

KONICA MINOLTA GROUP
“FORWARD 08” Medium-Term Business Plan
-- Brush up the medium-term business plan to accelerate growth strategies --

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Cautionary Statement:

The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties.

The actual results of business performance may sometimes differ from those forecasts due to various factors.

Remarks: Yen amounts are rounded to the nearest 100 million.

FORWARD 08 – Numerical targets

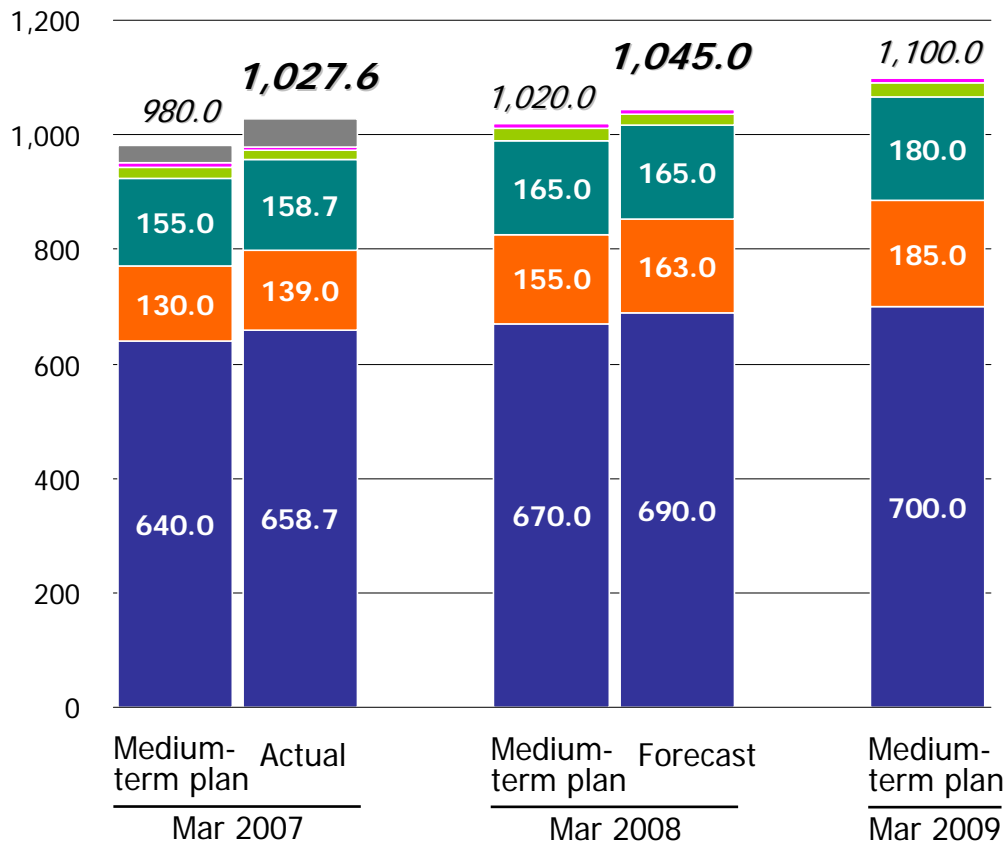


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Revenues and profitability were higher than originally projected.

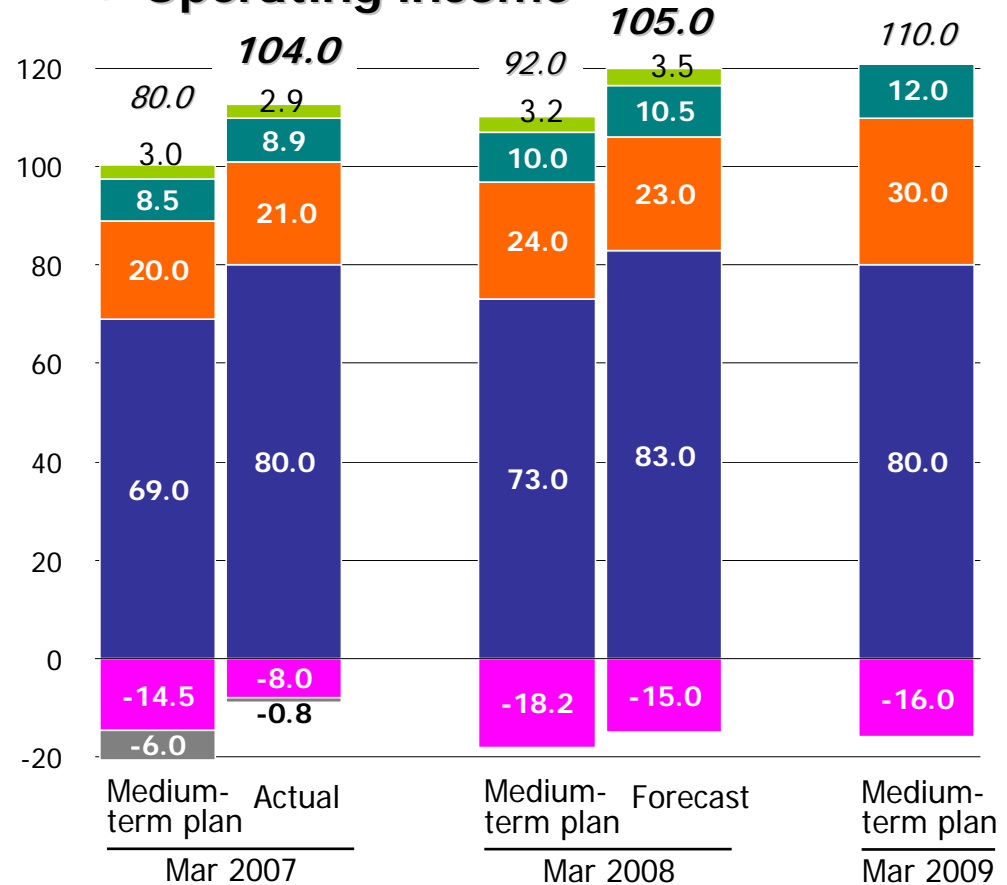
● Net sales

[billions of yen]



● Operating income

[billions of yen]



■ Business Technologies
 ■ Optics
 ■ Medical & Graphic
 ■ Other
 ■ Holdings and eliminations
 ■ Photo Imaging

FORWARD 08 – Basic strategies



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Further increase the added value in operations and maximize the corporate value through the Group's growth.

● **Basic strategies**

◆ ***Promote growth by leveraging collective Group resources***

- ◆ Build a new corporate value
- ◆ Promote world-class corporate social responsibility (CSR) management

● **Growth strategies**

- ◆ Further strengthen and advance operations in current core businesses
- ◆ Expand the scope of operations into the fields adjacent to current core businesses
- ◆ Nurture new businesses

● **Corporate structure reinforcement**

- ◆ Strengthen the base of business capabilities
- ◆ Establish a strong financial structure
- ◆ Strengthen human resources and rebuild corporate culture

Business Technologies

■ General offices

- MFP: Solidify the leading position with respect to color MFPs by further reinforcing the “genre top” strategies
- LBP: Strengthen profitability

■ Production printing

- Expand digital printing business

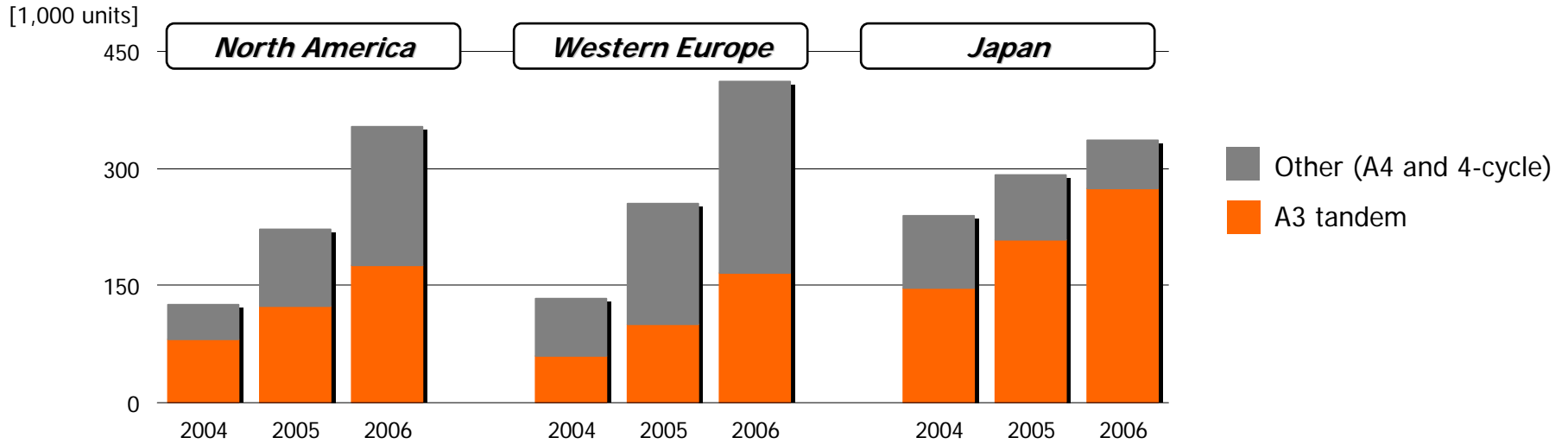
■ Solutions

- Develop and promote solution business focusing on the applications centered on color MFPs/LBPs

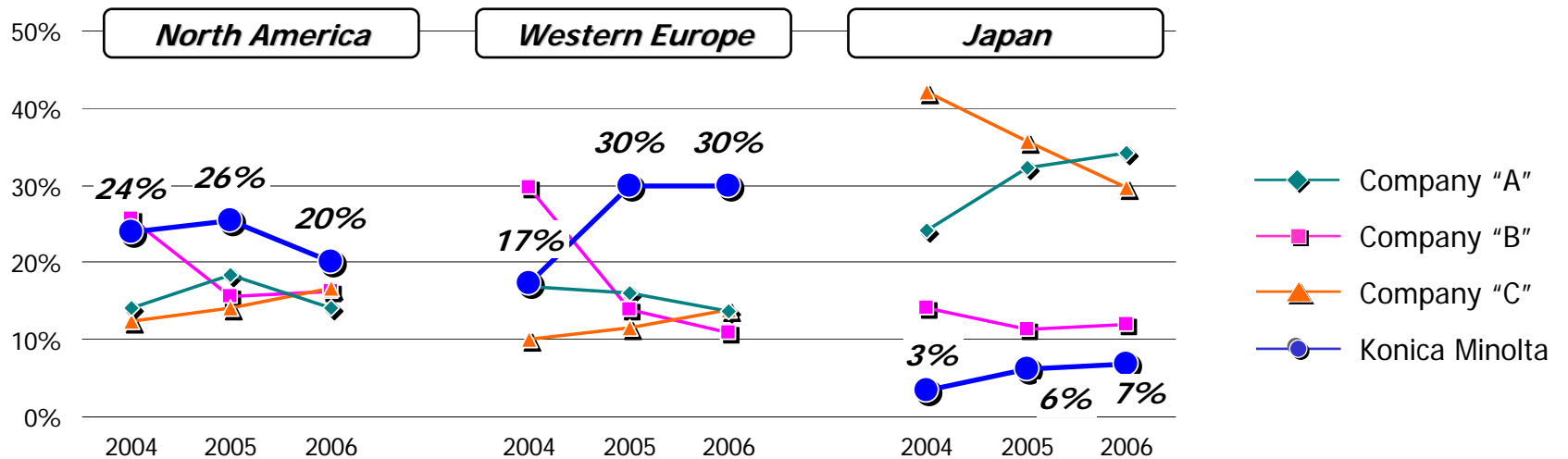
[Ref.] Color MFP market share – worldwide -



■ Composition of color MFP market and trend (units)



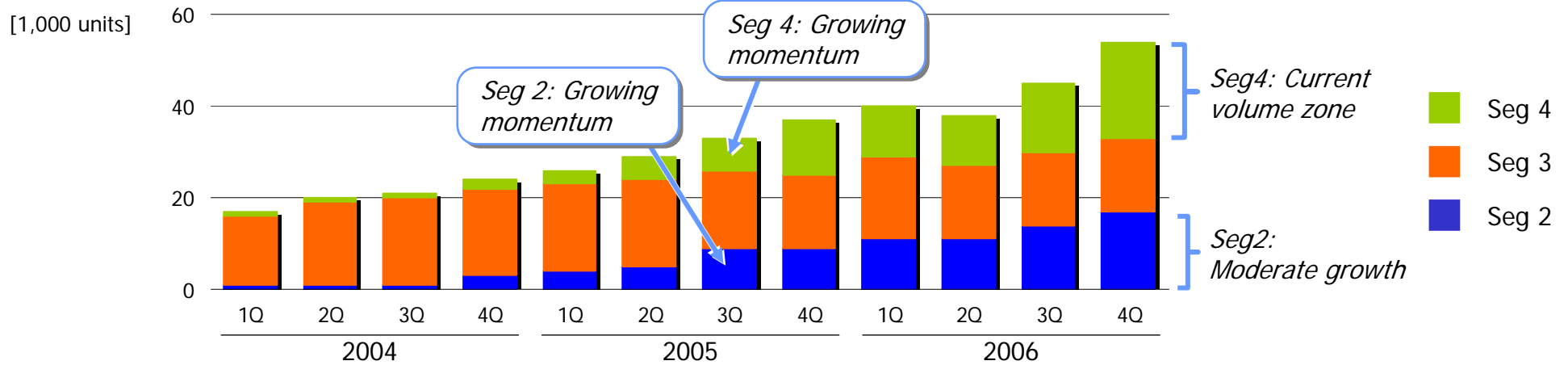
■ Market share – Color MFP; A3-paper size tandem type



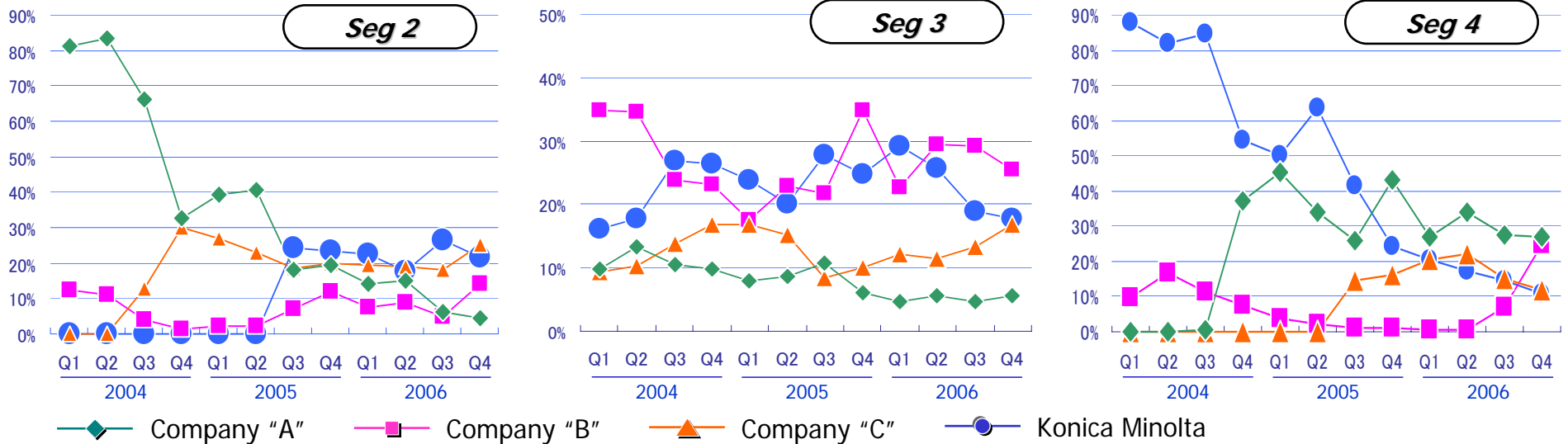
[Ref.] US: Color MFP market share – segment -



A3 tandem color MFP – Market composition



A3 tandem color MFP –Market share

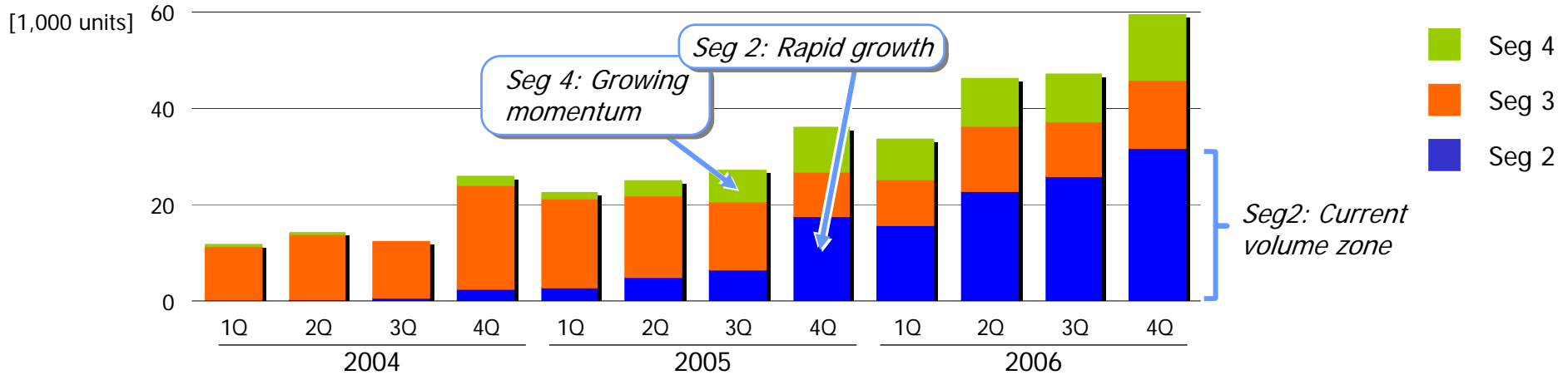


[Ref.] Europe: Color MFP market share – segment -

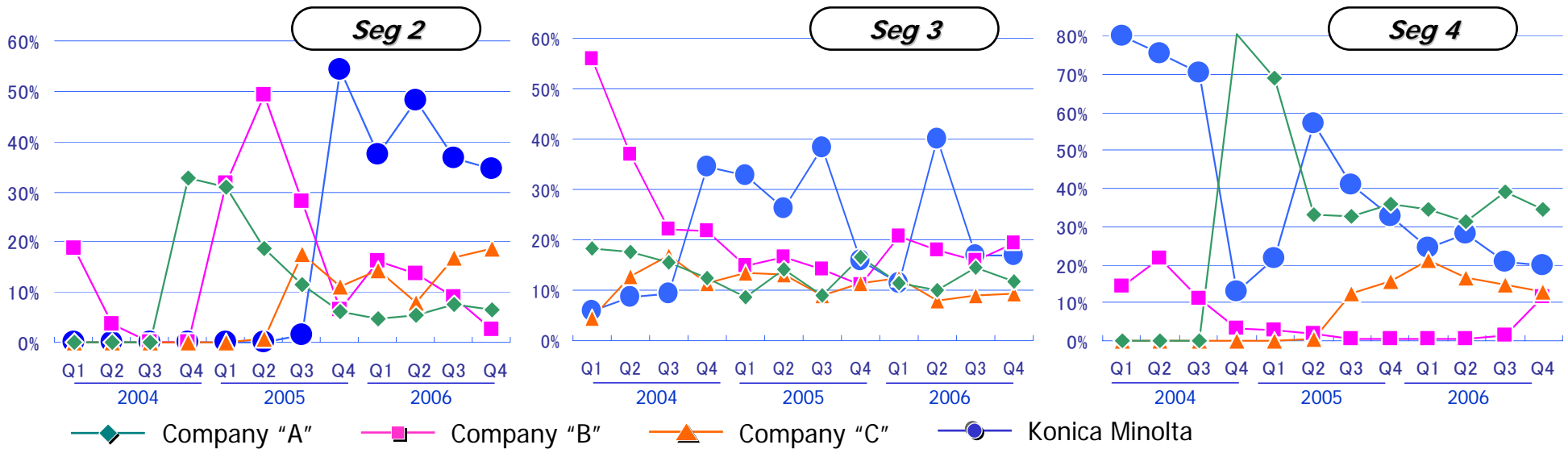


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A3 tandem color MFP – Market composition



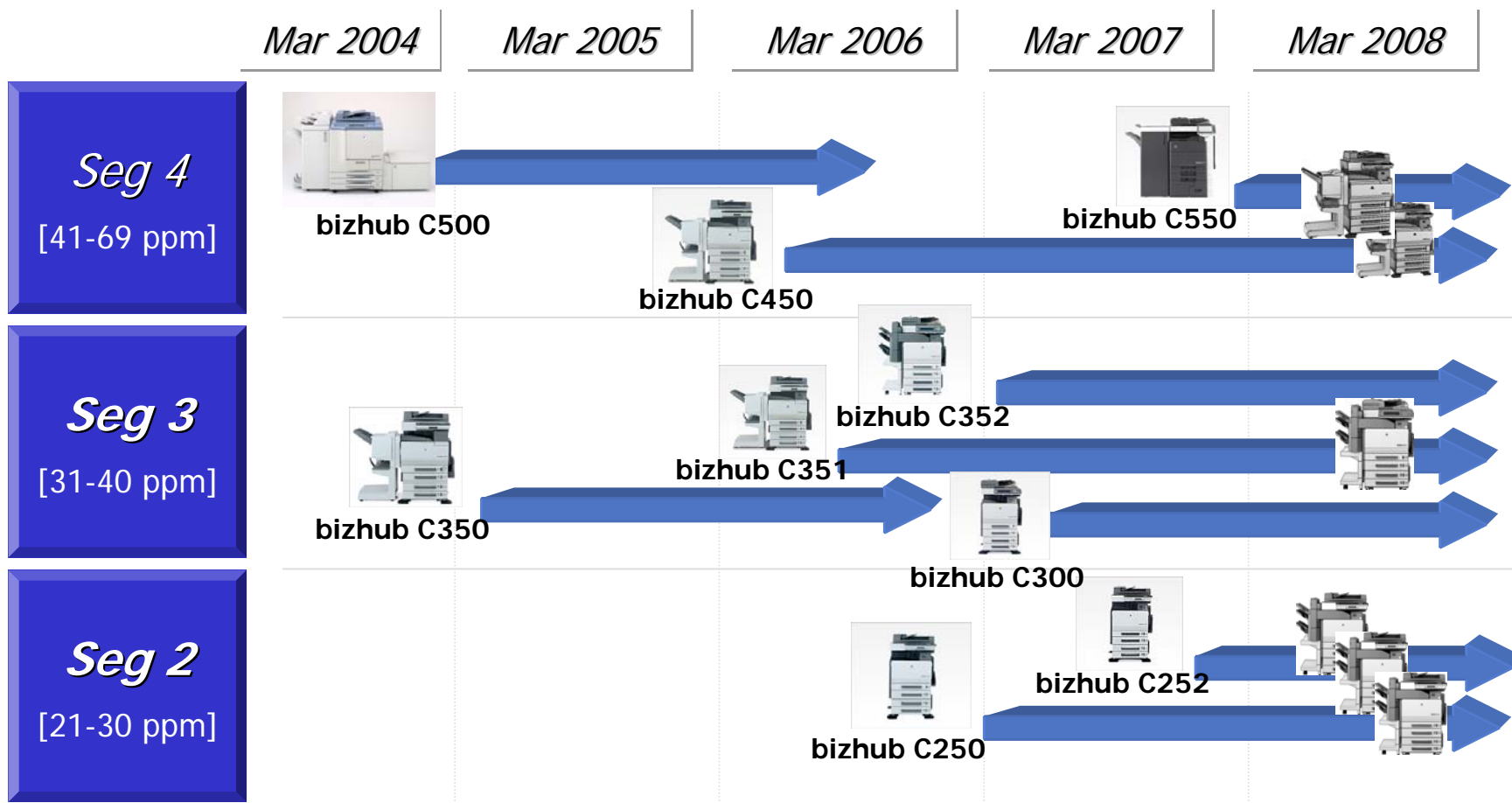
A3 tandem color MFP –Market share



[Ref.] Konica Minolta's office-use color MFP lineup - time series/segment -



*-- March 2008 --
Further strengthen tandem color models in Seg.2 and Seg.4*



Optics

■ TAC film

- Promote high-function films to expand operations in the LCD television market

■ Optical pickup lenses

- Solidify a dominant share in the next-generation DVD pickup lens market

■ Glass substrates for hard disk drives

- Increase production capabilities in overseas

■ Micro camera units for mobile phones

- Establish overwhelming cost competitiveness

Strengthen and advance operations in current core business (3)

Medical and Graphic Imaging

■ **Medical**

- Strengthen digital equipment sales and marketing focusing on independent physicians and overseas markets

■ **Graphic**

- Quickly establish an operational base for CTP business in US

Expand business into the fields adjacent to current core businesses



Leverage core business bases and technological resources to expand the scope of operations

Business Technologies

- Solution business
 - IT remote care service
 - Document professional service

Optics

- New high-function films
- Next-generation memory devices technologies

Medical

- Digital image-based diagnosis support business

Core technologies to generate new business in the future

- **Organic electronics technology**
 - Organic EL (Electro Luminescence) materials for light source
- **Atmospheric-pressure plasma technology**
 - Ultra hard coating processing
- **μ TAS technology (Micro Total Analysis Systems)**
 - New medical fields
- **Super inkjet technology**
 - Industrial manufacturing devices

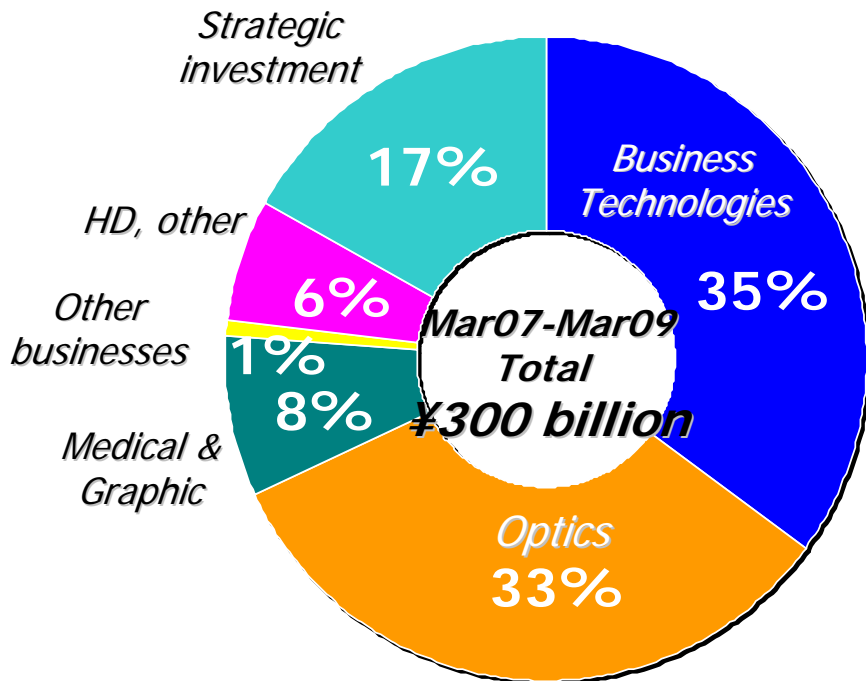


Investment plan

Proactively promote capital investment aiming for the Group's growth and expansion focusing on Business Technologies and Optics businesses

Investments and loans

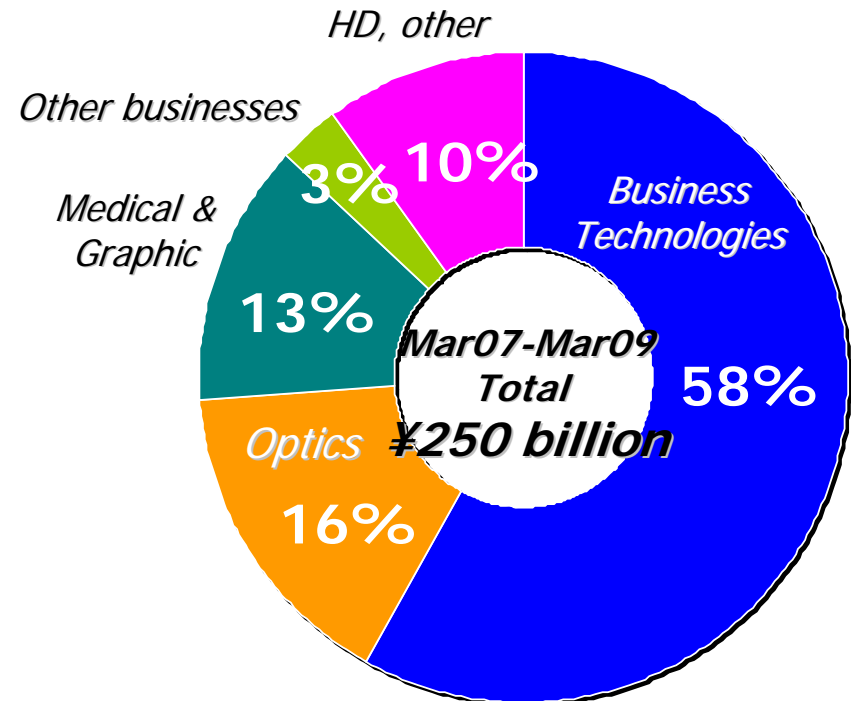
- Mar07-Mar09: Total 300 billion yen (including a follow-up 70 billion yen)



The essentials of imaging

R&D expenditures

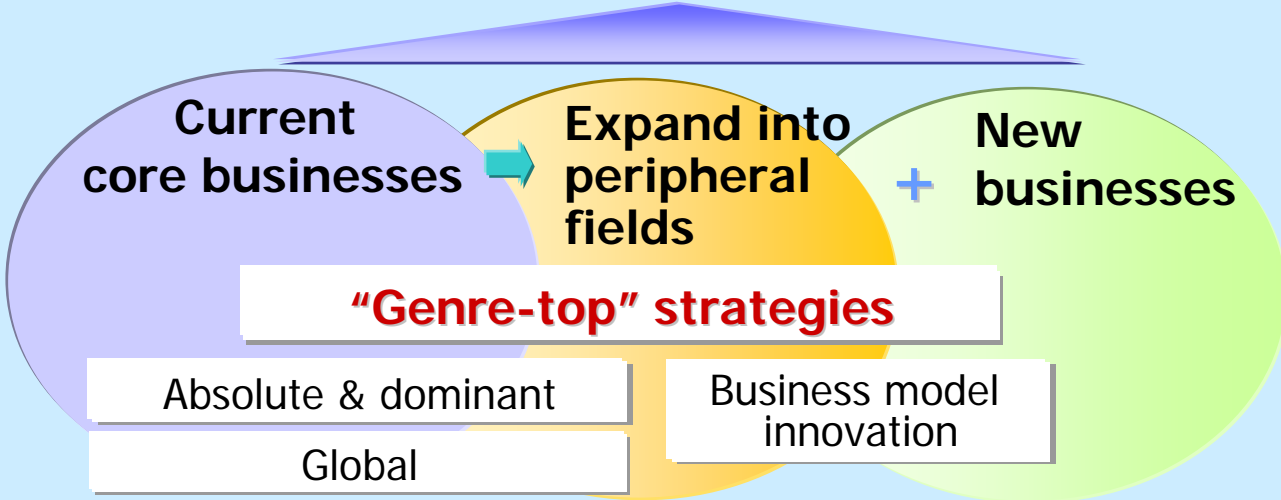
- Mar07-Mar09: Total 250 billion yen (maintaining an 8% level to net sales)





Further strengthen corporate structure

-- Maximize Corporate Value --
Growth strategy



- Software development
- Solution business
- Production innovation
- SCM
- Advanced IT usage

Strong financial base

- Equity ratio : Over 50%
- D/E ratio : Below 0.5

Rebuild corporate culture
Strengthen human resources

- World-class human resources
- Competitiveness

Reinforce business base

CSR

Strengthen corporate structure