Konica Minolta Group
Consolidated Financial Results

Fiscal Year ended March 31, 2011
- Announced on May 12, 2011 -

Yoshiaki Ando
Senior Executive Officer
Konica Minolta Holdings, Inc.

March 2011 financial results – Overview

KONICA MINOLTA

Results for March 2011

- Reflecting the impact of the strong yen, the Group's net sales and net income, particularly in the mainstay businesses, fell on a year-on-year basis. Profitability in Q4 improved from Q3, but the previous forecasts were not achieved.
- The Business Technologies Business recorded higher year-on-year income on an actual basis excluding the special factors in Q4 of the previous fiscal year.

  In Optics Business, sales of products other than TAC films were weak overall, influenced by prolonged production adjustments at customers, while sales of TAC films were solid from the second half of this year.
- Net income exceeded the initial plan, mainly reflecting tax effects as a result of the liquidation of the Photo Imaging Business.
- The Company will distribute dividends of ¥15 per annum in line with the initial plan.

Forecasts for March 2012

- The Company expects higher net sales and operating income, after taking into account risks from the Tohoku-Pacific earthquake.

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Net sales of the Konica Minolta Group for the fiscal year ended March 31, 2011, declined ¥26.5 billion, or 3%, year on year, and operating income fell ¥4.0 billion, or 9%, reflecting the significant adverse effect of a strong yen. In the fourth quarter, net sales rose ¥19.2 billion, or 11%, quarter on quarter, and operating income doubled, rising ¥6.1 billion, or 109%, attributable to strong sales of high-margined MFPs in the Business Technologies Business and an increase in sales volumes of TAC films in the Optics Business. Nonetheless, the results fell short of the latest forecast.

Sales in the Business Technologies Business towards the end of the fourth quarter of the previous fiscal year rose more than expected, and the inventory at sales companies declined sharply. The situation boosted income about ¥4.0 billion. Excluding the effect of the special factor, the operating income was mostly on a par with the year-ago level.

Sales in the Business Technologies Business in the end of the fiscal year exceeded the plan. We believe that we are building the momentum needed to achieve our forecast.

In the Optics Business, sales were in line with the year-ago level. TAC films entered a correction phase in the second quarter, but the market recovered in the second half. In addition, market share increased in the second half, reflecting the launch of new VA-TAC films. However, sales of glass substrates for HDDs and pickup lenses for optical disks were weak, influenced by production adjustments at customers, which continued for longer than expected. In the Optics Business overall, both sales and operating income declined.

With a tax effect associated with the liquidation of the Photo imaging business of about ¥8.5 billion, net income far exceeded the initial plan.

Based on the results, we will distribute a year-end dividend of 7.5 yen per share. The annual dividend will be 15 yen as initially planned.

We expect results for the fiscal year ending March 31, 2012 will increases in both net sales and operating income year on year, after having factored in ¥13.0 billion in net sales and ¥5.0 billion in operating income as risks relating to the Tohoku-Pacific earthquake.

March 2011 financial results - Overview

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[Billions of yen]

	Results Mar2011	Results Mar2010	YoY	※Forecast Mar11	Mar2011 4Q	Mar2011 3Q	QoQ
Net sales	778.0	804.5	△ 26.5	780.0	202.7	183.5	19.2
Operating income	40.0	44.0	△ 4.0	45.0	11.8	5.6	6.1
Operating income ratio	*5.1%*	*5.5%*		5.8%	*5.8%*	*3.1%*	
Goodwill amortization	8.4	9.2	△ 0.8	8.5	2.1	2.0	0.0
Operating income before amortization of Goodwill(b)	48.4	53.2	△ 4.8	53.5	13.8	7.7	6.2
(b)/(a)	*6.2%*	*6.6%*		*6.9%*	*6.8%*	*4.2%*	
Net income	25.9	16.9	9.0	20.0	15.1	2.2	13.0
Net income ratio	*3.3%*	*2.1%*		2.6%	*7.5%*	*1.2%*	
FOREX [Yen] USD	85.71	92.85	△ 7.14	85.00	82.34	82.64	△ 0.30
Euro	113.11	131.15	△ 18.04	110.00	112.57	112.23	0.34

4Q rate

※Previous Forecast Announced on January 28.2011

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On the left are the results for the full year and a year-on-year comparison. On the right are the results for three months from January through March and a quarter-on-quarter comparison. For reference, we also show amortization of goodwill.

Both sales and operating income declined year on year in this fiscal year. However, net income rose ¥9.0 billion. At the beginning of the presentation, I noted that a strong yen had a significant adverse effect. As you see here, the yen rose sharply, ¥7.14 against the U.S. dollar and ¥18.04 against the euro. The exchange rates reduced net sales ¥53.1 billion, and operating income ¥20.9 billion.

In the three months, both net sales and operating income rose quarter on quarter. I will explain this more in detail, focusing on results in the Business Technologies Business and the Optics Business, which have a great influence on the results of the Group.

March 2011 financial results - Group

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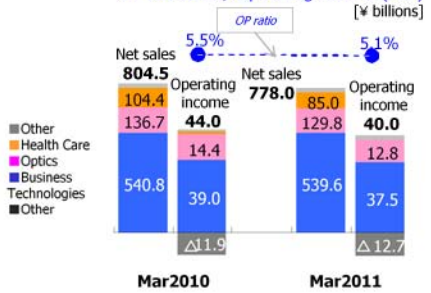
March 2011 results (YoY)

- Net sales : △3% (w/o forex: +3%)
- Operating income : △9% (w/o forex: +39%)

▸ Although net sales and operating income were affected by the strong yen, with an increase in sales of MFPs in the Business Technologies Business, the Group recorded higher net sales and operating income on an actual basis excluding the effects of the foreign exchange.

◆ Net sales / Operating income (YoY)



4Q/March 2011 results (QoQ)

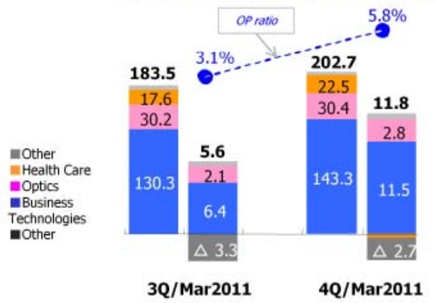
- Net sales : +10% (w/o forex: +10 %)
- Operating income : +108% (w/o forex: +107%)

▸ Net sales and operating income from the Business Technologies Business rose, on the back of higher unit sales of new profitable products.

▸ Operating income from the Optics Business also increased, given an increase in sales volume of TAC films.

▸ Net sales from Healthcare Business increased, given an increase in unit sales of digital input systems.

◆ Net sales / Operating income (QoQ)



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Although net sales for the full year fell year on year with the effect of a strong yen, they increased 3% year on year, excluding the impact of exchange rates.

Operating income rose about 40% year on year, excluding an adverse foreign exchange effect. This is attributable to an increase in sales in the Business Technologies Business.

Both net sales and operating income rose from a year ago in the three months, reflecting a rise in sales of profitable products in the Business Technologies Business.

March 2011 financial results – Segments

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[Billions of yen]

Net Sales

	Mar2011	Mar2010	YoY	Mar2011 4Q	Mar2011 3Q	Mar2011 QoQ
Business Technologies	539.6	540.8	△ 1.2	143.3	130.3	13.0
Optics	129.8	136.7	△ 6.9	30.4	30.2	0.2
Health care	85.0	104.4	△ 19.4	22.5	17.6	4.9
Other businesses	15.7	14.5	1.2	4.1	3.6	0.5
Corporate and eliminations	7.8	8.1	△ 0.3	2.4	1.7	0.6
Group total	778.0	804.5	△ 26.5	202.7	183.5	19.2

Operating income

	Mar2011	Mar2010	YoY	Mar2011 4Q	Mar2011 3Q	Mar2011 QoQ
Business Technologies	37.5	39.0	△ 1.5	11.5	6.4	5.1
Optics	12.8	14.4	△ 1.6	2.8	2.1	0.7
Health care	0.2	1.5	△ 1.3	△ 0.4	0.0	△ 0.4
Other businesses	2.2	1.1	1.2	0.7	0.5	0.2
Corporate and eliminations	△ 12.7	△ 11.9	△ 0.8	△ 2.7	△ 3.3	0.6
Group total	40.0	44.0	△ 4.0	11.8	5.6	6.1

※The results of the graphic imaging section were included in this segment from 1Q Mar2010 to 2Q Mar2011.
(from 3Q Mar2011 it was integrated into the Business Technologies Business)

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This page shows breakdowns of net sales and operating income by segment.

Business Technologies - Overview

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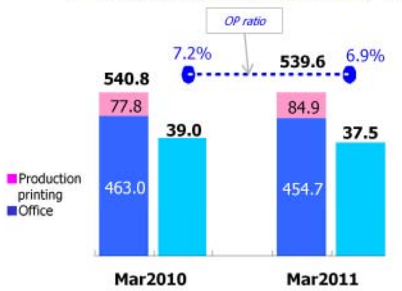
March 2011 results (YoY)

- Net sales：Flat (w/o forex: +8%)
- Operating income：△4% (w/o forex: +39%)

▸ Both net sales and operating income rose on an actual basis excluding the effects of the foreign exchange, led by an increase in sales of new MFPs.

▸ Profitability improved, given strong sales of new color products in Q4.

◆ Net sales / Operating income (YoY) [¥ billions]



4Q/March 2011 results (QoQ)

- Net sales：+10% (w/o forex: +10%)
- Operating income：+79% (w/o forex: +75%)

▸ Office: Reflecting an increase in unit sales of both color and B/W MFPs as well as an improvement in the sales mix, profitability improved significantly.

▸ Production Print: Given a significant rise in unit sales of products, particularly new color products, profitability improved

◆ Net sales / Operating income (QoQ)) [¥ billions]

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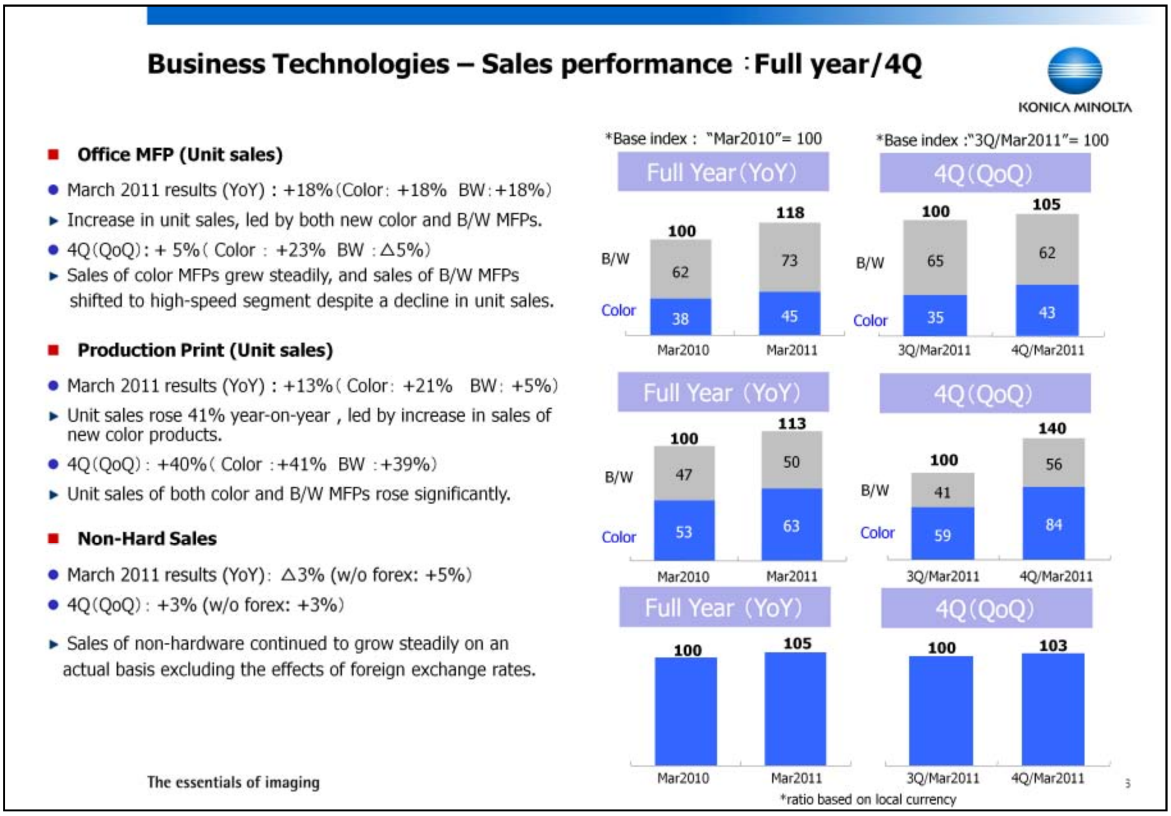
In the full year, net sales remain mostly the same as the previous year and operating income declined ¥1.5 billion year on year. An increase in sales of profitable color and monochrome MFPs and strong sales of new digital production printing systems contributed to keep net sales mostly on a par with the year-ago level, despite the effect of a strong yen.

In the last three months, net sales rose ¥13.0 billion, or 10%, quarter on quarter. Operating income increased ¥5.1 billion, or 79%, quarter on quarter, to ¥11.5 billion. In the office field, sales volumes of both color and monochrome MFPs rose. Meanwhile, monochrome MFPs were changing into the high-speed segment and the product mix improved. In the production printing field, sales rose, boosted by sales of the bizhub PRESS series, a new generation.



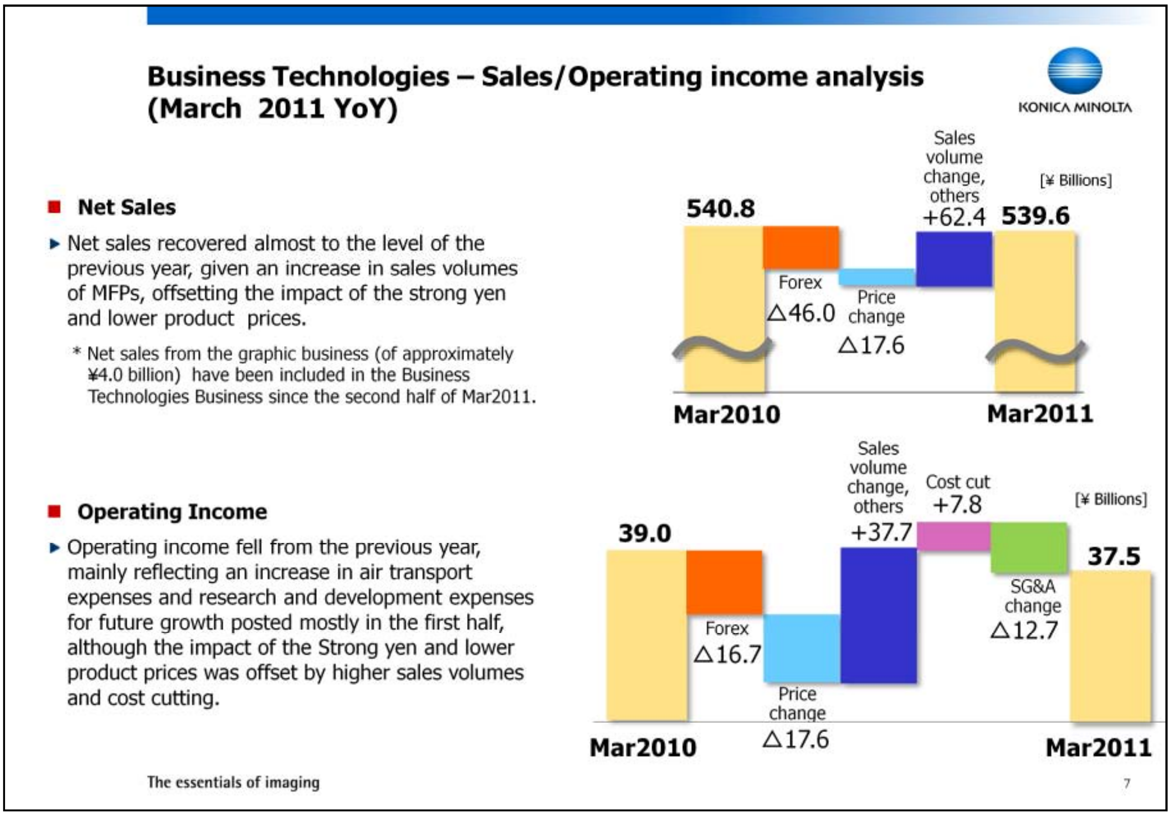
Sales volumes increased year on year and quarter on quarter in both the office field and the production printing field.

We will be describing quarter-on-quarter changes in the fourth quarter, when profitability improved sharply.

Sales volumes of office MFPs rose 5%, while sales volumes of color MFPs increased a whopping 23%. Color MFPs sold well in all regions. Monochrome MFPs decreased slightly in total. However, new high-speed products sold well, especially in North America, and the product mix improved.

Sales volumes of production printing products increased over 40%, and profitability moved higher, driven by increase in sales of new high-end color products.

Non-hardware sales climbed a solid 3% in both yen and local currency terms, and increased both in the office field and in the production printing field.



The adverse effects of a strong yen and falling prices on net sales were offset by an increase in sales volumes and an improvement in the product mix.

Negative effects on operating income, including foreign exchange rates, price changes, and an increase in selling, general and administrative expenses, do not appear to be offset by sales volume changes, others and cost cutting. However, excluding the special factor in the previous fiscal year, which boosted operating income ¥4.0 billion, operating income effectively rose this fiscal year. The increase in selling, general and administrative expenses included a rise in logistics expenses, including air transport expense associated with difficulty in procuring materials in the first quarter, and a climb in research and development expenses. Focusing on the future, we are prioritizing investments in growth fields.

Business Technologies – Sales/Operating income analysis (4Q QoQ)

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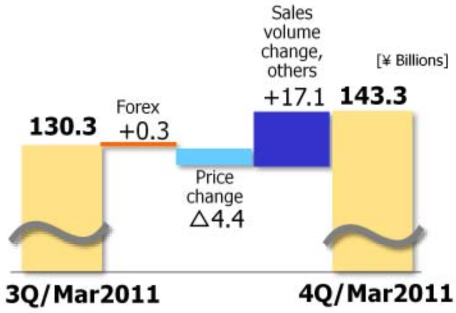
■ **Net Sales**

▶ Given higher sales of color MFPs and the shifting of the focus to high-speed B/W MFPs, unit sales rose and the product mix improved.



■ **Operating Income**

▶ Operating income rose significantly, reflecting an increase in unit sales of MFPs and an improvement in the sales mix.

▶ Higher expenses mainly reflected an increase in selling expenses – variable, as a result of higher unit sales.

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Both net sales and operating income rose quarter on quarter with the adverse effect of price changes more than offset by an improvement in the product mix thanks to increases in sales volumes of profitable office MFPs and production printing products. Both net sales and operating income were largely unaffected by exchange rates.

Optics - Overview

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■ **March 2011 results (YoY)**

- Net sales : △ 5%/YoY
- Operating income : △11%/YoY

▸ TAC films: Sales amounted to the level achieved in the previous fiscal year, given the introduction of highly competitive new products, in addition to a recovery in the market.

▸ Glass substrates for HDDs: Sales rose on the back of higher unit sales, particularly in the first half of the year.

▸ Optical pick-up lenses: Sales fell, given sluggish sales of the products used for Blu-ray Discs and the deterioration of the sales mix.

▸ Optical units: Sales generally remained sluggish.

◆ Net sales / Operating income (YoY) [¥ billions]

■ **4Q/March 2011 results (QoQ)**

- Net sales : + 1%/QoQ
- Operating income : +33%/QoQ

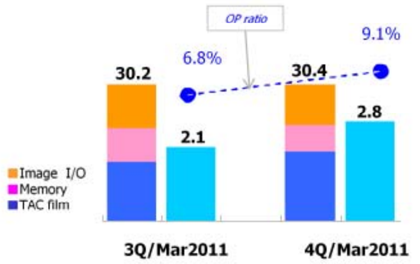
▸ TAC films: Both sales and income rose, given a recovery in sales volume.

▸ Glass substrates for HDDs: Sales fell, due to a prolonged production adjustment in the value chain since October, 2010.

▸ Optical pick-up lenses: Sales fell, reflecting a decline in sales of the products for Blu-ray Discs.

▸ Optical units: Unit sales fell, reflecting a production adjustment by customers.

◆ Net sales / Operating income (QoQ)) [¥ billions]



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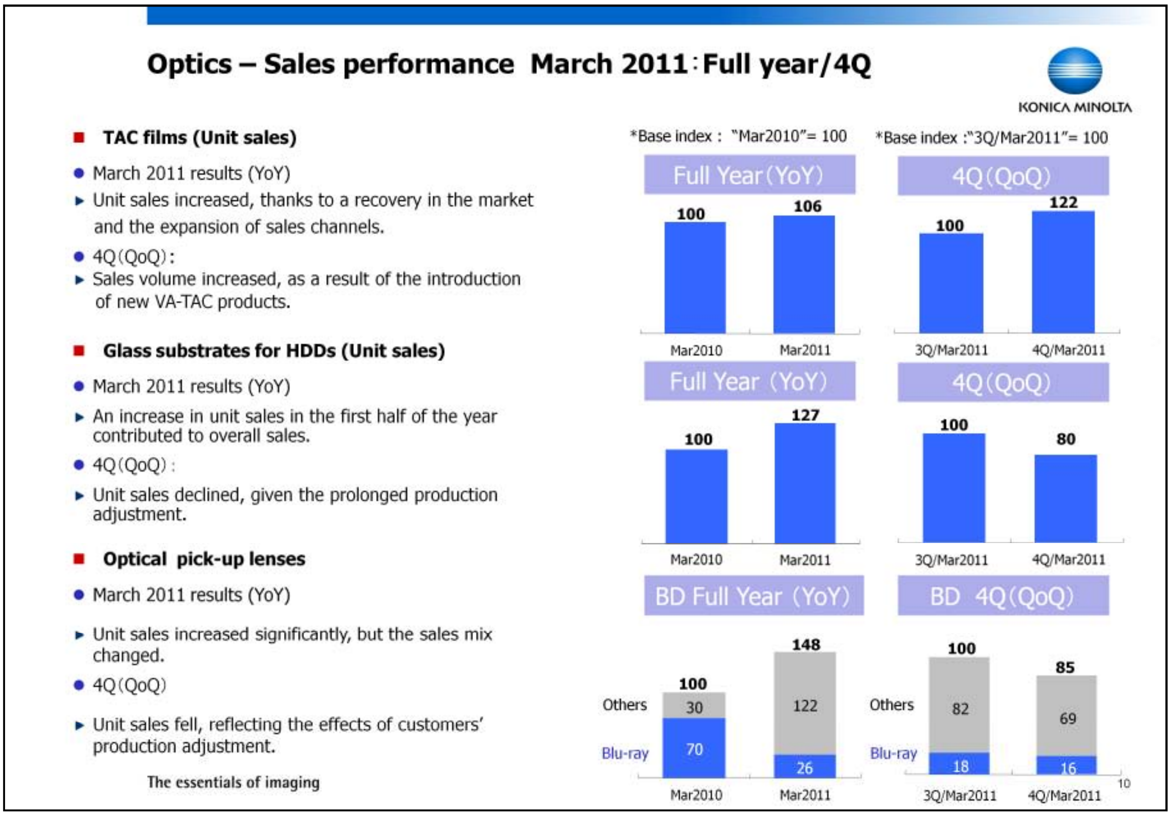
In the full year, net sales declined ¥6.9 billion year on year and operating income fell ¥1.6 billion.

Sales of TAC films were affected by production adjustments at customers in the second quarter, but the market recovered, and the market share increased with the development of new VA-TAC films from the third quarter. As a result, net sales were mostly on a par with the year-ago level.

Sales volumes of glass substrates for HDDs rose, especially in the first half. However, sales rose only 30% as the market and value chain entered a correction phase in the second half.

Sales of pickup lenses for optical disks declined, although sales volumes of the products for Blu-ray Discs™ increased sharply. The decline was attributable to a change in the product mix, the result of a shift to plastic lenses.

In the fourth quarter, net sales unchanged from the previous quarter. Operating income rose ¥0.7 billion. Sales volumes of TAC films increased steadily month on month, and sales rose 17% from the third quarter. Sales of glass substrates for HDDs and pickup lenses for optical disks fell, reflecting the remaining effect of production adjustments. Sales of optical units generally remained sluggish, reflecting a production adjustment by customers.



Sales volumes of VA-TAC films declined, reflecting intensifying competition from the second half of the previous fiscal year Meanwhile, we expanded sales channels for plain TAC films. As a result, sales volumes of TAC films increased 6% year on year in the full year. On quarter on quarter basis, sales volumes of both plain TAC films and VA-TAC films rose more than 20%.

Sales volumes of glass substrates for HDDs expanded 27% year on year in the full year, reflecting an increase in the first half. Unfortunately, sales volumes fell 20% in the fourth quarter, attributable to the prolonged production adjustments in the market and value chain from the third quarter.

Sales volumes of pickup lenses for Blu-ray Discs™ increased close to 50% in the full year, but sales fell a little less than 20% following a change in the product mix associated with a shift to plastic lenses. Orders received in the fourth quarter were weak.

As I have just described, the Memory device field overall is in a prolonged correction phase. However, TAC films are growing, and the market share is recovering. That is the good news for the fiscal year ending March 2012.

Optics- Sales/Operating income analysis (March 2011 YoY)

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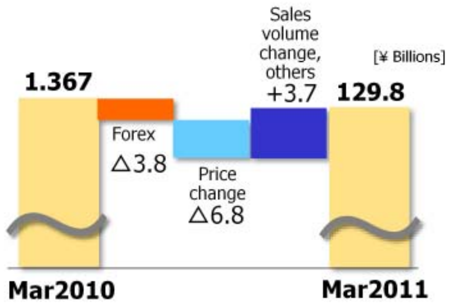
Net Sales

- A forex effect emerged mainly in the glass substrates for HDDs and lens units.
- A price change occurred, primarily in lens units and TAC films.
- In quantity terms, the major factor was a rise in unit sales of glass substrates for HDDs and TAC films.



Operating Income

- The sales volume change, others was mainly affected by an increase in unit sales of glass substrates for HDDs and TAC films and improvement of the sales mix.
- Cost savings were principally in lower procurement costs of components in the lens unit and production efficiency.
- Expenses increased with a rise in depreciation, the result of the commencement of operations in the seventh plant for the production of TAC films and of the enhancement of production capacity for glass substrates for HDDS in Malaysia.

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The factors of the decline in net sales were the adverse effect of foreign exchange rates, attributable to the production of glass substrates for HDDs in Malaysia. The price changes occurred primarily in lens units for mobile phones and TAC films. The sales volume change, others resulted chiefly from increases in sales volumes of glass substrates for HDDs and TAC films.

Operating income fell with following factors; the sales volume change resulted from an increase in sales volumes of glass substrates for HDDs and improved profitability in the optical units field. While, expenses increased with a rise in depreciation, the result of the commencement of operations in the seventh plant for the production of TAC films in April last year and of the enhancement of production capacity for glass substrates for HDDs in Malaysia.

Optics- Sales/Operating income analysis（4Q QoQ）

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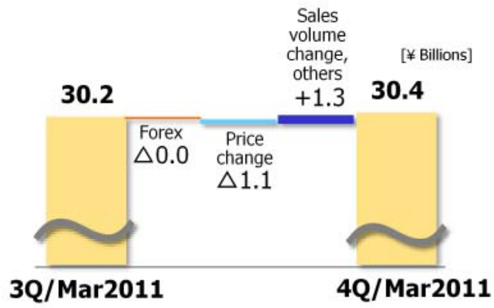
Net Sales

- Sales of TAC films rose, reflecting higher unit sales, but unit sales of other mainstay products declined. As a result, net sales remained at the level recorded in the previous quarter.
- The price change mainly occurred in TAC films and in glass substrates for HDDs.



Operating Income

- The sales volume change, others reflected higher income, as a result of an increase in unit sales of TAC films and improvement of the proposition difference.

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Net sales remained mostly unchanged quarter on quarter as sales of TAC films increased over ¥2.0 billion, while sales of glass substrates for HDDs and pickup lenses for optical disks declined.

Operating income rose, driven by profitable TAC films.

Forecasts: March 2012

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[Billions of yen]

	Mar2012 Forecast	Mar2011 Result	YoY Amount	YoY %
Net sales(a)	810.0	778.0	32.0	4%
Operating income	42.0	40.0	2.0	5%
Operating income ratio	*5.2%*	*5.1%*		
Goodwill amortization	8.0	8.4	-0.4	
Operating income before amortization of Goodwill(b)	50.0	48.4	1.6	
(b)/(a)	*6.2%*	*6.2%*		
Ordinary income	39.0	33.2	5.8	18%
Net income	20.0	25.9	-5.9	-23%
Net income ratio	*2.5%*	*3.3%*		

※Net income of Mar2011 includes the tax effect of liquidation of Photo Imaging Business.

	Mar2012 Forecast	Mar2011 Result	YoY Amount
FOREX [Yen] USD	85.00	85.71	-0.71
Euro	115.00	113.11	1.89

	Mar2012 Forecast	Mar2011 Result
CAPEX	50.0	43.0
Depreciation	65.0	55.1
R&D expenses	80.0	72.6
FCF	8.0	23.2

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We forecast that both net sales and operating income will increase year on year in the fiscal year ending March 2012. We have included a certain amount associated with risks relating to the earthquake in the forecast.

I will explain the effects of the earthquake later.

We assume exchange rates of 85 yen against the U.S. dollar and 115 yen against the euro. Based on this assumption, we forecast that net sales will rise 4% year on year, to ¥810 billion and that operating income will increase 5%, to ¥42.0 billion. We forecast net income of ¥20.0 billion. This appears to be a fall from the previous year, but net income will effectively rise 15% year on year if we exclude a tax effect of approximately ¥8.5 billion from the liquidation of the photo business in the previous fiscal year.

Capital expenditure, depreciation expenses, and research and development expenses will rise year on year. We will make cuts where appropriate, but we will also make investments for future growth. The figures on this page include cash outflows associated with M&A. We will secure sufficient free cash flow after outflows associated with M&A to pay dividends.

Page 15 shows breakdowns of net sales and operating income by segment

Forecasts: March 2012 - Segments

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[Billions of yen]

Net Sales	Mar2012 Forecast	Mar2011 Result	YoY Amount	YoY %
Business Technologies	570.0	539.6	30.4	6%
Optics	130.0	129.8	0.2	0%
Health care	87.0	85.0	2.0	2%
Other businesses	16.0	15.7	0.3	2%
Corporate and eliminations	7.0	7.8	-0.8	0%
Group total	810.0	778.0	32.0	4%

Operating income	Mar2012 Forecast	Mar2011 Result	YoY Amount	YoY %
Business Technologies	41.0	37.5	3.5	9%
Optics	15.0	12.8	2.2	17%
Health care	2.0	0.2	1.8	-
Other businesses	1.5	2.2	-0.7	-
Corporate and eliminations	-17.5	-12.7	-4.8	-
Group total	42.0	40.0	2.0	5%

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This page shows breakdowns of net sales and operating income by segment.

Management Policy: March 2012

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Achieve growth in Mar2012
the first year of the "G PLAN 2013"

- **Achieve sales growth without fail.**
- **Strengthen the ability to generate profits and cash flows.**

Business Technologies
- **Office** : Bolster sales by introducing new color MFPs.
- **Production Printing Product**: Position the segment as a growth driver, that can lead sales growth.

Optics
- **TAC films**: Exceed market growth by bolstering the competitiveness and superiority of products.
- **Other**: Improve the profitability at an early stage by bolstering productivity.

Healthcare
- Accelerate the transformation to the equipment and service business.

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We will describe our medium-term business plan, G PLAN 2013, after this presentation. The "G" stands for growth. Despite the uncertain operating environment, we would like to record consistent growth in the fiscal year ending March 2012, as the first year of the medium-term business plan.

I will be describing our policies for sales growth in detail on the following pages. We will focus on expanding operations in growth fields, especially in the Business Technologies Business. To enhance our ability to generate profits and cash flows, we will seek to expand operations in growth fields and to increase profitability, rather than creating profits by reducing fixed costs as we did immediately after the collapse of Lehman Brothers.

Preconditions for the Forecast of March 2012

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● Foreign Exchange Rate

	Mar2012	Mar2011 [yen]
US $	85.00	85.71
Euro	115.00	113.11

<Reference>
Forex sensitivity of March 2011 (Annual)

	Net sales	Operating income [billions of yen]
US $	2.9	0.4
Euro	1.4	0.8

Impact by Tohoku-Pacific earthquake.

■ Risks included into the Forecast
Net Sales : about ¥13.0 bn. Operating income : about ¥5.0 bn.

Effect to Net Sales

▶ Calculate on certain amount of the effect of opportunity cost affected by the difficulty in procuring materials.

Effect to Operating income

▶ Higher expenses of procuring substituting goods are expected, accompanied with the difficulty in procuring materials. Opportunity cost of selling by fully observing the BCP, higher expenses for logistics to minimize the impact of difficulties in the supply of materials.

▶ Higher expenses for preparations for dealing with restrictions on power supply from this summer.

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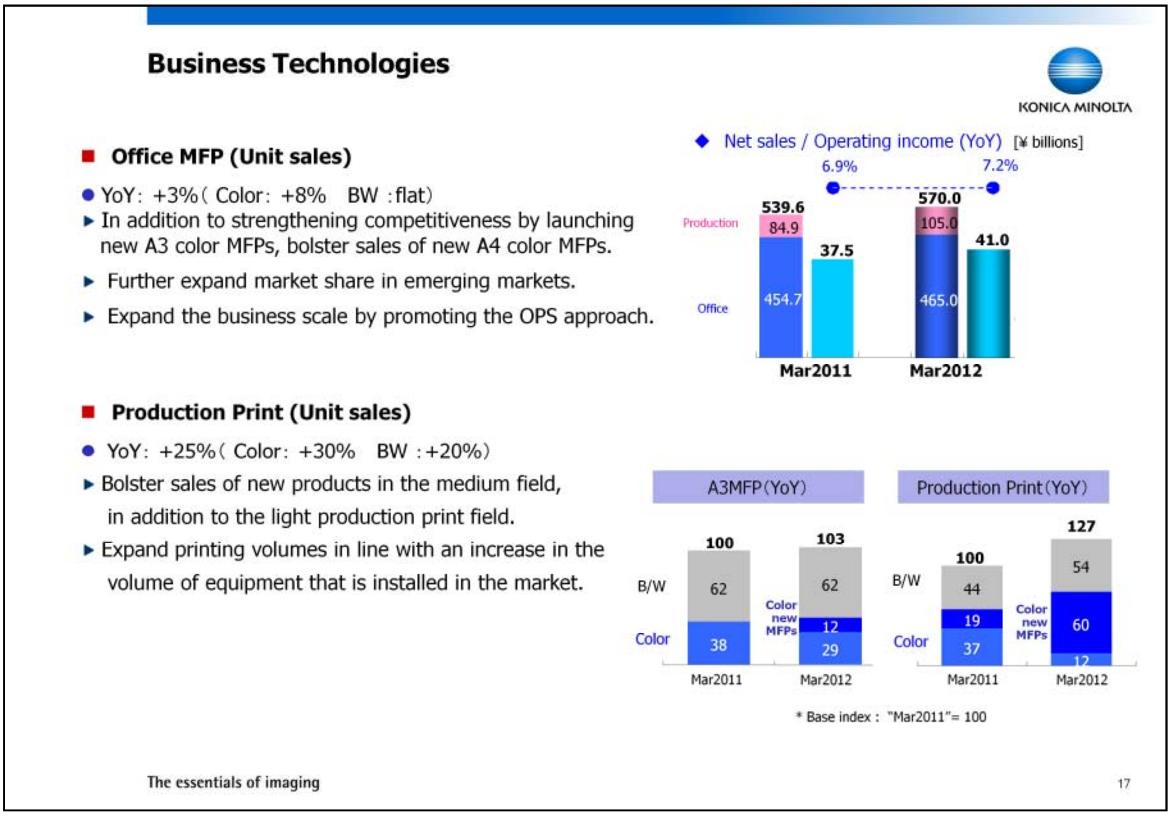
We assume exchange rates of 85 yen against the U.S. dollar and 115 yen against the euro for the fiscal year ended March 2011. The sensitivity of net sales and operating income is shown here.

We assume risks relating to the Tohoku-Pacific earthquake will amount to ¥13.0 billion in net sales and ¥5.0 billion in operating income, including sales opportunity costs associated with difficulty in procuring materials, increases in logistics costs relating to air transport for early sales, and fuel costs for in-house power generation in response to mandatory curbs on electricity use. We will not disclose a breakdown by business, but I would say that we are anticipating risks in proportion to the scale of each business.



In the office field, we will develop new products in our mainstay color MFP category in the second half. We will enhance competitiveness in terms of production costs and performance and will further improve profitability. We have begun to develop service menus and sales organization for providing OPS (Optimized Print Services) on a global scale in the previous fiscal year. Meanwhile, to strengthen our service capability, we formed an alliance with Getronics N.V. of the Netherlands in November 2010 and acquired All Covered Inc. of the United States in December 2010 and Koneo AB of Sweden in April this year. Through the acquisition of IT and document service vendors that excel in catering to local customers, we aim to expand the scale of operations in this field in the fiscal year ending March 2012, albeit from a low current sales base. Meanwhile, we will consistently capture opportunities for growth in emerging countries that continue to grow. We have the largest share in the color and monochrome A3 MFP markets in China in terms of unit sales. We seek to further expand market share and operations at a faster pace than market growth by expanding sales of models specially designed for emerging markets only and bolstering alliances with local distributors.

In production printing field, we seek to expand sales in the commercial printing market, focusing on boosting sales of the bizhub PRESS series, especially the flagship bizhub PRESS C8000, which was launched in the second half of the previous fiscal year. Unlike the office field, which appears to have matured, the number of units installed is rising in this market. With reciprocal sales with Kodak developing in earnest in fiscal 2011, we aim to increase sales, expand the installed base, and boost output volumes.

Optics

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■ **TAC films**

- Expand the business by focusing on products in growth fields.
- Improve profitability by launching strong new products.

■ **Glass substrates for HDDs**

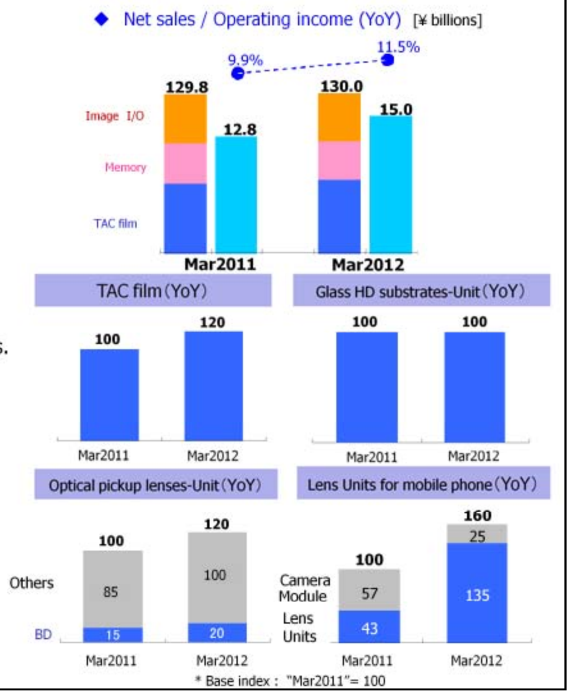
- Improve the sales mix through a density increase.
- Enhance profitability by promoting production efficiency.

■ **Optical pick-up lenses**

- Improve the marginal profit ratio by bolstering unit sales.
- Enhance profitability by promoting production efficiency.

■ **Optical units**

- Aim to expand business by acquiring new customers in the growth field.
- Improve profitability by promoting production efficiency.



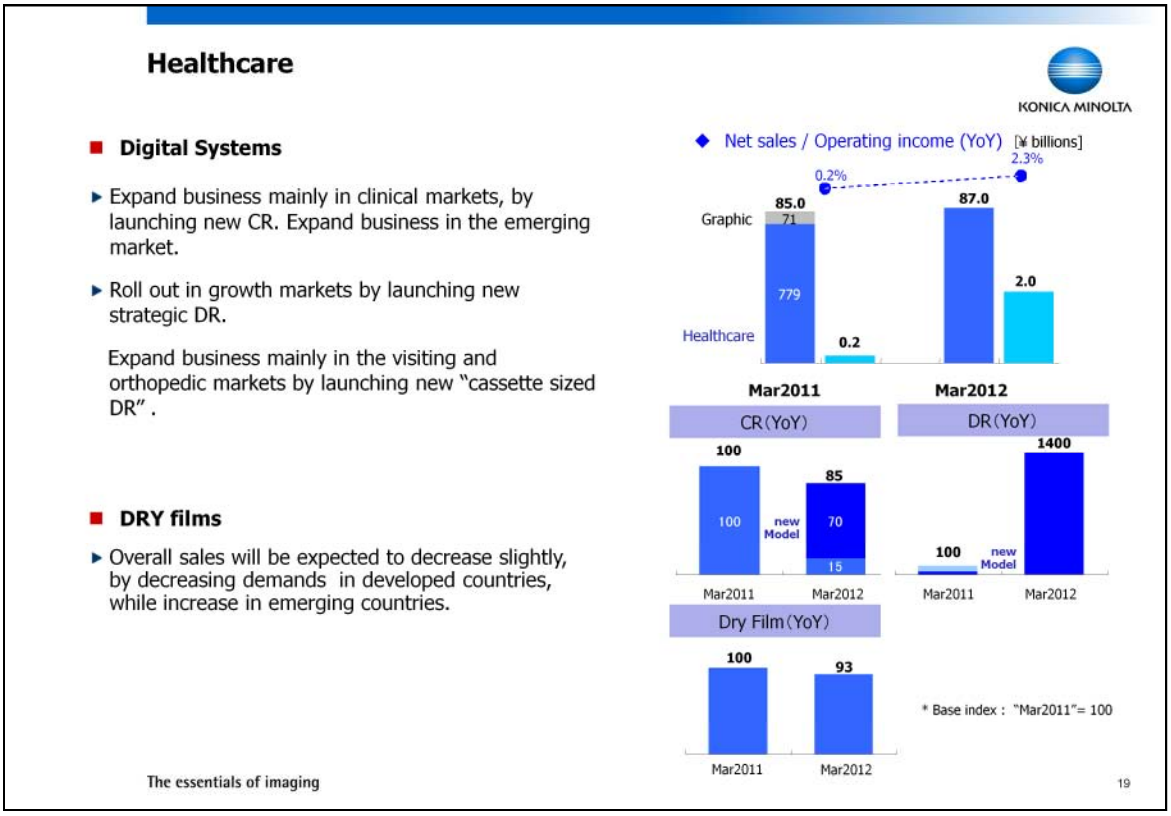
The essentials of imaging

We aim to outperform market growth in sales of TAC films, which are the revenue base in the Optics Business, by developing new VA-TAC films with overwhelming competitiveness and by expanding operations into the manufacture of zero-phase-contrast IPS films, which are used in iPads.

Looking at substrates for HDDs, we will seek to launch ones for 500GB at an early stage and will devote our efforts to improving the yield ratio and to increasing production efficiency.

In the field of pickup lenses for optical disks, we aim to increase productivity by transferring the production to China and to rise the margin percentage as sales volumes increase.

In the optical units field, we will expand the sales proportion of more profitable product lines.



With declining demand for films, profitability has been falling. Now that a system for expanding the equipment and service business has been developed, we will adopt a more aggressive posture.

Of Computed Radiography (CR), small CR for private-practice doctors and clinics has sold well. We will launch new products that will be more cost competitive, targeting emerging markets and the low-end market in developed countries in fiscal 2011.

We launched AeroDR, a Digital Radiography (DR), in April, 2011. AeroDR displays higher-definition video than CR and is more convenient.

AeroDR is the smallest and lightest system in the industry. We will expand sales volumes of this product, developing demand for the product for doctors' round visits and targeting the orthopedic market, where space for equipment is limited.

In developed countries, demand for films has been declined, however, in emerging countries, one has been expanding. We will focus on expanding sales in the areas which are expected to grow.

Supplementary Information
March 2011 Financial Results

Results: March 2011

[Billions of yen]

	Mar11	Mar10	YoY
Net sales	778.0	804.5	-26.5
Gross income	354.6	364.5	-9.9
Gross income ratio	*45.6%*	*45.3%*	-
Operating income	40.0	44.0	-4.0
Operating income ratio	*5.1%*	*5.5%*	-
Ordinary income	33.2	40.8	-7.7
Net income before taxes	28.1	36.1	-8.0
Net income	25.9	16.9	9.0
Net income ratio	*3.3%*	*2.1%*	-
EPS [Yen]	48.84	31.93	-
CAPEX	43.0	36.9	6.0
Depreciation	55.1	61.2	-6.0
R&D expenses	72.6	68.5	4.1
FCF	23.2	72.9	-49.7
Foreign exchange rate [Yen] USD	85.71	92.85	-7.14
Euro	113.11	131.15	-18.04

Results: March 2011- Segment

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[Billions of yen]

Net sales	Mar11	Mar10	YoY
Business Technologies	539.6	540.8	-1.2
Optics	129.8	136.7	-6.9
Healthcare	85.0	104.4	-19.4
Other businesses	15.7	14.5	1.2
Corporate and eliminations	7.8	8.1	-0.3
Group total	778.0	804.5	-26.5

Operating income	Mar11	Mar10	YoY
Business Technologies	37.5	39.0	-1.5
Operating income ratio	*6.9%*	*7.2%*	-
Optics	12.8	14.4	-1.6
Operating income ratio	*9.9%*	*10.5%*	-
Healthcare	0.2	1.5	-1.3
Operating income ratio	*0.2%*	*1.4%*	-
Other businesses	2.2	1.1	1.2
Corporate and eliminations	-12.7	-11.9	-0.8
Group total	40.0	44.0	-4.0
Operating income ratio	*5.1%*	*5.5%*	-

＊ Other businesses: Sensing and Industrial Inkjet businesses

Results: 4Q/March 2011

[Billions of yen]

	4Q Mar11	4Q Mar10	YoY
Net sales	202.7	215.7	-13.1
Gross income	90.0	105.8	-15.8
Gross income ratio	*44.4%*	*49.1%*	
Operating income	11.8	22.8	-11.0
Operating income ratio	*5.8%*	*10.6%*	
Ordinary income	10.9	21.7	-10.8
Net income before taxes	11.9	18.5	-6.7
Net income	15.1	7.9	7.2
Net income ratio	*7.5%*	*3.7%*	
EPS [Yen]	28.49	14.94	
CAPEX	9.8	12.5	-2.7
Depreciation	14.0	15.1	-1.1
R&D expenses	18.5	16.5	2.0
FCF	17.5	15.2	2.3
Foreign exchange rate [Yen] USD	82.34	90.70	-8.36
Euro	112.57	125.62	-13.05

Results: 4Q/March 2011 - Segments

[Billions of yen]

Net sales	4Q Mar11	4Q Mar10	YoY
Business Technologies	143.3	146.9	-3.6
Optics	30.4	34.1	-3.7
Healthcare	22.5	27.9	-5.4
Other businesses	4.1	4.1	0.0
Corporate and eliminations	2.4	2.7	-0.3
Group total	202.7	215.7	-13.1

Operating income	4Q Mar11	4Q Mar10	YoY
Business Technologies	11.5	20.9	-9.4
Operating income ratio	*8.0%*	*14.2%*	-
Optics	2.8	4.1	-1.3
Operating income ratio	*9.1%*	*12.0%*	-
Healthcare	-0.4	-0.1	-0.4
Operating income ratio	*-10.2%*	*-1.7%*	-
Other businesses	0.7	0.7	-0.1
Corporate and eliminations	-2.7	-2.9	0.2
Group total	11.8	22.8	-11.0
Operating income ratio	*5.8%*	*10.6%*	-

＊ Other businesses: Sensing and Industrial Inkjet businesses

Unit sales: Business Technologies

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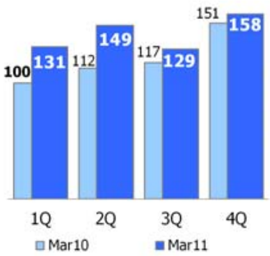
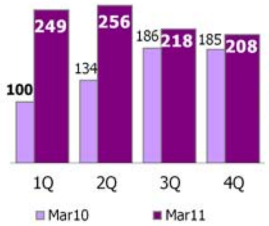
■ A3 color MFP– Units



YoY: +5%

QoQ: +23%

■ A4 color MFP – Units

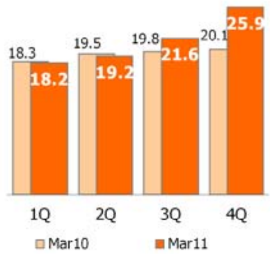


YoY: +13%

QoQ: △4%

■ Production printing – Value

[¥ billions]



YoY: +29%

QoQ : +20%

■ MFP non-hardware   * w/o forex effects

YoY: +8%

QoQ: +2%

* Base index : "1Q Mar2010"= 100

Unit Sales: Optics

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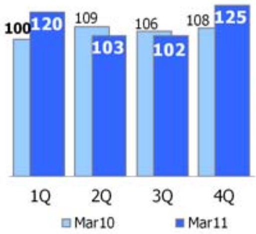
- TAC film – Units



YoY：15%

QoQ：+22%

- Optical pickup lenses - Units

YoY：△16%

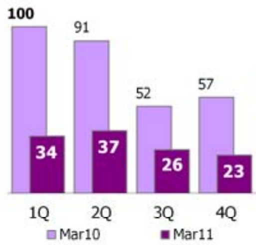
QoQ：+4%

- Glass HD substrates - Units

YoY：△17%

QoQ：△20%

- Mobile phone components – Units



YoY：△61%

QoQ：△14%

*Base index： "1Q Mar2010"= 100

Operating profit analysis

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[Billions of yen]

Mar11 vs. Mar10	Business Technologies	Optics	Other	Total
[Factors]				
Forex impact	-16.7	-2.3	-1.9	-20.9
Prince change	-17.6	-6.8	-1.4	-25.8
Sales volume change, and other, net	37.7	7.5	2.6	47.8
Cost down	7.8	2.2	0.3	10.3
SG&A change, net	-12.7	-2.1	-0.4	-15.3
[Operating income]				
Change, YoY	-1.5	-1.6	-0.9	-4.0

4Q/Mar11 vs. 3Q/Mar11	Business Technologies	Optics	Other	Total
[Factors]				
Forex impact	0.2	-0.1	-0.1	0.1
Prince change	-4.4	-1.1	0.0	-5.5
Sales volume change, and other, net	11.0	1.8	-1.9	10.9
Cost down	0.7	0.0	-0.1	0.6
SG&A change, net	-2.4	0.0	2.4	-0.1
[Operating income]				
Change, YoY	5.1	0.7	0.3	6.1

SGA, non-operating and extraordinary income/loss

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[Billions of yen]

SG&A:	Mar11	Mar10	YoY	4Q Mar11	4Q Mar10	YoY
Selling expenses - variable	44.4	41.1	3.3	11.3	11.4	-0.1
R&D expenses	72.6	68.5	4.1	18.5	16.5	2.0
Labor costs	116.2	119.8	-3.6	30.2	29.6	0.5
Other	81.3	91.1	-9.8	18.3	25.5	-7.3
SGA total*	314.6	320.5	-5.9	78.2	83.1	-4.8
** Forex impact:*	*-¥13.6 bn. (Actual: ¥7.6 bn.)*			*-¥3.2 bn. (Actual: ¥1.6 bn.)*		
Non-operating income/loss:						
Interest and dividend income/loss, net	-1.3	-1.7	0.4	-0.3	-0.4	0.0
Foreign exchange gain, net	-3.8	-1.1	-2.6	0.1	-0.9	1.0
Other	-1.8	-0.3	-1.4	-0.7	0.2	-0.9
Non-operating income/loss, net	-6.9	-3.2	-3.7	-0.9	-1.1	0.2
Extraordinary income/loss:						
Sales of noncurrent assets, net	-1.5	-2.0	0.5	-0.4	-0.5	0.2
Sales of investment securities, and sales of subsidiaries and affiliates' stocks, net	-0.7	-0.2	-0.5	0.4	-0.1	0.5
Imperament gain/loss	-1.0	-2.6	1.5	-1.0	-2.4	1.4
Business structure improvement expenses	-3.5	-2.1	-1.4	-0.1	-0.9	0.8
Other	1.7	2.0	-0.3	2.0	0.7	1.3
Extraordinary income/loss, net	-5.0	-4.7	-0.3	1.0	-3.2	4.1

B/S

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[Billions of yen]

Assets:	Mar11	Mar10	Change
Cash and short-term investment securities	175.1	164.1	11.0
Notes and A/R-trade	163.4	177.7	-14.4
Inventories	100.2	98.3	2.0
Other	63.1	49.1	14.0
Total current assets	501.9	489.3	12.6
Tangible assets	190.7	205.1	-14.4
Intangible assets	88.4	99.1	-10.7
Investments and other assets	64.5	72.4	-7.9
Total noncurrent assets	343.6	376.5	-33.0
Total assets	845.5	865.8	-20.3
Liabilities and Net Assets:			
Notes and A/P-trade	74.6	83.1	-8.5
Interest bearing debts	192.6	197.4	-4.8
Other liabilities	149.3	164.5	-15.3
Total liabilities	416.5	445.0	-28.6
Total shareholders' equity*	427.6	419.5	8.1
Other	1.3	1.2	0.1
Total net assets	429.0	420.8	8.2
Total liabilities and net assets	845.5	865.8	-20.3

*Equity = Shareholder's equity + Accumulated other comprehensive income

[yen]

	Dec 10	Mar 10	YoY
US$	83.15	93.04	△ 9.89
Euro	117.57	124.92	△ 7.35

B/S – Main indicators

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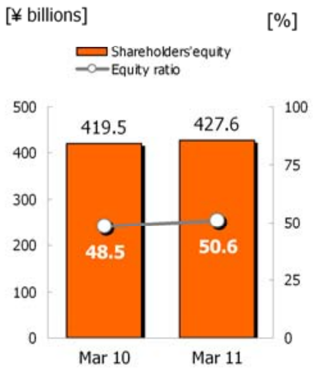
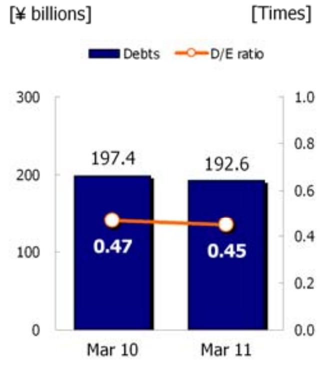
■ Equity ratio



Equity ratio = Equity / Total assets

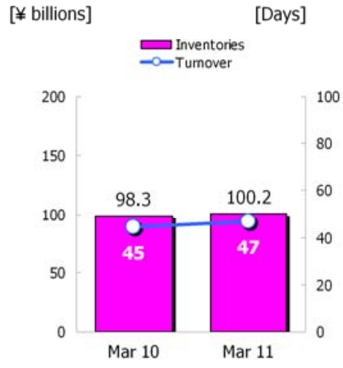
■ Interest-bearing debts



D/E ratio =

Interest-bearing debts at year-end / Shareholders' equity at year-end

■ Inventories and inventory turnover



Inventory turnover (days) =

Inventories at period-end / Average sales per day

*Equity = Shareholder's equity + Accumulated other comprehensive income

Cash flows

[Billions of yen]

	Mar11	Mar10	YoY	4Q Mar11	4Q Mar10	YoY
Income before income taxes and minority interests	28.1	36.1	-8.0	11.9	18.5	-6.7
Depreciation and amortization	55.1	61.2	-6.0	14.0	15.1	-1.1
Income taxes paid	-9.4	-1.6	-7.8	-3.0	-2.0	-1.0
Change in working capital	-5.9	17.7	-23.6	5.7	-6.8	12.5
I. Net cash provided by operating activities	68.0	113.4	-45.4	28.5	24.9	3.6
II. Net cash used in investing activities	-44.7	-40.5	-4.3	-11.0	-9.7	-1.4
I.+ II. Free cash flow	23.2	72.9	-49.7	17.5	15.2	2.3
Change in debts and bonds	-3.1	-32.5	29.4	-34.2	-6.2	-28.0
Cash dividends paid	-7.9	-9.3	1.3	-0.1	-0.1	0.0
Other	-1.9	-2.0	0.2	-0.7	-0.4	-0.3
III. Net cash used in financing activities	-12.9	-43.8	30.9	-35.0	-6.7	-28.3