

5. SEGMENT INFORMATION

(1) Information by Business Segment

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales									
Outside customers	658,693	138,960	47,752	158,705	10,003	13,516	1,027,630	-	1,027,630
Intersegment sales/transfers	3,955	1,396	9,700	12,249	859	58,313	86,476	[86,476]	-
Total	662,648	140,356	57,453	170,955	10,863	71,830	1,114,106	[86,476]	1,027,630
Operating expenses	582,666	119,355	58,278	162,074	9,213	60,164	991,753	[68,129]	923,624
Operating income (loss)	79,982	21,000	(825)	8,880	1,649	11,665	122,353	[18,346]	104,006
Assets, depreciation, and capital expenditure									
Assets	479,938	155,413	47,704	124,727	10,046	486,872	1,304,702	[353,650]	951,052
Depreciation	30,050	10,806	-	5,138	210	6,487	52,692	-	52,692
Impairment losses	537	46	-	-	-	56	640	-	640
Capital expenditure	24,510	24,464	-	8,793	400	5,831	64,000	-	64,000

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 ¥ 19,391 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
Assets, depreciation, and capital expenditure									
Assets	462,534	119,174	102,061	122,610	8,813	430,648	1,245,842	[301,787]	944,054
Depreciation	27,214	7,593	4,070	5,128	141	7,050	51,198	-	51,198
Impairment losses	704	-	24,756	2,659	-	4,632	32,752	-	32,752
Capital expenditure	28,765	21,835	2,975	6,704	141	7,146	67,570	-	67,570

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. From the fiscal year under review, the Company is applying "Accounting Standards concerning the Impairment of Fixed Assets." As a result, depreciation and amortization expense, etc., decreased, operating income for Photo Imaging Business increased ¥2,997 million, and operating income for other operations increased ¥20 million.

(2) Information by Geographical Area

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	460,196	246,786	263,702	56,945	1,027,630	-	1,027,630
Intersegment sales/transfers	292,774	2,247	969	183,885	479,877	[479,877]	-
Total	752,970	249,033	264,672	240,830	1,507,507	[479,877]	1,027,630
Operating expenses	639,740	244,932	254,632	239,016	1,378,321	[454,697]	923,624
Operating income	113,230	4,100	10,040	1,814	129,186	[25,179]	104,006
Total assets	865,962	179,007	155,426	92,420	1,292,817	[341,765]	951,052

Notes:

- Countries and territories are classified based on geographical proximity.
- Principal country markets in the above areas, excluding Japan, are as follows:
 - North America: United States, and Canada
 - Europe: Germany, France, and United Kingdom
 - Asia excluding Japan, Others: Australia, China, and Singapore
- 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 ¥ 19,391 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
Total assets	821,766	183,772	144,887	86,231	1,236,657	[292,603]	944,054

Notes:

- Countries and territories are classified based on geographical proximity.
- Principal country markets in the above areas, excluding Japan, are as follows:
 - North America: United States, Canada
 - Europe: Germany, France, and United Kingdom
 - Asia excluding Japan, Others: Australia, China, and Singapore
- 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.
- From the fiscal year under review, the Company is applying "Accounting Standards concerning the Impairment of Fixed Assets." As a result, depreciation and amortization expense, etc., decreased, operating income for Japan operations increased ¥1,840 million, operating income for North America operations increased ¥1,077 million, operating income for Europe operations increased ¥64 million, and operating income for Asia, excluding Japan, Others operations increased ¥35 million.

(3) Overseas Sales

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	257,160	279,324	204,623	741,109
Consolidated sales	-	-	-	1,027,630
Overseas sales as a percentage of consolidated sales	25.0%	27.2%	19.9%	72.1%

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 Konica Minolta and consolidated subsidiary sales in countries or regions outside of Japan.

6. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET.

7. TRANSACTIONS WITH RELATED PARTIES

No relevant transactions occurred during fiscal year ended March 31, 2007.

8. TAX-EFFECT ACCOUNTING

(1) Deferred tax assets and deferred tax liabilities

	As of March 31, 2006	[Millions of yen] As of March 31, 2007
Deferred tax assets		
Excess of reserve for retirement benefits over deductible limit	32,417	28,949
Net loss carried forward	23,529	25,244
Elimination of unrealized profit by internal trading	14,807	18,121
Excess of allowance for loss on discontinued operations	14,405	12,901
Tax effects related to investments	6,054	8,720
Write-down on assets, other	11,457	7,658
Excess of accrued bonuses over deductible limit	5,621	5,181
Excess of depreciation and amortization over deductible limit	7,446	4,298
Accrued enterprise taxes	1,728	2,148
Excess of allowance for doubtful accounts over deductible limit	3,157	986
Special additional retirement benefits	2,638	-
Other	13,999	16,194
Deferred tax assets subtotal	137,265	130,405
Valuation allowance	(52,392)	(49,902)
Total deferred tax assets	84,872	80,502
Deferred tax liabilities		
Revaluation difference of marketable securities	(7,689)	(6,374)
Retained profit of overseas subsidiaries	(2,185)	(3,194)
Gain on establishment of employee pension trust	(3,161)	(3,124)
Reserve for advanced depreciation, other	(1,448)	(1,086)
Other	(111)	(291)
Total deferred tax liabilities	(14,596)	(14,072)
Net deferred tax assets	70,276	66,430
Deferred tax liabilities related to revaluation	[Millions of yen]	[Millions of yen]
Deferred tax liabilities related to revaluation of land	(4,042)	(4,028)

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

	As of March 31, 2006	[Millions of yen] As of March 31, 2007
Current assets – deferred tax assets	43,242	41,336
Fixed assets – deferred tax assets	29,135	27,306
Current liabilities – other current liabilities	(3)	(21)
Long-term liabilities – other long-term liabilities	(2,097)	(2,191)

(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, 2006	[%] As of March 31, 2007
Statutory income tax rate	40.7	40.7
(Adjustments)		
Valuation allowance	(95.0)	(9.3)
Tax credits (R&D expenses, other)	6.5	(2.6)
Dividends received, etc., items that will never be included in income	-	(0.7)
Tax rate difference with overseas subsidiaries	-	(0.3)
Entertainment expense, etc., items that will never be included in loss	-	1.7
Amortization of consolidation goodwill	(9.0)	-
Amortization of goodwill	-	1.9
Other	8.0	(0.8)
Effective income tax rate after the adoption of tax effect accounting	(48.8)	30.6

9. MARKETABLE SECURITIES

Fiscal year ended March 31, 2007

(1) Other marketable securities with market values (As of March 31, 2007)

[Millions of yen]

Type	Acquisition cost	Total amount on consolidated balance	Difference	
Total amount on consolidated balance sheets exceeds the acquisition cost	(1) Stocks	11,638	24,836	13,198
	(2) Bonds	24	24	-
	(3) Other	214	214	-
	Sub total	11,877	25,075	13,198
Total amount on consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	5,697	5,057	(640)
	(2) Bonds	-	-	-
	(3) Other	-	-	-
	Sub total	5,697	5,057	(640)
Total	17,575	30,132	12,557	

(2) Other marketable securities sold in fiscal year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

[Millions of yen]

	Sales amount	Total gain	Total loss
Other marketable securities	5,629	2,788	44

(3) Breakdown of other marketable securities that are not assessed at market value and full year consolidated balance sheet total amounts

[Millions of yen]

	Total amount on consolidated balance sheets
Unlisted stocks	378

Fiscal year ended March 31, 2006

(1) Other marketable securities with market values (As of March 31, 2006)

[Millions of yen]

Type	Acquisition cost	Total amount on consolidated balance	Difference	
Total amount on consolidated balance sheets exceeds the acquisition cost	(1) Stocks	13,688	30,417	16,728
	(2) Bonds	-	-	-
	(3) Other	120	129	8
	Sub total	13,808	30,546	16,737
Total amount on consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	2,881	2,694	(187)
	(2) Bonds	-	-	-
	(3) Other	16	12	(3)
	Sub total	2,897	2,706	(191)
Total	16,706	33,252	16,546	

(2) Other marketable securities sold in fiscal year ended March 31, 2007 (April 1, 2005 - March 31, 2006)

[Millions of yen]

	Sales amount	Total gain	Total loss
Other marketable securities	5,215	1,531	420

(3) Breakdown of other marketable securities that are not assessed at market value and full year consolidated balance sheet total amounts

[Millions of yen]

	Total amount on consolidated balance sheets
Unlisted stocks	486

10. DERIVATIVES

References have been omitted here and will be disclosed on 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 benefit 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 plan, while the parent company and a portion of its domestic subsidiaries have instituted retirement benefit trusts. As of the fiscal year-end, 13 Group companies have adopted tax-qualified benefit plans and 5 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 3 companies have enrolled in the mutual aid system for specific retirement allowances.

(2) Items related to retirement benefit liabilities

[Millions of yen]

	As of March 31, 2006	As of March 31, 2007
a. Retirement benefit liabilities	(154,221)	(149,936)
b. Pension assets	108,320	108,766
c. Unfunded retirement benefit liabilities (a+b)	(45,901)	(41,170)
d. Unrecognized difference under actuarial calculations	(5,572)	(4,528)
e. Unrecognized liabilities for employees' prior service (reduction in liabilities)	(11,768)	(9,557)
f. Net amount on consolidated balance sheets (c+d+e)	(63,241)	(55,256)
g. Prepaid pension costs	1,627	2,690
h. Allowance for retirement benefits (f-g)	(64,869)	(57,947)

Note:

As of March 31, 2006

1. Certain subsidiaries use a simplified method of calculated pension liabilities.

As of March 31, 2007

1. Certain subsidiaries use a simplified method of calculated pension liabilities.

(3) Items related to retirement benefit costs

[Millions of yen]

	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007
a. Employment costs	5,024	6,383
b. Interest costs	4,107	4,244
c. Expected income from management of funds	(2,046)	(2,887)
d. Amount amortized of difference under actuarial calculations	3,220	338
e. Amount amortized of liabilities for employees' prior service	(1,536)	(1,529)
f. Retirement benefit costs (a+b+c+d+e)	8,769	6,549
g. Account on defined contribution pension plan	2,895	2,745
Total (g+h+i)	11,665	9,295

Notes:

April 1, 2005 – March 31, 2006

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

April 1, 2006 – March 31, 2007

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

[Millions of yen]

	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007
a. Method for intertemporal allocation of the expect 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.)

12. PRODUCTION AND ORDERS

(1) Production Results

[Millions of yen]

Business Segments	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007	YoY(%)
Business Technologies	336,627	340,914	1.3%
Optics	109,223	134,303	23.0%
Photo Imaging	104,285	21,665	(79.2%)
Medical and Graphic	96,365	99,292	3.0%
Sensing	7,741	7,746	0.1%
Other	1,969	2,605	32.3%
Total	656,212	606,527	(7.6%)

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.

13. PER SHARE INFORMATION

[yen]

April 1, 2005 – March 31, 2006		April 1, 2006 – March 31, 2007	
Shareholder's equity per share	553.50	Shareholder's equity per share	692.39
Net loss per share	102.29	Net income per share	136.67
Net income per share after adjustment for potential dilution	—	Net income per share after adjustment for potential dilution	134.00

Because a net loss was recorded in the previous fiscal year, net income per share after adjustment for potential dilution is not shown for that year.

Notes: Bases of calculations

1. Shareholder's equity per share

	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007
Total shareholder's equity in consolidated balance sheets [millions of yen]	—	368,624
Total shareholder's equity attributable to common stock [millions of yen]	—	367,467
Principal factors underlying difference [millions of yen]		
Warrants	—	108
Minority interests	—	1,048
Common stock outstanding [thousands of shares]	—	531,664
Treasury stock [thousands of shares]	—	939
Common stock figure used for calculating shareholder's equity per share [thousands of shares]	—	530,725

2. Net income per share and net income per share after adjustment for potential dilution

	April 1, 2005 – March 31, 2006	April 1, 2006 – March 31, 2007
Total net income (loss) in consolidated statements of income [millions of yen]	(54,305)	72,542
Value not attributable to common stock [millions of yen]	—	—
Total net income (loss) attributable to common stock [millions of yen]	(54,305)	72,542
Average number of shares outstanding during the year [thousands of shares]	530,898	530,778
Main net income adjustment items used to calculate net income per share after adjustment for potential dilution figure [millions of yen]		
Interest receivable (after deducting tax)	—	(24)
Adjustment of net income per share [millions of yen]	—	(24)
Main common stock change items used to calculate net income per share after adjustment for potential dilution figure [thousands of shares]		
Convertible bonds with warrants	—	10,137
Warrants	—	253
Change in shares outstanding [thousands of shares]	—	10,390