August 6, 2008

Fiscal Year ending March 31, 2010
First Quarter Consolidated Financial Results
April 1, 2009 – June 30, 2009

Konica Minolta Holdings, Inc.

Stock exchange listings:	Tokyo, Osaka (First Sections)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta Holdings, Inc.
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Scheduled date for submission of securities report: August 11, 2009

(Units of less than 1 million yen have been omitted.)

1. Overview of the 1Q performance (From April 1, 2009 to June 30, 2009)

(1) Business performance

Percentage figures represent the change from the same period of the previous year.

[Millions of yen]

	Net sales		Operating income		Ordinary income		Net income	
1Q Mar/2010	189,439	-25.8%	-589	-%	602	-97.8%	299	-98.3%
1Q Mar/2009	255,139	-%	24,478	-%	27,938	-%	17,628	-%

	Net income per share		Net income per share (after full dilution)	
1Q Mar/2010	0.56	yen	0.50	yen
1Q Mar/2009	33.22	yen	31.36	yen

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)	Net assets per share
June 30, 2009	907,016	410,673	45.2	772.60 yen
March 31, 2009	918,058	414,284	45.0	779.53 yen

Notes: Shareholders' equity
As of June 30, 2009: ¥ 409,702 million
As of March 31, 2009: ¥ 413,380 million

2. Dividends per share

[yen]

	1st Q	Interim	3rd Q	Year-end	Total annual
FY Mar/2009	-	10.00	-	10.00	20.00
FY Mar/2010	-				
FY Mar/2010（forecast）		7.50	-	7.50	15.00

Note: Change to dividend forecast: none

3. Consolidated results forecast for fiscal year ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

Percentage figures for the full year represent the change from the previous fiscal year, while percentage figures for the six months period represent the change from the same period of the previous year.

[Millions of yen]

	Net sales		Operating income		Ordinary income		Net income	
Six months	404,000	-24.2%	16,000	-67.1%	12,000	-74.9%	3,500	-88.0%
Full-year	880,000	-7.2%	45,000	-20.0%	38,000	-16.3%	17,000	12.0%

	Net income per share	
Six months	6.60	yen
Full-year	32.06	yen

Note: Change to consolidated results forecast: none

4. Other

(1) Changes in status of material subsidiaries during the quarter under review (Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies): None

(2) Adoption of simplified accounting methods and application of special accounting methods for the preparation of quarterly consolidated financial statements: Yes

Note: For more detailed information, please see the “4.Other” section on page 12.

(3) Changes to consolidated financial statement principles, preparation processes, disclosure methods, etc. (Description of changes to important items fundamental to financial statement preparation)

a. Changes accompanying amendment of accounting principles: None
b. Changes other than “a.”: None

(4) Number of outstanding shares（common stock）

a. Outstanding shares at period-end（including treasury stock）

First quarter of fiscal year ending March 31, 2010:	531,664,337 shares
Fiscal year ended March 31, 2009:	531,664,337 shares

b. Treasury stock at period-end

First quarter of fiscal year ending March 31, 2010:	1,376,173 shares
Fiscal year ended March 31, 2009:	1,370,709 shares

c. Average number of outstanding shares

First quarter of fiscal year ending March 31, 2010:	530,291,201 shares
First quarter of fiscal year ended March 31, 2009:	530,599,707 shares

Explanation of Appropriate Use of Performance Projections and Other Special Items

This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. There is a possibility that diverse factors may cause actual performance, etc., to differ considerably from projections. Please see the “3. Outlook for Fiscal Year Ending March 31, 2010” section on page11 for more information on points to be remembered in connection with the use of projections.

1. Consolidated Operating Results

(1) Overview of Performance

1st quarter results for the fiscal year ending March 31, 2010 (From April 1, 2009 to June 30, 2009)

[Billions of yen]

	Year-on-year				Quarter-on-quarter		
	1Q Mar/2010	1Q Mar/2009	Increase (Decrease)		4Q Mar/2009	Increase (Decrease)	
Net sales	189.4	255.1	(65.7)	-25.8%	201.2	(11.7)	-5.9%
Gross profit	79.6	119.9	(40.2)	-33.6%	80.6	(0.9)	-1.2%
Operating income (loss)	(0.5)	24.4	(25.0)	-	(7.1)	6.5	-
Ordinary income	0.6	27.9	(27.3)	-97.8%	(8.6)	9.2	-
Income before income taxes and minority interests	0.4	30.7	(30.3)	-98.7%	(17.3)	17.7	-
Net income	0.2	17.6	(17.3)	-98.3%	(12.1)	12.4	-
Net income per share [yen]	0.56	33.22	(32.66)	-98.3%	(22.95)	23.51	-
Capital expenditure	7.4	13.6	(6.2)	-45.5%	13.8	(6.4)	-46.2%
Depreciation	15.3	16.1	(0.8)	-5.1%	18.4	(3.1)	-16.8%
R & D expenses	17.6	20.8	(3.2)	-15.3%	19.0	(1.3)	-7.2%
Free cash flow	5.1	(9.2)	14.4	- %	10.9	(5.8)	-53.2%
Number of employees [persons]	36,264	38,359	(2,095)	-5.5%	36,875	(611)	-1.7%
Exchange rates [yen]							
US dollar	97.32	104.55	(7.23)	-6.9%	93.61	3.71	4.0%
Euro	132.57	163.43	(30.86)	-18.9%	121.81	10.76	8.8%

The Konica Minolta Group's net sales for the first quarter under review stood at ¥189.4 billion (down 25.8% year on year). The decline was attributable to significant falls in sales of its mainstay products, namely color multi-functional peripherals (MFPs) for offices and high-speed MFPs for production printing in the Business Technologies Business, as well as optical pickup lenses for Blu-ray Disks (BDs) in the Optics Business. This in turn reflected a sharp decline in demand worldwide starting in the fall of 2008. Revenue also fell with the appreciation of the yen, which produced the negative impact of approximately ¥19.8 due to foreign exchange translations.

The Group posted an operating loss of ¥500 million (against operating income of ¥24.4 billion in the corresponding period of the previous year). The decline in sales and the appreciation of the yen offset initiatives to institute structural reforms and reduce R&D and other costs, introduced primarily in the Business Technologies Business and the Optics Business.

Ordinary income stood at ¥600 million (down 97.8% year on year), primarily because of exchange gains of ¥1.1 billion in non-operating income.

Income before income taxes and minority interests for the first quarter under review was ¥400 million (down 98.7% year on year). Net income after income taxes and minority interests after posting income taxes and minority interests profit was ¥200 million (down 98.3% year on year).

<Reference>

Comparison with the Forth Quarter ended March 31, 2009 (Three months from January 1, 2009 to March 31, 2009)

The Company is adding the following explanation as a reference for comparing results for the first quarter under review with the outcomes for the preceding quarter. The preceding quarter is considered more reasonable than the first quarter of the provisos fiscal year (April 1, 2008 – June 30, 2008) in terms of continuity when comparing with the first quarter under review given the radical changes in the economic situation and business environment seen since last fall.

Net sales for the first quarter under review decreased ¥11.7 billion (5.9%) from the preceding quarter. Sales of the Business Technologies Business and the Medical & Graphic Imaging Business continued to fall, primarily because of the sluggish markets. Meanwhile, the effects of adjustments in supply chains centering on TAC film (a protective film for polarizing plates) in the Optics Business returned to a recovery trend overall.

Operating income improved ¥6.5 billion over the preceding quarter (from an operating loss of ¥7.1 billion). This improvement can be linked to structural reforms and reductions in R&D and other costs, introduced primarily in the Business Technologies Business and the Optics Business, as well as to an increase in revenue from the Optics Business. Similarly, ordinary income improved by ¥9.2 billion (from a recurring loss of ¥8.6 billion for the preceding quarter). Income before income taxes and minority interests improved by ¥17.7 billion (from a loss before income taxes and minority interests of ¥17.3 billion for the preceding quarter) due to a significant decline in the cost of structural reforms from the ¥7.5 billion that had been posted as an extraordinary loss in the preceding quarter. Net income for the first quarter under review also improved, rising ¥12.4 billion (from a net loss of ¥12.1 billion for the preceding quarter). As a result, ordinary income, income before income taxes, and net income turned profitable for the first quarter under review.

The Konica Minolta Group adopted the **Management Policy <09-10>** in April 2009. The Group views the radical changes taking place in the operating environment as an opportunity to strengthen its position, and has consequently taken steps to create new and stronger growth streams. The Management Policy have set the coming two years, from the current fiscal year (the fiscal year ending March 31, 2010) until the next fiscal year (the fiscal year ending March 31, 2011), as the working period. Specifically, the **Management Policy <09-10>** has identified the following three initiatives as the most focusing issues: 1) The execution of structural reforms; 2) Achieving strong growth; and 3) Reforming the corporate culture. In particular, with respect to the current fiscal year ending March 31, 2010, during which the severity of the business environment is likely to be the same as that seen in the second half of the preceding fiscal year, we are determined to proceed rapidly with streamlining and emphasize the "select and concentration" policy, which we see as essential for our success. Konica Minolta aims to become a corporate group that is innovative and customer-oriented in the way it thinks and acts. With this initiative, we are emphasizing structural reforms through Group-wide efforts designed to establish a business structure that is able to generate earnings without sales growth.

We believe that the structural reforms have resulted in improvements in our performance in the consolidated first quarter under review.

(2) Overview by Segment

[Billions of yen]

	Year-on-year				Quarter-on-quarter		
	1Q Mar/2010	1Q Mar/2009	Increase (Decrease)		4Q Mar/2009	Increase (Decrease)	
Business Technologies							
Net sales - external	127.2	166.7	(39.4)	-23.7%	137.4	(10.2)	-7.4%
Operating income	0.2	17.1	(16.9)	-98.6%	4.8	(4.6)	-95.0%
Optics							
Net sales - external	33.9	51.0	(17.0)	-33.4%	26.9	7.0	26.3%
Operating income	1.6	8.8	(7.1)	-81.2%	(6.8)	8.5	-
Medical & Graphic							
Net sales - external	23.7	31.2	(7.5)	-24.2%	31.2	(7.5)	-24.1%
Operating income	0.8	1.4	(0.5)	-41.4%	(1.0)	1.9	-
Sensing							
Net sales - external	1.4	2.3	(0.9)	-40.3%	1.8	(0.4)	-22.6%
Operating income	-0.2	0.1	(0.3)	-	(0.0)	(0.1)	-

Business Technologies Business
[Multifunctional peripherals (MFPs), laser printers (LBPs), etc.]

The Company released two types of color MFPs for offices, namely the bizhub C652 and bizhub C552, to strengthen the competitiveness of its high-speed machines. These new products enable high image quality through the use of a polymerized toner and offering our latest security and network functions. The new products appeal to customers by helping them cut costs by offering industry-leading, energy-saving design, and long-life components. Sales volumes of color MFPs for the first quarter under review in the Japanese market performed well, reaching a level similar to that for the corresponding first quarter of last year despite a lingering global recession. However, sales volumes in our major markets in the United States and Europe fell below the level of the corresponding first quarter of the preceding year.

Sales volumes of monochrome MFPs in the US market maintained the same level as the first quarter of the previous fiscal year, partly thanks to the acquisition of Danka Office Imaging Company in June 2008. However, sales volumes in other markets were lower than the level of the corresponding first quarter of the previous year.

In the production printing field, we have sought to expand our business domains, centering on high-speed color MFPs, including bizhub PRO C65hc, which in an industry first comes equipped with a the industry-first high-chromatic toner. Given the recession, however, both domestic and overseas sales volumes of high-speed MFPs for production printing fell below the sales volumes of the corresponding first quarter of the previous year.

In the printer field, we stepped up our efforts to sell A4 tandem printers and A4 color MFPs for offices. As a result, sales volumes of printers surpassed those for the corresponding quarter of the previous fiscal year, thanks to higher sales of these color products.

Overall, our Business Technologies Business focused on sales of color MFPs for offices and high-speed MFPs for production printing in line with our "genre-top strategy." Despite these efforts, however, sales of MFPs remained generally sluggish in a much tougher business environment, marked by reduced corporate capital spending, cost cutting, and tighter credit controls for leases, driven by a lingering global recession triggered by the financial crisis. Sales of the Business Technologies Business to external customers fell to ¥127.2 billion (down 23.7% year on year), owing partly to a fall in sales due to the exchange impact of the stronger yen. In terms of operating income, we instituted structural reforms and cut costs, especially at our overseas sales companies, to lower the breakeven point and respond to the sweeping changes to operating conditions. Nonetheless, operating income fell sharply, to ¥200 million (down 98.6% year on year), on lower sales volumes, tougher price competition, and the impact of the stronger yen.

On a quarter-on-quarter basis, net sales declined by ¥10.2 billion from the preceding quarter (down 7.4%), primarily because of a decline in the MFP sales volume resulting from the market difficulties already described. Operating income decreased by ¥4.6 billion from the previous quarter (down 95.0%), despite efforts to improve profitability, including comprehensive structural reforms and cost-cutting programs to deal with weaker earnings on manufacturing following the decline in the sales volume of MFPs.

Optics Business
[Optical devices, electronic materials, etc.]

Display materials field

The Group sought to boost sales of new products centering on VA-TAC films (viewing angle expansion films) for large LCD TVs, one of our key strategic products. Sales volumes of both standard products and high-function products returned to the same record-setting level for the corresponding first quarter of the previous fiscal year, aided by a recovery in production output at LCD panel makers in South Korea and Taiwan following economic stimulus packages introduced by China and other nations.

Memory related product field

Our aim was to boost sales of optical pickup lenses for BDs, another of our major products. Supply chain adjustments for game machines and AV machines by consumer electric appliance makers—which had been in place since the fall of 2008—came to an end, suggesting a recovery in DVDs and CDs. In contrast, demand for optical pickup lenses for PCs remained weak. Sales volumes of pickup lenses overall fell from the level of the first quarter of the previous fiscal year. Although demand for glass HD substrates finally returned late in the first quarter under review, sales volumes were still down from the year-ago quarter.

Image input/output component field

Konica Minolta took steps to bolster sales of lens units for cell phones with cameras and zoom lenses for digital cameras. Although demand in this market is also recovering overall, sales volumes were still below the level of the year-ago quarter.

As already noted, we saw an easing of the impact on our Optics Business from the rapid contraction in production of digital electric appliances that had been underway last fall, and a recovery in demand for certain products, however, this business segment faced declining prices. As a result, net sales of the Optics Business to outside customers slipped to ¥33.9 billion (down 33.4% year on year), while operating income decreased to ¥1.6 billion (down 81.2% year on year).

On a quarter-on-quarter basis, net sales of the Optics Business for the first quarter rose ¥7 billion (up 26.3%), thanks to a recovery in demand for leading products, centering on TAC film. Operating income for the same quarter improved by ¥8.5 billion (against an operating loss of ¥6.8 billion for the preceding quarter), due partly to the effects of structural reforms adopted at domestic and overseas production facilities in addition to an increase in profit stemming from higher sales volumes.

Medical and Graphic Imaging Business
[Medical and graphic products, etc.]

Medical/healthcare field

Konica Minolta aggressively deployed its digital solution business, including digital X-ray image readers and systems that facilitate the adoption of IT for image diagnosis at medical facilities. We sought to boost sales of x-ray image input/output equipment and systems including high-quality-image Digital Radiography (DR) systems, called PLAUDR C30/C50, for hospitals, as well as digital X-ray image readers and systems, including small Computed Radiography (CR) systems called REGIUS MODEL 110 for clinics and other small medical facilities. These products have earned widespread acceptance in domestic and overseas markets. The number of units sold during the first quarter under review rose slightly over the corresponding quarter of the preceding year, despite the severe market environments.

Graphic imaging field

Konica Minolta focused on sales of digital equipment, including on-demand printing systems. However, the printing industry was suffering in the severe market condition, hit by the worsening global economy, with a marked trend toward freezing and postponing capital investment. This resulted in sluggish sales during the first quarter.

As noted, our Medical & Graphic Imaging Business focused on expanding digital systems sales. Nonetheless, demand for film products continued to fall in both the medical and graphics fields. As a result, sales volume in the Medical & Graphic Imaging Business fell significantly. Sales of the Medical & Graphic Imaging Business to outside customers fell to ¥23.7 billion (down 24.2% year on year), partly due to the effect of the appreciation of the yen. To improve operating income, we adopted a comprehensive round of reductions in fixed costs. Despite this, operating income fell to ¥800 million (down 41.4% year on year), primarily because of a decline in profit associated with lower sales volumes for films.

On a quarter-on-quarter basis, sales of the Medical & Graphic Business for the first quarter decreased by ¥7.5 billion (down 24.1%) from the preceding quarter. However, operating income improved by ¥1.9 billion (compared with an operating loss of ¥1 billion in the preceding quarter), due chiefly to measures to cut costs, lower R&D and other expenses, and implement structural reforms.

Sensing Business
[Colorimeters, 3D digitizers, etc.]

In the Sensing Business, we sought to expand sales of our mainstay products including spectroradiometers, spectrophotometers, and 3D digitizers in our principle industrial measuring segments of light sources, object colors, and 3-D shapes. In the 3D measurement field, we released RANGE 5, a new non-contact 3D digitizer, which enables accurate measurement of 3D shapes such as moldings, injection molding, and other diverse mold tools. To strengthen its lineup of products in the environmental sector, we began new businesses, such as handling solar cell assessment instruments.

Despite a focus on new products and new businesses, sales volumes in all segments continue to struggle, because manufacturers have continued to scale back capital spending in the major markets of Japan, the United Sates, and Europe, in response to the weakening economic environment since the second half of last year. As a result, sales of the Sensing Business to outside customers decreased to ¥1.4 billion (down 40.3% year on year). Although the Company introduced comprehensive reductions in fixed costs to response to the rapid falls in sales, the operating loss for the first quarter stood at ¥200 million (compared with operating income of ¥100 million in the year-ago period).

On a quarter-on-quarter basis, net sales for the first quarter under review fell ¥400 million, reflecting steep falls in sales of the color sensing products in the Japanese and European markets. Operating income for the same quarter decreased by ¥100 million, despite cost reductions to offset the decrease of profit from lower sales volumes.

2. Financial Position

(1) Analysis of Financial Position

		As of June 30, 2009	As of March 31, 2009	Increase (Decrease)
Total assets	[Billions of yen]	907.0	918.0	(11.0)
Total liabilities	[Billions of yen]	496.3	503.7	(7.4)
Net assets	[Billions of yen]	410.6	414.2	(3.6)
Net assets per share	[yen]	772.60	779.53	(6.93)
Equity ratio	[%]	45.2	45.0	0.2

Total assets at the end of the first quarter under review decreased ¥11.0 billion (1.2%), to ¥907.0 billion, from the previous consolidated fiscal year-end. Current assets fell ¥2.9 billion (0.6%), to ¥501.9 billion (55.3% to total assets), while noncurrent assets decreased ¥8.1 billion (2.0%), to ¥405.0 billion (44.7% to total assets).

With respect to current assets, cash and deposits decreased ¥3.2 billion, to ¥82.4 billion, from the previous consolidated fiscal year-end. Short-term invetment increased ¥23.5 billion, to ¥71.5 billion. Cash and cash equivalents increased ¥20.2 billion, to ¥153.9 billion.

Meanwhile, notes and accounts receivable-trade decreased ¥9.1 billion, to ¥162.6 billion, from the previous consolidated fiscal year-end. In addition, inventory assets decreased ¥12.2 billion, to ¥116.9 billion, following the implementation of production adjustment, etc.

Noncurrent assets decreased ¥5.4 billion, to ¥222.4 billion, from the previous fiscal year-end, reflecting the impact of a scaling back of capital investment in tangible assets. Intangible assets fell ¥3.5 billion, to ¥108.0 billion, with progress in amortization. Investments and other assets increased ¥900 million, to ¥74.5 billion, due primarily to an increase of ¥3.2 billion in investment securities, to ¥21.2 billion.

Liabilities at the end of first quarter under review decreased ¥7.4 billion (1.5%), to ¥496.3 billion (54.7% to total assets), from the previous consolidated fiscal year-end. Current liabilities fell ¥24.2 billion (7.8%), to ¥286.5 billion (31.6% to total assets), while noncurrent assets rose ¥16.8 billion (8.7%), to ¥209.7 billion (23.1% to total assets). In particular, interest-bearing debt (the total of short- and long-term loans and bonds) rose ¥22.6 billion, to ¥253.0 billion, partly because funds on hand were kept at a high level. Notes and accounts payable-trade, accounts payable-other, and accrued expenses slipped ¥20.1 billion, ¥2.4 billion, and ¥1.2 billion respectively from the previous fiscal year-end, primarily because of production adjustments and cost-cutting measures stemming from lower sales.

The first quarter under review is characterized as a decrease of ¥5.1 billion in the provision for allowances for bonuses and a decrease of ¥600 million in the provision for the loss on business liquidation (Photo Imaging Business), to ¥6.6 billion, reflecting progress in dealing with the loss.

Net assets at the end of the first quarter under review were down ¥3.6 billion (0.9%), to ¥410.6 billion (45.3% to total assets), from the previous consolidated fiscal year-end.

Retained earnings decreased ¥5.0 billion, to ¥180.4 billion, as a fall of ¥5.3 billion in dividend payments outweighed an increase of ¥200 million in net income posted for the first quarter under review.

In addition, the valuation difference on available-for-sale securities increased ¥2.0 billion from the previous consolidated fiscal year-end, due to a recovery in the stock price, whereas the foreign currency translation adjustment decreased ¥400 million.

As a result, net assets per share at the end of the first quarter under review were down ¥6.93, to ¥772.60. The equity ratio improved by 0.2 percentage point, to 45.2%, with the decline in total assets.

(2) Cash Flows

[Billions of yen]

	1Q Mar/2010	1Q Mar/2009	Increase (Decrease)
Cash flows from operating activities	14.2	22.2	(7.9)
Cash flows from investing activities	(9.1)	(31.5)	22.3
Total (Free cash flow)	5.1	(9.2)	14.4
Cash flows from financing activities	15.4	(21.2)	36.7

During the first quarter under review, net cash provided by operations was ¥14.2 billion, while net cash used for investing activities, mainly associated with capital investment, totaled ¥9.1 billion yen. As a result, free cash flow (the sum of operating and investing activities) was ¥5.1 billion. Net cash used for financing activities was ¥15.4 billion.

In addition, the effect of exchange rate changes reduced cash and cash equivalents by ¥300 million. As a result, cash and cash equivalents at the end of the first quarter under review stood at ¥153.9 billion, up ¥20.2 billion from the consolidated previous fiscal year-end.

Cash flows from operating activities
Net cash inflow from operations reached ¥14.2 billion (a decrease of ¥7.9 billion from the same period of the previous consolidated fiscal year). Although the Group reported income before income taxes and minority interests of ¥400 million, depreciation of ¥15.3 billion, and an improvement of ¥2.7 billion in working capital, they were offset by expenditures of ¥5.1 billion as a provision for a bonus allowance and ¥2.8 billion for accounts payable and accrued expenses, etc.

Cash flows from investing activities
Net cash used in investing activities amounted to an outflow of ¥9.1 billion (a decrease of ¥22.3 billion from the same period of the previous fiscal year). An outflow of ¥8.1 billion was used for investments in molding for new products in the Business Technologies Business and in the acquisition of tangible fixed assets relating to the reinforcement of production capacities in the Optics Business, our strategic business.

As a result, free cash flow (the sum of operating and investing cash flows) amounted to an inflow of ¥5.1 billion (an increase of ¥14.4 billion from the same period of the previous fiscal year).

Cash flows from financing activities

Net cash used in financing activities amounted to an inflow of ¥15.4 billion (an increase of ¥36.7 billion from the same period of the previous fiscal year), due primarily to dividend payments of ¥5.3 billion and borrowings to retain funds on hand.

(Note) Amounts mentioned above do not include consumption taxes.

3. Outlook for the Fiscal Year Ending March 31, 2010

Looking at the performance of the Konica Minolta Group for the first quarter under review, signs of a recovery were evident for the major products of the Optics Business. In contrast, the Business Technologies Business, the core of our business segments, faced a difficult market as corporate customers scaled back capital investment and stepped up cost-cutting measures. The market was further complicated by the lingering effects of tighter credit controls in place since the financial crisis, which resulted in weaker sales of MFPs for offices and high-speed MFPs for production printing.

We expect the markets for our products to remain challenges in the first half of the current fiscal year and onward. The business environment surrounding us will remain uncertain, encompassing final demand, price fluctuations, and trends in movements of the US dollar and euro.

Responding to this environment, the Konica Minolta Group is determined to make every possible effort to achieve the performance forecasts it announced on May 14 this year. It plans to increase revenue by emphasizing efforts to expand sales, centering on the Business Technologies Business, as well as by accelerating its structure reforms in line with the **Management Policy <09-10>.**

[Billions of yen]

	FY March 2010	
	Six months	Full year
Net sales	404.0	880.0
Operating income	16.0	45.0
Ordinary income	12.0	38.0
Net income	3.5	17.0

The presumed currency exchange rates for the second and subsequent quarters of the current fiscal year, are US$1 = ¥95 and €1 = ¥125.

Note: The above operating performance forecasts are based on future-related suppositions, outlooks, and plans at the time this report was released, and they involve risks and uncertainties. It should be noted that actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

▪ Figures in qualitative information sections given as billions of yen have been rounded off by discarding figures less than one billion yen.

4. Others

(1) Changes in the state of material subsidiaries during the period (Changes regarding specific companies accompanying changes in the scope of consolidation): None

(2) Adoption of simplified accounting methods and/or special accounting treatment for the quarterly consolidated financial statements

I. Simplified accounting methods

Method for calculating the estimated reserve for general accounts receivable
In calculating the estimated reserve for general accounts receivable at the end of the first quarter, as noteworthy changes in the bad debt rate are not recognized, the rate at the end of the previous fiscal year is employed.

Method for assessing the value of inventories
In calculating the value of inventories at the end of the first quarter, on-site inventory takings are omitted and the reasonable calculation methods based on the results of on-site inventory takings conducted at the end of the previous fiscal year are used. In addition, only for those inventories that are clearly losing their capacity to contribute to profitability, the accounting method employed is to estimate their net sale value and reduce their book value to the net sale value level.

Method for calculating the deferred tax assets and liabilities
In judging the possibility of recovering deferred tax assets, as severe and major changes in the operating environment and major temporary differences following the close of the previous consolidated fiscal year are not recognized, the future business forecasts and tax planning documents that were used for making such judgments related to the previous fiscal year are used.

II. Special accounting treatment used in preparation of the quarterly consolidated financial statements

Calculation of Tax Expenses
The effective tax rate on income before income tax for the consolidated fiscal year after the application of tax effect accounting is rationally estimated, and that estimated rate is applied to net income for the quarterly period to calculate estimated tax expenses. In addition, adjustments of income tax is included in income tax expenses.

(3) Changes to principles, procedures, and methods of presentation, etc., in the preparation of the quarterly consolidated financial statements: None

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets
June 30, 2009 and March 31, 2009

[Millions of yen]

	June 30, 2009	March 31, 2009
Assets		
Current assets		
Cash and deposits	82,475	85,753
Notes and accounts receivable-trade	162,666	171,835
Lease receivables and investment assets	14,080	13,598
Short-term investment securities	71,500	48,000
Inventories	116,908	129,160
Deferred tax assets	29,010	25,326
Accounts receivable-other	14,812	16,531
Other	15,069	19,463
Allowance for doubtful accounts	△4,536	△4,749
Total current assets	501,987	504,919
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	70,414	71,937
Machinery, equipment and vehicles, net	66,292	69,726
Tools, furniture and fixtures, net	26,814	26,875
Land	35,020	35,033
Lease assets, net	340	196
Construction in progress	10,880	11,522
Assets for rent, net	12,666	12,568
Total property, plant and equipment	222,430	227,860
Intangible assets		
Goodwill	78,774	81,374
Other	29,263	30,248
Total intangible assets	108,038	111,623
Investments and other assets		
Investment securities	21,273	18,068
Long-term loans receivable	446	461
Long-term prepaid expenses	3,237	3,438
Deferred tax assets	37,790	39,608
Other	12,668	12,596
Allowance for doubtful accounts	△ 855	△519
Total investments and other assets	74,560	73,654
Total noncurrent assets	405,028	413,138
Total assets	907,016	918,058

	June 30, 2009	[Millions of yen] March 31, 2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	66,985	87,105
Short-term loans payable	76,658	64,980
Current portion of long-term loans payable	7,199	12,102
Current portion of bonds	30,041	30,066
Accounts payable-other	33,980	36,443
Accrued expenses	26,526	27,770
Income taxes payable	2,792	2,534
Provision for bonuses	6,608	11,736
Provision for directors' bonuses	53	85
Provision for product warranties	1,979	2,496
Provision for loss on business liquidation	6,613	7,268
Notes payable-facilities	2,004	2,444
Other	25,148	25,853
Total current liabilities	286,591	310,889
Noncurrent liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	99,141	83,259
Deferred tax liabilities for land revaluation	3,889	3,889
Provision for retirement benefits	59,341	57,962
Provision for directors' retirement benefits	387	534
Other	6,990	7,238
Total noncurrent liabilities	209,751	192,884
Total liabilities	496,343	503,773
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,140
Retained earnings	180,442	185,453
Treasury stock	△1,664	△1,662
Total shareholders' equity	420,437	425,451
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,539	△513
Deferred gains or losses on hedges	△24	198
Foreign currency translation adjustment	△12,251	△11,755
Total valuation and translation adjustments	△10,735	△12,070
Subscription rights to shares	504	460
Minority interests	465	444
Total net assets	410,673	414,284
Total liabilities and net assets	907,016	918,058

(2) Consolidated Statements of Income
First quarters ended June 30, 2008 and 2009

[Millions of yen]

	Three months (April 1 to June 30)	
	Apr-Jun 2008	Apr-Jun 2009
Net sales	255,139	189,439
Cost of sales	135,208	109,764
Gross profit	119,931	79,675
Selling, general and administrative expenses	95,453	80,265
Operating income	24,478	△589
Non-operating income		
Interest income	939	440
Dividends income	341	187
Equity in earnings of affiliates	31	—
Foreign exchange gains	2,490	1,413
Other	1,912	1,531
Total non-operating income	5,714	3,572
Non-operating expenses		
Interest expenses	1,346	1,038
Equity in losses of affiliates	—	33
Other	907	1,308
Total non-operating expenses	2,254	2,380
Ordinary income	27,938	602
Extraordinary income		
Gain on sales of noncurrent assets	77	37
Gain on sales of investment securities	3	—
Gain on sales of subsidiaries and affiliates' stocks	2,803	—
Gain on transfer of business	3,063	—
Reversal of provision for loss on business liquidation	0	464
Other extraordinary income of foreign subsidiaries	—	598
Total extraordinary income	5,948	1,100
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	495	226
Loss on sales of investment securities	—	13
Loss on valuation of investment securities	24	212
Impairment loss	30	0
Business structure improvement expenses	629	846
Loss on revision of retirement benefit plan	1,951	—
Total extraordinary losses	3,130	1,299
Income before income taxes and minority interests	30,756	403
Income taxes	13,134	119
Minority interests in loss	△6	△15
Net income	17,628	299

(3) Consolidated Statements of Cash Flow
First quarters ended June 30, 2008 and 2009

[Millions of yen]

	Three months (April 1 to June 30)	
	Apr-Jun 2008	Apr-Jun 2009
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	30,756	403
Depreciation and amortization	16,168	15,350
Impairment loss	30	0
Amortization of goodwill	1,715	2,385
Increase (decrease) in allowance for doubtful accounts	385	—
Interest and dividends income	△1,280	△627
Interest expenses	1,346	1,038
Loss (gain) on sales and retirement of noncurrent assets	417	188
Loss (gain) on sales and valuation of investment securities	20	225
Loss (gain) on sales and valuation of subsidiaries affiliates stocks	△2,803	—
Loss (gain) on transfer of business	△3,063	—
Reversal of loss on business liquidation	△0	—
Business structure improvement expenses	629	—
Loss on revision of retirement benefit plan	1,951	—
Increase (decrease) in provision for bonuses	—	△5,158
Increase (decrease) in provision for retirement benefits	2,697	1,301
Increase (decrease) in provision for loss on business liquidation	△1,289	△655
Decrease (increase) in notes and accounts receivable-trade	21,762	11,727
Decrease (increase) in inventories	△6,526	13,409
Increase (decrease) in notes and accounts payable-trade	△15,912	△22,393
Transfer of assets for rent	△1,392	△1,795
Decrease (increase) in accounts receivable-other	—	1,682
Increase (decrease) in accounts payable-other and accrued expenses	—	△2,833
Increase (decrease) in deposits received	—	3,034
Decrease/increase in consumption taxes receivable/payable	—	3,794
Increase (decrease) in accrued consumption taxes	△548	—
Reversal of accumulated impairment loss on leased assets	△41	—
Other, net	△4,380	△5,690
Subtotal	40,642	15,389
Interest and dividends income received	1,340	773
Interest expenses paid	△1,286	△990
Payments for extra retirement payments	△105	—
Income taxes paid	△18,365	△888
Net cash provided by (used in) operating activities	22,225	14,284

[Millions of yen]

	Three months (April 1 to June 30)	
	Apr-Jun 2008	Apr-Jun 2009
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	△13,366	△8,112
Proceeds from sales of property, plant and equipment	236	116
Purchase of intangible assets	△1,741	△1,075
Proceeds from transfer of business	4,585	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	3,177	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△23,954	—
Payments of loans receivable	△3	△1
Collection of loans receivable	47	83
Purchase of investment securities	△150	△1
Proceeds from sales of investment securities	4	15
Payments of valuation of other investments	△383	△291
Other, net	35	122
Net cash provided by (used in) investing activities	△31,512	△9,143
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	△14,656	10,217
Proceeds from long-term loans payable	416	16,095
Repayment of long-term loans payable	△2,000	△5,126
Repayments of lease obligations	△865	△443
Proceeds from sales of treasury stock	3	2
Purchase of treasury stock	△66	△11
Cash dividends paid	△3,859	△5,305
Cash dividends paid to minority shareholders	△268	—
Net cash provided by (used in) financing activities	△21,297	15,427
Effect of exchange rate change on cash and cash equivalents	2,074	△321
Net increase (decrease) in cash and cash equivalents	△28,510	20,246
Cash and cash equivalents at beginning of period	122,187	133,727
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	498	—
Cash and cash equivalents at end of period	94,175	153,973

(4) Notes Regarding Assumptions Related to Continuing Companies

The first quarter for fiscal year ending March/2010 (April 1, 2009, to June 30, 2009): None

(5) Segment Information

[1] Business Segment

1Q March/2009 (From April 1, 2008 to June 30, 2008)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Eliminations and Corporate	Consolidated
Sales								
External	166,714	51,056	31,288	2,360	3,719	255,139	-	255,139
Intersegment	1,063	245	502	189	14,487	16,488	(16,488)	-
Total	167,777	51,302	31,790	2,549	18,207	271,627	(16,488)	255,139
Operating expenses	150,630	42,453	30,372	2,352	17,746	243,556	(12,894)	230,661
Operating income	17,146	8,848	1,418	197	460	28,071	(3,593)	24,478

1Q March/2010 (From April 1, 2009 to June 30, 2009)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Eliminations and Corporate	Consolidated
Sales								
External	127,220	33,990	23,727	1,408	3,093	189,439	-	189,439
Intersegment	741	165	276	210	11,170	12,564	(12,564)	-
Total	127,961	34,155	24,004	1,619	14,264	202,004	(12,564)	189,439
Operating expenses	127,716	32,493	23,173	1,819	13,813	199,016	(8,987)	190,029
Operating income (loss)	244	1,662	830	(200)	450	2,987	(3,577)	(589)

Notes:

1. Business classification is based on similarity of product type and market. The Group's operations are classified into the five segments of Business Technologies, Optics, Medical and Graphic Imaging, Sensing, and other businesses.

2. Principal products in business segments

Business Segment	Principal Products
Business Technologies	MFPs, printers, etc.
Optics	Optical devices, electronics materials, etc.
Medical and Graphic Imaging	Medical products, graphic imaging products, etc.
Sensing	Industrial-use and medical-use measuring instruments, etc
Other businesses	Products other than the above

3. Operating expenses not able to be properly allocated that are included in Eliminations and Corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. Such expenses amounted to ¥7,602 million and ¥7,307 million for 1Q March/2009 and 1Q March/2010 respectively.

[2] Geographical Segment

1Q March/2009 (From April 1, 2008 to June 30, 2008)

[Millions of yen]

	Japan	North America	Europe	Asia and Other	Total	Eliminations and Corporation	Consolidated
Sales							
External	115,721	52,058	72,633	14,725	255,139	-	255,139
Intersegment	82,072	682	672	51,661	135,090	(135,090)	-
Total	197,794	52,741	73,306	66,387	390,230	(135,090)	255,139
Operating expenses	170,278	53,526	72,787	64,338	360,930	(130,269)	230,661
Operating income (loss)	27,516	(785)	519	2,048	29,299	(4,821)	24,478

1Q March/2010 (From April 1, 2009 to June 30, 2009)

[Millions of yen]

	Japan	North America	Europe	Asia and Other	Total	Eliminations and Corporation	Consolidated
Sales							
External	85,306	43,391	49,433	11,307	189,439	-	189,439
Intersegment	48,012	523	211	34,600	83,348	(83,348)	-
Total	133,319	43,915	49,645	45,907	272,787	(83,348)	189,439
Operating expenses	128,894	45,455	48,318	44,230	266,899	(76,870)	190,029
Operating income (loss)	4,424	(1,540)	1,326	1,677	5,887	(6,477)	(589)

Notes:

1. Countries and territories are classified based on geographical proximity.
2. Major countries or areas other than Japan are as follows:
   North America .... U.S.A. and Canada
   Europe .... Germany, France and U.K.
   Asia and Other .... Australia, China and Singapore
3. Operating expenses not able to be properly allocated that are included in Eliminations and Corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. Such expenses amounted to ¥7,602 million and ¥7,307 million for 1Q March/2009 and 1Q March/2010 respectively.

[3] Overseas Sales

1Q March/2009 (From April 1, 2008 to June 30, 2008)

[Millions of yen]

	North America	Europe	Asia and Other	Total
Overseas sales	54,112	78,342	54,510	186,964
Consolidated sales	-	-	-	255,139
Overseas sales as a percentage of consolidated sales	21.2%	30.7%	21.4%	73.3%

1Q March/2010 (From April 1, 2009 to June 30, 2009)

[Millions of yen]

	North America	Europe	Asia and Other	Total
Overseas sales	41,844	54,144	37,437	133,426
Consolidated sales	-	-	-	189,439
Overseas sales as a percentage of consolidated sales	22.1%	28.6%	19.8%	70.4%

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Major countries or areas are as follows:
   North America .... U.S.A. and Canada
   Europe .... Germany, France and U.K.
   Asia and Other .... Australia, China and Singapore
3. Overseas sales are the Company and consolidated subsidiary sales in countries or regions outside of Japan.

(6) Notes Regarding Any Major Change in Shareholders' Equity

1Q March/2009 (From April 1, 2008 to June 30, 2008)

[Millions of yen]

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at April 1, 2008	37,519	204,140	176,684	(1,340)	417,003
Dividends paid from retained earnings			(3,979)		(3,979)
Net income			17,628		17,628
Change in the scope of consolidation*1			96		96
Effect of changes in accounting policies applied to overseas subsidiaries *2			5,210		5,210
Purchase of treasury stock				(66)	(66)
Disposal of treasury stock			(6)	9	3
Total changes during the quarter	-	-	18,949	(56)	18,892
Balance at June 30, 2008	37,519	204,140	195,633	(1,397)	435,896

Notes:
1. The inclusion of additional subsidiaries within the scope of consolidation increased retained earnings by ¥96 million.
2 .Beginning with the 1Q March/2009, the Company has applied "Practical Solution for Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No. 18, issued by The Accounting Standards Board of Japan (ASBJ) on May 17, 2006), and the necessary revisions have been made in the consolidated financial statements. This change had the effect of increasing retained earnings by ¥5,210 million.

1Q March/2010 (From April 1, 2009 to June 30, 2009)

Major changes in shareholders' equity: None