

## 5. SEGMENT INFORMATION

### (1) Information by Business Segment

Interim period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales									
Outside customers	309,539	67,675	29,901	76,046	4,538	6,250	493,950	-	493,950
Intersegment sales/transfers	1,767	769	8,913	8,441	501	31,377	51,772	(51,772)	-
Total	311,307	68,444	38,814	84,487	5,039	37,628	545,722	(51,772)	493,950
Operating expenses	277,210	57,779	39,501	79,317	4,328	31,893	490,031	(42,341)	447,690
Operating income (loss)	34,097	10,664	(686)	5,170	710	5,734	55,691	(9,430)	46,260

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, Medical and Graphic, Sensing, 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. This amount was ¥ 9,585 million.

Interim period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales									
Outside customers	283,517	51,546	105,731	68,333	2,804	5,664	517,598	-	517,598
Intersegment sales/transfers	1,160	1,002	5,601	16,548	1,152	29,769	55,234	(55,234)	-
Total	284,678	52,548	111,332	84,882	3,956	35,434	572,832	(55,234)	517,598
Operating expenses	256,610	44,633	112,052	78,611	3,084	30,353	525,346	(47,156)	478,189
Operating income (loss)	28,067	7,914	(719)	6,271	872	5,080	47,486	(8,078)	39,408

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, Medical and Graphic, Sensing, 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. This amount was ¥ 9,169 million.
3. We have adopted accounting standards for the impairment of fixed assets in the interim period under review (consolidated). This has led to declines in depreciation expenses and other categories, and increases in operating income at the Photo Imaging business (up ¥394 million) and other businesses (up ¥10 million).

**Fiscal year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)**

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales									
Outside customers	606,730	110,368	187,117	146,600	5,822	11,752	1,068,390	-	1,068,390
Intersegment sales/transfers	3,488	1,803	12,179	27,269	2,352	58,734	105,828	(105,828)	-
Total	610,218	112,171	199,296	173,869	8,174	70,486	1,174,218	(105,828)	1,068,390
Operating expenses	545,098	94,578	206,412	162,180	6,319	60,041	1,074,630	(89,655)	984,974
Operating income (loss)	65,120	17,593	(7,115)	11,689	1,855	10,445	99,588	(16,172)	83,415

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, Medical and Graphic, Sensing, 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. This amount was ¥ 18,313 million.
3. We have adopted accounting standards for the impairment of fixed assets in the interim period under review (consolidated). This has led to declines in depreciation expenses and other categories, and increases in operating income at the Photo Imaging business (up ¥2,997 million) and other businesses (up ¥20 million).

**(2) Information by Geographical Area**

**Interim period ended September 30, 2006 (from April 1, 2006, to September 30, 2006)**

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	224,238	120,284	118,740	30,686	493,950	—	493,950
Intersegment sales/transfers	136,133	1,566	492	86,794	224,985	(224,985)	—
Total	360,371	121,850	119,232	117,481	718,936	(224,985)	493,950
Operating expenses	307,113	119,413	116,219	117,245	659,991	(212,301)	447,690
Operating income	53,258	2,436	3,013	235	58,944	(12,684)	46,260

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, and Canada
  - (2) Europe: Germany, France, and 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. This amount was ¥ 9,585 million.

**Interim Period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)**

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	232,987	126,909	128,988	28,712	517,598	—	517,598
Intersegment sales/transfers	151,522	3,430	670	88,231	243,855	(243,855)	—
Total	384,509	130,340	129,659	116,943	761,453	(243,855)	517,598
Operating expenses	340,447	128,125	127,955	115,841	712,370	(234,180)	478,189
Operating income	44,062	2,214	1,703	1,102	49,082	(9,674)	39,408

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 and Canada
  - (2) Europe: Germany, France, and 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. This amount was ¥ 9,169 million.
4. We have adopted accounting standards for the impairment of fixed assets in the interim period under review (consolidated). This has led to declines in depreciation expenses and other categories, and an increase in domestic operating income (up ¥405 million).

**Fiscal year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)**

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	476,720	262,288	270,566	58,815	1,068,390	-	1,068,390
Intersegment sales/transfers	294,586	5,898	1,302	185,488	487,276	(487,276)	-
Total	771,307	268,186	271,868	244,304	1,555,666	(487,276)	1,068,390
Operating expenses	685,718	261,121	267,633	243,206	1,457,681	(472,706)	984,974
Operating income	85,588	7,065	4,235	1,097	97,985	(14,569)	83,415

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, and 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. This amount was ¥ 18,313 million.
4. We have adopted accounting standards for the impairment of fixed assets in the fiscal year ended March 31, 2006 (consolidated). This has led to declines in depreciation expenses and other categories. Operating income in Japan, North America, Europe, and Asia and Others (excluding Japan) increased ¥1,840 million, ¥1,077 million, ¥64 million, and ¥35 million, respectively.

**(3) Overseas Sales**

**Interim Period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)**

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	125,692	129,989	103,715	359,396
Consolidated sales	-	-	-	493,950
Overseas sales as a percentage of consolidated sales	25.4%	26.3%	21.0%	72.8%

**Interim Period ended September 30, 2005 (from April 1, 2005 to September 30, 2005)**

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	131,292	133,223	99,596	364,112
Consolidated sales	-	-	-	517,598
Overseas sales as a percentage of consolidated sales	25.4%	25.7%	19.2%	70.3%

**Fiscal year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)**

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	274,218	281,418	199,529	755,166
Consolidated sales	-	-	-	1,068,390
Overseas sales as a percentage of consolidated sales	25.7%	26.3%	18.7%	70.7%

## 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 and Canada
  - (2) Europe: Germany, France, and United Kingdom
  - (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Overseas sales are those sales that are made by the Company or its consolidated subsidiaries in a country or region outside of Japan.

## 6. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET.

## 7. MARKETABLE SECURITIES

### (1) Other marketable securities with market values:

[Millions of yen]

	As of September 30, 2006			As of September 30, 2005			As of March 31, 2006		
	Acquisition cost	Total amount on interim consolidated balance sheets	Difference	Acquisition cost	Total amount on interim consolidated balance sheets	Difference	Acquisition cost	Total amount on interim consolidated balance sheets	Difference
Stocks	16,040	29,361	13,321	16,786	26,555	9,768	16,570	33,111	16,541
Bonds	28	32	3	28	30	1	-	-	-
Other	112	112	-	156	156	-	136	141	4
Total	16,193	29,507	13,325	16,971	26,741	9,769	16,706	33,252	16,546

### (2) Details of principal marketable securities that are not assessed at market value and interim and full year consolidated balance sheet total amounts:

[Millions of yen]

	As of September 30, 2006	As of September 30, 2005	As of March 31, 2005
	Interim consolidated balance sheet total amount	Interim consolidated balance sheet total amount	Consolidated balance sheet total amount
Other marketable securities			
Unlisted stocks (does not include shares traded over-the-counter)	429	1,542	486
Other	-	164	-

## 8. DERIVATIVES

Notation has been omitted due to disclosure through EDINET.

## 9. PRODUCTION AND ORDERS

### **(1) Production Results**

[Millions of yen]

Business Segments	Six months ended September 30, 2006	Six months ended September 30, 2005	Fiscal year ended March 31, 2006
Business Technologies	176,955	170,147	336,627
Optics	62,270	52,155	109,223
Photo Imaging	20,173	61,707	104,285
Medical and Graphic	45,930	46,294	96,365
Sensing	3,956	3,555	7,741
Other	1,228	887	1,969
Total	310,514	334,746	656,212

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.