

**Business Results**

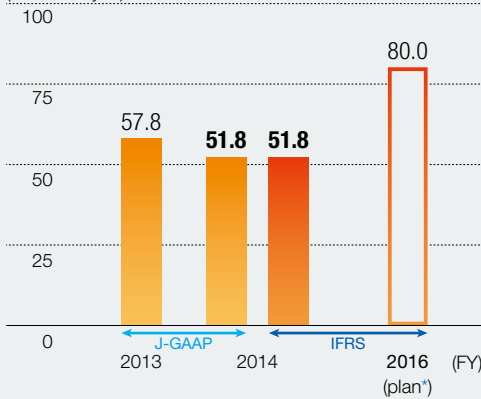
**Industrial Business**

**Optical systems for industrial use**



**Revenue**

Revenue  
(Billions of yen)



**Main Achievements in Fiscal 2014**

**Measuring instruments**

- Sales of measuring instruments were mostly strong, primarily buoyed by light-source color measuring devices for displays, a core product.

**Industrial and professional lenses**

- Strong sales of core products resulted in a year-on-year sales increase despite difficult market conditions.

**Other**

- Decreased demand concerning lenses for compact digital still cameras resulted in lower sales for the category.

**Market environment (opportunities and challenges)**

- A rising number of mobile displays and the growing size of display devices is expanding the market for light-source color measuring.
- In the automobile industry, a major customer for object color measuring devices, production volume is gradually increasing.
- The FA measuring market is expanding as a result of growing investment in production line automation.

**Strengths and strategies**

- We possess a wide-ranging product lineup for high-precision measuring equipment.
- In our light-source color measuring device segment, we have a number of global major accounts (GMA) mainly among manufacturers of mobile devices, lighting equipment, and automobiles.
- With the acquisition of Radiant Vision Systems, we are expanding our vaunted color measurement technologies into related fields that include FA and visual inspection applications.

\*Figures published in May, 2014

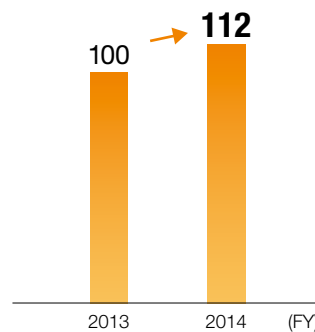
**Fiscal 2014 business results and fiscal 2015 forecast**

In the field of optical systems for industrial use, sales were strong for all core products, including light-source color measuring devices for displays and industrial and professional lenses. However, sales of lenses for compact cameras slid in response to decreased demand.

As a result, fiscal 2014 sales for this field decreased 10% year on year to ¥51.8 billion (¥51.8 billion based on IFRS).

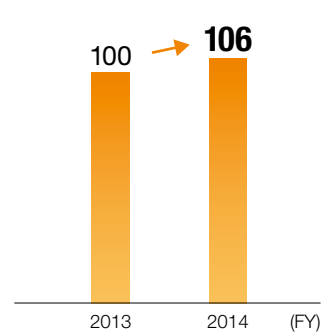
In fiscal 2015, efforts will continue to focus on expanding sales of core products while at the same time we target business that includes FA applications and visual inspection to expand the range of applications for color measuring technologies, an area where Konica Minolta excels. The above factors contribute to a fiscal 2015 segment sales forecast of ¥63.0 billion (based on IFRS), a 22% year-on-year increase.

**Measuring instrument business sales**



\*Base index: FY2013=100

**Industrial and professional lens sales**



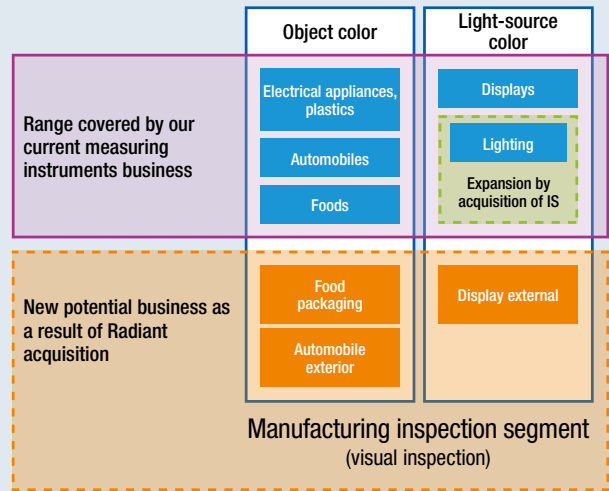
\*Base index: FY2013=100

**Focused Topic**

### Acquisition of major U.S.-based display inspection system manufacturer

As an initiative involving the global display testing market, in August 2015 Konica Minolta acquired Radiant Vision Systems, a leading manufacturer that supplies inspection systems based on customer specifications.

Growth in the market for digital products in recent years has boosted demand for systems capable of reliably detecting the scratches and defects that can impact these products' quality. This acquisition has allowed for a synergy between the visual inspection systems for which Radiant excels and the color measuring technologies that are Konica Minolta's forte.



**• Growth strategies**

In the measuring instruments segment, the December 2012 acquisition of Instrument Systems, a major German manufacturer of measuring devices used with lighting applications, led to a significant strengthening of our technologies for measuring light-source color. In Phase 0, in addition to pushing this business segment to a "genre-top" position, we will be focusing on acquiring new GMA (global major accounts) in the display inspection field in the automobile industry and high-growth industries including smartphones and tablets. This will involve providing services that incorporate new technologies, including color solutions and cloud services (see market forecasts in the figure at bottom right).

Phase 1 will emphasize the expansion of business in peripheral segments by leveraging technologies and expertise developed in light-source color and other such areas in which Konica Minolta excels. One such initiative is focusing on the growing FA measurement market, which involves conducting wide-ranging visual inspections of production lines, an area that has been reinforced with the acquisition of Radiant Vision Systems.

Our entry into FA measurement is a step towards digital manufacturing services, one of the themes under Phase 2. Manufacturing automation is heating up of late. This can be seen in the growing interest for Industry 4.0, an idea promoted in Germany in recent years that seeks to create smart factories using digital

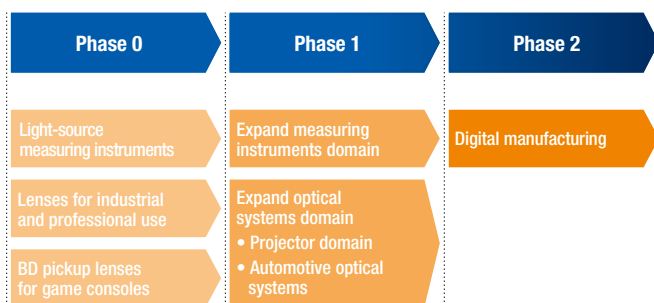
technologies. This trend will further heighten the importance of conducting visual inspections as part of the inspection process. This is a chance to create new business opportunities by supporting digital manufacturing through the use of Konica Minolta's highly sophisticated light and color measuring technologies.

In the industrial and professional lens segment, sales were strong for optical units for projectors and interchangeable lenses. Konica Minolta also has a high market share in pickup lenses, which are used mainly in home gaming devices. In Phase 0, we will establish a revenue base by capturing a significant share of the market in this domain.

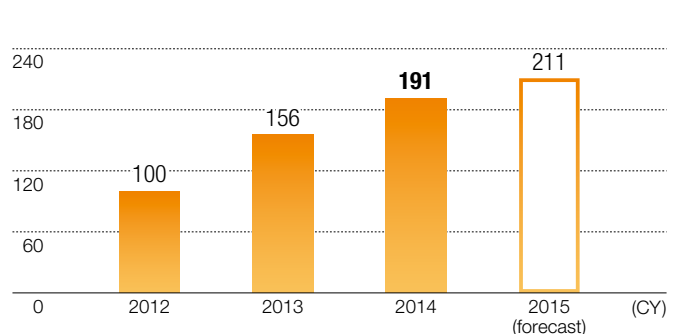
One aspect of Phase 1 will involve further refining Konica Minolta's technologies involving optical design and high-definition optical processing, two areas in which Konica Minolta excels. The other will center on establishing the component and unit technologies that we have so far developed and shifting away from the consumer-electronics applications that have been a mainstay towards growth domains such as automobiles, healthcare, optical communication, and projectors.

Looking to the future, Phase 2 will see us working towards becoming a company that can provide peace of mind and high added value to society as a whole by continuing to provide some of the very best optical devices in the industry.

**Roadmap for growth**



**Smartphone and tablet market trends and forecasts**



\*Base index: CY2012=100  
\*Konica Minolta data.