



### Konica Minolta Group Medium Term Business Plan **GPLAN 2013** Performance Targets (FY March 2014)

**¥1 trillion**  
Net sales  
or more

**8%**  
Operating  
income ratio  
or more

**10%**  
ROE  
or more

#### To Our Shareholders

In terms of the economic climate during the past year, although lingering uncertainty remained in certain sectors, the success of economic stimulus measures and monetary policies enacted by governments helped the European and U.S. economies achieve a moderate recovery. Asian economies, meanwhile, saw consistent moves toward economic expansion, with growth led by China and India.

In this market environment, we embarked on the second year of the Management Policy <09-10>, our two-year plan for achieving strong growth. To this end, we positioned the year as a pivotal one for putting Konica Minolta on track for growth. We launched new products and developed sales organizations in major business fields, expanded our production capacity, and took other assertive steps as we adopted a more aggressive strategy.

In the Business Technologies Business, we launched a new brand, the bizhub PRESS series, in the growth field of production print, marking our full-scale entry into the commercial printing market. Furthermore, we took steps to enhance our sales capabilities, which included consolidating Group divisions involved in commercial and digital printing, and signing a cross-distribution agreement with Kodak, based in the United States. Similarly, in the office field, we vigorously advanced measures designed to gain orders from major global accounts and to promote service business expansion on a global basis. In the Optics Business, area outside of strong-growing TAC films were impacted by customer production adjustments. With that said, we used this adverse climate as an opportunity to enact initiatives for improving profitability. Actions taken included improving production efficiency and shifting production sites overseas. Where fostering new businesses is concerned, in the fall of 2010, we built a pilot plant based on a roll-to-roll coating production method in Organic Light Emitting Diode (OLED) lighting, an area we expect to become a pillar of future earnings. Elsewhere, we entrusted major lighting manufacturer Philips Technologie GmbH, based in Germany with production via the evaporation method of OLED panels designed to use blue phosphorescent materials developed independently by Konica Minolta. Sales of the panels are scheduled to begin in the fall of 2011. In this way, we are moving preparations forward for achieving growth over the long term.

In terms of consolidated operating results for FY March 2011, performance was notably impacted by a strong yen, as well as protracted supply-chain adjustments. Consequently, consolidated net sales declined 3.3% year on year to ¥777.9 billion. Operating income, meanwhile, was down 9.0% to ¥40.0 billion, falling despite efforts to reduce costs, improve productivity, and curb operating expenses. The lower sales and earnings notwithstanding, we implemented a range of measures to promote future Group growth, and there are strong indications that these measures are effective.

In April 2011, the Konica Minolta Group launched “G PLAN 2013,” a medium-term business plan in which the keyword is “growth,” and that emphasizes sustained growth into the future. The basic policy, 3 Challenges, of the plan, set to run from FY March 2012 to FY March 2014, are “Expanding the scale by achieving growth,” “Changing into a “Global Company,”” and “Increasing the recognition of the Konica Minolta brand.” Moreover, in conjunction with “G Plan 2013,” we have developed a new communication message: “Giving Shape to Ideas.” The message clearly expresses our strong determination as a company to know what people are thinking, see business needs from the customer’s point of view and to execute on these wishes and turn them into reality. Under this message, all employees including myself will work to connect responsible action on an individual basis to achieve growth as outlined in “G PLAN 2013.” In doing so, we aim to build a company valued by people around the world for its strong, sustainable growth.

To our shareholders and other investors, I ask for your further support and encouragement of Konica Minolta as we take our operations forward.

September 2011  
President and CEO  
Masatoshi Matsuzaki

