Digital diagnosis through the world's first application of phase contrast technology in medical mammography imaging

Note: The product image shown is a Japan model. Appearance and product specifications may vary for other regions. A cassette-type direct digitizer with superior imaging characteristics for the digitization of X-ray images



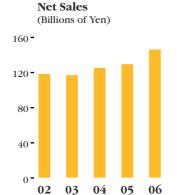
The report integration-type picture archiving communication system (PACS) and radiology information system (RIS) realize the integration of image information and medical charts.

A high performance, low cost solution for on-demand high-speed digital color printing

MEDICAL AND GRAPHIC IMAGING



Kiyofumi Tanida President Konica Minolta Medical & Grapbic, Inc.



(Billions of Yen)

12
9
6
3
0
02 03 04 05 06

Operating Income

In the medical segment, which saw progress in the shift to digital and networks, sales of digital related equipment and systems recorded growth, which resulted in revenue growth over the previous fiscal year.

For the fiscal year ended March 2006, the medical field saw an accelerating shift to digital and networks in on-site clinical and medical applications, particularly among large hospitals both in Japan and abroad. Given this trend, the Group worked to expand sales of digital related equipment and systems such as the X-ray digital image reader series, the recorded image output series and a network product series, which resulted in strong sales in Japan and overseas. In addition, film sales are shifting to dry film with digitization, which resulted in growing sales of dry film compatible with digital equipment.

Furthermore, the Group emphasized sales of digital X-ray mammography systems (PCM systems) in response to the growing need for mammary cancer diagnosis as it worked to strengthen the digital image diagnosis area. As the PCM system is the first in the world to utilize phase contrast technology, and as the series consists of the industry's state-of-the-art digital imaging equipment such as a mammary X-ray mammography system and a digital imaging reading and output system, it is well regarded in the market and customer recognition of the product is growing.

In the graphic imaging area, while sales centering on Asia increased, sales of the main film product declined in Europe and the U.S., which resulted in a slight decline in total unit sales amidst an accelerating shift in the domestic and overseas markets toward digitization of printing processes and film-less processing.

In order to shift the business structure in response to changes in the market environment such as digitization and the shift to film-less processing, the Group emphasized sales of digital color proofing systems, special proofing paper and digital equipment such as digital color printing equipment that is especially well suited for small lot printing. The Group maintained the top domestic market share in high-end digital color proofing systems, while favorable sales were recorded in Japan and overseas for light digital printing equipment. In addition, the Group acquired American Litho Inc., a major printing plate manufacturer in the U.S., in October 2005, and worked to expand the plate business (printing plates) centering on CTP, which is expected to become the pillar of a major new business for the Group.

As a result, consolidated sales for the Medical and Graphic Imaging business in the fiscal year ended March 2006 were ¥146.6 billion, and operating income was ¥11.7 billion.