January 31, 2008

Consolidated Financial Results for the 3rd Quarter ended December 31, 2007

(From April 1, 2007 to December 31, 2007)

Konica Minolta Holdings, Inc.

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1. OVERVIEW OF THE 3RD QUARTER PERFORMANCE (From April 1, 2007 to December 31, 2007)

(1) Business performance

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

	Net sales		Operating income		Recurring profit		Net income	
Nine months ended December 31, 2007	794,964	6.8%	89,577	27.3%	86,430	23.8%	55,712	38.9%
Nine months ended December31, 2006	744,596	-6.1%	70,345	6.5%	69,804	8.5%	40,123	187.7%
Fiscal year ended March 31, 2007	1,027,630	—	104,006	—	98,099	—	72,542	—

	Net income per share	Net income per share (after full dilution)
Nine months ended December 31, 2007	104.98 yen	99.11 yen
Nine months ended December31, 2006	75.59 yen	75.06 yen
Fiscal year ended March 31, 2007	136.67 yen	134.00 yen

(2) Financial Position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)	Net assets per share (Yen)
Nine months ended December 31, 2007	985,172	416,280	42.1	781.60
Nine months ended December31, 2006	950,964	336,095	35.2	630.82
Fiscal year ended March 31, 2007	951,052	368,624	38.6	692.39

(3) Cash Flows

[Millions of yen]

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
Nine months ended December 31, 2007	73,893	(54,481)	(13,103)	93,654
Nine months ended December31, 2006	43,555	(38,195)	(2,321)	84,370
Fiscal year ended March 31, 2007	66,712	(56,401)	(5,170)	86,587

2. CONSOLIDATED PERFORMANCE OUTLOOK FOR FISCAL YEAR ENDING MARCH 31, 2008 (From April 1, 2007 to March 31, 2008)

As performance for the nine months period was in line with projections, the performance projection announced on November 1, 2007, has not been changed.

3. OTHER

(1) Changes in status of principal subsidiaries during the period (Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies): None
(2) Adoption of simplified accounting methods: Yes
(3) Changes to accounting policies from the fiscal year ended March 31, 2007: Yes

Note: For more detailed information, please see the “Other” section on page 8.

Explanation of Appropriate Use of Performance Projections and Other Special Items

This document contains projections of performance and other projections that were made based on information currently available and certain assumptions judged to be reasonable. There is a possibility that diverse factors may cause actual performance, etc., to differ considerably from projections. Please see the “*Outlook for the Fiscal Year Ending March 31, 2008*” section on page 8 for more information on points to be remembered in connection with the use of projections.

Overview of Performance

Nine Months Summary (From April 1, 2007 to December 31, 2007)

[Millions of yen]

	Nine months ended Dec.31, 2007	Nine months ended Dec.31, 2006	Increase		Three months ended Dec.31, 2007	Three months ended Dec.31, 2006	Increase (Decease)	
				(%)				(%)
Net sales	794,964	744,596	50,367	6.8	270,006	250,646	19,360	7.7
Gross profit on sales	398,862	358,580	40,282	11.2	139,180	120,760	18,419	15.3
Operating income	89,577	70,345	19,231	27.3	32,518	24,085	8,432	35.0
Recurring profit	86, 430	69,804	16,625	23.8	31,759	24,950	6,809	27.3
Net income before income taxes and minority interests	85,249	78,320	6,928	8.8	31,395	30,440	955	3.1
Net income	55,712	40,123	15,589	38.9	18,067	17,614	453	2.6
				(%)				(%)
Net income per share [yen]	104.98	75.59	29.39	38.9	34.05	33.19	0.86	2.6
				(%)				(%)
Capital investment	52,229	51,613	615	1.2	18,594	17,851	742	4.2
Depreciation	44,542	37,513	7,029	18.7	15,991	12,894	3,097	24.0
R&D expenses	59,061	53,001	6,059	11.4	20,654	18,175	2,479	13.6
Exchange rates [yen]								
US$	117.28	116.19	1.09		113.19	117.82	(4.63)	
Euro	162.82	147.96	14.86		163.87	151.94	11.93	

During the period under review (the first nine months of the current fiscal year), net sales rose 6.8%, or ¥50.3 billion year on year, to ¥794.9 billion. The expansion of Group's net sales was strongly promoted by the strong performance of Business Technologies business, reflecting robust sales of color MFP (multifunctional peripheral) products in principal markets in Japan and overseas, and of Optics business, which has such growth products as TAC film (protective film for polarizing plates) and optical pickup lenses for next-generation DVD products. While the discontinuation of Photo Imaging business had the effect of reducing sales during the period under review by ¥40.9 billion, a comparison of sales after excluding sales of the Photo Imaging business shows relatively high growth of 13.0%, or ¥91.3 billion, year on year.

Gross profit for the period rose 11.2%, or ¥40.2 billion year on year, to ¥398.8 billion. We were able to absorb the effects of declines in product prices and the rise in raw material prices by implementing Groupwide cost-cutting programs, expanding our sales volume primarily with respect to new products, working to improve our product mix, and taking other initiatives. Our efforts were also assisted by the positive impact of the decline in the value of the yen vis a vis the euro. As a result of these various factors, the gross profit ratio rose from 48.2% to 50.2%.

Selling, general and administrative (SG&A) expenses rose ¥21.0 billion year on year, reflecting such factors as a ¥6.0 billion rise in R&D investments centered on growth business fields, but the ratio of SG&A expenses to net sales was 38.9%, approximately the same as during the same period of the previous fiscal year. As a consequence, operating income rose 27.3%, or ¥19.2 billion year on year, to ¥89.5 billion, and the ratio of operating income to net sales increased from 9.4% to 11.3%.

Among non-operating income and expenses items, non-operating expenses declined ¥2.3 billion year on year, owing to lower interest paid and other factors, while non-operating income declined ¥4.9 billion because of a drop in foreign exchange gains and other factors. As a result, net non-operating income was down ¥2.6 billion. Consequently, recurring profit expanded 23.8%, or ¥16.6 billion, to ¥86.4 billion.

Among extraordinary income and expenses items, extraordinary profit was ¥8.6 billion lower year on year, owing to decreases in gains on sales of fixed assets and investment securities, while extraordinary losses grew ¥1.0 billion. These factors led to an overall deterioration in net extraordinary profit of ¥9.6 billion. Consequently, income before income taxes and minority interests rose 8.8%, or ¥6.9 billion year on year, to ¥85.2 billion.

Regarding corporate income taxes, a number of special factors reduced tax payments to a lower level than usual, and the effective income tax rate for the period under review was 34.5%. One of the principal factors accounting for this was the confirmation that a portion of losses on the exit from the Photo Imaging business, which were entered in the accounts for the year ended March 31, 2006, would be recognized for tax purposes as the Company approached the completion of its exit from this business. As a result of this and other factors, net income surged 38.9%, or ¥15.5 billion, to ¥55.7 billion.

Please note that third-quarter operating income and recurring profit results (nine-month periods) have been at record high levels for three consecutive fiscal years, while net income results (nine-month periods) have been at record high levels for two consecutive fiscal years.

Capital expenditures during the nine-month period under review amounted to ¥52.2 billion, up ¥0.6 billion from the corresponding period of the previous fiscal year, as the Company continued to make active investment in growth areas. These included increased expenditures for metal molds in connection with the introduction of new color MFP products in the Business Technologies business and construction of a new plant for TAC film and glass hard disks and R&D facilities in the Optics business. Depreciation for the period under review rose ¥7.0 billion from the corresponding period of the previous fiscal year, to ¥44.5 billion, reflecting a rise in the depreciation burden associated with previous measures to strengthen manufacturing capacity. Please note that ¥2.4 billion of the total increase in depreciation was due to changes in the accounting methods for depreciation following the revision of tax regulations.

[Reference]

Three Months Summary (From October 1, 2007 to December 31, 2007)

Consolidated net sales for the quarterly period under review rose 7.7%, or ¥19.3 billion year on year, to ¥270.0 billion. While the Photo Imaging business has been discontinued, this business accounted for ¥11.0 billion in sales during the same period of the previous fiscal year—consolidated net sales from continuing operations, excluding the Photo Imaging business, were up approximately 12.7%, or ¥30.4 billion, from the same period of the previous fiscal year. Principal factors supporting this rise included the Business Technologies business's robust sales of color MFP products centered on European markets, owing to the launch of new products and the Optics business's strong sales of viewing angle expansion films for large LCD televisions and optical pickup lenses for use with next-generation DVDs (Blueray Disks and HD-DVDs). As a result of the strong sales performance of the Group's principal products and the positive impact of the decline in the value of the yen vis a vis the Euro, operating income rose 35.0%, or ¥8.4 billion year on year, to ¥32.5 billion, and recurring profit increased 27.3%, or ¥6.8 billion year on year, to ¥31.7 billion. For the three-month quarterly period under review, the values of operating income, recurring profit, and net income were at record high levels.

Reflecting a year-on-year drop in net extraordinary profit owing to factors including a decrease in gains on the sales of fixed assets, income before income taxes and minority interests rose 3.1%, or ¥0.9 billion year on year, to ¥31.3 billion, and net income advanced 2.6%, or ¥0.4 billion, to ¥18.0 billion.

Overview by Segment

(From April 1, 2007 to December 31, 2007)

1. Business Technologies Business

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

[Millions of yen]

	Nine months ended Dec.31, 2007	Nine months ended Dec.31, 2006	Increase	Three months ended Dec.31, 2007	Three months ended Dec.31, 2006	Increase
Net sales to outside customers	522,087	473,969	48,118	175,186	164,429	10,756
Intersegment net sales	4,275	2,763	1,512	1,391	995	396
Total net sales	526,363	476,732	49,630	176,578	165,424	11,153
Operating expenses	459,296	422,173	37,122	154,227	144,963	9,264
Operating income	67,066	54,558	12,507	22,350	20,461	1,888

In the MFP field, we are implementing a "genre-top strategy" for tightly –focused, initiatives in growth. We are emphasizing measures to expand sales of general office-use color MFP products and high-speed

MFP products for production print applications. Demand for these kinds of products is continuing to grow in Japan and overseas markets.

We further strengthened our lineup of general office-use color MFP products during the period under review. During the first half of the period, we undertook the concentrated launch of high-speed products with color printing output capabilities ranging from 45 ppm to 50 ppm (monochrome printing output capabilities ranging from 45 ppm to 65 ppm), including the “bizhub C451”, the “bizhub C550”, and the “bizhub C650”. In the latter half of the period, we undertook the concentrated launch of medium- and low-speed products with color printing output capabilities ranging from 20 ppm to 35 ppm, including the “bizhub C203”, the “bizhub C253”, and the “bizhub C353”. All of these units are highly competitive productwise and feature high image quality achieved through the use of our newly developed polymerized toner and imaging technology as well as high image quality and high productivity through the incorporation of tandem engines, along with the latest network functions and leading-edge security capabilities. During the period under review, sales of color MFPs for general office-use, especially the newly introduced models, were favorable in Japan and overseas markets.

In the production printing field, which is focused on such customers as the internal printing departments of large corporations and large franchise print shops, our sales of the “bizhub PRO C6500” have been strong since that product’s launch, and we began sales of our new “bizhub PRO C5500” high-speed color MFPs in September 2007. In October 2007, we opened the Konica Minolta Digital Imaging Square presentation facility in Tokyo’s Shinagawa district to reinforce our systems for disseminating diverse production shop-related information with additional capabilities for providing information concerning solutions to issues faced by customers as well as new services and business models.

With respect to the LBP field, we are emphasizing efforts to strengthen our lineup of medium- to high-speed tandem color LBPs with color printing output capabilities ranging from 25 ppm to 31 ppm for the general-office market, where large printing volume is forecast. These products include the “magicolor 4650”, “magicolor 5570/5550”, and the “magicolor 7450”. We also proactively worked to create marketing systems with greater marketing power in the general office sector, taking such initiatives as the summer 2007 reorganization and consolidation within MFP marketing companies of printer marketing companies in European and North American markets.

As a result of these various activities, sales of this business to outside customers during the period under review expanded 10.2%, to ¥522.0 billion, and operating income rose 22.9%, to ¥67.0 billion.

2. Optics Business

[Optical devices, electronic materials, etc.]

[Millions of yen]

	Nine months ended Dec.31, 2007	Nine months ended Dec.31, 2006	Increase (Decrease)	Three months ended Dec.31, 2007	Three months ended Dec.31, 2006	Increase (Decrease)
Net sales to outside customers	134,030	101,213	32,817	50,715	33,538	17,177
Intersegment net sales	782	1,092	(310)	252	322	(69)
Total net sales	134,813	102,305	32,507	59,968	33,861	17,107
Operating expenses	110,614	87,385	23,229	39,830	29,605	10,224
Operating income	24,198	14,920	9,277	11,138	4,255	6,883

Regarding display materials, a sharp recovery in demand from customers beginning from summer 2007 supported strong sales of TAC film centered on high-function products. The large LCD television market is continuing to expand, and we have given particular emphasis to viewing angle expansion film products for use with such televisions. New viewing angle expansion film products launched beginning from 2007 have been highly evaluated by customers, and the number of Japan- and overseas-based manufacturers adopting it is continuing to increase. We are also proactively augmenting our production capacity through such measures as those to complete our No. 5 manufacturing line in November 2007 and prepare for the completion of our No. 6 manufacturing line in summer 2008.

Turning to memory-related products, regarding our mainstay optical pickup lenses, unit sales of CD-use products and collimator lenses declined, but strong sales were recorded of DVD-related products, including high-end products associated with next-generation DVDs (Blueray Disks and HD-DVDs). Sales of DVD-related products contributed to expansion in Optics business sales during the period. In the glass hard disk substrate field, performance was affected by a period of adjustment during the first half of the period, but demand from customers has been recovering since fall 2007. The benefits of this and the trend toward the use of vertical magnetic recording formats kept performance firm. As a result, glass hard disk operations are proceeding smoothly.

In the image input/output component field, we greatly increased our sales of microcamera modules and lens units for camera-equipped mobile phones as well as zoom lens units for digital cameras.

As a consequence of these developments, sales of this business to outside customers rose 32.4%, to ¥134.0 billion, and operating income surged 62.2%, to ¥24.1 billion.

3. Medical and Graphic Imaging Business

[Medical and graphic products, etc.]

[Millions of yen]

	Nine months ended Dec.31, 2007	Nine months ended Dec.31, 2006	Increase (Decrease)	Three months ended Dec.31, 2007	Three months ended Dec.31, 2006	Increase (Decrease)
Net sales to outside customers	117,649	112,067	5,582	37,033	36,020	1,012
Intersegment net sales	2,796	11,029	(8,233)	1,056	2,587	(1,531)
Total net sales	120,445	123,096	(2,650)	38,089	38,608	(519)
Operating expenses	114,556	115,966	(1,409)	36,206	36,649	(442)
Operating income	5,888	7,129	(1,241)	1,882	1,959	(76)

In the medical/healthcare field, we are focusing on expanding sales of digital input/output equipment— including the REGIUS series of digital radiography image inputting systems and the DRYPRO series of imaging output equipment—in response to trends toward digitalization and network connectivity in medical facilities in Japan and overseas. During the period under review, we proactively worked to expand our business in Japan and overseas by targeting sales to smaller medical establishments, such as general clinics. Since June 2007, we have emphasized the marketing of the REGIUS MODEL 110, a new product developed based on the design concept of “offering a compact and simple operating environment.”

In the graphic (printing) segment, we are responding to the shift to digital printing processes by strengthening our capabilities for marketing digital printing equipment. During the period, strong sales were recorded in Japan and overseas of the “Pagemaster Pro 6500” on-demand printing system.

As a result, sales of this business to outside customers during the period expanded 5.0%, to ¥117.6 billion. On the other hand, operating income declined 17.4%, to ¥5.8 billion, as a consequence of the effect of increases in the price of silver, which is a raw material for film; higher R&D expenditures; and other factors.

4. Other Businesses

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

This segment draws on Konica Minolta’s exclusive light-measurement technologies to provide domestic and overseas customers with a diversity of unique measurement instruments, including those for measuring colorimetric levels, gloss levels, illumination levels, blood oxygen levels, jaundice levels, and 3-D shapes. During the period under review, the Company recorded robust sales of color measurement instruments centered on spectrophotometric colorimeters and other products for measuring object colors. We have worked to strengthen our product competitiveness through the development of such products as the Spectroradiometer CS-2000 for the high-precision measurement of contrast functions of such displays as full-specification Hi-Vision LCDs and plasma displays, which were launched in November 2007, and the CM-700d/600d spectrophotometers for improving color management in diverse industries, which was launched in December 2007.

As a result of these measures, sales of this business to outside customers during the period rose 5.2%, to ¥7.2 billion, although operating income declined 9.0%, to ¥0. 9 billion.

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

Utilizing Konica Minolta's proprietary inkjet technologies and unique chemical and ink technologies, this segment markets high-definition printer heads and inks to major printer manufacturers and large inkjet printers for textile use. During the period, the steady rise in the accumulated number of printer heads delivered to domestic customers was accompanied by strong sales of ink products. We also worked to develop business with new customers overseas, particularly in the rapidly growing Chinese market as well as Europe and the United States, and orders were obtained from several major printer manufacturers.

As a result of these measures, sales to outside customers during the period grew 15.7%, to ¥5.0 billion. On the other hand, operating income decreased 28.5%, to ¥0.6 billion, owing in part to higher expenditures on R&D.

Financial Position

Total assets at the end of the quarterly period under review were ¥985.1 billion, or ¥34.1 billion higher than at the end of the previous fiscal year. Factors contributing to the increase centered on rises in inventory assets and tangible fixed assets that accompanied an expansion in business scale. Inventories increased ¥23.8 billion from the end of the previous fiscal year, to ¥157.3 billion. In addition, as a result of the Company's continued efforts to reduce interest-bearing debt, the level of such debt decreased ¥1.6 billion from the end of the previous fiscal year, to ¥227.7 billion.

Regarding net assets, the recording of ¥55.7 billion in net income for the period under review and other factors contributing to a rise in retained earnings caused net assets to increase ¥47.6 billion from the end of the previous fiscal year, to ¥416.2 billion. Net assets per share amounted to ¥781.60 (up ¥89.21 from the end of the previous fiscal year), and the shareholders' equity ratio rose 3.5 percentage points from the end of the previous fiscal year, to 42.1%.

Cash flows from operating activities

Net cash flow provided by operating activities during the nine-month period under review amounted to ¥73.8 billion, up ¥30.3 billion from the same period of the previous fiscal year. Inflows were increased by such factors as the recording of ¥85.2 billion in income before income taxes and minority interests and ¥44.5 billion in depreciation as well as a ¥22.8 billion decrease in notes and accounts receivable. These inflows were partially offset by an increase in inventories, a decline in obligations for items procurement, a reversal of the reserve for losses in connection with exiting the Photo Imaging business, income taxes paid, and other factors.

Cash flows from investing activities

Net cash flow used in investing activities during the nine-month period under review amounted to an outflow of ¥55.4 billion (representing an increase in cash outflow of ¥17.2 billion from the same period of the previous fiscal year). This was mainly due to expenditures of ¥44.9 billion for the acquisition of tangible fixed assets, which included principally investments in metal molds for new products and expenditures for the construction of new plants to increase production capacity for TAC film and glass hard disk substrates and expenditures on the construction of new R&D facilities.

As a result, free cash flow (the sum of operating and investing cash flows) rose ¥13.0 billion from the same period of the previous fiscal year, to ¥18.4 billion.

Cash flows from financing activities

Net cash used in financing activities amounted to a net outflow of ¥13.1 billion (representing an increase in cash outflow of ¥10.7 billion from the same period of the previous fiscal year). This was due mainly to the use of cash to reduce interest-bearing debt and to pay dividends.

As a result of the previously mentioned factors and after taking into account the effect of exchange rate changes on cash and cash equivalents of ¥1.6 million, cash and cash equivalents rose ¥6.9 billion. Also, after taking account of an increase of ¥0.1 billion due to the consolidation of an additional subsidiary, the balance of total cash and cash equivalents amounted to ¥93.6 billion.

Outlook for the Fiscal Year Ending March 31, 2008

During the first nine months of the fiscal year ending March 31, 2008, units centered on the Business Technologies business and the Optics business have powerfully propelled growth in Group performance, and we have achieved steady increases in performance indicators. Looking at prospective developments in the Group's domestic and overseas operating environment, however, there is concern that the protraction and exacerbation of subprime loan problems in the United States may be accompanied by a worldwide economic deceleration, and there is a perception that it is increasingly difficult to project future trends regarding such issues as the persistent surge of crude oil prices and similar rises in other raw materials prices as well as the progressive appreciation of the yen with respect to the U.S. dollar and the Euro. While continuing to give careful attention to these circumstances, the Group is doing its utmost to attain the performance targets for the fiscal year as a whole that were included in the upward-revised forecast announced along with interim performance results in November 2007. The Group is emphasizing the steady implementation of various measures based on its "FORWARD 08" medium-term business plan, and it is not currently revising its previous performance projections for the fiscal year as a whole or the associated assumptions regarding currency exchange rates.

[Reference]
Consolidated Performance Forecast for the Full Fiscal Year (April 1, 2007, through March 31, 2008)

(Announced November 1, 2007)

[Billions of yen]

	Fiscal Year Ending March 31, 2008
Net sales	1,085.0
Operating income	116.0
Recurring profit	107.0
Net income	66.0

Please note that the following foreign currency exchange rates have been assumed in this outlook:

US$: ¥115 (Previous performance forecast ¥115)
Euro: ¥150 (Previous performance forecast ¥150)

**The above performance projections were made based on assumptions, forecasts, and plans that were current at the time of the business report and are subject to change due to various potential risks and uncertainties. Depending on economic conditions, market trends, exchange rate trends, and diverse other factors, actual performance may be considerably different from projected performance.*

Other

(1) Changes to principal subsidiaries during the period (status changes of specified subsidiaries due to changes in the scope of consolidation): None

(2) Use of simplified accounting methods:
[Corporate income tax calculation standard]
Regarding corporate income tax calculation standards, the Company uses a simplified accounting method using a projected annual tax rate based on the statutory rate, etc.

(3) Accounting policy changes since the previous fiscal year

[Method of depreciation for tangible fixed assets]
Accompanying revisions in Japan's Corporate Tax Law (as contained in the Law Revising a Portion of the Income Tax Law, March 30, 2007, Law No. 6, and the Ordinance Revising a Portion of the Enforcement Regulations for the Income Tax Law, March 30, 2007, Ordinance No. 83), beginning with the fiscal year under review, the method of depreciation for tangible fixed assets purchased on or after April 1, 2007, has been changed to the method prescribed by the revised Income Tax Law. As a result of this change, compared with the previous method employed for the previous fiscal year, operating income and recurring profit were each ¥1,591 million lower than under the previous method of calculating depreciation, and income before income taxes and minority interests was ¥1,589 million lower than they would have been under the previous method.

In addition, accompanying the change in Japan's Corporate Tax Law, the Company and its consolidated subsidiaries have adopted the following method of depreciation for assets acquired on or before March 31, 2007. For those assets that have been depreciated to 5% of their acquisition value using the previous method of calculating depreciation, the difference between the remaining 5% of the acquisition cost and a memorandum price will be written off in equal amounts over the five-year period beginning with the year following the year when the book value is depreciated to 5% of the acquisition cost. As a result of this change in accounting method, for the nine month period under review, operating income was ¥891 million lower, recurring profit was ¥892 million lower, and income before income taxes and minority interests was ¥881 million lower than these indicators would have been under the previous method.

**Figures given in the text as billions of yen have been rounded down 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, 2007		Increase (Decrease)		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Assets								
I. Current assets								
Cash and deposits	84,370		93,430		9,059		85,677	
Trade notes and accounts receivable	243,912		238,270		(5,642)		257,380	
Marketable securities	—		606		606		909	
Inventories	147,447		157,397		9,949		133,550	
Deferred tax assets	37,223		44,031		6,808		41,336	
Accounts receivable	11,444		10,430		(1,014)		10,999	
Other current assets	24,771		25,686		915		19,489	
Allowance for doubtful accounts	(6,961)		(5,594)		1,366		(5,106)	
Total current assets	542,209	57.0	564,259	57.3	22,050	4.1	544,237	57.2
II. Fixed assets								
1. Tangible fixed assets								
Buildings and structures	64,606		69,505		4,899		65,368	
Machinery and vehicles	66,187		77,928		11,741		69,264	
Tools and equipment	27,939		28,360		421		28,643	
Land	34,376		32,859		(1,517)		33,065	
Construction in progress	21,407		14,606		(6,800)		12,406	
Rental business-use assets	21,068		20,808		(259)		21,346	
Total tangible fixed assets	235,585	24.8	244,070	24.7	8,484	3.6	230,094	24.2
2. Intangible fixed assets								
Goodwill	83,760		81,974		(1,785)		82,074	
Other intangible fixed assets	14,518		16,068		1,549		15,897	
Total intangible fixed assets	98,278	10.3	98,042	10.0	(235)	(0.2)	97,971	10.3
3. Investments and others								
Investment securities	33,529		33,190		(339)		33,948	
Long-term loans	847		503		(343)		614	
Long-term prepaid expenses	4,187		4,101		(85)		4,393	
Deferred tax assets	25,539		28,629		3,090		27,306	
Other investments	11,833		12,878		1,045		13,037	
Allowance for doubtful accounts	(1,045)		(502)		543		(552)	
Total investments and others	74,890	7.9	78,800	8.0	3,909	5.2	78,748	8.3
Total fixed assets	408,755	43.0	420,913	42.7	12,158	3.0	406,814	42.8
Total assets	950,964	100.0	985,172	100.0	34,208	3.6	951,052	100.0

[Millions of yen]

	As of December 31, 2006		As of December 31, 2007		Increase (Decrease)		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	Y of Y %	Amount	% of total
Liabilities								
I. Current liabilities								
Notes and account payable - trade	126,130		114,005		(12,124)		121,707	
Short-term loans	87,667		92,644		4,977		79,927	
Long-term loans due within one year	17,086		7,065		(10,021)		17,075	
Bonds due within one year	30		5,000		4,970		29	
Account payable - other	46,609		48,131		1,522		44,230	
Accrued expenses	40,621		36,339		(4,282)		36,799	
Accrued income taxes	12,166		18,642		6,475		14,171	
Allowance for bonuses	6,449		7,186		736		13,485	
Allowance for director’s bonus	—		202		202		278	
Allowance for product warranty	5,218		5,191		(26)		4,994	
Allowance for loss on withdrawal from operation	35,894		16,527		(19,367)		28,097	
Notes payable-equipment	6,389		3,022		(3,367)		5,082	
Other current liabilities	17,369		19,277		1,907		11,188	
Total current liabilities	401,635	42.3	373,236	37.9	(28,398)	(7.1)	377,069	39.6
II. Long-term liabilities								
Bonds	75,291		70,191		(5,100)		75,266	
Long-term loans	59,981		52,802		(7,178)		57,065	
Deferred tax assets on land revaluation	4,042		4,028		(14)		4,028	
Reserve for retirement benefits and pension plans	61,001		59,621		(1,379)		57,947	
Reserve for directors’ retirement benefits	445		503		58		459	
Other long-term liabilities	12,471		8,508		(3,962)		10,590	
Total long-term liabilities	213,233	22.4	195,656	19.8	(17,577)	(8.2)	205,358	21.6
Total liabilities	614,868	64.7	568,892	57.7	(45,975)	(7.5)	582,427	61.2

[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
Net assets								
I. Shareholders' equity								
Capital stock	37,519	3.9	37,519	3.8	—	—	37,519	3.9
Additional pain-in capital	204,142	21.5	204,140	20.7	(1)	(0.0)	204,143	21.5
Retained earnings	82,667	8.7	162,100	16.5	79,433	96.1	115,704	12.2
Treasury stock	(1,067)	(0.1)	(1,320)	(0.1)	(253)	23.7	(1,097)	(0.1)
Shareholders' equity	323,261	34.0	402,439	40.9	79,178	24.5	356,269	37.5
II. Revaluation and translation adjustments								
Unrealized gain on securities	7,678	0.8	5,291	0.5	(2,386)	(31.1)	7,454	0.8
Gain (loss) on deferred hedges	228	0.0	208	0.0	(20)	(8.8)	(90)	(0.0)
Translation adjustment	3,637	0.4	6,790	0.7	3,153	86.7	3,834	0.4
Revaluation and translation adjustments	11,544	1.2	12,290	1.2	746	6.5	11,198	1.2
III. Subscription warrant	61	0.0	235	0.0	173	283.3	108	0.0
IV. Minority Interests	1,228	0.1	1,314	0.2	86	7.0	1,048	0.1
Net assets	336,095	35.3	416,280	42.3	80,184	23.9	368,624	38.8
Total liabilities and net assets	950,964	100.0	985,172	100.0	34,208	3.6	951,052	100.0

2. Consolidated Statements of Income

[Millions of yen]

	Nine months ended December 31, 2006		Nine months ended December 31, 2007		Increase (Decrease)		Fiscal year ended March 31, 2007	
	Amount	% of net sales	Amount	% of net sales	Amount	Y of Y %	Amount	% of net sales
Net sales	744,596	100.0	794,964	100.0	50,367	6.8	1,027,630	100.0
Cost of sales	386,016	51.8	396,101	49.8	10,085	2.6	532,714	51.8
Gross profit	358,580	48.2	398,862	50.2	40,282	11.2	494,916	48.2
Selling, general and administrative expenses	288,234	38.8	309,284	38.9	21,050	7.3	390,909	38.1
Operating income	70,345	9.4	89,577	11.3	19,231	27.3	104,006	10.1
Non-operating income	13,003	1.8	8,024	1.0	(4,978)	(38.3)	14,653	1.4
Interest and dividend income	1,700		2,027		326		2,316	
Equity method profits of affiliated companies	13		120		107		—	
Gain on foreign exchanges	3,866		11		(3,854)		3,432	
Other	7,422		5,864		(1,558)		8,904	
Non-operating expenses	13,544	1.8	11,172	1.4	(2,372)	(17.5)	20,559	2.0
Interest expense	3,968		3,310		(658)		5,088	
Disposal/valuation losses of inventories	3,288		3,165		(122)		7,054	
Equity method loss of affiliated companies	—		—		—		160	
Other	6,287		4,696		(1,591)		8,255	
Recurring profit	69,804	9.4	86,430	10.9	16,625	23.8	98,099	9.5
Extraordinary profit	10,170	1.4	1,524	0.2	(8,646)	(85.0)	11,848	1.2
Gain on sales of fixed assets	5,295		1,171		(4,123)		7,275	
Gain on sales of investment securities	1,579		0		(1,578)		2,788	
Gain on sales of shares in affiliated companies	1,200		47		(1,152)		1,200	
Gain on sale of investment	—		—		—		54	
Reversal of allowance for doubtful receivables	—		—		—		529	
Reversal of allowance for loss on withdrawal from operation	2,096		303		(1,792)		—	
Extraordinary losses	1,654	0.3	2,705	0.4	1,050	63.5	5,058	0.5
Loss on disposal and sale of fixed assets	1,610		1,622		11		2,791	
Loss on sale of investment in affiliates	—		—		—		619	
Loss on sale of investment securities	44		0		(43)		44	
Write-down on investment securities	—		2		2		26	
Write-down on investment in affiliates	—		14		14		—	
Loss on impairment of fixed assets	—		465		465		640	
Loss of withdrawal from operations	—		—		—		935	
Other extraordinary loss	—		599		599		—	
Income before income taxes and minority interests	78,320	10.5	85,249	10.7	6,928	8.8	104,890	10.2
Income Taxes	38,073	5.1	29.437	3.7	(8,636)	(22.7)	32,135	3.1
Minority interests in earnings of consolidated subsidiaries	124	0.0	99	0.0	(24)	(19.5)	213	0.0
Net Income	40,123	5.4	55,712	7.0	15,589	38.9	72,542	7.1

3. Consolidated Statement of Cash Flows

[Millions of yen]

	Nine months ended December 31, 2006	Nine months ended December 31, 2007	Fiscal year ended March 31, 2007
I. Cash flows from operating activities			
Net income before income taxes and minority interests	78,320	85,249	104,890
Depreciation and amortization	37,513	44,542	52,692
Impairment loss	—	465	640
Amortization of goodwill	5,073	5,422	6,476
Increase (decrease) in allowance for doubtful accounts	(2,961)	328	(4,378)
Interest and dividend income	(1,700)	(2,027)	(2,316)
Interest expense	3,968	3,310	5,088
Losses (gains) on disposals and sale of tangible fixed assets	(3,684)	450	(4,484)
Losses (gains) on valuation and sales of investment securities	(1,534)	2	(2,717)
Losses (gains) on valuation and sales of stock of affiliate companies	(1,200)	(33)	(580)
Increase (decrease) in retirement and severance benefits	(4,213)	1,679	(8,383)
Increase (decrease) in allowance for loss on discontinued operations	(22,095)	(11,570)	(29,980)
Loss on withdrawal from operations	—	—	935
(Increase) decrease in trade notes and accounts receivable	14,905	22,882	(976)
(Increase) decrease in inventories	6,422	(22,041)	19,262
Increase (decrease) in trade notes and accounts payable	(1,938)	(11,579)	(5,064)
Increase (decrease) in accrued consumption tax payable	(1,332)	(893)	(1,969)
Reversal of reserve for impairment of lease assets	(3,042)	(14)	(3,129)
Increase (decrease) on transfer of lease assets for business use	(6,960)	(7,547)	(10,168)
Other	(18,409)	(1,998)	(17,700)
Subtotal	77,129	106,627	98,137
Interest and dividends received	1,926	2,065	2,473
Interest paid	(3,937)	(3,199)	(5,220)
Additional amount of special retirement allowance	(6,484)	—	(6,484)
Income taxes paid	(25,078)	(31,600)	(22,193)
Net cash provided by operating activities	43,555	73,893	66,712
II. Cash flows from investing activities			
Payment for acquisition of tangible fixed assets	(44,990)	(44,997)	(62,517)
Proceeds from sale of tangible fixed assets	8,966	2,672	12,064
Payment for acquisition of intangible fixed assets	(3,147)	(3,190)	(6,703)
Payment for the purchase of additional stock of consolidated subsidiaries	(2,744)	(180)	(2,744)
Income from sale of subsidiaries due to changes in the scope of consolidation	2,331	—	1,744
Payment for acquisition of new consolidated subsidiaries on a change	—	(6,896)	—
Payment for loans receivable	(645)	(33)	(891)
Proceeds from return of loan receivable	560	205	1,142
Payment for acquisition of investment securities	(1,405)	(1,362)	(1,411)
Proceeds from sale of investment securities	2,633	15	3,461
Payment for other investments	(1,231)	(1,949)	(2,129)
Other	1,477	234	1,585
Net cash used in investing activities	(38,195)	(55,481)	(56,401)

III. Cash flows from financing activities			
Net (decrease) increase in short-term loans payable	(53,231)	10,740	(53,125)
Repayment of long-term loans payable	(5,220)	(14,281)	(8,079)
Proceeds from issuing of bonds	70,300	—	70,300
Redemption of bonds	(13,939)	(29)	(14,002)
Proceeds from sale of Company's stock	7	9	9
Payment to execute buyback of Company's stock	(157)	(263)	(190)
Dividend payments	(8)	(9,151)	(12)
Dividend payment to minority shareholders	(70)	(127)	(70)
Net Cash used in financing activities	(2,321)	(13,103)	(5,170)
IV. Effect of exchange rate changes on cash and cash equivalents	211	1,659	322
V. Increase (decrease) in cash and cash equivalents	3,250	6,967	5,463
VI. Cash and cash equivalents at beginning of the period	80,878	86,587	80,878
VII. Increase in cash and cash equivalents due to newly consolidated subsidiaries and others	241	100	245
VIII. Cash and cash equivalents at end of the period	84,370	93,654	86,587

4. Segment Information

(1) Information by Business Segment

Nine months ended December 31, 2007 (from April 1, 2007 to December 31, 2007)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales								
Outside customers	522,087	134,030	117,649	7,220	13,976	794,964	—	794,964
Intersegment sales/transfers	4,275	782	2,796	550	40,498	48,902	[48,902]	—
Total	526,363	134,813	120,445	7,770	54,474	843,867	[48,902]	794,964
Operating expenses	459,296	110,614	114,556	6,866	52,440	743,775	[38,388]	705,386
Operating income	67,066	24,198	5,888	904	2,034	100,091	[10,514]	89,577

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, 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 Company and expenses associated with head office functions. This amount was ¥ 22,926 million.
3. Changes to Business Segment Categories:
(1) Regarding Photo Imaging business, while Photo Imaging business was previously listed as a business segment, this business has been wound down based on a decision to exit this business that was announced on January 19, 2006. As a result, the importance of this business has decreased. Accordingly, from the period under review, this business is not listed as an individual business segment but is included in the "Other" segment.
(2) Regarding a portion of corporate functions of the Company, expenses related to these functions were previously included within the "Other" segment. These expenses are included within "Elimination & corporate" from the period under review, following reorganization measures due to a reevaluation of the functions of the parent company and its common function companies and a reevaluation of the parent companys functions as a holding company.

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

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 allocated but included in Elimination/corporate amounted to ¥14,023 million, 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, 2007 (from April 1, 2007 to December 31, 2007)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	348,011	180,270	218,702	47,980	794,964	—	794,964
Intersegment sales/transfers	269,725	643	695	158,203	429,267	[429,267]	—
Total	617,736	180,913	219,398	206,184	1,224,232	[429,267]	794,964
Operating expenses	517,649	178,886	213,718	201,729	1,111,983	[406,597]	705,386
Operating income	100,087	2,027	5,679	4,454	112,248	[22,670]	89,577

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

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 ¥22,926 million compared to ¥14,023 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.
4. Change to Geographic Segment Categories:
   Regarding a portion of corporate functions of the Company, expenses related to these functions were previously included within the "Japan" category. These expenses are included within "Elimination & corporate" from the period under review, following reorganization measures due to a reevaluation of the functions of the parent company and its common function companies and a reevaluation of the parent company's functions as a holding company.

(3) Overseas sales

Nine months ended December 31, 2007 (from April 1, 2007 to December 31, 2007)

[Millions of yen]

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	189,195	225,970	172,410	587,576
Consolidated net sales	—	—	—	794,964
Ratio of overseas sales to consolidated net sales (%)	23.8	28.4	21.7	73.9

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

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.