yasuo Matsumoto
Auditing Committee	Nobuhiko Ito (Chairman), Yozo Izuhara, Hirokazu Yoshikawa, Yasuo Matsumoto, Akio Kitani
Compensation Committee	Yozo Izuhara (Chairman), Shoji Kondo, Hirokazu Yoshikawa, Yasuo Matsumoto, Akio Kitani

[Provided Document]

BUSINESS REPORT

From April 1, 2011 to March 31, 2012

1. Overview of Konica Minolta Group business activities

(1) Konica Minolta Group developments and results of business activities

Looking back on the business environment in this consolidated fiscal year, the Konica Minolta Group's procurement and production operations were directly and indirectly affected by disruptions in supply chains in the related industries as a result of unprecedented natural disasters: the Great East Japan Earthquake in March last year and the widespread flooding that occurred in Thailand during the summer and autumn. Looking at macroeconomic circumstances in Japan and overseas, there was concern over the impact of the European economy, which became more and more uncertain in association with the sovereign debt crisis, on the global economy. Amid the concern, however, the US economy was relatively solid, and emerging economies, including China, maintained high growth rates overall. The Japanese economy, especially export-oriented manufacturers, continued to face a challenging environment because of the rapid strengthening of the yen in addition to the effect caused by the earthquake and Thai flooding.

The Group started to implement "**G PLAN 2013**", a medium-term business plan for three years from the fiscal year ended March 31, 2012 to the fiscal year ending March 31, 2014. The keyword of the business plan is "growth," and the Group is focusing on sustainable growth. The plan is created in accordance with the basic "Three Challenges" policy of: (1) **Achieving strong growth**, **expanding business scale**, (2) **Changing into a "Global Company**," and (3) **Increasing the recognition of the Konica Minolta brand**. In this fiscal year, the first year of the plan, to achieve the goals of the plan despite the uncertain outlook for economic circumstances in Japan and abroad, the Group was united in executing a range of initiatives.

To **achieve strong growth**, **expand business scale**, the Group sought to bolster its business in the production print field, which the Group positions as a growth driver in the Business Technologies Business. As a result of the expansion of the range of products and the reinforcement of the sales structure, net sales for the fiscal year under review increased to the ¥100.0 billion scale. Sales of color products, in particular, remained strong, and the Group competed for the top position in the US and European markets. The rate of sales growth in emerging countries, including China and India, remained higher than that in developed countries.

In relation to **changing into a "Global Company**," the Group believes that to provide the best value to its customers worldwide, it is necessary to optimize its human resources from a global perspective. To that end, the Group created a global human resources database and took steps for its utilization. It endeavored to cultivate future executives from a global point of view, for example by regularly conducting Group-wide training programs to develop future executives for select members. The Group will build and develop a Group-wide personnel assessment system to assign personnel beyond organizational lines and borders.

To **increase the recognition of the Konica Minolta brand**, the Group adopted a communication message, "**Giving Shape to Ideas**," and transmitted the message to the world. The message expresses our commitment to fulfilling our customers' needs through creative technological innovation. Based on this message, the Group is endeavoring to solve customers' problems and provide value exceeding their expectations in day-to-day operations in all its businesses, using the reliable technologies and problem solving ability that it has developed.

Looking at the results of the main businesses in the fiscal year under review, in the Business Technologies Business, sales volumes of MFPs (Multi-functional peripherals) exceeded the results of the previous fiscal year as demand for MFPs for office recovered moderately and sales of color MFPs were solid both in Japan and overseas. Sales volumes of production printing products far exceeded the year-ago level, reflecting the launch of new color products and sales expansion, primarily in the digital printing market. In OPS (Optimized Print Services), which the Company continued to systematically enhance as a new growth field, business performance for global major accounts increased steadily, especially in Europe and the United States. Since overseas sales account for more than 80% of total sales, the Business Technologies Business was strongly influenced by the strong yen, but both net sales and operating income rose from a year ago. In the Optics Business, sales of glass substrates for HDDs and pickup lenses for optical disks were weak overall, given the impact of customers' production adjustments and the flooding in Thailand. In contrast, sales of TAC films for LCD polarizers (hereinafter referred to as "TAC films"), benefiting from the launch of new products, remained robust throughout the fiscal year, and sales of optical units for cell phones with cameras recovered in the latter part of the second half of the fiscal year. As a consequence, net sales declined, but operating income rose in the Optics Business. In the Healthcare Business, sales of digital medical input equipment increased year on year, driven by the introduction of new products, but fell short of offsetting a decline in sales of film products. Both net sales and operating income decreased in the business.

As a result, Konica Minolta's consolidated net sales for the fiscal year under review amounted to ¥767.8 billion, a decrease of 1.3% year on year. Despite a rise in procurement costs and sluggish orders received due to the effect of the earthquake and the flooding in Thailand, operating income stood at ¥40.3 billion, up 0.8%, reflecting an increase in sales of the main products and comprehensive expense cutting. The yen was stronger against the US dollar and euro than it was in the previous fiscal year. The adverse effects of exchange rates on net sales and operating income were ¥29.7 billion and ¥7.4 billion, respectively. Without the adverse effects, net sales and operating income rose 2.5% and 19.3%, respectively.

Ordinary income rose 4.8%, to ¥34.7 billion despite a foreign exchange loss associated with the strong yen. After posting extraordinary losses, including a loss on valuation of investment securities and business structure improvement expenses, income before income taxes and minority interests climbed 16.7%, to ¥32.8 billion. Net income stood at ¥20.4 billion, a fall of 21.1% year on year, including the effect of a change in the corporate tax rate of ¥3.3 billion.

In addition, as the effect of promoting improvement of financial position, cash and cash equivalents at the end of the fiscal year under review stood at ¥231.9 billion. The amount was ¥4.0 billion more than the interest-bearing debt of ¥227.9 billion.

Regarding the payment of year-end dividends from retained earnings, to reward shareholders for their support, the Company intends to distribute year-end dividends of ¥7.50 per share as planned. This will bring annual dividends, including interim dividends to shareholders of record as of September 30, 2011, to ¥15 per share.

Overview of Business Segments

[Billions of yen]

Segment	Net sales to outside customers			Operating income		
		YoY change			YoY change	
Business Technologies Business	547.5	7.9	1.5%	39.4	2.0	5.4%
Optics Business	124.3	(5.5)	(4.3%)	14.0	1.2	9.6%
Healthcare Business	73.0	(11.9)	(14.1%)	0.0	0.0	(46.9%)

Business conditions in each segment during the fiscal year under review are as follows.

Business Technologies Business

In the office field, overall sales volumes of the A3 MFPs of the bizhub series for the fiscal year under review rose year on year, reflecting stronger sales of color MFPs in all regions—Japan, the United States, Europe, and Other regions including Asia—with sales volumes of monochrome MFPs remaining level. The Company bolstered its global sales system based on the concept of OPS, which aims at providing optimal printing environments to customers, under the Company's growth strategy in the field. As a consequence, sales to global major accounts increased steadily. For example, the Company successfully concluded multi-year global contracts with BMW AG (headquartered in Germany), the major auto manufacturer of Europe, and NASA (the National Aeronautics and Space Administration) for the management and the maintenance of office equipment at their offices. To strengthen its IT service capability, which is to play a key role in expanding future service businesses and sustainable growth, the Company acquired IT service providers. Specifically, the Company acquired Koneo AB (headquartered in Sweden) in Europe in April 2011 and nine companies including Techcare LLC (headquartered in Illinois)—the effective date for two companies was April 1, 2012—in the United States through All Covered Inc. (headquartered in California), which became a member of the Group in December 2010. With these initiatives, the Company sought to expand its IT service network in North America and European markets. The Company launched two new color MFPs, bizhub C754/C654, as the highest-end products in the bizhub series in January this year to enhance its product competitiveness in the field.

In the production print field, sales volumes of color equipment for production printing systems for the fiscal year under review rose significantly from the year-ago level in all regions: Japan, the United States, Europe, and Other regions including Asia. This performance reflected strong sales of three new color digital printing systems, the bizhub PRESS C8000/C7000/C6000, which were launched in the autumn of 2010 and are used in in-house printing and digital commercial printing. Sales volumes of monochrome products also rose from the previous fiscal year especially in the overseas market. Consequently overall sales volumes in this field remained robust throughout the fiscal year under review.

As a result, net sales of the Business Technologies Business to outside customers stood at ¥547.5 billion, up 1.5% year on year. Excluding the negative effects of ¥24.4 billion on sales attributable to exchange rate fluctuations, reflecting the appreciation of the yen, net sales rose about 6.0% year on year. Operating income was ¥39.4 billion, increasing 5.4% year on year. During the fiscal year under review, the Group faced difficulties in procuring certain materials and components, affected by large-scale natural disasters such as the Great East Japan Earthquake and flooding in Thailand. In response, it took steps to minimize the effect on sales by strengthening cooperation among its development, procurement, and production divisions. As a result, both net sales and operating income rose from the previous fiscal year despite a strong yen.

< Production print field >

In previous years, the Group has been working on achieving growth in the production print field by targeting primarily large companies with their own printing operations, large franchised print shops and commercial printing companies. In the printing market, there are growing needs for printing many types of materials in small numbers in market sectors such as sales promotion materials, catalogs and direct mails. To meet these needs, a shift is taking place from analog printing, which is best suited for high-volume printing runs, to digital printing, which has much more flexibility. As a result, the Group believes that the digital color printing market will continue to grow.

The Group regards this significant shift as an opportunity for growth. To capitalize on this opportunity, the Group has been enlarging its lineup of high-quality, high-output printers, shifting operations to digital color and commercial printing, and reinforcing development and sales operations in order to accomplish the previous two goals. Due to the strong sales chiefly for the bizhub PRESS series of color printing systems, the Group ranks among the leading suppliers of color digital printing system markets of Japan, North America and Europe and is enhancing its stature in these markets. With the volume of this business increasing steadily, color digital printing systems are now the driver of growth in the Business Technologies Business.

Optics Business

In the display material field, sales volumes of VA-TAC films for increasing viewing angle (hereinafter referred to as “VA-TAC films”), which introduced new products from early in the fiscal year, remained favorable in South Korea and Taiwan during the fiscal year under review despite widespread production adjustments in the LCD industry from last summer. Adoption of thin plain TAC films, which are strengths of the Group, increased steadily. As a result, overall sales volumes of TAC films including these products for the fiscal year under review moved higher from the year-ago period.

In the memory device field, sales volumes of glass substrates for HDDs remained level from the previous fiscal year, reflecting production adjustments adopted by PC manufacturers in the first half of the fiscal year and the effects of damages certain HDD set manufacturers suffered due to the flooding in Thailand in the second half. Sales volumes of pickup lenses for optical disks for the fiscal year under review declined from the level of the previous fiscal year, as the markets for both Blu-ray Discs and DVDs failed to recover.

In the image input/output component field, sales volumes of lens units for digital and video cameras, which were picking up, rose only slightly from the previous fiscal year, given stagnant orders from certain customers that were affected by the flooding in Thailand. Meanwhile, sales volumes of optical units for cell phones with cameras were weak in the first half of the fiscal year, but increased year on year in the full year as the Group’s optical units were used in more models in the second half.

As a result, net sales of the Optics Business to outside customers stood at ¥124.3 billion, down 4.3% year on year. Operating income rose 9.6%, to ¥14.0 billion with negative effects on income from lower sales of certain products and a decline in market prices offset by an increase in sales of the main products and the Group’s initiatives including activities to lower costs and expenses.

*Note: Blu-ray Disc™ is a trademark of Blu-ray Disc Association.

< Thinner TAC films >

The Group was one of the first to develop and manufacture TAC films, which are used to protect the LCD polarizers. By using its technological advantage gained from manufacturing photographic film, the Group was among the first in the industry to start selling a TAC film that is half the thickness of conventional films. Furthermore, the new film still delivers the outstanding flatness, ultraviolet light absorption and other characteristics needed to achieve the high quality demanded by LCDs.

Development of an thin TAC film started with the aim of creating a film for displays of portable devices like notebook PCs and digital cameras. In recent years, there has been increasing demand for this film among manufacturers of large-screen LCD TVs. Overall, an increasing number of LCD panel manufacturers that prioritize optical performance are choosing this thin TAC film. Suitability for use as a VA-TAC film to increase viewing angles is another key strength of this new TAC film. Due to these attributes, thin TAC film is gaining widespread acceptance as a high-performance film that delivers high quality along with a low cost.

Healthcare Business

In the Healthcare Business, the Group continued to expand the product lineup and sales areas for medical facilities in Japan and abroad, launching two models of new digital medical input equipment, AeroDR, the cassette digital X-ray detector, and REGIUS Σ, the desktop Computed Radiography (CR), in the first half and Digital Radiography (DR) for visiting cars, in the second half. The Group sought to bolster sales, especially of AeroDR in the hospital market and REGIUS Σ in the clinic market. As a result, sales volumes of digital equipment rose year on year. In film products, the Group sought to expand sales in emerging economies, particularly China. However, the rising use of filmless equipment in Japan and other developed countries could not be halted, and sales volumes of film products for the fiscal year under review declined year on year.

As a result of the factors as described above, as well as the effects of the strong yen and lower market prices, net external sales of the Healthcare Business stood at ¥73.0 billion, down 14.1% year on year. Operating income came to ¥0.9 million, declining 46.9%, mainly reflecting the negative effects on income from lower sales and the surge in the price of silver, which were partly offset by cutting cost and reducing expenses.

<Digital Radiography (DR)>

The rapidly increasing use of IT for medical data is altering the use of x-ray imaging, too. DR has been commercialized as a new type of digital x-ray technology that can generate images directly. Units that combine x-ray and DR technology are now widely used, chiefly at large hospitals. Furthermore, hospitals are slowly beginning to use DR machines with cassettes that allow taking imaging panels to another location. However, these machines have many problems that make them difficult to use. One is their weight. Another is the need for cables to supply power to the system and provide a data communications link.

The AeroDR, which the Group started selling in April 2011, is a cassette digital x-ray detector with wireless transmission of imaging data and a weight of only 2.9 kilograms, lower than any competing product in the world. This system greatly improves ease of use in the orthopedics sector and other medical fields. Use of a scintillator (fluorescent material) developed by the Group is another feature. Even with only about half the x-ray radiation used by CR, the AeroDR can produce high-quality diagnostic images. That means that patients are exposed to less radiation during diagnostic procedures.

Actions after the Great East Japan Earthquake

Following the Great East Japan Earthquake of March 2011, the Group took actions aimed at minimizing the impact of this disaster on the Group’s business activities. By taking these actions, problems in procuring parts and materials caused by the earthquake were largely resolved by the end of the fiscal year’s first half.

In addition, the resources of the Group were fully utilized in order to provide assistance to areas damaged by the earthquake. Healthcare sensing devices were quickly supplied to emergency medical care facilities in damaged areas. Group companies also sent donations to the Japanese Red Cross Society. Lending diagnostic imaging systems at no cost was another form of support for medical activities. To assist local companies and governments quickly restore operations, Group companies supplied comprehensive IT services at no cost, too. In April 2011, employee housing in the Tokyo cities of Hachioji and Hino were offered to provide housing for evacuees from damaged areas. The following September about 100 Group employees were sent to damaged areas to help remove debris, repair fishery facilities, and provide other assistance.

The catastrophe demonstrated the immense importance of the environment and energy in our lives. To help customers reduce electricity use at their offices in Japan, the Group was the first to modify specifications and settings of MFPs to cut power consumption in June 2011. Many exclusive Group technologies were utilized to conserve electricity in ways that are clearly visible. In addition, all Group companies increased the speed of developing products and services that conserve energy and resources. The Group is also working on starting new businesses for producing revolutionary, next-generation environmental products like LED lighting and OLED (Organic Light Emitting Diode) lighting.

(2) Financing, etc.

a. Financing

The Company, which is the holding company of the Group, is mainly responsible for financing, and, in the fiscal year under review, we issued the third series of unsecured corporate bonds (issue amount: 20 billion yen) and the forth series of unsecured corporate bonds (issue amount: 20 billion yen) in December 2011 for the repayment of loans and the capital expenditure.

b. Capital expenditure

The capital expenditure of the Group during the fiscal year under review totaled ¥34 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Business Technologies Business and the Optics Business. Significant expenditures included the expansion of production facilities for MFPs, production printing systems and associated replacement supplies in the Business Technologies Business and the expansion of production facilities for TAC films, glass substrates for HDDs, and lens units in the Optics Business.

c. Significant restructuring

In the Business Technologies Business, several IT service providers were acquired in order to strengthen IT services. The Group positions that services as the primary means of enlarging business operations into service sectors with sustained growth and excellent long-term outlooks. In Europe, Koneo AB was acquired in April 2011. In the United States, All Covered Inc., which joined the Group in December 2010, purchased Techcare, LLC in May 2011 and eight other IT service providers (including two where the acquisition will close on April 1, 2012).

(3) Business results of the last three fiscal years

		105th Term Fiscal Year Ended March 31, 2009	106th Term Fiscal Year Ended March 31, 2010	107th Term Fiscal Year Ended March 31, 2011	108th Term Fiscal Year Ended March 31, 2012 (Fiscal year under review)
Net sales	(Millions of yen)	947,843	804,465	777,953	767,879
Operating income	(Millions of yen)	56,260	43,988	40,022	40,346
Ordinary income	(Millions of yen)	45,403	40,818	33,155	34,758
Net income	(Millions of yen)	15,179	16,931	25,896	20,424
Net income per share	(yen)	28.62	31.93	48.84	38.52
Total assets	(Millions of yen)	918,058	865,797	845,453	902,052
Net assets	(Millions of yen)	414,284	420,775	428,987	434,987
Net assets per share	(yen)	779.53	791.28	806.53	817.81
Dividend per share [of which, interim dividend per share]	(yen)	20 [10]	15 [7.5]	15 [7.5]	15 [7.5]

(4) Issues to be handled

Looking at the global economic conditions surrounding the Group, the outlook for the European economy remains uncertain due to its fiscal problems. We expect that the United States will grow moderately overall but will rise and fall for some time to come. Growth in emerging economies, especially China, India, and other Asian economies, is expected to slow, but we expect these economies will maintain higher economic growth rates than those of developed economies. The Japanese economy is expected to recover, backed by demand associated with post-earthquake reconstruction.

In the circumstances, the Group will implement initiatives for achieving the goals set in the medium-term business plan, "**G PLAN 2013**", in the fiscal year ending March 31, 2013, the intermediate year in the plan.

To **achieve strong growth**, **expand business scale**, which is the top priority, the Group will focus on expanding sales and profits by accelerating business expansion in growth areas, including the production print field and emerging countries, improving its profit structure primarily through cost cutting, and reducing sourcing costs and expenses from a global perspective. In association with the Group's organizational restructuring in April this year, the Group will accelerate the development of future businesses in the functional films field and new growth in the optics field and sensing field. In addition, the Group will earnestly pursue M&A for future growth.

To **change into a** "**Global Company**," the Group aims to become a corporate entity that will give its best performance through cooperation among Group companies to provide the best value for customers worldwide. The Group will strive to optimize management resources beyond organizational boundaries and regardless of nationality from a global perspective to strengthen its relations with its customers.

To increase the recognition of **Konica Minolta brand**, the Group will promote and establish activities from the perspective of customers by all its organizations and employees based on its communication message, "**Giving Shape to Ideas**," and will thereby endeavor to build confidence in the Konica Minolta brand among its customers.

Through these initiatives, the Group will aim to become a corporate group that will be widely supported in society and will be able to achieve sustainable growth.

<G PLAN 2013 – Group's Performance Goal (the fiscal year ending March 31, 2014)>

Ⅰ. Net Sales: 1 trillion yen or more.
Ⅱ. Operating Income Ratio: 8% or more.
Ⅲ. ROE: 10% or more.

< Reorganization Within the Group>

To integrate technologies and human resources and thereby to expand operations and increase competitiveness and profitability through the resulting synergies, the Group carried out the following reorganization on April 1, 2012:

Ⅰ. The LA Business Division, a division for commercializing new functional materials, especially OLED lighting, was transferred from Konica Minolta Holdings, Inc. to Konica Minolta Opto, Inc.

Ⅱ. The optical business, which primarily manufactures pickup lenses for optical disks, glass substrates for HDDs, and lens units, was transferred from Konica Minolta Opto, Inc. to Konica Minolta Sensing, Inc., which engages in the Sensing Business.

The Group changed the business names of Konica Minolta Opto, Inc. and Konica Minolta Sensing, Inc., whose businesses have changed in association with the reorganization, as follows:

Former Trade Name	New Trade Name
Konica Minolta Opto, Inc.	Konica Minolta Advanced Layers, Inc.
Konica Minolta Sensing, Inc.	Konica Minolta Optics, Inc.

(5) Main businesses of Konica Minolta Group at the fiscal year end

The main businesses of the Group are as follows.

Business segment	Principal products
Business Technologies Business	MFPs (Multi-functional peripherals), printers, equipment for production print systems and graphic arts, etc.
Optics Business	Optical products, electronic materials, etc.
Healthcare Business	Consumables and equipment for healthcare systems, etc.

(6) Major business offices, plants, etc. of the Konica Minolta Group at the fiscal year end

a. Main business offices, plants, etc. of the Group

The Group carries out operations throughout the world. The Group consists of the Company, which is the holding company of the Group, 108 subsidiaries and four affiliated companies, which include the business companies responsible for each business segment and common-function companies.

a) Offices of the Company

Head Office: Chiyoda-ku, Tokyo

Kansai Office: Osaka City, Osaka

b) Other domestic offices

The offices of the business companies and the common function companies are located in Chiyoda-ku, Tokyo, Hino City (Tokyo), Hachioji City (Tokyo), Toyokawa City (Aichi Prefecture), Sakai City (Osaka), Osakasayama City (Osaka), Kobe City (Hyogo Prefecture) and other sites.

c) Overseas offices

The Group has plants, development facilities and sales offices throughout the world, including the United States, Germany and China.

b. Employees of the Group

Number of employees	Compared with end of previous fiscal year
38,206	Increase of 3,002

Notes 1. The number of employees indicates the number of employees currently on duty.

2. The number of employees excludes employees seconded by the Group to outside the Group and includes employees seconded to the Group.

(7) Significant subsidiaries at the fiscal year end

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Technologies, Inc.	Millions of yen 500	100%	Manufacturing and sale of multi-functional peripherals (MFPs), printers, and equipment for production print systems and graphic arts, providing related solution services
Konica Minolta Opto, Inc.	Millions of yen 500	100%	Manufacturing and sale of optical products (pickup lenses, etc.) and electronic materials (TAC films, etc.)
Konica Minolta Medical & Graphic, Inc.	Millions of yen 500	100%	Manufacturing and sale of consumables and equipment for healthcare systems
Konica Minolta Sensing, Inc.	Millions of yen 495	100%	Manufacturing and sale of measuring instruments for industrial and healthcare applications
Konica Minolta Technology Center, Inc.	Millions of yen 50	100%	Provision of services to group companies including R&D, customized product design and management of intellectual property assets
Konica Minolta Business Expert, Inc.	Millions of yen 495	100%	Provision of various shared services for the Group in the field of engineering, logistics, environment, safety and others
Konica Minolta IJ Technologies, Inc.	Millions of yen 10	100%	Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use
Konica Minolta Business Solutions Japan Co., Ltd.	Millions of yen 497	*100%	Sale of multi-functional peripherals (MFPs), printers, equipment for production print systems and graphic arts, and related supplies in Japan
Konica Minolta Health Care Co., Ltd.	Millions of yen 397	*100%	Sale of consumables and equipment for healthcare system in Japan
Konica Minolta Technoproducts Co., Ltd.	Millions of yen 350	*100%	Manufacturing and sale of equipment for healthcare system
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 1,500	*100%	Manufacturing and sale of supplies for multi-functional peripherals (MFPs) and printers
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in the U.S.
Konica Minolta Business Solutions Europe GmbH	Thousand euro 88,100	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in Europe
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in Germany
Develop GmbH	Thousand euro 1,540	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies
Konica Minolta Business Solutions France S.A.S.	Thousand euro 26,490	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in France
Konica Minolta Business Solutions (UK) Ltd.	Thousand British pound 21,000	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in the U.K.
Konica Minolta Business Solutions Australia Pty. Ltd.	Thousand Australian dollar 24,950	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in Australia
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in China
Konica Minolta Business Technologies Manufacturing (HK) Ltd.	Thousand HK dollar 195,800	*100%	Manufacturing and sale of multi-functional peripherals (MFPs) , printers, and related supplies

Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacturing and sale of multi-functional peripherals (MFPs), printers, and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacturing and sale of multi-functional peripherals (MFPs, printers, and related supplies
Konica Minolta Opto (DALIAN) Co., Ltd.	Thousand RMB 244,675	*100%	Manufacturing and sale of optical products (pickup lenses, etc.)
Konica Minolta Glass Tech Malaysia Sdn. Bhd.	Thousand RM 230,850	*100%	Manufacturing and sale of glass substrates for HDDs

(Note) The ratio of voting rights marked with * include those held by subsidiaries.

(8) Principal lenders and the amount of loans of the Konica Minolta Group at the fiscal year end

[Millions of yen]

Lender	Outstanding amount of loan
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	18,988
Sumitomo Mitsui Banking Corporation	8,579
Resona Bank, Limited.	5,718
Mizuho Corporate Bank, Ltd.	2,920

(9) Policy on exercise of authority if Articles of Incorporation allow distribution of dividends from retained earnings by the resolution of the Board of Directors (Article 459, Paragraph 1 of the Company Law)

The policy regarding resolutions on the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements for promoting strategic investments in growth fields while seeking to sustain shareholder returns. Regarding the specific dividend target, the Company is aiming to sustain a dividend payout ratio of 25% or higher on a consolidated basis over the medium-to-long term. With respect to the acquisition of treasury stock, the Company intends to make appropriate decision regarding treasury stock acquisition as a means of profit distribution while giving due attention to such factors as the Company’s financial condition and stock price trends.

(10) Other significant matters of the Konica Minolta Group

No significant matters worth mentioning.

2. State of shares at the fiscal year end

(1) Total number of shares authorized to be issued ·········1,200,000,000 shares

(2) Total number of shares issued ·····································531,664,337 shares
(of which, treasury stock 1,381,591 shares)

(3) Number of shareholders ··31,067

(4) Major shareholders (the top ten shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
Japan Trustee Services Bank, Ltd. (Trust account)	35,908	6.8
The Master Trust Bank of Japan, Ltd. (Trust account)	29,363	5.5
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,945	2.6
State Street Bank And Trust Company 505223	13,869	2.6
Nippon Life Insurance Company	12,009	2.3
JPMorgan Chase Bank 385167	11,948	2.3
Japan Trustee Services Bank, Ltd. (Chuo Mitsui Asset Trust and Banking Company, Limited Retrust Portion, Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.2
SSBT OD05 OMNIBUS ACCOUNT- TREATY CLIENTS	11,289	2.1
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for the Bank of Tokyo-Mitsubishi UFJ, Ltd.)	10,801	2.0
The Bank of New York, JASDEC Treaty Account	9,131	1.7

Note: Ratio of shared held is calculated by deducting treasury stock 1,381,591 shares.

3. Stock acquisition rights, etc. of the Company

(1) Summary of stock acquisition rights, etc., issued to/held by directors and officers of the Company as compensation for the execution of duties at the fiscal year end

Starting in fiscal 2005, the Company began issuing stock acquisition rights to directors (excludes outside directors) and executive officers in the form of a compensation-type stock option plan, in accordance with its compensation determination policy.

Upon the exercise of stock acquisition rights, treasury stock owned by the Company will be transferred.

		First Series Fiscal Year Ended March 31, 2006	Second Series Fiscal Year Ended March 31, 2007	Third Series Fiscal Year Ended March 31, 2008	Fourth Series Fiscal Year Ended March 31, 2009
Number of stock acquisition rights		389	211	226	256
Type and number of shares under stock acquisition rights		Common shares 194,500 shares	Common shares 105,500 shares	Common shares 113,000 shares	Common shares 128,000 shares
Amount to be paid upon exercise of the stock acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of stock acquisition rights		August 23, 2005 - June 30, 2025	September 2, 2006 - June 30, 2026	August 23, 2007 - June 30, 2027	August 19, 2008 - June 30, 2028
Primary condition for exercise of stock acquisition rights		The Optionee shall exercise stock acquisition rights during the period from one (1) year after the date of retirement from the post of director or executive officer of the Company up until five (5) years from that starting date.			
Primary events and conditions for acquisition of stock acquisition rights		The Company may acquire stock acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.			
Holdings of directors and executive officers	Number of holders	10	10	12	15
	Number of rights	137	101	117	153
	Number of shares	68,500 shares	50,500 shares	58,500 shares	76,500 shares

		Fifth Series Fiscal Year Ended March 31, 2010	Sixth Series Fiscal Year Ended March 31, 2011	Seventh Series Fiscal Year Ended March 31, 2012
Number of stock acquisition rights		399	376	479
Type and number of shares under stock acquisition rights		Common shares 199,500 shares	Common shares 188,000 shares	Common shares 239,500 shares
Amount to be paid upon exercise of the stock acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of stock acquisition rights		August 20, 2009 - June 30, 2029	August 28, 2010 - June 30, 2030	August 24, 2011 - June 30, 2031
Primary condition for exercise of stock acquisition rights		The Optionee shall exercise stock acquisition rights during the period from one (1) year after the date of retirement from the post of director or executive officer of the Company up until five (5) years from that starting date.		
Primary events and conditions for acquisition of stock acquisition rights		The Company may acquire stock acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.		
Holdings of directors and executive officers	Number of holders	20	22	24
	Number of rights	322	346	479
	Number of shares	161,000 shares	173,000 shares	239,500 shares

(2) Other significant matters regarding stock acquisition rights, etc. at the fiscal year end

Stock acquisition rights incorporated in Euro-Yen base convertible type corporate bonds with stock acquisition rights due 2016 (issued December 7, 2006; total amount of issue being ¥40 billion)

Number of stock acquisition rights	8,000
Type of shares under stock acquisition rights	Common shares
Number of shares under stock acquisition rights	16,785,564 shares
Amount to be paid per share upon exercise of the stock acquisition rights	2,383 yen

4. Status of the Company's management members

(1) Names, etc. of directors and executive officers

a. Directors

Position	Name	Responsibilities	Important positions concurrently held
Director	Yoshikatsu Ota	Chairman of the Board Member of Nomination Committee	-
Director	Masatoshi Matsuzaki	(Representative Executive Officer and President)	-
Outside Director	Tohru Tsuji	Member of Nomination Committee (Chairman) Member of Compensation Committee	Senior Corporate Advisor of Marubeni Corporation, Director of SEKISUI CHEMICAL CO., LTD., and Director of Taisei Corporation
Outside Director	Yozo Izuhara	Member of Compensation Committee (Chairman) Member of Auditing Committee	Senior Corporate Advisor of Nippon Sheet Glass Co., Ltd.
Outside Director	Nobuhiko Ito	Member of Auditing Committee (Chairman) Member of Nomination Committee	Director of TADANO LTD. and Representative Director and Chairman of Avon Products Co.,Ltd.
Outside Director	Shoji Kondo	Member of Nomination Committee Member of Auditing Committee Member of Compensation Committee	Senior Corporate Advisor of Hino Motors, Ltd.
Director	Yasuo Matsumoto	Member of Nomination Committee Member of Auditing Committee Member of Compensation Committee	-
Director	Akio Kitani	Member of Auditing Committee Member of Compensation Committee	-
Director	Shoei Yamana	(Senior Executive Officer)	-
Director	Yoshiaki Ando	(Senior Executive Officer)	-
Director	Takashi Sugiyama	(Senior Executive Officer)	-

Notes 1. The four directors Mr. Tohru Tsuji, Mr. Yozo Izuhara, Mr. Nobuhiko Ito and Mr. Shoji Kondo are outside directors, as provided for in Article 2, Item 15 of the Company Law and independent directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. At the 107th Ordinary General Meeting of Shareholders held on June 22, 2011, the terms of office of all eleven (11) directors expired. The following nine directors were reelected: Mr. Yoshikatsu Ota, Mr. Masatoshi Matsuzaki, Mr. Tohru Tsuji, Mr. Yozo Izuhara, Mr. Nobuhiko Ito, Mr. Yasuo Matsumoto, Mr. Akio Kitani , Mr. Shoei Yamana and Mr. Yoshiaki Ando; and Mr. Shoji Kondo and Mr. Takashi Sugiyama were newly elected and assumed office the same day.

3. Upon the close of the 107th Ordinary General Meeting of Shareholders held on June 22, 2011, the term of office of Mr. Tadao Namiki and Mr. Yoshifumi Johno expired and they retired from the office of directors.

4. Auditing Committee member Mr. Yasuo Matsumoto had been in charge of the corporate accounting and corporate finance of the Company as the senior executive officer and has considerable knowledge of corporate finance and corporate accounting.

b. Executive Officers

Position	Name	Responsibilities and important positions concurrently held
* Representative Executive Officer and President	Masatoshi Matsuzaki	In charge of Risk Management
* Senior Executive Officer	Shoei Yamana	Representative Director and President of Konica Minolta Business Technologies, Inc.
Senior Executive Officer	Takashi Matsumaru	Representative Director and President of Konica Minolta Opto, Inc.
Senior Executive Officer	Kiyofumi Tanida	In charge of CSR, Corporate Communications and Branding General Manager of Kansai Headquarters
* Senior Executive Officer	Takashi Sugiyama	In charge of Technology Strategy and Information Technology (IT)
* Senior Executive Officer	Yoshiaki Ando	In charge of Corporate Strategy, Investor Relations (IR), Corporate Accounting and Corporate Finance
Senior Executive Officer	Masaru Kamei	In charge of Legal Affairs, General Affairs, Compliance, Intellectual Property and Crisis Management
Senior Executive Officer	Atsushi Kodama	Representative Director and President of Konica Minolta Medical & Graphic, Inc.
Senior Executive Officer	Nobuyasu Ieuji	In charge of Manufacturing Innovation Managing Director and General Manager of Manufacturing Headquarters of Konica Minolta Business Technologies, Inc.
Senior Executive Officer	Hideki Okamura	In charge of Supply Chain Management (SCM)
Executive Officer	Masami Akiyama	Managing Director and General Manager of Performance Materials Headquarters of Konica Minolta Opto, Inc.
Executive Officer	Toshihiko Karasaki	Representative Director and President of Konica Minolta Sensing, Inc.
Executive Officer	Hiroyuki Inoue	Managing Director and General Manager of HD Business Division of Konica Minolta Opto, Inc.
Executive Officer	Tawara Komamura	Representative Director and President of Konica Minolta Technology Center, Inc.
Executive Officer	Yoshiaki Takei	Managing Director and in charge of Quality Assurance Operations Division and Environment Division of Konica Minolta Business Technologies, Inc.
Executive Officer	Kazuyoshi Hata	Managing Director and General Manager of Corporate Management Headquarters of Konica Minolta Medical & Graphic, Inc.
Executive Officer	Hirofumi Hogaki	Representative Director and President of Konica Minolta Business Expert, Inc.
Executive Officer	Akiyoshi Ohno	Representative Director and President of Konica Minolta IJ Technologies, Inc.
Executive Officer	Yoshitsugu Shiraki	General Manager of LA Business Division
Executive Officer	Jun Haraguchi	Managing Director and General Manager of Sales Headquarters and Office Business Managing Headquarters of Konica Minolta Business Technologies, Inc.
Executive Officer	Tsukasa Wakashima	General Manager of Human Resources Division

Notes 1. Executive officers marked with * hold concurrent director positions.
2. The above executive officers were, after the close of the 107th Ordinary General Meeting of Shareholders held on June 22, 2011, elected at the meeting of the board of directors held the same day.
3. Mr. Hiroyuki Inoue, Mr. Tawara Komamura, Mr. Yoshiaki Takei and Mr. Hirofumi Hogaki resigned as executive officers as of March 31, 2012.

4. Mr. Toshihiko Karasaki and Mr. Yoshitsugu Shiraki were promoted to senior executive officer as of April 1, 2012. Mr. Shingo Asai, Mr. Kunihiro Koshizuka, Mr. Ken Shiomi, Mr. Hiroyuki Suzuki and Mr. Tomio Nakamura were newly assumed executive officer posts as of the same date. Executive officers and its responsibilities changed as of April 1, 2012 are as follows.

Position	Name	Responsibilities, important positions concurrently held
Representative Executive Officer and President	Masatoshi Matsuzaki	In charge of CSR, Corporate Communications and Branding
Senior Executive Officer	Shoei Yamana	Representative Director and President of Konica Minolta Business Technologies, Inc.
Senior Executive Officer	Takashi Matsumaru	Representative Director and President of Konica Minolta Technology Center, Inc.
Senior Executive Officer	Kiyofumi Tanida	Representative Director and President of Konica Minolta Business Expert, Inc. In charge of Environment, Quality and Safety General Manager of Kansai Headquarters
Senior Executive Officer	Takashi Sugiyama	In charge of Technology Strategy and Information Technology (IT)
Senior Executive Officer	Yoshiaki Ando	In charge of Corporate Strategy, Investor Relations (IR), Corporate Accounting, Corporate Finance and Risk Management
Senior Executive Officer	Masaru Kamei	In charge of Legal Affairs, General Affairs, Compliance, Intellectual Property and Crisis Management
Senior Executive Officer	Atsushi Kodama	Representative Director and President of Konica Minolta Medical & Graphic, Inc.
Senior Executive Officer	Nobuyasu Ieuji	In charge of Manufacturing Innovation Managing Director, General Manager of Manufacturing Headquarters and in charge of Manufacturing Technologies of Konica Minolta Business Technologies, Inc.
Senior Executive Officer	Hideki Okamura	In charge of Supply Chain Management (SCM)
Senior Executive Officer	Toshihiko Karasaki	Representative Director and President of Konica Minolta Optics, Inc.
Senior Executive Officer	Yoshitsugu Shiraki	Representative Director and President of Konica Minolta Advanced Layers, Inc.
Executive Officer	Masami Akiyama	Managing Director and General Manager of Performance Materials Headquarters of Konica Minolta Advanced Layers, Inc.
Executive Officer	Kazuyoshi Hata	Managing Director and General Manager of Corporate Management Headquarters of Konica Minolta Medical & Graphic, Inc.
Executive Officer	Akiyoshi Ohno	Representative Director and President of Konica Minolta IJ Technologies, Inc.
Executive Officer	Jun Haraguchi	Managing Director, General Manager of Sales Headquarters and in charge of Business Development of Konica Minolta Business Technologies, Inc.
Executive Officer	Tsukasa Wakashima	General Manager of Human Resources Division
Executive Officer	Shingo Asai	Managing Director and in charge of Operational Efficiency Innovation of Konica Minolta Business Technologies, Inc.
Executive Officer	Kunihiro Koshizuka	General Manager of Technology Strategy Division
Executive Officer	Ken Shiomi	Director and in charge of Planning and Coordination Division and Quality and Environment Division of Konica Minolta Optics, Inc.
Executive Officer	Hiroyuki Suzuki	General Manager of Corporate Audit Office
Executive Officer	Tomio Nakamura	Director and in charge of HD Business Division, Optical Components Business Division, Lens Units Business Division and I&P Business Division of Konica Minolta Optics, Inc.

(2) Total compensation to directors and executive officers

<table>
<tr><td colspan="2" rowspan="3"></td><td rowspan="3">Total</td><td colspan="6">Compensation (Millions of yen)</td></tr>
<tr><td colspan="2">Base salary</td><td colspan="2">Performance-based cash bonus</td><td colspan="2">Stock compensation-type stock options</td></tr>
<tr><td>Persons</td><td>Amount</td><td>Persons</td><td>Amount</td><td>Persons</td><td>Amount</td></tr>
<tr><td rowspan="3">directors</td><td>Outside</td><td>42</td><td>5</td><td>42</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Inside</td><td>154</td><td>4</td><td>132</td><td>-</td><td>-</td><td>4</td><td>21</td></tr>
<tr><td>Total</td><td>196</td><td>9</td><td>175</td><td>-</td><td>-</td><td>4</td><td>21</td></tr>
<tr><td colspan="2">Executive Officers</td><td>454</td><td>21</td><td>262</td><td>21</td><td>104</td><td>21</td><td>86</td></tr>
</table>

Notes 1. At the end of the period (March 31, 2012), the Company has four (4) outside directors, three (3) inside directors (not concurrently holding executive officer posts) and twenty-one (21) executive officers.

2. In addition to the four (4) inside directors shown above, the Company has another four (4) inside directors who concurrently hold executive officer posts, and the compensation to these directors is included in compensation to executive officers.
3. Regarding the performance-based cash bonus, the amounts which should be recorded as expense in the period are stated.
4. Regarding the compensation-type stock options, the amounts which should be recorded as expense based on an estimation of the fair value of the stock acquisition rights issued to directors (excluding outside directors) and executive officers as part of their compensation are stated.
5. The base salary and the performance-based cash bonus of the 13 executive officers who are primarily responsible for the company's subsidiaries are partially paid by the subsidiaries concerned, and the total of such amount plus the amount recorded as expense by the Company is as follows.

<table>
<tr><td rowspan="3"></td><td rowspan="3">Total</td><td colspan="6">Compensation (Millions of yen)</td></tr>
<tr><td colspan="2">Base salary</td><td colspan="2">Performance-based cash bonus</td><td colspan="2">Stock compensation-type stock options</td></tr>
<tr><td>Persons</td><td>Amount</td><td>Persons</td><td>Amount</td><td>Persons</td><td>Amount</td></tr>
<tr><td>Executive Officers</td><td>731</td><td>21</td><td>491</td><td>21</td><td>154</td><td>21</td><td>86</td></tr>
</table>

6. In addition to the compensation outlined above, the Company also paid compensation under the conventional retirement benefit system abolished in June 2005 as follows during the period under review in accordance with a resolution of the Compensation Committee.
   - Executive Officer (one) 24 million yen (retired on March 31, 2011)

(3) Summary of policy for determining amount of director or executive officer compensation and the method of calculation

The Company, which has adopted the company-with-committees system, has established a Compensation Committee. Outside directors account for the majority of members of the committee and the committee is chaired by an outside director to ensure transparency and to determine compensation in a fair and appropriate manner.

The Company’s directors’ compensation system is intended to strengthen the motivation of directors and executive officers to strive for the continuous medium-to-long-term improvement of Group performance in line with management policies to meet shareholder expectations, and to contribute to the optimization of Group value. The Company aims for a level of compensation that enables it to attract and retain talented people to take responsibility for the Company’s development.

In keeping with these aims, the Compensation Committee has established a policy for determining the individual compensation entitlement of directors and executive officers as set out below, and determines the amount, etc. of individual compensation entitlement of directors and executive officers in line with this policy.

1. Compensation system
   (1) Compensation packages for directors (excluding directors who concurrently hold executive officer posts) exclude a short-term performance-based cash bonus because directors have a supervisory role, and consist of a "base salary" component in the form of a base salary and long-term incentives in the form of "compensation-type stock options." Outside directors receive base salary only.
   (2) Executive officer compensation packages consist of "base salary," "performance-based cash bonus," which reflects the short-term performance of the Group and the short-term performance of the business of which they are in charge, and "compensation-type stock options" as a long-term incentive.
2. The total amount of individual compensation entitlement and "Base salary" are set at an appropriate level for each position, based upon objective data, evaluation data and other data collected at regular intervals, etc.
3. The amount of the "performance-based cash bonus" is determined according to the level of performance result for the fiscal year (consolidated operating income) and the degree of attainment of annual performance targets. The amount based on the degree of attainment of annual performance targets is determined in the 0 % to 200 % range of the standard amount of compensation. Targets currently place emphasis on profits.
4. Regarding the "compensation-type stock options," the Company grants stock acquisition rights to inside directors and executive officers as share-price based incentives from a shareholder perspective. The number of rights granted is determined based on the position.
5. The standard for compensation to executive officers is a 60:25:15 mix of "base salary," "performance-based cash bonus" and "compensation-type stock options." For the executive officers ranked in a more senior position, the "base salary" ratio is lowered while the ratio of "performance-based cash bonus" is increased.
6. The Company reviews matters such as the level of compensation and the compensation structure in a timely and appropriate manner in response to changes in the business environment.

Regarding the conventional retirement benefit system abolished in June 2005, the Compensation Committee has determined individual entitlements within reason based upon certain criteria established by the Company, and will pay such entitlement upon the retirement of each director or executive officer in office prior to the abolition of this system.

(4) Matters regarding outside directors

a. Persons serving as executive officers at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Nobuhiko Ito	Avon Products Co., Ltd.	Representative Director and Chairman

There is no material transaction with the Company.

b. Persons serving as outside directors at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Tohru Tsuji	SEKISUI CHEMICAL CO., LTD.	Outside director
	Taisei Corporation	Outside director
Nobuhiko Ito	TADANO LTD.	Outside director

There is no material transaction with the Company.

c. Family relationship with an executive officer, etc. of the Company or of a specified related business operator of the Company

Not applicable

d. Primary activities of outside directors

Outside directors of the Company participate in Board of Directors meetings by making constructive statements on the decision-making and supervision of management, and they are also in charge of duties of the three committees: the Nomination Committee, the Auditing Committee and the Compensation Committee, as stated in “(1) Names, etc. of Directors and Executive Officers.” Also, where appropriate, outside directors also observe development, production and marketing and other actual operations as part of their supervision and auditing work, and exchange information with the President and the Chairman of the Board on various aspects including the running of Board of Directors meetings. The principal activities of outside directors are as follows.

a) Mr. Tohru Tsuji

He attended 12 out of 13 Board of Directors meetings, all six Nomination Committee meetings, all four Auditing Committee meetings held up until June 2011, while he had been in charge of the Auditing Committee, and all four Compensation Committee meetings held after June 2011 when he became in charge of the Compensation Committee, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, growing market strategy and risk management. At the Auditing Committee held up until June 2011, as the chairman, he had made appropriate and necessary statements with his experienced deep knowledge.

b) Mr. Yozo Izuhara

He attended all 13 Board of Directors meetings, all 14 Auditing Committee meetings, and all five Compensation Committee meetings, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, global management and sales strategy. At the Auditing Committee, he had made appropriate and necessary statements with his experienced deep knowledge.

c) Mr. Nobuhiko Ito

He attended all 13 Board of Directors meetings, all six Nomination Committee meetings, all 14 Auditing Committee meetings, and one Compensation Committee meeting held up until June 2011, while he had been in charge of the Compensation Committee, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, M&A strategy, corporate management and speedy management. At the Auditing Committee, as the chairman, he made appropriate and necessary statements with his experienced deep knowledge.

d) Mr. Shoji Kondo (appointed at the Ordinary General Meeting of Shareholders held June 2011)

He attended all 10 Board of Directors meetings held after his appointment, all six Nomination Committee meetings, all 10 Auditing Committee meetings, and all four Compensation Committee meetings, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, production and purchase strategy and area strategy. At the Auditing Committee, he made appropriate and necessary statements with his experienced deep knowledge.

e. Liability limitation agreements

To attract skillful people as outside directors and to enable them to fully demonstrate their expected role, the Company stipulates in its current Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Company Law, enter into an agreement with outside directors which limits their liabilities for payment of damages with respect to the acts mentioned in Article 423, Paragraph 1 of the Company Law to the extent permitted by laws and regulations. Based on these stipulations, the four outside directors Mr. Tohru Tsuji, Mr. Yozo Izuhara, Mr. Nobuhiko Ito and Mr. Shoji Kondo have entered into an agreement with the Company limiting their liabilities for payment of damages, and the content of this agreement is summarized as follows.

The maximum amount of liability of an outside director who, with the best of intentions and without gross negligence, fails to execute his or her duties while in office and causes damage to the Company shall be limited to the aggregate sum of the amounts prescribed in Article 113 of the Company Law Enforcement Regulations multiplied by two (Article 425, Paragraph 1, Item 1 (c) of the Company Law).

5. Status of Independent Auditor

(1) Name of Independent Auditor

KPMG AZSA LLC

(2) Compensation to the Independent Auditor

a. Compensation paid by the Company to the Independent Auditor during the fiscal year under review

Compensation for audit certification in accordance with Article 2, Section 1 of the Certified Public Accountants Law	85 millions of yen
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Law	1 millions of yen
Total	87 millions of yen

Note Compensation is the total of compensation for the Independent Auditor's audit under the Company Law and audit compensation under the Financial Instruments and Exchange Law, as there is no clear separation between the two.

b. Total amount of other property benefits paid by the Company and its subsidiaries

254 Millions of yen

(3) Details of services other than auditing

We paid KPMG AZSA LLC to consign the advisory service about the introduction of International Financial Reporting Standards.

(4) Policy regarding decisions to dismiss or deny reappointment to Independent Auditor

The Auditing Committee will examine dismissing or denying reappointment of the Independent Auditor if the Independent Auditor has committed a serious violation or infringement of the Company Law, the Certified Public Accountants Law or other relevant laws or regulations, or if the Independent Auditor is deemed to have committed a serious breach of public order or custom. If, as a result of this examination, it is deemed appropriate to dismiss or deny reappointment, the Auditing Committee will request the Board of Directors to submit a proposition calling for the dismissal or denial of reappointment of the Independent Auditor to the General Meeting of Shareholders pursuant to the provisions of Article 339, Paragraph 1 and Article 404, Paragraph 2, Item 2 of the Company Law.

The Auditing Committee also examines the status of the performance of the Independent Auditor and decides the reappointment or denial every fiscal year.

6. Establishment of system to ensure appropriate business operations

The Board of Directors of the Company adopted resolutions on the matters prescribed by the applicable Ordinance of the Ministry of Justice as those necessary for the execution of the duties of the Audit Committee (Article 416, Paragraph 1, Item 1 (b) of the Company Law), and on the establishment of systems necessary to ensure that the execution of duties by executive officers complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company (Article 416, Paragraph 1, Item 1 (e) of the Company Law). A summary of the resolutions is as follows.

<I. Requirements for the execution of duties by the Auditing Committee>

1. The Company set up the Auditing Committee Office with a full-time staff to support the Auditing Committee, and, besides being the secretariat of the Auditing Committee, the Auditing Committee Office shall perform its duties in accordance with the instructions of the Auditing Committee.
2. To ensure the independence of the above Auditing Committee Office from executive officers, personnel matters regarding the Auditing Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Auditing Committee.
3. The executive officers in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee, shall report on the status of operation to the Auditing Committee on a regular basis and without delay if an urgent situation that must be reported has arisen or if requested to make a report by the Auditing Committee.
4. Auditing Committee members elected by the Auditing Committee may attend management council meetings and other important meetings if necessary and may request investigations, reports, etc. from the executive officers in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee.

<II. Systems for ensuring compliance of execution of duties by executive officers with laws, regulations and the Articles of Incorporation and other required systems for ensuring the properness of business operations>

5. Each executive officer shall manage the minutes of management council meetings and other important meetings, documents requesting formal approval and other information concerning the performance of their duties to ensure that documents are preserved in an appropriate manner and made available for inspection in accordance with the provisions of document management regulations.
6. The Company set up the Risk Management Committee which is in charge of managing the various risks that arise in connection with the Group's business activities, and the executive officer nominated by the Board of Directors shall be responsible for the development of risk management systems including the following, in accordance with the Risk Management Committee Regulations.
   (1) With respect to management of the business strategy risks, the executive officer in charge of business strategy shall be responsible, and regarding management of other risks in connection with business activities, each executive officer shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each executive officer. Further, the Risk Management Committee shall periodically conduct selection, assessment and review of material risks, develop measures, and confirm management status.

(2) The executive officer in charge of risk management nominated by the Board of Directors shall be responsible for establishing the contingency plans and countermeasures to minimize the damages by a crisis which is supposed to adversely affect the corporate value.
(3) Provide support to the development and strengthening of risk management systems at each group company.

7. The Company set up the Compliance Committee which is in charge of establishing and operating the Group's compliance systems, and the executive officer nominated by the Board of Directors shall be responsible for establishing and operating the compliance systems including the following, in accordance with the Compliance Committee Regulations.
   (1) Defining compliance in the Group as the observance of laws and regulations applicable to corporate activities, corporate ethics and internal regulations and policies, and making this known to every individual working for the Group.
   (2) Establishing the Konica Minolta Group Charter of Corporate Behavior, familiarizing this through the Group, and enacting compliance conduct guidelines, etc. based on the philosophy of the Charter of Corporate Behavior.
   (3) Establishing and operating systems to promote compliance at each group company.
   (4) Establishing and operating a whistle blowing system that allows employees to report any compliance violations that are discovered or anticipated.
8. The Company set up a Corporate Audit Division which is in charge of the internal auditing of the Group to evaluate and improve the status of execution of business operations in all business activities from the viewpoint of legality and rationality, and which shall be responsible for establishing and operating internal auditing systems in accordance with the Internal Auditing Regulations.
9. The Company shall be responsible for establishing and operating a system of internal control over financial reporting in the Group and a system for evaluating the efficacy of their operation.
10. The Company established the Corporate Organization Basic Regulations, and shall develop the corporate governance mechanisms of the Company and the Group, including the foregoing systems. The Company shall also work to establish and operate a system for ensuring the appropriateness of business operation through the management council and other meeting bodies, authority regulations and other internal regulations, and shall endeavor to ensure the legality, rationality and efficiency of business execution by reviewing as necessary systems for management and administration across all the business activities of the Group.

*Amounts and numbers of shares shown in this business report are rounded down to the nearest whole unit.

Consolidated Balance Sheet

(As of March 31, 2012) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**565,923**	**Current liabilities**	**228,958**
Cash and deposits	90,640	Notes and account payable - trade	88,129
Notes and accounts receivable-trade	174,193	Short-term loans payable	32,913
Lease receivables and lease investment assets	13,775	Long-term loans due within one year	11,994
Short-term investment securities	141,293	Unpaid expenses	30,295
Inventories	105,080	Accrued expenses	25,305
Deferred tax assets	20,100	Income taxes payable	6,908
Accounts receivable-other	13,467	Provision for bonuses	10,826
Other current assets	11,759	Provision for D & O's bonuses	203
Allowance for doubtful accounts	(4,385)	Provision for product warranties	1,050
		Notes payable-facilities	1,062
		Asset retirement obligations	146
		Other current liabilities	20,124
Noncurrent assets	**336,128**	**Noncurrent liabilities**	**238,105**
Tangible noncurrent assets	**178,999**	Corporate Bonds payable	110,000
Buildings and structures	66,874	Long-term loans payable	73,025
Machinery, equipment and vehicles	39,773	Deferred tax liabilities for land revaluation	3,269
Tools, furniture and fixtures	22,407	Provision for retirement benefits	44,545
Land	33,609	Provision for D & Os' retirement benefits	341
Lease assets	415	Asset retirement obligations	931
Construction in progress	7,817	Other noncurrent liabilities	5,992
Assets for business-use rent	8,101	**Total liabilities**	**467,064**
Intangible noncurrent assets	**87,341**	**Net assets**	
Goodwill	59,727	**Shareholder's equity**	**462,913**
Other intangible noncurrent assets	27,613	Capital stock	37,519
Investments and other assets	**69,788**	Capital surplus	204,142
Investment securities	19,073	Retained earnings	222,848
Long-term loans receivable	133	Treasury stock	(1,597)
Long-term prepaid expenses	2,650	**Accumulated other comprehensive income**	**(29,243)**
Deferred tax assets	38,281	Valuation difference on securities	1,183
Other investments	10,355	Deferred gains or losses on hedges	(228)
Allowance for doubtful accounts	(706)	Foreign currency translation adjustment	(30,199)
		Subscription rights to shares	**682**
		Minority interests	**635**
		Total net assets	**434,987**
Total assets	**902,052**	**Total liabilities and net assets**	**902,052**

Consolidated Statement of Income

(From April 1, 2011 to March 31, 2012) [Millions of yen]

Item	Amount	
Net sales		**767,879**
Cost of sales		412,562
Gross profit		**355,317**
Selling, general and administrative expenses		314,971
Operating income		**40,346**
Non-operating income		
Interest and dividends income	1,563	
Equity in gains of affiliates	67	
Other	3,800	5,431
Non-operating expenses		
Interest expenses	2,519	
Foreign exchange losses	2,567	
Other	5,932	11,018
Ordinary income		**34,758**
Extraordinary income		
Gain on sales of noncurrent assets	120	
Gain on sales of investment securities	2	
Gain on sales of investments in capital	604	
Reversal of provision for loss on withdrawal from operation	19	
Gain on reversal of foreign currency translation adjustment	3,730	
Other extraordinary income of foreign subsidiaries	241	4,719
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	1,813	
Loss on valuation of investment securities	2,700	
Impairment loss	893	
Business structure improvement expenses	1,198	
Loss on disaster	57	6,663
Income before income taxes and minority interests		**32,815**
Income taxes-current	9,553	
Income taxes-deferred	2,776	12,330
Income before minority interests		**20,484**
Minority interests in income		60
Net income		**20,424**

Consolidated Statement of Changes in Shareholder's Equity

(From April 1, 2011 to March 31, 2012) [Millions of yen]

	Shareholder's Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at April 1, 2011	**37,519**	**204,140**	**211,467**	**(1,670)**	**451,457**
Changes during the period					
Dividends from surplus			(7,953)		(7,953)
Net income			20,424		20,424
Changes in scope of consolidation			(38)		(38)
Purchase of treasury stock				(11)	(11)
Disposal of treasury stock		1		84	86
Amortization of net retirement benefit obligation in foreign subsidiaries			(1,050)		(1,050)
Changes, net, in items other than shareholder's equity					
Total changes during the period	**-**	**1**	**11,381**	**73**	**11,456**
Balance at March 31, 2012	**37,519**	**204,142**	**222,848**	**(1,597)**	**462,913**

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at April 1, 2011	**478**	**(94)**	**(24,193)**	**(23,809)**	**658**	**682**	**428,987**
Changes during the period							
Dividends from surplus							(7,953)
Net income							20,424
Changes in scope of consolidation							(38)
Purchase of treasury stock							(11)
Disposal of treasury stock							86
Amortization of net retirement benefit obligation in foreign subsidiaries							(1,050)
Changes, net, in items other than shareholder's equity	704	(133)	(6,005)	(5,434)	24	(46)	(5,456)
Total changes during the period	**704**	**(133)**	**(6,005)**	**(5,434)**	**24**	**(46)**	**5,999**
Balance at March 31, 2012	**1,183**	**(228)**	**(30,199)**	**(29,243)**	**682**	**635**	**434,987**

Notes to Consolidated Financial Statements

＜NOTES TO BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS＞

I. Scope of Consolidation

1. Number of consolidated subsidiaries and names of principal consolidated subsidiaries

   Number of consolidated subsidiaries: 92 companies

   Names of principal consolidated subsidiaries:

   Konica Minolta Business Technologies, Inc.
   Konica Minolta Opto, Inc.
   Konica Minolta Medical & Graphic, Inc.
   Konica Minolta Sensing, Inc.
   Konica Minolta Technology Center, Inc.
   Konica Minolta Business Expert, Inc.

   Changes in scope of consolidation

   The following companies have been newly included in consolidated subsidiaries: Koneo AB, OfficeWare Inc. and Robinco CS a.s. due to acquisition; Konica Minolta Business Solutions (WUXI) Co., Ltd. and Konica Minolta Business Solutions Middle East FZE due to establishment; and Konica Minolta Business Solutions SE, Ltd. due to becoming a subsidiary of Konica Minolta Hungary Business Solutions Ltd., a consolidated subsidiary.

   The following companies have been excluded from consolidated subsidiaries: Konica Minolta Photo Imaging, Inc. and Konica Minolta Graphic Imaging U.S.A., Inc. due to the completion of liquidation; All Covered Inc. due to a merger into Konica Minolta Business Solutions U.S.A., Inc., a consolidated subsidiary.

2. Names of principal unconsolidated subsidiaries

   Konica Minolta Business Solutions India Private Ltd.

   Unconsolidated subsidiaries have not been included in consolidation because they are relatively small and their total assets, sales, net income and retained earnings (in proportion to scale of equity ownership), etc. do not have a material impact on the consolidated financial statements.

II. Scope of the Use of Equity Accounting

1. Number of unconsolidated subsidiaries and affiliated companies accounted for by the equity method and names of principal companies

   Number of companies accounted for by the equity method:
   5 companies (3 unconsolidated subsidiaries, 2 affiliated companies)

   Principal companies accounted for by the equity method:
   ECS Buero-und Datentechnik GmbH

2. Names of principal unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method

   Konica Minolta Business Solutions India Private Ltd. is an unconsolidated subsidiary not accounted for by the equity method.

   Companies that are not accounted for by the equity method are excluded from the scope of the equity method because they have an insignificant effect on consolidated net income and consolidated retained earnings and also lack overall materiality.

III. Changes Regarding Consolidated Subsidiaries during the Fiscal Year under Review

Some consolidated subsidiaries have fiscal years ending on December 31, and consolidated financial statements are prepared using the financial statements of those companies as of that fiscal year-end date. Adjustments are made to consolidated accounts to account for important transactions involving those companies that occur between the end of those companies' fiscal year-end date and the end of the consolidated fiscal year.

(Consolidated Subsidiaries with Fiscal Years Ending on December 31)

Konica Minolta Business Solutions (Shenzhen) Co., Ltd.
Konica Minolta Business Solutions do Brazil Ltda.
Konica Minolta Business Solutions de Mexico SA de CV.
Konica Minolta Medical Systems Russia LLC
Konica Minolta Business Solutions Romania s.r.l.
Konica Minolta Business Solutions Russia LLC

IV. Accounting Standards and Methods

1. Valuation Standards and Methods of Assets

(1) Securities

Held to maturity receivables

The amortized cost method (the straight-line method) is used.

Other securities

Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealized gains or losses after tax effect adjustments are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)

Other securities that do not have fair market values are primarily stated at cost using the moving value average.

(2) Derivatives

Derivatives are stated using the mark-to-market method.

(3) Inventories

Domestic consolidated subsidiaries' inventories are, in the main, recorded at cost as determined by the periodic-average method (method of reducing book value when the contribution of inventories to profitability declines). Overseas consolidated subsidiaries' inventories are recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

2. Amortization Method for Noncurrent Assets

(1) Tangible noncurrent assets (excluding lease assets)

The depreciable assets of Konica Minolta Holdings, Inc. ("the Company") and its domestic consolidated subsidiaries are depreciated using the declining-balance method. Overseas consolidated subsidiaries adopt the straight-line method. However, the Company and its domestic consolidated subsidiaries have used the straight-line method for their buildings (excluding annexed structures) acquired since April 1, 1998.

(2) Intangible noncurrent assets

We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.

(3) Lease assets

Lease assets arising from finance lease transactions not involving transfer of ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

3. Standards for Allowances

(1) Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectables. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

(2) Provision for bonuses

To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees is recorded.

(3) Provision for D & O's bonuses

To prepare for the payment of directors and officers' bonuses, an amount corresponding to the projected value of bonus payments to directors and officers for the fiscal year under review is recorded.

(4) Provision for product warranties

The provisioning of free after-sales service for products is recorded based on past after-sales service expenses as a percentage of net sales.

(5) Provision for retirement benefits

In order to provide employee retirement benefits, the amount recorded by the Company is based on projected benefit obligations and pension assets at the end of the fiscal year.

Prior service cost is being amortized as incurred by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees at the time when the service cost is generated.

Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees at the time when the service cost is generated.

(6) Provision for D & O's retirement benefits

Consolidated subsidiaries, to provide for the payment of directors and officers' retirement benefits, record provision for benefits for retired directors and officers in an actual amount equal to the need at the end of the year period under review based on the relevant regulations.

4. Accounting methods for hedge transactions

(1) Hedge accounting methods

The deferred hedge method is used. Special accounting methods are used for interest rate swaps that meet certain conditions.

(2) Hedge methods and hedge targets

The hedge methods are forward exchange contracts, currency option transactions and interest rate swaps. The hedge targets are scheduled foreign currency denominated transactions and borrowings.

(3) Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts and currency option transactions as hedging instruments only, not for trading purpose to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates.

In addition, the Company and consolidated subsidiaries enter into interest rate swaps to make interest rates on borrowings stable and reduce costs fluctuations for future capital procurement, both as hedging instruments only, not for speculation purpose, within the limit of actual financial or operating transactions.

(4) Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of cash flows and hedging instruments.

5. Consumption tax

The tax-exclusion method is used to account for consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

6. Consolidated tax payment system

The consolidated tax payment system is applied.

7. Amortization of goodwill

Amortization of goodwill is carried out separately for each goodwill item over a rational time period of 20 years or less.

<Notes to Consolidated Balance Sheet>

1. Assets used for collateral and Secured Obligations

(1) Assets used for collateral

Accounts Receivable-trade and Lease Investment Assets	¥ 54 million

(2) Secured Obligations

Short-term Loans payable	¥ 54 million

2. Accumulated depreciation on tangible noncurrent assets	¥ 453,150 million

3. Breakdown of inventories

Merchandise and Finished Goods	¥ 71,211 million
Work in Process	¥ 13,482 million
Raw Materials and Stores	¥ 20,386 million

4. Balance of guaranteed obligations

Guaranteed obligations (guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)	¥ 485 million
Commitments to guarantee, etc. (guarantees for bank loans of suppliers/customers)	¥ 166 million
Total	¥ 652 million

5. Notes due at the end of the fiscal year

Notes due at the end of the fiscal year are settled on the date of clearing. Since the end of the fiscal year under review fell on a bank holiday, the following notes due at the end of the fiscal year are included in the balance at the end of the fiscal year.

Notes receivable-trade	¥879 million
Notes payable-trade	¥991 million
Notes payable-equipment	¥10 million

<Notes to Consolidated Statement of Changes in Shareholders' Equity>

1. Issued Shares

Type of shares	End of previous fiscal year	Increase	Decrease	End of fiscal year under review
Common shares	shares 531,664,337	shares -	shares -	shares 531,664,337

2. Treasury stock

Type of shares	End of previous fiscal year	Increase	Decrease	End of fiscal year under review
Common shares	shares 1,436,447	shares 18,209	shares 73,065	shares 1,381,591

(Summary of reasons for change)

The principal reasons for increase were as follows:

Increase related to requests to purchase shares less than full trading units: 18,209 shares

The principal reasons for decrease were as follows:

Reduction related to exercise of stock acquisition rights: 68,000 shares

Reduction related to shareholders' buying to complete full trading units: 5,065 shares

3. Dividends

(1) Dividends paid

Decision	Type of shares	Total dividend value (millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors May 12, 2011	Common shares	3,976	7.50	March 31, 2011	May 30, 2011
Board of Directors October 28, 2011	Common shares	3,976	7.50	September 30, 2011	November 25, 2011

(2) Dividends for which the record date belonging to the current period will be effective in the next period

Decision	Type of shares	Total dividend value (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Effective date
Board of Directors May 10, 2012	Common shares	3,977	Retained earnings	7.50	March 31, 2012	May 28, 2012

4. Stock subscription rights

Breakdown of stock subscription rights	Type of shares under stock subscription rights	Number of shares under stock subscription rights
First issue of stock compensation-type stock options for 2005	Common shares	82,000shares
Second issue of stock compensation-type stock options for 2006	Common shares	59,000 shares
Third issue of stock compensation-type stock options for 2007	Common shares	78,000 shares
Fourth issue of stock compensation-type stock options for 2008	Common shares	94,500 shares
Fifth issue of stock compensation-type stock options for 2009	Common shares	177,000 shares
Sixth issue of stock compensation-type stock options for 2010	Common shares	186,000 shares
Seventh issue of stock compensation-type stock options for 2011	Common shares	239,500 shares
Total		916,000 shares

5. The figure for provision of retirement allowance debt of overseas subsidiaries stems from provisions for the accounting treatment of retirement benefit payments that affected a portion of consolidated subsidiaries in the United States.

<Notes to Financial Instruments>

1. Matters relating to the status of financial instruments

The Group raises short-term working capital mainly with bank borrowings and invests temporary surplus funds in financial instruments with extremely low risk. The Group has decided to engage in derivatives transactions within the scope of actual demand in accordance with its internal regulations.

In principle, the risk of currency fluctuations relating to receivables and payables denominated in foreign currencies are hedged using the forward exchange contract and currency option transactions. With respect to the interest volatility risk relating to some long-term loans payable, we try to fix interest expenses using the interest-rate swap.

Investment securities consist mainly of stocks, and the market values of listed stocks are determined on a quarterly basis.

We try to reduce the credit risk of customers relating to notes and accounts receivable-trade through regular monitoring and the comprehensive management of deadlines and balances.

2. Matters relating to fair market values, etc. of financial instruments

The consolidated balance sheet amount, the fair market value and the difference between the two on March 31, 2012 (the closing date of the consolidated fiscal year under review) are as follows.

[Millions of yen]

	Consolidated balance sheet amount	Fair market value	Difference
(1) Cash and deposits	90,640	90,640	-
(2) Notes and accounts receivable-trade	174,193	174,193	-
(3) Securities and investment securities			
(i) Held-to-maturity receivables	10	10	-
(ii) Other securities	156,977	156,977	-
(4) Notes and accounts payable-trade	(88,129)	(88,129)	-
(5) Corporate bonds	(110,000)	(110,278)	(278)
(6) Long-term loans payable	(73,025)	(73,366)	(341)
(7) Derivatives	(2,032)	(2,032)	-

1) Items that are posted in liabilities are enclosed in parentheses.
2) Net receivables and payables generated from derivatives trading are shown. Items generating net payables are enclosed in parentheses.

(Note 1) Methods of calculating the fair market value of financial instruments and matters relating to securities and derivatives transactions

(1) Cash and deposits and (2) Notes and accounts receivable-trade

As they are settled in a short period and their market values are nearly identical to their book values, the book values are used.

(3) Securities and investment securities

For the fair market values of securities and investment securities, the prices of stocks are based on the value on the relevant stock exchanges and the prices of receivables are based on the value indicated by relationship financial institutions.

(i) As held-to-maturity receivables are entirely school bonds and the creditworthiness of the issuers has not changed materially from the time of acquisition, their book values are used.

(ii) The acquisition cost, consolidated balance sheet amount and difference between them of other securities are as follows.

[Millions of yen]

	Type	Acquisition cost	Consolidated balance sheet amount	difference
Consolidated balance sheet amount exceeds the acquisition cost	Stocks	6,357	9,348	2,990
	Others	10	11	0
Consolidated balance sheet amount does not exceed the acquisition cost	Stocks	7,708	6,319	(1,389)
	Receivables	7,616	7,593	(23)
	Negotiable deposit	133,700	133,700	-
	Others	5	4	(0)
Total		155,399	156,977	1,578

(4) Notes and accounts payable-trade

As they are settled in a short period and their fair market values are nearly identical to their book values, the book values are used.

(5) Corporate bonds

The book value of corporate bonds is based on the value indicated by relationship financial institutions.

(6) Long-term loans payable

For the fair market values of long-term loans payable at fixed interest rates, the total amount of the principal and interest is discounted using a rate that is assumed to be applied when a similar loan is newly borrowed.
For the fair market values of long-term loans payable at variable interest rates, as the credit risk of the Company has not changed materially and the market values are nearly identical to their book values, the book values are used. For those that are subject to the special treatment of interest rate swaps (see (7) (ii) below), the total amount of the principal and interest that were accounted for as a single item with the relevant interest rate swap is discounted with a rate that is assumed to be applied when a new, similar loan is taken out.

(7) Derivatives transactions

(i) Those which the hedge accounting does not apply to

The contract amount or the amount equivalent to the principal set forth in the contract for each type of hedged item in derivatives transactions on the consolidated closing date, the fair market value and valuation gains or losses, and the method of calculating fair market value are as follows:

(a) Currency-related derivatives

[Millions of yen]

Category	Type	Contract amount, etc.		Fair market value	Valuation gains or losses
			More than one year		
Transactions other than market transactions	Forward exchange contract	32,127	-	(1,664)	(1,664)

(Note) The fair market values of forward exchange contracts are calculated using forward exchange rates.

(ii) Those which the hedge accounting applies to

The contract amount or the amount equivalent to the principal set forth in the contract, etc. for each method of hedge accounting on the consolidated closing date are as follows:

(a) Currency-related derivatives

[Millions of yen]

Method of hedge accounting	Type of derivatives transactions	Major hedged items	Contract amount, etc.		Fair market value
				More than one year	
Fundamental treatment method	Forward exchange contract	Accounts receivable and accounts payable-trade	20,565	-	(378)
Fundamental treatment method	Currency option transaction	Accounts receivable and accounts payable-trade	4,400	-	10

(Note) The fair market values of forward exchange contracts are calculated using forward exchange rates, and the fair market values of currency option transaction are calculated using prices offered by relationship financial institutions.

(b) Interest rate related derivatives

[Millions of yen]

Method of hedge accounting	Type of derivatives transactions	Major hedged items	Contract amount, etc.		Fair market value
				More than one year	
Special treatment of interest rate swap	Interest rate swap	Long-term loans payable	23,000	23,000	(*)

(*) As interest rate swaps subject to the special treatment of interest rate swap are accounted for as a single item with underlying long-term loans payable, which are hedged items, their market values are included in those of long-term loans payable (see (6) above).

(Note 2)
As unlisted stocks (consolidated balance sheet amount of ¥ 560 million) and shares of affiliates (consolidated balance sheet amount ¥ 2,819 million) do not have market values, it is considered extremely difficult to calculate their fair market values. Therefore, they are not included in “(3) (ii) Other securities.”

<Notes to Real Estates for Rent, etc.>

1. Matters regarding the status of real estates for rent, etc.
   The Company and some subsidiaries have office buildings for rent and idle assets, etc. in Japan and overseas.

2. Matters regarding fair market values, etc. of real estates for rent, etc.

[Millions of yen]

Consolidated balance sheet amount	Fair market value as of the end of the fiscal year under review
4,486	5,042

(Note 1) Consolidated balance sheet amount is calculated by subtracting accumulated depreciation and accumulated impairment losses from acquisition cost.
(Note 2) Fair market value as of the end of the fiscal year under review is recorded as follows:

(1) Amount of primary domestic real estates has been calculated by the Company based on the method similar to real-estate appraisal standards. However, such domestic real estates whose change of the fair market value has been insignificant have been evaluated by real-estate appraisal at the immediate appraisal. Other domestic real estates have been calculated based on a certain appraisal or the criteria which seems to reflect the fair market value correctly.

(2) Overseas real estates have been primarily calculated by real-estate appraisal by local appraisers.

<Notes on Per-Share Information>

1. Net assets per share ¥ 817.81

2. EPS ¥ 38.52

<Significant Subsequent Events>

Not applicable

<Other Notes>

1. The gain on reversal of foreign currency translation adjustment resulted from dipping into foreign currency translation adjustment with the completion of liquidation of a U.S. subsidiary.

2. Other extraordinary profit of foreign subsidiaries represents the reduction in refund obligation, etc. in accordance with US State laws at a U.S. subsidiary.

3. Impairment losses mainly represent the reduction of book values to recoverable values with respect to manufacturing facilities, etc. in the Optics Business.

4. Restructuring expenses consist of expenses on retirement allowances, etc. associated with staff allocation/optimization in the Business Technologies Business.

5. Application of Accounting Standards for Accounting Changes and Error Corrections
   The Company adopted “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan (“ASBJ”) Statement No.24 issued on December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors which are made from the fiscal year beginning on April 1, 2011.

6. Effects of Changes in Corporate Tax Rate
   Following the enactment on December 2, 2011 of “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114 of 2011) and “Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117 of 2011), the corporate tax rate will be reduced and a special recovery tax will be imposed effective from the fiscal year beginning on or after April 1, 2012. As a result of these changes, net income for the consolidated fiscal year under review declined ¥3,320 million.

7. Figures given in the text have been rounded down to the nearest million.

Independent Auditor's Report

May 9, 2012

The Board of Directors
Konica Minolta Holdings, Inc.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinji Someha (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholder's equity and the notes to consolidated financial statements of Konica Minolta Holdings, Inc. ("the Company") as at March 31, 2012 and for the year from April 1, 2011 to March 31, 2012 in accordance with Article 444 (4) of the Company Law.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Company Law

Balance Sheet

(As of March 31, 2012) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**287,838**	**Current liabilities**	**71,069**
Cash and deposits	64,514	Notes payable	192
Accrued income	1,210	Short-term loans payable	50,337
Short-term investment securities	141,293	Long-term loans due within one year	11,001
Prepaid expenses	409	Lease obligations	55
Deferred tax assets	4,888	Unpaid expenses	8,220
Short-term loans receivable	60,840	Accrued expenses	561
Accounts receivable-other	11,312	Income taxes payable	114
Income tax refund receivable	2,210	Advances received	0
Other current assets	1,159	Provision for bonuses	301
Allowance for doubtful accounts	(0)	Provision for D & O’s bonuses	98
		Asset retirement obligations	120
		Other current liabilities	63
Noncurrent assets	**234,441**		
Tangible noncurrent assets	**67,986**	**Noncurrent liabilities**	**196,304**
Buildings	34,989	Corporate bonds payable	110,000
Structures	2,086	Long-term loans payable	73,005
Machinery and equipment	1,592	Lease obligations	74
Vehicles	0	Deferred tax liabilities for land revaluation	4,555
Tools, furniture and fixtures	533	Provision for retirement benefits	7,480
Land	27,780	Asset retirement obligations	931
Lease assets	124	Other noncurrent liabilities	256
Construction in progress	880		
		Total liabilities	**267,373**
		Net assets	
Intangible noncurrent assets	**1,833**		
Software	1,448	**Shareholder's equity**	**244,551**
Other intangible noncurrent assets	384	**Capital stock**	**37,519**
		Capital surplus	**135,594**
		Capital reserve	135,592
Investments and other assets	**164,621**	Other Capital surplus	1
Investment securities	13,807	**Retained earnings**	**73,034**
Stock of affiliated companies	134,520	Other retained earnings	73,034
Investments-affiliated companies	3,794	Retained earnings carried forward	73,034
Long-term prepaid expenses	745	**Treasury stock**	**(1,597)**
Deferred tax assets	10,291		
Other investments	1,543	**Valuation and translation adjustments**	**9,672**
Allowance for doubtful accounts	(82)	Valuation difference on securities	1,699
		Land revaluation difference	7,972
		Subscription rights to shares	**682**
		Total net assets	**254,906**
Total assets	**522,279**	**Total liabilities and shareholders’ equity**	**522,279**

Statement of Income

(From April 1, 2011 to March 31, 2012) [Millions of yen]

Item	Amount	
Operating revenue		**23,062**
Operating expense		**32,720**
Operating loss		**9,658**
Non-operating income		
Interest and dividends income	1,535	
Miscellaneous income	303	1,839
Non-operating expenses		
Interest expenses	1,715	
Miscellaneous expense	586	2,301
Ordinary loss		**10,120**
Extraordinary income		
Gain on sales of investment securities	1	
Reversal of provision for allowance for doubtful receivables	183	184
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	382	
Loss on valuation of investment securities	2,067	
Impairment loss	62	2,511
Net loss before taxes		**12,447**
Income taxes-current	(8,853)	
Income taxes-deferred	3,690	(5,163)
Net loss		**7,284**

Statement of Changes in Shareholder's Equity

(From April 1, 2011 to March 31, 2012) [Millions of yen]

	Shareholder's equity			
	Capital stock	Additional paid−in capital		
		Capital surplus	Other Capital surplus	Total additional paid−in capital
Balance at April 1, 2011	**37,519**	**135,592**	**−**	**135,592**
Changes during the period				
Dividends from surplus				
Net loss				
Purchase of treasury stock				
Disposal of treasury stock			1	1
Changes, net, in items other than shareholders' equity				
Total changes during the period	**−**	**−**	**1**	**1**
Balance at March 31, 2012	**37,519**	**135,592**	**1**	**135,594**

	Shareholder's equity			
	Retained earnings		Treasury stock	Total shareholder's equity
	Other retained earnings	Total retained earnings		
	Retained earnings carried forward			
Balance at April 1, 2011	**88,272**	**88,272**	**(1,670)**	**259,714**
Changes during the period				
Dividends from surplus	(7,953)	(7,953)		(7,953)
Net loss	(7,284)	(7,284)		(7,284)
Purchase of treasury stock			(11)	(11)
Disposal of treasury stock			84	86
Changes, net, in items other than shareholders' equity				
Total changes during the period	**(15,238)**	**(15,238)**	**73**	**(15,162)**
Balance at March 31, 2012	**73,034**	**73,034**	**(1,597)**	**244,551**

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on securities	Change in land value	Total valuation and translation adjustments		
Balance at April 1, 2011	**1,200**	**7,327**	**8,527**	**658**	**268,900**
Changes during the period					
Dividends from surplus					(7,953)
Net loss					(7,284)
Purchase of treasury stock					(11)
Disposal of treasury stock					86
Changes, net, in items other than shareholders' equity	499	645	1,144	24	1,168
Total changes during the period	**499**	**645**	**1,144**	**24**	**(13,994)**
Balance at March 31, 2012	**1,699**	**7,972**	**9,672**	**682**	**254,906**

Notes to Financial Statements

<Summary of Significant Accounting Policies>

1. Criteria and methods for evaluating securities
   (1) Shares of subsidiaries and affiliates
   Shares of subsidiaries and affiliates are stated at cost using the moving-average method.
   (2) Other securities
   Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealized gains or losses after tax effect adjustment are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)
   Other securities that do not have fair market value are primarily stated at cost using the moving-value average.

2. Criteria and methods for evaluating derivatives
   Derivatives are stated using the mark-to-market method.

3. Depreciation and amortization of noncurrent assets
   (1) Tangible noncurrent assets (excluding lease assets)
   The declining-balance method is used. However, the straight-line method is used for buildings (excluding annexed structures) acquired since April 1, 1998.
   (2) Intangible noncurrent assets
   The straight-line method is used. For software for internal use, the straight-line method is adopted based on a licensing period of five years.
   (3) Lease assets
   Lease assets arising from finance lease transactions not involving transfer of ownership
   Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

4. Standards for Allowances
   (1) Allowance for doubtful accounts
   To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectables. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.
   (2) Provision for bonuses
   To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees is recorded.
   (3) Provision for D&O' bonuses
   To prepare for the payment of directors and officers' bonuses, an amount corresponding to the projected value of bonus payments to directors and officers for the fiscal year under review is recorded.
   (4) Provision for retirement benefits
   In order to provide employee retirement benefits, the amount recorded by Konica Minolta Holdings, Inc. (the Company) is based on projected benefit obligations and pension assets at the end of the fiscal year.
   Prior service cost is being amortized as incurred by the straight-line method over periods (10 years) which are shorter than the average remaining years of service of the employees.
   Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (10 years) which are shorter than the average remaining years of service of the employees.

5. Accounting methods for hedge transactions
   (1) Hedge accounting methods
   The deferred hedge method is used. Special accounting methods are used for interest rate swaps that meet certain conditions.
   (2) Hedging methods and hedging targets
   Interest rate swaps and currency swaps are used as the hedge method.
   The hedge targets are borrowings and loans.
   (3) Hedge policy
   The Company enters into interest rate swaps and currency swaps to make interest rates on borrowings stable, to reduce the risk of cost fluctuations for future capital procurement, or to make interest income from loans stable, not for speculation purpose, within the limit of actual financial or operating transactions.

(4) Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of hedged items, cash flows and hedge instruments.

6. Consumption tax

The tax-exclusion method is used to account for consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

7. Consolidated tax payment system

Consolidated tax payment system is adopted.

<Notes to Balance Sheet>

1. Accumulated depreciation of tangible noncurrent assets ¥ 79,957 Million

2. Accumulated impairment on tangible noncurrent assets ¥ 2,494 Million

3. Receivables from affiliated companies and payables to affiliated companies

Short-term receivables	¥ 73,781 Million
Short-term payables	¥ 41,750 Million

4. Land revaluation

Land for industrial purposes that had been revaluated based on the Law Concerning Land Revaluation (Law No. 34 implemented on March 31, 1998) was received from Minolta Co., Ltd. on October 1, 2003, at the time of the merger. The amount corresponding to taxes on the amount of the land revaluation is included under the item deferred tax liabilities for land revaluation. An amount equivalent to the amount of the revaluation less the deferred tax liability has been entered in shareholders' equity as the land revaluation difference.

(1) Method of revaluation

The value of the land has been evaluated according to the value appraisal method for land fronting major roads, as provided for in Article 2−4 of the Enforcement Orders for the Law Concerning Land Revaluation (Enforcement Orders No. 119, implemented on March 31, 1998) and the method for valuation of noncurrent assets provided for in Article 2−3 of the Enforcement Orders.

(2) Date of revaluation March 31, 2002

(3) The difference between the market value of the revalued land at the end of the fiscal year under review and the book value following revaluation ¥ (8,686 Million)

5. Loan commitment

The Company has entered into loan agreements concerning group financing with 13 subsidiaries, setting a loan limit. The available loan balance at the end of the fiscal year under review under these agreements is as follows.

Total loan limit	¥ 125,845 Million
Disbursed loan balance	¥ 60,840 Million
Available loan balance	¥ 65,004 Million

6. Pension assets in retirement benefit trust

The Company operates with two types of retirement benefit plans: a lump-sum payment plan and a defined benefit pension plan.

Provision for retirement benefits and pension assets in retirement benefit trust at year end by retirement benefit plan are as follows.

[Millions of yen]

	Provision for retirement benefits (before deduction of pension assets in retirement benefit trust)	Pension assets in retirement benefit trust	Provision for retirement benefits (After deduction of pension assets in retirement benefit trust)
Lump-sum payment plan	781	–	781
Defined benefit pension plan	9,739	3,040	6,698
Total	10,520	3,040	7,480

<Notes to Statement of Income>

Transactions with affiliated companies

Operating revenue	¥ 23,054 Million
Operating expense	¥ 22,118 Million
Other non-operating transactions	¥ 7,860 Million

<Notes to Statement of Changes in Shareholders' Equity>

Type and number of treasury stock at end of period

Common shares	1,381,591 shares

<Notes on Tax Effect Accounting>

1. Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	
Net operating tax loss carried forward	¥ 29,850 Million
Provision for retirement benefits	¥ 5,061 Million
Excess of depreciation and amortization over deductible limit	¥ 445 Million
Provision for bonuses	¥ 114 Million
Allowance for doubtful accounts	¥ 29 Million
Other	¥2,890 Million
Deferred tax assets subtotal	¥ 38,392 Million
Valuation allowance	¥(21,753 Million)
Total deferred tax assets	¥ 16,638 Million
Deferred tax liabilities	
Gain on establishment of employee pension trust	¥(792 Million)
Revaluation difference of marketable securities	¥(666 Million)
Total deferred tax liabilities	¥(1,458 Million)
Net deferred tax assets	¥ 15,180 Million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities related to revaluation of land	¥ (4,555 Million)

3. Adjustment of deferred tax assets and liabilities due to changes in corporate tax rates

Following the enactment on December 2, 2011 of "Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), the corporate tax rate will be reduced and a special recovery tax will be imposed effective from the fiscal year beginning on or after April 1, 2012. In accordance with these changes, the effective statutory tax rates will be reduced to 38.01% from 40.69% during the fiscal year beginning on April 1, 2012 through the fiscal year beginning on April 1, 2014, and to 35.64% from the fiscal year beginning on April 1, 2015. As a result, there were decreases of ¥1,311 million in net deferred tax assets (amount after deducting deferred tax liabilities) and ¥645 million in deferred tax liabilities for land revaluation, both as of March 31, 2012. Furthermore, these changes resulted in increase of ¥1,405 million in income taxes-deferred, ¥93 million in valuation difference on securities and ¥645 million in land revaluation difference in the fiscal year that ended on March 31, 2012.

<Notes on Leased Noncurrent Assets>

In addition to the noncurrent assets recorded on the balance sheet, the Company has other significant noncurrent assets which it uses under lease contracts, notably computer equipment. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

<Notes on Related-Party Transactions>

Subsidiaries, etc.

[Millions of yen]

Attribute	Name of company, etc.	Equity ownership percentage	Relationship with the Company		Description of transactions	Transaction amount	Account item	Ending balance
			Executive posts concurrently held	Business relationship				
Subsidiary	Konica Minolta Holdings U. S. A., Inc.	(Ownership) Direct 40% Indirect 60%	One Executive of the Company	U.S. holding company	Lending of funds (See Note 1.)	23,509	Short-term loans	14,794
Subsidiary	Konica Minolta Business Technologies, Inc.	(Ownership) Direct 100%	Four Executives of the Company	Manufacture and sale of MFPs, printers and related supplies	Renting of real estates (See Note 2.)	2,036	Accrued income	179
					Usage of Brands (See Note 3.)	2,679	Accrued income	253
Subsidiary	Konica Minolta Opto, Inc.	(Ownership) Direct 100%	Three Executives of the Company	Manufacture and sale of optical devices, electronic materials, etc.	Lending of funds (See Note 1.)	33,605	Short-term loans	24,292
					Renting of real estates (See Note 2.)	2,372	Accrued income	205
					Usage of Brands (See Note 3.)	1,233	Accrued income	124
Subsidiary	Konica Minolta Photo Imaging, Inc.	Nothing	-	Nothing	Abandoned claims (See Note 4.)	48,745	-	-
Subsidiary	Konica Minolta Technology Center, Inc.	(Ownership) Direct 100%	One Executive of the Company	Research & development, commercialization of new business, and management, administration, etc. of intellectual property	Consignment of research & development (See Note 5.)	9,924	Unpaid expenses	973
Subsidiary	Konica Minolta Business Expert, Inc.	(Ownership) Direct 100%	One Executive of the Company	Provision of management support, and indirect capabilities & services	Consignment of indirect capabilities & services (See Note 5.)	3,282	Unpaid expenses	278
Subsidiary	Konica Minolta Business Solutions Japan Co., Ltd.	(Ownership) Indirect 100%	-	Sale of multi-functional peripherals (MFPs), printers, equipment for production print systems and graphic arts, and related supplies in Japan	Lending of funds (See Note 1.)	5,869	Short-term loans	3,498

The transaction amount does not include consumptions tax. The ending-balance of accrued income and unpaid expenses includes consumption tax.

(Notes) Transaction terms and policy for determining transaction terms

1. Regarding the lending of funds, the Company enters into loan agreements concerning group financing with subsidiaries, setting a limit. The interest rate is determined based on market rates.
   The transaction amount is the average loan balance over the period under review.
2. The Company determines the rental fee for real estates based on overall consideration of the management expenses for the real estate and general economic circumstances.
3. The Company determines the usage fee for brands based on the net sales of subsidiaries for the fiscal year under review based on overall consideration of the investment and expenses regarding enhancing the brand value of the Company.
4. Abandoned claims are the result of the liquidation of Konica Minolta Photo Imaging, Inc.
   There was an allowance for doubtful accounts of ¥48,928 million for abandoned claims totaling ¥48,745 million.
   As a result, the Company posted a gain of ¥183 million on the reversal of the allowance for doubtful accounts.
5. The fee for consignment of research & development and the fee for consignment of indirect capabilities & services are determined based on overall consideration of expenses necessary to receive provision of these services.

<Notes on Per Share Information>

Net assets per share ¥ 479.41

Net income per share ¥ 13.74

<Other Notes>

1. Application of Accounting Standards for Accounting Changes and Error Corrections
   The Company adopted “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No.24 issued on December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors which are made from the fiscal year beginning on April 1, 2011.

2. Figures given in the text have been rounded down to the nearest million.

Independent Auditor's Report

May 9, 2012

The Board of Directors
Konica Minolta Holdings, Inc.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinji Someha (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in shareholder's equity and the notes to financial statements, and the supporting schedules of Konica Minolta Holdings, Inc. ("the Company") as at March 31, 2012 and for the 108th business year from April 1, 2011 to March 31, 2012 in accordance with Article 436 (2) (i) of the Company Law.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supporting schedules in accordance with accounting principles generally accepted in Japan, and for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the supporting schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supporting schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supporting schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supporting schedules. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supporting schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supporting schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supporting schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and supporting schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Company Law.

[English Translation of the Audit Report Originally Issued in the Japanese Language]

AUDIT REPORT

We, the Auditing Committee of Konica Minolta Holdings, Inc. ("the Company"), have audited the performance of duties by directors and executive officers during the 108^{th} business year from April 1, 2011 to March 31, 2012. We report the method and results as follows.

1. Method and details of audit

We, the Auditing Committee, have received reports from the executive officers and employees on a regularly basis on the details of the board resolutions with respect to items prescribed in Article 416, Paragraph 1, Item 1, b) and e) of the Company Law, and the status of the establishment and operation of the system established based on such board resolutions (internal control system), sought explanations, whenever the necessity arose, and expressed our opinions. Also, in accordance with the audit standards, audit policy, audit plan, assignment of duties, etc. determined by the Auditing Committee and in cooperation with the internal audit division and other internal control divisions of the Company and the auditors of subsidiaries, we verified the process and details of the decision-making at the important meetings, etc., the details of the primary decision documents and other important documents, etc. on the performance of business operations, the status of the performance of the duties of directors, executive officers and others, and the status of business operations and assets of the Company.

With respect to subsidiaries, we confirmed the status of their business and management by communicating and exchanging information with directors and corporate auditors of the subsidiaries, visiting and attending important meetings, and inspecting important decision documents, etc., whenever the necessity arose.

Moreover, in addition to monitoring and examining whether the accounting auditor maintained an independent position and performed auditing appropriately, we received reports from the accounting auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the accounting auditor that "The systems for ensuring the proper performance of duties" (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report, financial statements (balance sheet, statement of income, statement of changes in shareholder's equity, notes to financial statements), supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholder's equity, notes to consolidated financial statements) for the fiscal year under review.

2. Results of audit

(1) Results of audit of business report, etc.

i) In our opinion, the Business Report and accompanying schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.

ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company's Articles of Incorporation by any directors or executive officers in carrying out their duties.

iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note with respect to the execution of duties of executive officers regarding the internal control system.

(2) Results of audit of financial statements and accompanying schedules

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

(3) Results of audit of consolidated financial statements

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA LLC are appropriate.

May 10, 2012

Auditing Committee of Konica Minolta Holdings, Inc.

Auditing Committee Member	Nobuhiko Ito	(Seal)
Auditing Committee Member	Yozo Izuhara	(Seal)
Auditing Committee Member	Shoji Kondo	(Seal)
Auditing Committee Member	Yasuo Matsumoto	(Seal)
Auditing Committee Member	Akio Kitani	(Seal)

Note: Mr. Nobuhiko Ito, Mr. Yozo Izuhara and Mr. Shoji Kondo are outside directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Company Law.