

Sensing Key Strategies

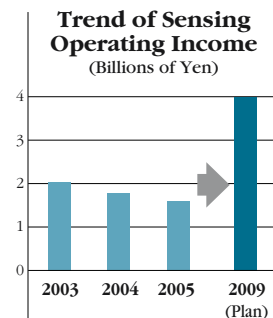
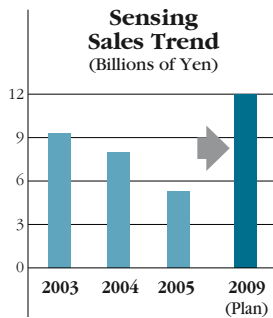
1. Expand 3D digitizer business
2. Expand color measurement business

Business Targets (Billions of Yen)

	March 2005 (Actual)	March 2009 (Projected)
Net Sales	¥5.3	¥12.0
Operating Income	1.6	4.0



Hiroshi Furukawa
President, Konica Minolta Sensing, Inc.



Note: New product categorization was adopted from the fiscal year ended March 2005. Under the previous categorization, March 2005 results were flat with the previous fiscal year.

REVIEW OF FISCAL 2004

The emphasis for fiscal 2004, ended March 2005, in the main color measurement business was on display color analyzer systems for the FPD industry and on spectrophotometers for the automobile industry. In addition, the Group introduced a new VIVID9i non-contact 3D digitizer in an effort to further expand its product line-up. As a result, sales growth was recorded mainly in the industrial measurement segment.

Given the above, consolidated sales for the Sensing business in fiscal year ended March 2005 were ¥5.3 billion, while operating income was ¥1.6 billion.

Stimulated by the growth in color LCD and FPD markets, Konica Minolta's color analyzers are finding widespread applications as there is a growing need for measuring equipment used on-site for R&D, production and product control applications to precisely measure light source hue, luminance and color balance.

Spectrophotometers that quantitatively measure the color chromaticity of objects are finding widespread application in various industries, such as the automobile, textile, construction materials and food industries.

More recently, the Group has placed particular emphasis on 3D digitizers, which can precisely and rapidly scan physical objects and replicate this three-dimensional data on a computer. These products are finding wide application in industrial design and in scientific research. Going forward, the Group is particularly emphasizing applications for reverse engineering, design verification and quality testing.