5. SEGMENT INFORMATION

(1) Information by Business Segment

Fiscal year ended March 31,2005 (From April 1, 2004 to March 31, 2005)

(Millions of yen)

	Business Technologies	Optics	Photo Imaging	Medical and Graphic Imaging	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales									
Outside customers	564,837	91,705	268,471	129,872	5,293	7,266	1,067,447	—	1,067,447
Intersegment sales/transfers	29,886	4,079	12,782	19,918	2,425	60,757	129,849	[129,849]	—
Total	594,724	95,785	281,253	149,791	7,719	68,024	1,197,297	[129,849]	1,067,447
Operating expenses	538,892	79,783	289,905	143,134	6,125	56,490	1,114,332	[114,462]	999,869
Operating income (loss)	55,832	16,001	(8,651)	6,656	1,593	11,533	82,965	[15,387]	67,577
Assets, depreciation, and capital expenditure									
Assets	451,381	95,214	169,545	103,963	7,817	443,501	1,271,424	[315,881]	955,542
Depreciation	27,359	5,672	8,904	4,366	133	6,517	52,953	—	52,953
Capital expenditure	24,258	14,378	7,366	3,695	178	6,571	56,448	—	56,448

Notes:
1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Photo Imaging and Camera, Medical and Graphic, Measurement Equipment, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal year ended March 31,2005, this amount was ¥ 17,088 billion.

Fiscal year ended March 31,2004 (From April 1, 2003 to March 31, 2004)

(Millions of yen)

	Business Technologies	Optics	Photo Imaging	Medical and Graphic Imaging	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales									
Outside customers	431,118	76,711	223,962	120,871	2,657	5,100	860,420	—	860,420
Intersegment sales/transfers	24,594	17,948	15,057	23,461	1,236	43,909	126,207	[126,207]	—
Total	455,712	94,660	239,019	144,332	3,893	49,009	986,628	[126,207]	860,420
Operating expenses	409,303	78,491	244,392	136,426	3,092	40,831	912,538	[109,647]	802,890
Operating income (loss)	46,408	16,168	(5,372)	7,906	801	8,177	74,090	[16,559]	57,530
Assets, depreciation, and capital expenditure									
Assets	431,374	86,726	196,027	106,930	7,703	479,901	1,308,664	[339,074]	969,589
Depreciation	22,151	4,846	7,229	4,698	72	5,390	44,386	—	44,386
Capital expenditure	11,660	4,976	7,815	4,529	70	6,257	35,307	—	35,307

Notes:
1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Photo Imaging and Camera, Medical and Graphic, Measurement Equipment, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal year ended March 31,2004, this amount was ¥ 17,545 million.

(2) Information by Geographical Area

Fiscal year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

(Millions of yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	480,522	250,207	278,164	58,552	1,067,447	—	1,067,447
Intersegment sales/transfers	313,852	8,565	1,624	145,636	469,679	[469,679]	—
Total	794,375	258,773	279,789	204,188	1,537,127	[469,679]	1,067,447
Operating expenses	719,788	256,412	276,369	200,856	1,453,427	[453,557]	999,869
Operating income	74,587	2,360	3,419	3,332	83,699	[16,122]	67,577
Assets	819,494	154,093	158,021	75,106	1,206,715	[251,173]	955,542

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
   (1) North America: United States, Canada
   (2) Europe: Germany, France, United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal year ended March 31, 2005, this amount was ¥ 17,088 million.

Fiscal year ended March 31,2004 (From April 1, 2003 to March 31, 2004)

(Millions of yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	405,787	215,554	190,178	48,901	860,420	—	860,420
Intersegment sales/transfers	223,931	9,678	2,069	95,247	330,928	[330,928]	—
Total	629,719	225,233	192,247	144,148	1,191,348	[330,928]	860,420
Operating expenses	565,964	220,802	187,730	139,638	1,114,136	[311,245]	802,890
Operating income	63,754	4,430	4,517	4,510	77,212	[19,682]	57,530
Assets	835,472	148,317	146,841	66,459	1,197,091	[227,501]	969,589

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
   (1) North America: United States, Canada
   (2) Europe: Germany, France, United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal year ended March 31,2004, this amount was ¥ 17,545 million.

(3) Overseas Sales

Fiscal year ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

(Millions of yen)

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	264,718	282,475	213,435	760,628
Consolidated sales	—	—	—	1,067,447
Overseas sales as a percentage of consolidated sales	24.8%	26.5%	20.0%	71.3%

Fiscal year ended March 31,2004 (From April 1, 2003 to March 31, 2004)

(Millions of yen)

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	235,270	210,899	157,038	603,207
Consolidated sales	—	—	—	860,420
Overseas sales as a percentage of consolidated sales	27.3%	24.5%	18.3%	70.1%

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
(1) North America; United States, Canada
(2) Europe: Germany, France, United Kingdom
(3) Asia excluding Japan, Others: Australia, China, and Singapore

6. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET

7. TRANSACTIONS WITH A RELATED COMPANY

There were no such transactions for the term under review.

8. TAX EFFECT ACCOUNTING

1.Breakdown by cause of deferred tax assets and liabilities.

	As of March 31, 2004	As of March 31, 2005
Deferred tax assets	Millions of yen	Millions of yen
Excess of reserve for retirement benefits over deductible limit	33,194	31,309
Net loss carried forward	19,174	17,112
Excess of allowance for loss on restructuring or liquidation of businesses over deductible limit	14,185	14,651
Investment related tax effect	1,534	—
Write-down on assets	5,587	7,119
Excess of accrued bonuses over deductible limit	6,101	5,993
Excess of allowance for doubtful accounts over deductible limit	1,608	1,693
Accrued enterprise taxes	1,436	1,556
Excess of depreciation and amortization over deductible limit	3,712	1,497
Other	8,689	12,285
Deferred tax assets subtotal	95,225	93,220
Valuation allowance	(19,483)	(18,264)
Total deferred tax assets	75,742	74,955
Deferred tax liabilities		
Revaluation difference of other marketable securities	(4,991)	(4,299)
Gain on establishment of employee pension trust	(3,442)	(3,353)
Retained profit of overseas subsidiaries	(1,155)	(1,870)
Reserve for deferred fixed assets	(3,296)	(1,440)
Total deferred tax liabilities	(12,886)	(10,964)
Net deferred tax assets	62,855	63,991

Deferred tax liabilities related to revaluation	Millions of yen	Millions of yen
Deferred tax liabilities related to revaluation of land	(3,925)	(3,926)

The net sum of deferred tax assets is included in the following items in the consolidated balance sheets.

	As of March 31, 2004	As of March 31, 2005
	Millions of yen	Millions of yen
Current assets – deferred tax assets	31,033	37,850
Fixed assets – deferred tax assets	31,926	27,049
Current liabilities – other current liabilities	(5)	(249)
Long-term liabilities – other long-term liabilities	(98)	(659)

2. Reconciliation between the statutory income tax rate and the effective income tax rate after the adoption of tax effect accounting.

	As of March 31, 2004	As of March 31, 2005
	%	%
Statutory income tax rate	42.1	40.7
(Adjustments)		
Valuation allowance	15.9	(3.5)
Tax credits	(6.1)	(8.6)
Reduction in period-end deferred tax assets due to tax rate changes	2.4	—
Amortization of consolidation goodwill	3.7	12.9
Effect of the introduction a consolidated tax return system	—	28.6
Other	2.6	7.1
Effective income tax rate after the adoption of tax effect accounting	60.6	77.2

9. SECURITIES

As of March 31, 2005

(1) Other Securities with Quoted Market Values [Millions of yen]

		Original purchase value	Market value in consolidated balance sheets	Unrealized gains or losses
Securities for which the amounts in the consolidated balance sheets exceed the original purchase value	(1) Shares	9,908	21,391	11,483
	(2) Bonds	—	—	—
	(3) Other	19	20	1
	Subtotal	9,927	21,412	11,484
Securities for which the amounts in the consolidated balance sheets do not exceed the original purchase value	(1) Shares	5,560	5,519	(40)
	(2) Bonds	116	116	—
	(3) Other	70	69	(0)
	Subtotal	5,747	5,706	(41)
Total		15,675	27,119	11,443

(2) Other securities sold during the fiscal year under review [Millions of yen]

	Sale value	Total profit	Total loss
Other securities	5,128	2,461	3

(3) Securities without Quoted Market Values and Book Values in the Consolidated Balance Sheets

[Millions of yen]

	Book value in consolidated balance sheets
Unlisted securities	1,545
Other	155

As of March 31, 2003

(1) Other Securities with Quoted Market Values [Millions of yen]

		Original purchase value	Market value in consolidated balance sheets	Unrealized gains or losses
Securities for which the amounts in the consolidated balance sheets exceed the original purchase value	(1) Shares	15,679	25,165	9,485
	(2) Bonds	—	—	—
	(3)Other	22	26	4
	Subtotal	15,702	25,192	9,489
Securities for which the amounts in the consolidated balance sheets do not exceed the original purchase value	(1) Shares	5,685	5,007	(678)
	(2) Bonds	155	155	(0)
	(3)Other	30	26	(4)
	Subtotal	5,872	5,189	(683)
Total		21,574	30,381	8,806

(2) Other securities sold during the fiscal year under review [Millions of yen]

	Sale value	Total profit	Total loss
Other securities	501	228	461

(3) Securities without Quoted Market Values and Book Values in the Consolidated Balance Sheets

[Millions of yen]

	Market value in consolidated balance sheets
Unlisted securities	1,443
Unlisted foreign bonds, etc.	5
Other	130

10. DERIVATIVES

Notation has been omitted due to disclosure through EDINET

11. RETIREMENT BENEFITS

(1) Outline of the retirement benefit system adopted

The Company and its domestic subsidiaries adopt the following defined benefit plans: a tax-qualified benefit plan, a defined benefit corporate pension plan, and a lump-sum retirement allowance. In addition, in some cases when employees retire, the Company and consolidated subsidiaries provides for additional retirement benefits that are not related to the retirement benefit liabilities computed according to actuarial methods in accordance with retirement benefit accounting. Some of the Company's overseas subsidiaries have instituted defined benefit plans and some have instituted defined contribution pension plans, while the parent company and a portion of its domestic subsidiaries have instituted retirement benefit trusts. As of the fiscal year-end, 11 Group companies have adopted tax-qualified benefit plans and 14 have adopted defined benefit corporate pension plans. In addition, 2 companies have enrolled in the National Optical Industries welfare pension fund, which is a general establishment welfare pension fund, and one company has enrolled in the mutual aid system for specific retirement allowances.

The Company and a portion of its domestic subsidiaries' transition and institution of retirement benefit plans is as follows:
On April 1, 2004, a portion of the former Minolta Co., Ltd., lump-sum retirement allowance was converted to a defined contribution pension plan.

(2) Items related to retirement benefit liabilities

[Millions of yen]

	As of March 31, 2004	**As of March 31, 2005**
a. Retirement benefit liabilities	(138,418)	(142,123)
b. Pension assets	72,427	76,808
c. Unfunded retirement benefit liabilities (a+b)	(65,991)	(65,315)
d. Amount of difference due to changes in accounting standards not yet amortized	521	—
e. Unrecognized difference under actuarial calculations	14,425	14,638
f. Unrecognized liabilities for employees' prior service (reduction in liabilities)	(11,808)	(10,345)
g. Net amount on consolidated balance sheets (c+d+e+f)	(62,853)	(61,022)
h. Prepaid pension costs	2,061	2,021
i. Allowance for retirement benefits (g-h)	(64,915)	(63,044)

Note:

<As of March 31, 2004>

1.
The Company and certain consolidated subsidiaries made amendments to their welfare pension fund plans with respect to the age of eligibility for annuity payments under the employees' pension fund system and the approved retirement annuity system. As a result, prior service cost was incurred.
2.
Certain subsidiaries use a simplified method of calculated pension liabilities.
3. The effects of the partial change from the lump-sum retirement pay system of Pre-merger Minolta Co., Ltd., to a defined contribution pension system are as follows.

Decrease in retirement benefit obligations	¥4,721 million
Difference in unrecognized actuarial difference	(¥ 769 million)
Unrecognized prior service cost	¥ 658 million
Decrease in retirement benefit reserve	¥4,610 million

In addition, ¥4,790 million in assets are scheduled to be transferred to the defined contribution system over a period of four years. The ¥4,790 million, which was not yet transferred as of the end of the consolidated accounting period ended March 31, 2004, was accounted as other long-term liabilities and accrued expenses on the Consolidated Balance Sheets.

Furthermore, the effects of the partial change from the lump-sum retirement pay system of pre-merger Konica Corp., to a defined contribution pension system was handled in the previous consolidated accounting year.

<As of March 31, 2005>

1.
The Company and certain consolidated subsidiaries made amendments to their welfare pension fund plans with respect to the age of eligibility for annuity payments under the employees' pension fund system and the approved retirement annuity system. As a result, prior service cost was incurred.
2.
Certain subsidiaries use a simplified method of calculated pension liabilities.
3. The effects of the partial change from the lump-sum retirement pay system of Pre-merger Minolta Co., Ltd., to a defined contribution pension system are as follows.

Decrease in retirement benefit obligations	¥1,667 million
Difference in unrecognized actuarial difference	¥ 243 million
Unrecognized prior service cost	(¥ 250 million)
Decrease in retirement benefit reserve	¥1,660 million

In addition, ¥1,500 million in assets are scheduled to be transferred to the defined contribution system over a period of four years. The ¥1,161 million, which was not yet transferred as of the end of the consolidated accounting period ended March 31, 2005, was accounted as other long-term liabilities on the Consolidated Balance Sheets.

(3) Items related to retirement benefit costs

[Millions of yen]

	For the period April 1, 2003 - March 31, 2004	For the period April 1, 2004 - March 31, 2005
a. Employment costs	5,645	7,426
b. Interest costs	2,670	2,947
c. Expected income from management of funds	(358)	(736)
d. Amount amortized of difference due to changes in accounting standards	1,540	521
e. Amount amortized of difference under actuarial calculations	1,968	2,042
f. Amount amortized of liabilities for employees' prior service	(519)	(1,233)
g. Retirement benefit costs (a+b+c+d+e+f)	10,946	10,968
h.Loss on conversion to defined contribution pension plan	180	(160)
i.Account on defined contribution pension plan	1,488	1,257
Total (g+h+i)	12,615	12,065

Notes:

As of March 31, 2004

Retirement benefit costs for consolidated subsidiaries using a simplified method are included in "a. Employment costs".

As of March 31, 2005

Retirement benefit costs for consolidated subsidiaries using a simplified method are included in "a. Employment costs".

(4) Items forming the basis for the calculation of retirement benefit liabilities

	For the period April 1, 2003 - March 31, 2004	For the period April 1, 2004 - March 31, 2005
a. Method for intertemporal allocation of the expected amount of retirement benefits	Periodic allocation method for projected benefit obligations	Periodic allocation method for projected benefit obligations
b. Discount rate	Mainly 2.5%	Mainly 2.5%
c. Expected return on plan assets	Mainly 1.25%	Mainly 1.25 %
d. Period for amortization of prior service cost	Mainly 10 years (Amortization is made over a certain period, using the straight-line method within the average remaining years of service of employees when liabilities are accrued.)	Mainly 10 years (Amortization is made over a certain period, using the straight-line method within the average remaining years of service of employees when liabilities are accrued.)
e. Period for amortization of differences under actuarial calculations years	Mainly 10 years (Amortization is made over a certain period, using the straight-line method, within the average remaining service period starting the year after actuarial loss or gain are recognized.)	Mainly 10 years (Amortization is made over a certain period, using the straight-line method, within the average remaining service period starting the year after actuarial loss or gain are recognized.)
f. Period for amortization of differences arising due to changes in accounting standards	Five years, mostly for subsidiaries	Five years, mostly for subsidiaries

12. PRODUCTION AND ORDERS

(1) Production Results

[Millions of yen]

Business Segments	April 1, 2003 - March 31, 2004	April 1, 2004 - March 31, 2005	YoY (%)
Business Technologies	218,871	318,750	45.6%
Optics	76,277	101,105	32.6%
Photo Imaging and Camera	147,752	168,823	14.3%
Medical and Graphic	86,800	89,822	3.5%
Measurement Equipment	3,688	7,010	90.1%
Other	393	1,652	319.8%
Total	533,783	687,164	28.7%

Notes: 1. Amounts are based on manufacturers' sales prices.
2. The above amounts do not include consumption and other taxes.

(2) Orders

Konica Minolta does not conduct order production.