February 1, 2007

Consolidated Financial Results for the 3rd Quarter ended December 31, 2006
(From April 1, 2006 to December 31, 2006)

Konica Minolta Holdings, Inc.

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1. Items Pertaining to the Compilation of Overview of Quarterly Results

a) Use of simplified accounting procedures: Yes (see attachment for details)
b) Discrepancies between methods recognized in the most recent consolidated fiscal accounting year and accounting procedures for the quarter under review: No
c) Changes to the application of consolidated and equity methods: Yes
Consolidated: (new) 7 companies (excluded) 8 companies
Equity: (new) - (excluded) -

2. Overview of the 3rd Quarter Performance (From April 1, 2006 to December 31, 2006)

(1) Business performance

(Units of less than 1 million yen have been omitted.)
[Millions of yen]

	Net sales		Operating income		Recurring profit		Net income (loss)	
Nine months ended December 31, 2006	744,596	(6.1%)	70,345	6.5%	69,804	8.5%	40,123	187.7%
Nine months ended December31, 2005	793,016	(0.7%)	66,045	29.4%	64,328	46.3%	13,948	(15.3%)
(Ref.)Fiscal year ended March 31, 2006	1,068,390	0.1%	83,415	23.4%	76,838	43.3%	(54,305)	—

	Net income (loss) per share	Net income per share (after full dilution)
Nine months ended December 31, 2006	75.59 yen	75.06 yen
Nine months ended December31, 2005	26.27 yen	26.26 yen
(Ref.)Fiscal year ended March 31, 2006	(102.29) yen	—

Note:
The percentage of net sales and income indicate the rate of increase and decrease compared with the same quarter of the previous fiscal year. Diluted net income per share for the quarter (the quarter under review) has also been omitted because a net loss was recorded in the previous period.

(2) Financial Position

[Millions of yen]

	Total assets	Shareholders' equity	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
Nine months ended December 31, 2006	950,964	336,095	35.2	630.82
Nine months ended December31, 2005	990,316	361,841	36.5	681.59
(Ref.)Fiscal year ended March 31, 2006	944,054	293,817	31.1	553.50

(3) Cash Flows

[Millions of yen]

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents year at end of period
Nine months ended December 31, 2006	43.555	(38,195)	(2,321)	84,370
Nine months ended December31, 2005	48,479	(38,703)	3,170	73,680
(Ref.)Fiscal year ended March 31, 2006	78,924	(43,146)	(16,850)	80,878

3. Consolidated Financial Forecast for Fiscal year ending March 31, 2007
(From April 1, 2006 to March 31, 2007)

[Millions of yen]

	Net sales	Recurring profit	Net income
Full-year	1,006,000	90,000	46,000

(Ref.) Anticipated net income per share: 86.67 yen

The above forecasts are expectations based on predications, outlooks, and plans related to the future at the time of this announcement and, as such, are subject to risks and uncertainties. Various significant factors in the operating environment surrounding the company may cause actual results to differ materially from these forecasts.

Overview of Performance

Nine Months Summary (From April 1, 2006 to December 31, 2006)

[Millions of yen]

	Nine months ended Dec.31, 2006 (Apr. 1,2006 – Dec.31, 2006)	Nine months ended Dec.31, 2005 (Apr. 1,2005 – Dec.31, 2005)	Increase (Decrease)		Three months ended Dec.31, 2006 (Oct. 1,2006 – Dec.31, 2006)	Three months ended Dec.31, 2005 (Oct. 1,2005 – Dec.31, 2005)	Increase (Decrease)	
				(%)				(%)
Net sales	744,596	793,016	(48,419)	(6.1)	250,646	275,417	(24,771)	(9.0)
Gross profit on sales	358,580	368,516	(9,936)	(2.7)	120,760	129,378	(8,617)	(6.7)
Operating income	70,345	66,045	4,300	6.5	24,085	26,637	(2,551)	(9.6)
Recurring profit	69,804	64,328	5,476	8.5	24,950	29,083	(4,132)	(14.2)
Net income before tax	78,320	36,339	41,981	115.5	30,440	29,108	1,331	4.6
Net income	40,123	13,948	26,175	187.7	17,614	17,430	183	1.1
	¥	¥	¥	(%)	¥	¥	¥	(%)
Net income per share	75.59	26.27	49.32	187.7	33.19	32.83	0.36	1.1
				(%)				(%)
Capital investment	51,613	49,388	2,225	4.5	17,851	17,983	(132)	(0.7)
Depreciation	37,513	37,815	(302)	(0.8)	12,894	12,434	459	3.7
R&D expenses	53,001	48,389	4,612	9.5	18,175	16,217	1,957	12.1
Exchange rates	¥	¥	¥	(%)	¥	¥	¥	(%)
US$	116.19	112.11	4.08	3.6	117.82	117.35	0.47	0.4
Euro	147.96	136.91	11.05	8.1	151.94	139.44	12.50	9.0

During the quarterly period under review, consolidated net sales amounted to ¥744.5 billion. This figure is down 6.1% from the same period in the previous fiscal year, owing to a 115.1 billion yen drop in sales from the Photo Imaging Business as it goes through the process of exiting. However, higher sales and robust performances were recorded in other business fields, such as the Business Technologies Business, which achieved higher sales volumes of products centered on color multifunctional peripherals (MFPs), and the Optics Business, which continued to enjoy expanding demand for TAC film and began the full-scale manufacture of optical pick-up lenses for next-generation DVDs. Gross profit decreased 2.7% from the level in the same period of the previous year, reflecting the impact of the fall in Photo Imaging Business sales. Although the gross profit margin was negatively affected by drops in selling prices that accompanied the intensification of competition, the Company was able to offset that impact through such measures as Groupwide cost reduction efforts as well as moves to increase the sales quantity, primarily due to rises in sales of new products and high-added-value products. These measures and exchange rate benefits associated with the depreciation of the yen caused the gross profit margin to increase 1.7 percentage points, from 46.5% to 48.2%. Despite a rise in R&D spending centered on such growth fields as the Business Technologies Business as well as a rise in such Groupwide basic infrastructure expenditures as those associated with IT systems and environmental protection measures, consolidated selling, general and administrative (SG&A) expenses decreased ¥14.2 billion from the same period of the previous fiscal year, reflecting a large reduction in Photo Imaging Business expenses and other thoroughgoing measures the Company took to select strategic business fields and concentrate its operations in those fields. Consequently, operating income during the period totaled ¥70.3 billion, up 6.5%, or ¥4.3 billion, from the same period of the previous fiscal year. The operating profit margin was 9.4%, up 1.1 percentage point from the 8.3% level in the same period of the previous fiscal year. Due to factors including a decrease in disposal loss of inventory assets, the balance of non-operating income and expense items improved by ¥1.1 billion from the same period of the previous fiscal year, and this supported a rise of ¥5.4 billion, or 8.5%, in recurring income, which amounted to ¥69.8 billion.

Extraordinary income improved ¥36.5 billion from the same period of the previous fiscal year owing to such factors as the incidence of impairment losses and other extraordinary losses in the same period of the previous year and also owing to gains on the disposal of fixed assets in connection with the discontinuation of Photo Imaging Business. As a result, net income before income taxes amounted to ¥78.3 billion, up 115.5%, from the same period of the previous fiscal year, and net income totaled ¥40.1 billion, up 187.7%.

Capital investments amounted to ¥51.6 billion, up ¥2.2 billion from the same period of the previous fiscal year, owing to the proactive strengthening of production capacity in such growth areas as polymerized toner, for which demand is expected to increase in tandem with expanded sales of color MFPs, and TAC film, for which demand continues to rise. Reflecting the incidence of impairment losses in the previous period, depreciation and amortization totaled ¥37.5 billion, approximately the same level as in the same period of the previous fiscal year.

[Reference]　Three Months Summary (From October 1, 2006 to December 31, 2006)

Consolidated net sales for the quarterly period under review amounted to ¥250.6 billion. A ¥39.3 billion decrease in Photo Imaging Business sales caused a 9.0% decline in consolidated net sales, but net sales in all other business fields were higher than in the same period of the previous fiscal year. Regarding profitability, the sustained robustness of MFP sales supported a rise in the operating profit of the Business Technologies Business. In addition to the impact on profitability from the decrease in Photo Imaging Business sales, however, profitability was negatively affected by price adjustments and customers' inventory adjustments in the Optics Business as well as by the high price of silver and other raw materials in Medical and Graphic Imaging Business. As a result, operating income decreased 9.6% from the level in the same period of the previous fiscal year, to ¥24.0 billion, and recurring income fell 14.2%, to ¥24.9 billion. However, the recording of extraordinary gains on the sale of fixed assets and other factors caused income before income taxes to rise 4.6% from the level in the same period of the previous fiscal year, to ¥30.4 billion, and net income advanced 1.1%, to ¥17.6 billion.

Overview by Segment

(From April 1, 2006 to December 31, 2006)

1. Business Technologies Business

[Multifunctional peripherals (MFPs), laser printers (LBPs), etc.]

[Millions of yen]

	Nine months ended Dec.31, 2006 (Apr. 1,2006 – Dec.31, 2006)	Nine months ended Dec.31, 2005 (Apr. 1,2005 – Dec.31, 2005)	Increase (Decrease)	Three months ended Dec.31, 2006 (Oct. 1,2006 – Dec.31, 2006)	Three months ended Dec.31, 2005 (Oct. 1,2005 – Dec.31, 2005)	Increase (Decrease)
Net sales to outside customers	473,969	440,373	33,595	164,429	156,856	7,572
Intersegment net sales	2,763	2,336	426	995	1,176	(180)
Total net sales	476,732	442,710	34,021	165,424	158,032	7,392
Operating expenses	422,173	396,924	25,249	144,963	140,314	4,649
Operating income	54,558	45,785	8,772	20,461	17,718	2,743

In accordance with the Company's "genre-top strategy" of becoming the dominant player in each of its market segments by focusing its business resources on specific markets and business areas and thereby securing the top brand position, the Business Technologies Business is working to expand its operating base in two business fields where demand is expected to continue growing—color MFPs for general office applications and production print products for in-house printing departments of major corporations, data centers, and major franchise copy shops.

In the color MFP field, the Company has continued to enhance its product lineup while emphasizing the medium-to high-speed MFP segment. Aiming to further strengthen its products' appeal during the period under review, the Company took such measures as those associated with the May 2006 launch of the bizhub C300 (30 ppm color and black and white) and the bizhub C352 (35 ppm color and black and white) as well as the October 2006 launch of the bizhub C252 (25 ppm color and black and white). Robust sales of the bizhub C (bizhub color) series were recorded in markets centered on Europe, as customers highly evaluated products in this series due to high-quality images achieved through the Company's unique polymerized toner and image technologies as well as the excellent cost performance afforded by tandem engines that realize high productivity. Consequently, unit sales of color MFPs were up 39% from the same period of the previous fiscal year. In the production print field, the Company strengthened its bizhub PRO series of high-speed MFPs through such initiatives as the September 2006 launch of the bizhub PRO C6500 (65 ppm color and black and white) and the December 2006 launch of the bizhub PRO 1050e (105 ppm black and white) and worked to expand sales of its products while giving particular attention to the large U.S. market. Efforts in such emphasized fields as color MFPs and high-speed MFPs, along with measures to steadily increase its response to persistent demand for general office-use monochrome MFPs in such markets as those of the United States and Asia, enabled the Company to maintain growth in total unit sales of MFPs, which during the period under review were up 11% from the same period of the previous fiscal year.

In LBP operations, the Company is proceeding with a qualitative shift toward sales strategies that place still greater emphasis on profitability. Focusing on the general corporate customers projected to generate considerable print volume, the Company is working to strengthen its sales of such medium- to high-speed tandem color LBPs as magicolor 5400 series and other magicolor series products with 20+ ppm capabilities. The Company is also striving to increase sales of such high-value-added multifunctional products as the magicolor 2480MF, which in addition to printing capabilities offers copying, scanning, and facsimile functions.

As a result, sales to external customers rose 8% year on year, to ¥473.9 billion, and operating income surged 19%, to ¥54.5 billion.

2. Optics Business

[Optical devices, electronic materials, etc.]

[Millions of yen]

	Nine months ended Dec.31, 2006 (Apr. 1,2006 – Dec.31, 2006)	Nine months ended Dec.31, 2005 (Apr. 1,2005 – Dec.31, 2005)	Increase (Decrease)	Three months ended Dec.31, 2006 (Oct. 1,2006 – Dec.31, 2006)	Three months ended Dec.31, 2005 (Oct. 1,2005 – Dec.31, 2005)	Increase (Decrease)
Net sales to outside customers	101,213	81,038	20,174	33,538	29,492	4,046
Intersegment net sales	1,092	1,449	(357)	322	447	(124)
Total net sales	102,305	82,488	19,817	33,861	29,939	3,921
Operating expenses	87,385	69,458	17,926	29,605	24,824	4,780
Operating income	14,920	13,029	1,891	4,255	5,114	(859)

Regarding memory-related products, the Company completed a period in which its DVD pickup lens manufacturing volume was adjusted downward and entered a period characterized by a trend of recovery led by such main products as current-generation DVDs and objective lenses for next-generation DVDs. While demand for glass hard disk substrate products has continued to increase, the Company's sales volume in this field was affected by clients inventory adjustments during the latter half of the period that slightly slowed the rate of growth in sales volume, which was up approximately 30% from the same period in the previous fiscal year.

In displays, we began the full-scale operation of our No. 4 production line, which was completed in September 2006, and worked to expand sales of products centered on TAC film. However, year-on-year growth in overall sales was restrained to approximately 30%, reflecting such factors as customers' inventory adjustments for wide-angle viewing films and other highly functional films during the latter half of the quarterly period under review and our own shipping volume adjustments prior to transitions to new products.

With respect to image input/output components, sales of lens units for digital cameras, video cameras, and camera-equipped mobile phones were sluggish overall due to intensifying competition in finished product markets.

As a result, sales to outside customers in this segment grew 25% year on year, to ¥101.2 billion. and operating income increased 15%, to ¥14.9 billion.

3. Medical and Graphic Imaging Business

[Medical and graphic products, etc.]

[Millions of yen]

	Nine months ended Dec.31, 2006 (Apr. 1,2006 – Dec.31, 2006)	Nine months ended Dec.31, 2005 (Apr. 1,2005 – Dec.31, 2005)	Increase (Decrease)	Three months ended Dec.31, 2006 (Oct. 1,2006 – Dec.31, 2006)	Three months ended Dec.31, 2005 (Oct. 1,2005 – Dec.31, 2005)	Increase (Decrease)
Net sales to outside customers	112,067	103,639	8,427	36,020	35,305	715
Intersegment net sales	11,029	22,139	(11,110)	2,587	5,591	(3,003)
Total net sales	123,096	125,779	(2,683)	38,608	40,897	(2,288)
Operating expenses	115,966	116,242	(276)	36,649	37,631	(982)
Operating income	7,129	9,536	(2,407)	1,959	3,265	(1,306)

In the medical segment, the Company strove to expand its sales of such digital input/output equipment as the REGIUS series of digital radiography systems and the DRYPRO series of imaging output equipment, particularly in overseas markets. Accompanying these efforts, the Company also recorded a higher sales volume than in the same period of the previous fiscal year for film products centered on digital-compatible dry film products.

In the graphic (printing) segment, sales of the Company's mainstay film products were impacted by the trend toward filmless imaging, which is proceeding in step with the rising use of digital printing processes in Japan and overseas, but the Company's efforts to maintain or expand its sales volume, particularly in overseas markets, enabled it to boost its overall graphic film product sales volume compare to the same period of the previous fiscal year. Regarding sales of digital systems, sales of the digital color proofing system Digital Consensus PRO were maintained at approximately the same level as in the same period of the previous fiscal year.

As a result, sales to outside customers in this segment amounted to ¥112.0 billion, up 8% from the same period of the previous fiscal year. However, operating income declined 25%, to ¥7.1 billion, owing to factors that included the soaring price of silver.

4. Other Businesses

■ **Sensing Business [Colorimeters, 3D digitizers and other measurement devices]**

This segment leverages Konica Minolta's expertise in optical technology to supply customers in Japan and overseas with measurement devices to perform a variety of measurements, including light-source color, object color, luminance, illuminance, medical, and shape measurements. Performance during the period under review was supported by the strength of sales of light-source color, object color, and other color measurement products. Moreover, as of the current fiscal year, sales in the United States, Europe, and Singapore have been included in the consolidated earnings of this segment due to the establishment of new independent sales companies. As a result of these factors, sales to outside customers surged 72% year on year, to ¥6.8 billion, and operating income amounted to ¥900 million.

■ **Inkjet Business [Industrial inkjet printer heads, large inkjet printers, etc.]**

This segment leverages the Company's proprietary inkjet, chemical, and ink-related technologies to provide high-definition printer heads to major printer manufacturers and large-scale inkjet printers for textile manufacturing applications as well as various ink consumables for these products. During the period under review, robust sales were recorded of printer heads and other component products. Reflecting this, sales to outside customers rose 41% year on year, to ¥4.3 billion, and operating income totaled ¥900 million.

■ **Photo Imaging Business [Photographic materials, etc.]**

In the Photo Imaging Business, Konica Minolta terminated its camera and minilab businesses on March 31, 2006, and plans to terminate the color film and photographic paper business by September 30, 2007. As a result of this policy, sales to outside customers in the period under review dropped 74% from the level in the same period of the previous fiscal year, to ¥40.9 billion, and an operating loss of ¥1.4 billion was recorded.

Earnings Forecast

Fiscal year ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

[Millions of yen]

	Net sales	Operating income	Recurring profit	Net income
Full-year	1,006,000	96,500	90,000	46,000

(Ref.): Anticipated net income per share:- 86.67 yen

Regarding domestic and overseas economic situations during the fourth quarter of the current fiscal year, there are concerns regarding trends in the interest-rate policies of Japan, the United States, and principal European countries as well as associated exchange rate changes and potential economic deceleration, and it is difficult to project future trends regarding such situations as political instability in the Middle East and Northeast Asia. However, the trend of skyrocketing raw material prices as exemplified by high crude oil prices is easing, and the trends related to the year-end shopping season turned out to be positive overall. In view of these and other positive factors, it is generally thought that the current robust economic expansion will continue.

With respect to conditions in the Konica Minolta Group's principal markets, it is expected that recovering corporate profitability will sustain the general trend of rising corporate interest in IT-related investments, and continued robust demand is expected for such information equipment as highly functional, high-performance color copiers and printers that respond to networking needs. Although it remains difficult to predict demand trends for such items as TAC film and other LCD-related products, glass substrates for hard disk drives, optical pickup lenses, and other optical devices and components used in digital consumer electronics products and IT-related products, it is thought that demand for such items will gradually recover.

In accordance with the FORWARD 08 medium-term business plan drafted in May 2006, Konica Minolta will continue to give top priority to its objectives of comprehensively marshalling the Group's power to achieve growth and striving to further increase the value-added in the Group's operations. While emphasizing efforts to strengthen its core Business Technologies Business and strategic Optics Business, the Company will proceed with measures to expeditiously terminate its Photo Imaging Business. In these ways, the Group is moving forward with the fundamental restructuring of its operations.

Regarding consolidated performance during the first nine months of the current fiscal year, performance has generally been strong in Business Technologies Business and Optics Business. Moreover, measures to exit Photo Imaging Business have proceeded as planned both in Japan and overseas. Intensifying price competition is anticipated in each of the Company's business fields, however, and the level of competition in the Group's business environment will continue to present considerable challenges. In light of these circumstances, the Company is maintaining unchanged the performance projections for the current fiscal year as a whole that were announced on November 2, 2006. The Company will be striving to speedily implement diverse measures in its various business fields designed to ensure that the performance projections are attained.

The projections have been made based on the assumption of fourth quarter exchange rates of US$=¥115 and Euro=¥140.

*The above performance projections are projections made based on materials available at the announcement date related to assumptions, expectations, and plans related to the future. They include risks and uncertain factors. Actual performance may greatly differ from the projections due to the Company's economic operating environment, market trends, currency exchange rate trends, and diverse other important factors.

Financial Position

At the end of the quarterly period under review, total assets were up ¥6.9 billion compared with the end of the previous fiscal year, to ¥950.9 billion, reflecting increases in cash and deposits, tangible fixed assets, and other asset items. Interest-bearing debt was up ¥3.4 billion, to ¥240.0 billion.

Net assets totaled ¥336.0 billion, mainly due to the generation of profit and an consequential rise in retained earnings. Net assets per share came to ¥630.82, and the equity ratio was 35.2%.

Regarding cash flows during the first three quarters of the fiscal year under review, cash flow was generated due to income before income taxes of ¥78.3 billion as well as such situations as decreases in depreciation and amortization, receivables, and inventories, net cash provided by operating activities totaled ¥43.5 billion, mainly owing to income tax payments and a reduction in the reversal of the allowance for losses stemming from exiting from the Photo Imaging Business posted at the end of the previous fiscal year.

Net cash used in investing activities totaled ¥38.1 billion, primarily due the acquisition of tangible and intangible fixed assets in the Company's core Business Technologies Business and strategic Optics Business. As a result, free cash flows, calculated as the total of cash flows from operating activities and cash flows from investing activities, amounted to ¥5.3 billion.

Despite income from the issuance of new bonds with warrants, net cash used in financing activities amounted to ¥2.3 billion due to the Company's sustained efforts to repay other interest-bearing debt.

As a result of the above, cash and cash equivalents at the end of the quarterly period under review amounted to ¥84.3 billion, up ¥3.4 billion from the end of the previous fiscal year.

* Figures given in the text as billions of yen have been rounded downward to the nearest hundred million yen by discarding figures less than one hundred million yen

Consolidated Financial Statements

1. Consolidated Balance Sheets

[Millions of yen]

	As of December 31, 2006		As of December 31, 2005		Increase (Decrease)		As of March 31, 2006	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Assets								
Current assets	[542,209]	[57.0]	[574,731]	[58.0]	[(32,522)]	[(5.7)]	[540,152]	[57.2]
Cash and deposits	84,370		73,524		10,846		80,878	
Trade notes and accounts receivable	243,912		256,065		(12,152)		246,264	
Marketable securities	—		156		(156)		—	
Inventories	147,447		186,267		(38,820)		149,428	
Deferred tax assets	37,223		36,613		610		43,242	
Other accounts receivable	11,444		9,491		1,953		10,048	
Other current assets	24,771		22,231		2,540		19,681	
Allowance for doubtful accounts	(6,961)		(9,617)		2,655		(9,393)	
Fixed assets	[408,755]	[43.0]	[415,585]	[42.0]	[(6,829)]	[(1.6)]	[403,902]	[42.8]
Tangible fixed assets	[235,585]	24.8	[221,690]	22.4	[13,895]	6.3	[216,127]	22.9
Buildings and structures	64,606		67,540		(2,934)		63,426	
Machinery and vehicles	66,187		56,350		9,836		55,607	
Tools and equipment	27,939		25,983		1,956		25,227	
Land	34,376		36,090		(1,713)		35,871	
Construction in progress	21,407		13,684		7,722		13,128	
Rental business-use assets	21,068		22,040		(971)		22,866	
Intangible fixed assets	[98,278]	10.3	[106,538]	10.8	[(8,259)]	(7.8)	[103,483]	11.0
Goodwill	83,760		—		83,760		—	
Consolidated goodwill	—		84,531		(84,531)		80,789	
Other intangible fixed assets	14,518		22,006		(7,488)		22,694	
Investments and others	[74,890]	7.9	[87,356]	8.8	[(12,465)]	(14.3)	[84,291]	8.9
Investment securities	33,529		38,567		(5,038)		37,459	
Long-term loans	847		1,580		(733)		1,051	
Long-term prepaid expenses	4,187		4,856		(669)		4,462	
Deferred tax assets	25,539		28,012		(2,472)		29,135	
Other investments	11,833		15,698		(3,865)		13,328	
Allowance for doubtful accounts	(1,045)		(1,358)		312		(1,146)	
Total assets	950,964	100.0	990,316	100.0	(39,352)	(4.0)	944,054	100.0

[Millions of yen]

	As of December 31, 2006		As of December 31, 2005		Increase (Decrease)		As of March 31, 2006	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Liabilities								
Current liabilities	[401,635]	42.3	[460,601]	46.5	[(58,966)]	(12.8)	[476,559]	50.5
Notes and account payable - trade	126,130		134,986		(8,856)		117,974	
Short-term loans	87,667		169,291		(81,624)		135,362	
Long-term loans due within one year	17,086		8,705		8,381		8,086	
Bonds due within one year	30		14,069		(14,039)		14,037	
Account payable - other	46,609		19,096		27,512		27,948	
Accrued expenses	40,621		70,657		(30,035)		77,044	
Accrued income taxes	12,166		6,013		6,153		8,778	
Accrued bonuses	6,449		—		6,449		—	
Allowance for product warranty	5,218		5,403		(184)		5,084	
Provision for loss on discontinued operations	35,894		—		35,894		58,078	
Notes payable-equipment	6,389		5,025		1,364		6,035	
Other current liabilities	17,369		27,352		(9,982)		18,128	
Long-term liabilities	[213,233]	22.4	[165,416]	16.7	[47,816]	28.9	[170,924]	18.1
Bonds	75,291		5,030		70,261		5,030	
Long-term loans	59,981		59,421		559		74,045	
Deferred tax assets on land revaluation	4,042		4,274		(232)		4,042	
Reserve for retirement benefits and pension plans	61,001		70,655		(9,653)		64,869	
Reserve for directors' retirement benefits	445		392		52		442	
Other long-term liabilities	12,471		25,642		(13,171)		22,493	
Total liabilities	614,868	[64.7]	626,018	[63.2]	(11,149)	[(1.8)]	647,483	[68.6]

[Millions of yen]

	As of December 31, 2006		As of December 31, 2005		Increase (Decrease)		As of March 31, 2006	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Minority Interests	—	—	2,456	0.3	—	—	2,753	0.3
Shareholders' equity								
Capital stock	—	—	37,519	3.8	—	—	37,519	4.0
Additional pain-in capital	—	—	226,069	22.8	—	—	226,069	23.9
Retained earnings	—	—	89,110	9.0	—	—	20,088	2.1
Unrealized gain on securities	—	—	10,217	1.0	—	—	10,180	1.1
Translation adjustment	—	—	(209)	(0.0)	—	—	875	0.1
Treasury stock	—	—	(865)	(0.1)	—	—	(915)	(0.1)
Total shareholders' equity	—	—	361,841	[36.5]	—	—	293,817	[31.1]
Total liabilities, minority interests, and shareholders' equity	—	—	990,316	100.0	—	—	944,054	100.0
Net assets								
Shareholders' equity	[323,261]	[34.0]	—	—	—	—	—	—
Capital stock	37,519	3.9	—	—	—	—	—	—
Additional pain-in capital	204,142	21.5	—	—	—	—	—	—
Retained earnings	82,667	8.7	—	—	—	—	—	—
Treasury stock	(1,067)	(0.1)	—	—	—	—	—	—
Revaluation and translation adjustments	[11,544]	[1.2]	—	—	—	—	—	—
Unrealized gain on securities	7,678	0.8	—	—	—	—	—	—
Gain (loss) on deferred hedge	228	0.0	—	—	—	—	—	—
Translation adjustment	3,637	0.4	—	—	—	—	—	—
Share warrant	61	0.0	—	—	—	—	—	—
Minority Interests	1,228	0.1	—	—	—	—	—	—
Total net assets	336,095	[35.3]	—	—	—	—	—	—
Total liabilities and shareholders' equity	950,964	100.0	—	—	—	—	—	—

2. Consolidated Statements of Income

[Millions of yen]

	Nine months ended December 31, 2006		Nine months ended December 31, 2005		Increase (Decrease)		Fiscal year ended March 31, 2006	
	Amount	% of net sales	Amount	% of net sales	Amount	Y of Y %	Amount	% of net sales
Net sales	744,596	100.0	793,016	100.0	(48,419)	(6.1)	1,068,390	100.0
Cost of sales	386,016	51.8	424,499	53.5	(38,483)	(9.1)	575,163	53.8
Gross profit	358,580	48.2	368,516	46.5	(9,936)	(2.7)	493,227	46.2
Selling, general and administrative expenses	288,234	38.8	302,471	38.2	(14,236)	(4.7)	409,811	38.4
Operating income	70,345	9.4	66,045	8.3	4,300	6.5	83,415	7.8
Non-operating income	[13,003]	1.8	[12,712]	1.6	[291]	2.3	[14,879]	1.4
Interest and dividend income	1,700		1,345		355		1,756	
Equity method investment gain	13		—		13		—	
Exchange gain	3,866		5,847		(1,981)		5,413	
Other	7,422		5,519		1,903		7,709	
Non-operating expenses	[13,544]	1.8	[14,429]	1.8	[(885)]	(6.1)	[21,457]	2.0
Interest expense	3,968		4,166		(198)		5,427	
Equity method loss of affiliated companies	—		662		(662)		2,507	
Disposal/valuation losses of inventories	3,288		3,870		(582)		7,540	
Other	6,287		5,729		557		5,982	
Recurring profit	69,804	9.4	64,328	8.1	5,476	8.5	76,838	7.2
Extraordinary profit	[10,170]	1.4	[1,513]	0.2	[8,657]	572.2	[3,353]	0.3
Gain on sales of fixed assets	5,295		576		4,718		1,255	
Gain on sales of investment securities	1,579		936		642		1,528	
Gain on sales of investment in affiliated companies	1,200		—		1,200		569	
Gain on reserve fund of a business withdrawal loss	2,096		—		2,096		—	
Extraordinary losses	[1,654]	0.3	[29,501]	3.7	[(27,847)]	(94.4)	[116,126]	10.9
Loss on disposal and sale of fixed assets	1,610		2,044		(433)		3,689	
Loss on sale of investment in affiliates	—		9		(9)		19	
Loss on sale of investment securities	44		—		44		420	
Write-down on investment securities	—		—		—		8	
Loss on impairment of fixed assets	—		23,299		(23,299)		4,143	
Payment for dissolution of business	—		—		—		96,625	
Provision of special outplacement program	—		—		—		6,484	
Restructuring expenses	—		1,776		(1,766)		—	
Amortization of consolidation goodwill	—		—		—		2,361	
Other extraordinary loss	—		2,372		(2,372)		2,372	
Income (loss) before income taxes and minority interests	78,320	10.5	36,339	4.6	41,981	115.5	(35,934)	(3.4)
Tax expenses	38,073	5.1	21,811	2.8	16,262	74.6	17,533	1.6
Minority interests in earnings of consolidated subsidiaries	124	0.0	579	0.0	(455)	(78.6)	837	0.1
Net Income (loss)	40,123	5.4	13,948	1.8	26,175	187.7	(54,305)	(5.1)

3. Consolidated Statement of Cash Flow Highlights

[Millions of yen]

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Fiscal year ended March 31, 2006
I. Cash flows from operating activities			
Net income (loss) before income taxes and minority interests	78,320	36,339	(35,934)
Depreciation and amortization	37,513	37,815	51,198
Impairment loss on fixed assets	—	23,299	4,143
Amortization of consolidated goodwill	—	4,182	5,595
Amortization of goodwill	5,073	—	—
Increase (decrease) in allowance for doubtful accounts	(2,961)	955	465
Increase (decrease) in retirement and severance benefits	(4,213)	—	—
Increase (decrease) in reserve for dissolution of business	(22,095)	—	—
Interest and dividend income	(1,700)	(1,345)	(1,756)
Interest expense	3,968	4,166	5,427
Loss (gain) on disposals and sale of tangible fixed assets	(3,684)	1,467	2,434
Valuation loss (gain) on investment securities	(1,534)	(936)	(1,099)
Loss (gain) on sales of affiliate companies	(1,200)	—	—
Restructuring expenses	—	1,776	—
Amortization of consolidated goodwill	—	—	2,361
Other extraordinary losses	—	2,372	2,372
Payment for dissolution of business	—	—	96,625
Special additional severance benefits	—	—	6,484
(Increase) decrease in trade notes and accounts receivable	14,905	(4,076)	7,257
(Increase) decrease in inventories	6,422	(1,599)	22,032
Increase (decrease) in trade notes and accounts payable	(1,938)	(13,221)	(31,855)
Increase (decrease) in accrued consumption tax payable	(1,332)	610	400
Increase (decrease) on transfer of lease assets used in sales activities	(6,960)	(7,920)	(11,278)
Other	(21,452)	(3,515)	(11,821)
Subtotal	77,129	80,370	113,051
Interest and dividends received	1,926	1,390	1,524
Interest paid	(3,937)	(4,195)	(5,488)
Special severance payments for early retired employees	(6,484)	—	—
Income taxes paid	(25,078)	(29,085)	(30,162)
Net cash provided by operating activities	43,555	48,479	78,924
II. Cash flows from investing activities			
Payment for acquisition of tangible fixed assets	(44,990)	(39,339)	(51,904)
Proceeds from sale of tangible fixed assets	8,966	3,585	5,551
Payment for acquisition of intangible fixed assets	(3,147)	(5,630)	(8,809)
Proceeds from sale of business	—	—	8,599
Payment for acquisition of new consolidated subsidiary	—	—	(1,729)
Proceeds for acquisition of new consolidated subsidiary	2,331	—	—
Payment for additional acquisition of consolidated subsidiary	(2,744)	—	—
Payment for loans receivable	(645)	(647)	(541)
Proceeds from return of loan receivable	560	1,097	1,556
Payment for acquisition of investment securities	(1,405)	(27)	(42)
Proceeds from sale of investment securities	2,633	4,738	5,057
Payment for other investments	(1,231)	(2,186)	(3,236)
Other	1,477	(291)	2,352
Net cash used in investing activities	(38,195)	(38,703)	(43,146)

III. Cash flows from financing activities			
Net (decrease) increase in short-term loans payable	(53,231)	8,202	(25,819)
Proceeds from long-term loans payable	—	10,000	27,502
Repayment of long-term loans payable	(5,220)	(3,933)	(7,396)
Proceeds from issuing of bonds	70,300	9,087	9,184
Redemption of bonds	(13,939)	(17,457)	(17,536)
Payment to execute buyback of Company's stock	7	10	10
Proceeds from sale of Company's stock	(157)	(84)	(135)
Dividend payments	(8)	(2,654)	(2,661)
Amount paid of dividends for minority shareholders	(70)	—	—
Cash used in financing activities	(2,321)	3,170	(16,850)
IV. Effect of exchange rate changes on cash and cash equivalents	211	1,246	2,463
V. Increase (decrease) in cash and cash equivalents	3,250	14,193	21,391
VI. Cash and cash equivalents at beginning of the period	80,878	59,485	59,485
VII. Increase in cash and cash equivalents due to newly consolidated subsidiaries and others	241	1	1
VIII. Cash and cash equivalents at end of the period	84,370	73,680	80,878

4. Items Pertaining to the Compilation of Overview of Quarterly Results

(1) Use of simplified accounting procedures
(Corporate income tax reporting standards)
Corporate income tax and other taxes are calculated using simplified methods, including the use of expected annual tax rate based on the legal income tax rate.

(2) Discrepancies between methods recognized in the most recent consolidated fiscal accounting year and accounting procedures for the quarter under review: None

5. Segment Information

(1) Information by Business Segment

Nine months ended December 31, 2006 (from April 1, 2006 to December 31, 2006)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales									
Outside customers	473,969	101,213	40,975	112,067	6,865	9,505	744,596	—	744,596
Intersegment sales/transfers	2,763	1,092	9,535	11,029	698	44,086	69,204	(69,204)	—
Total	476,732	102,305	50,511	123,096	7,564	53,591	813,801	(69,204)	744,596
Operating expenses	422,173	87,385	51,963	115,966	6,570	46,012	730,071	(55,820)	674,250
Operating income (loss)	54,558	14,920	(1,451)	7,129	993	7,579	83,730	(13,384)	70,345

Nine months ended December 31, 2005 (from April 1, 2005 to December 31, 2005)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales									
Outside customers	440,373	81,038	156,149	103,639	3,988	7,826	793,016	—	793,016
Intersegment sales/transfers	2,336	1,449	8,815	22,139	1,686	43,369	79,797	(79,797)	—
Total	442,710	82,488	164,964	125,779	5,674	51,195	872,813	(79,797)	793,016
Operating expenses	396,924	69,458	164,173	116,242	4,539	44,227	795,567	(68,596)	726,970
Operating income	45,785	13,029	791	9,536	1,135	6,968	77,246	(11,200)	66,045

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. In the quarter under review, operating expenses not allocated but included in Elimination/corporate amounted to ¥14,023 million compared to ¥13,185 million in the same period of the previous fiscal year, and are principally R&D expenses incurred by the parent company and expenses associated with Head Office functions.

(2) Information by Geographical Area

Nine months ended December 31, 2006 (from April 1, 2006 to December 31, 2006)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	332,093	181,025	186,514	44,963	744,596	—	744,596
Intersegment sales/transfers	214,979	1,938	709	134,067	351,695	(351,695)	—
Total	547,072	182,964	187,224	179,031	1,096,292	(351,695)	744,596
Operating expenses	465,279	179,958	182,062	177,652	1,004,953	(330,702)	674,250
Operating income	81,792	3,005	5,161	1,378	91,338	(20,992)	70,345

Nine months ended December 31, 2005 (from April 1, 2005 to December 31, 2005)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	352,215	196,053	201,267	43,480	793,016	—	793,016
Intersegment sales/transfers	232,057	4,776	879	139,789	377,503	(377,503)	—
Total	584,272	200,829	202,147	183,269	1,170,519	(377,503)	793,016
Operating expenses	512,921	195,985	199,576	181,786	1,090,270	(363,299)	726,970
Operating income	71,350	4,843	2,571	1,483	80,249	(14,203)	66,045

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. In the quarter under review, operating expenses not allocated but included in Elimination/corporate amounted to ¥14,023million compared to ¥13,185 million in the same period of the previous fiscal year, and are principally R&D expenses incurred by the parent company and expenses associated with Head Office functions.

(3) Overseas sales

Nine months ended December 31, 2006 (from April 1, 2006 to December 31, 2006)

[Millions of yen]

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	188,847	199,722	153,936	542,505
Consolidated net sales	—	—	—	744,596
Ratio of overseas sales to consolidated net sales (%)	25.4	26.8	20.7	72.9

Nine months ended December 31, 2005 (from April 1, 2005 to December 31, 2005)

[Millions of yen]

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	203,760	208,540	150,124	562,424
Consolidated net sales	—	—	—	793,016
Ratio of overseas sales to consolidated net sales (%)	25.7	26.3	18.9	70.9

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. Overseas sales refer to sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.