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	Consoli-dation
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 6 segments such as 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 Company and expenses associated with head office functions. This amount was ¥ 19,391 million.

Fiscal year ended March 31, 2008 (from April 1, 2007 to March 31, 2008)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales								
Outside customers	700,969	182,262	161,105	9,910	17,320	1,071,568	-	1,071,568
Intersegment sales/transfers	5,175	1,083	3,566	768	62,798	73,392	[73,392]	-
Total	706,145	183,345	164,671	10,678	80,119	1,144,961	[73,392]	1,071,568
Operating expenses	616,051	152,089	156,896	9,460	76,626	1,011,124	[59,162]	951,962
Operating income	90,093	31,255	7,775	1,218	3,493	133,836	[14,229]	119,606
Assets, depreciation, and capital expenditure								
Assets	445,939	181,938	113,141	9,505	73,869	824,394	146,143	970,538
Depreciation	31,286	15,968	6,048	293	1,996	55,593	4,850	60,443
Impairment losses	1,024	21	4,460	-	-	5,506	195	5,702
Capital expenditure	16,588	42,012	4,595	370	2,468	66,035	9,259	75,295

Notes:
1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into 5 segments such as 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 ¥ 30,792 million.
3. Included within the Elimination & corporate figure for assets are ¥183,225 million in corporate assets, which primarily include the holding company's surplus operating funds (cash and marketable securities) and long-term investment funds (investment securities) as well as other assets held by the holding company, etc.
4. Changes to business segments:
   (1) Regarding the Photo Imaging business, this business was previously listed as a business segment but the importance of that business has decreased owing to the discontinuation of that business in accordance with the decision publicly announced on January 19, 2006. Consequently, beginning from the fiscal year under review, the Photo Imaging business segment is no longer listed, and Photo Imaging business is included in the Other segment. As a result of this change, the

Other figure for operating expenses was increased ¥318 million and the Other figure for operating income was reduced by the same figure.

(2) Regarding a portion of the Company's functions and the Group's U.S.-based holding company, these units were previously included in the Other segment but following the reevaluation of the Company as a pure holding company on the occasion of reorganization measures based on a reevaluation of the functions of the Group's shared functions company and the parent company, from the fiscal year under review, these units are included in the Elimination and corporate segment.

5. Change in Method for Calculation of Depreciation of Tangible Fixed Assets: Beginning with the period under review, the Company and its domestic consolidated subsidiaries have changed their methods for the calculation of depreciation for tangible fixed assets purchased on or after April 1, 2007, in accordance with revisions in Japan's Corporation Tax Law. In addition, for assets purchased on or before March 31, 2007, which have been depreciated to the permissible limit, the remaining value of the assets on the Company's books will be depreciated in equal amounts over the five-year period beginning with the year following the completion of depreciation to the permissible limit. As a result of these accounting changes, operating expenses increased for each business segment as follows: for the Business Technologies business, ¥1,745 million; Optics business, ¥1,315 million; Medical and Graphic business, ¥628 million; Sensing business, ¥20 million; other businesses, ¥217 million, and Elimination & Corporate, ¥207million. Operating incomes for these businesses reduced by the respective amounts.

(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:
1. Countries and territories are classified based on geographical proximity.
2. Principal countries in the above areas, excluding Japan, are as follows:
   (1) North America: United States, Canada
   (2) Europe: Germany, France, and United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 19,391 million.

Fiscal year ended March 31, 2008 (from April 1, 2007 to March 31, 2008)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	469,989	233,834	305,687	62,056	1,071,568	-	1,071,568
Intersegment sales/transfers	353,597	2,848	868	204,822	562,136	[562,136]	-
Total	823,586	236,683	306,555	266,879	1,633,704	[562,136]	1,071,568
Operating expenses	702,701	235,561	296,079	261,940	1,496,282	[544,320]	951,962
Operating income	120,885	1,122	10,476	4,938	137,422	[17,815]	119,606
Total assets	722,432	108,208	162,036	91,278	1,083,956	[113,418]	970,538

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal countries in the above areas, excluding Japan, are as follows:
   (1) North America: United States, and Canada
   (2) Europe: Germany, France, and United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 30,792 million.

4. Included within the Elimination & corporate figure for assets are ¥183,225 million in corporate assets, which primarily include the holding company's surplus operating funds (cash and marketable securities) and long-term investment funds (investment securities) as well as other assets held by the holding company, etc.
5. Changes to business segments: Regarding a portion of the Company's functions and the Group's U.S. based holding company, these units were previously included in the Japan and North America segments but, following the reevaluation of the Company as a pure holding company on the occasion of reorganization measures based on a reevaluation of the functions of the Group's shared functions company and the Company, from the fiscal year under review, these units are included in the Elimination and corporation segment

(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 Others	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, 2008 (from April 1, 2007 to March 31, 2008)

[Millions of yen]

	North America	Europe	Asia excluding Japan and Others	Total
Overseas sales	245,486	312,115	225,182	782,785
Consolidated sales	-	-	-	1,071,568
Overseas sales as a percentage of consolidated sales	22.9%	29.1%	21.0%	73.1%

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal countries 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 the Company and consolidated subsidiary sales in countries or regions outside of Japan.

6. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET (Yuka Shoken Houkoku-Sho).

7. TRANSACTIONS WITH RELATED PARTIES

No relevant transactions occurred during fiscal year ended March 31, 2008.

8. TAX-EFFECT ACCOUNTING

(1) Deferred tax assets and deferred tax liabilities

[Millions of yen]

	As of March 31, 2007	As of March 31, 2008
Deferred tax assets		
Net operating tax loss carried forward	25,244	27,061
Accrued retirement benefits over deductible limit	28,949	26,973
Elimination of unrealized intercompany profit	18,121	20,131
Provision for loss on discontinued operations	12,901	9,565
Accrued bonuses	5,181	5,768
Depreciation and amortization	4,298	5,710
Write-down of assets, other	7,658	4,151
Accrued enterprise taxes	2,148	2,059
Tax effects related to investments	8,720	1,721
Allowance for doubtful accounts	986	1,169
Other	16,194	8,657
Deferred tax assets subtotal	130,405	112,970
Valuation allowance	(49,902)	(34,639)
Total deferred tax assets	80,502	78,331
Deferred tax liabilities		
Retained earnings of overseas subsidiaries	(3,194)	(5,455)
Revaluation difference of marketable securities	(6,374)	(3,265)
Gain on establishment of employee pension trust	(3,124)	(3,042)
Reserve for advanced depreciation, other	(1,086)	(800)
Other	(291)	(377)
Total deferred tax liabilities	(14,072)	(12,941)
Net deferred tax assets	66,430	65,389

Deferred tax liabilities related to revaluation	[Millions of yen]	[Millions of yen]
Deferred tax liabilities related to revaluation of land	(4,028)	(4,010)

Net deferred tax assets are included in the following items in the consolidated balance sheets.

[Millions of yen]

	As of March 31, 2007	As of March 31, 2008
Current assets – deferred tax assets	41,336	37,086
Fixed assets – deferred tax assets	27,306	28,604
Current liabilities – other current liabilities	(21)	(248)
Long-term liabilities – other long-term liabilities	(2,191)	(53)

(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, 2007	As of March 31, 2008
Statutory income tax rate	40.7	40.7
(Adjustments)		
Valuation allowance	(9.3)	(4.9)
Tax credits (R&D expenses, other)	(2.6)	(4.3)
Non-taxable income	(0.7)	(4.7)
Difference in statutory tax rates of foreign subsidiaries	(0.3)	(0.0)
Expenses not deductible for tax purpose	1.7	2.6
Amortization of goodwill	1.9	2.7
Other	(0.8)	(1.7)
Effective income tax rate per consolidated statements of income	30.6	30.3

9. SECURITIES

Fiscal year ended March 31, 2007

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

[Millions of yen]

Type		Acquisition cost	Total amount on consolidated balance sheets	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 securities sold in fiscal year ended March 31, 2007 (April 1, 2006 - March 31, 2007)

[Millions of yen]

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

(3) Composition and amounts on the consolidated balance sheets of other securities without market values

[Millions of yen]

	Total amount on consolidated balance sheets
Foreign investment fund	909
Unlisted stocks	378

Fiscal year ended March 31, 2008

(1) Other securities with quoted market values (As of March 31, 2008)

[Millions of yen]

Type		Acquisition cost	Total amount on consolidated balance	Difference
Total amount on consolidated balance sheets exceeds the acquisition cost	(1) Stocks	9,064	16,515	7,450
	(2) Bonds	3	5	1
	(3) Other	1	1	-
	Sub total	9,069	16,522	7,452
Total amount on consolidated balance sheets does not exceed the acquisition cost	(1) Stocks	9,686	6,862	(2,824)
	(2) Bonds	21	14	(6)
	(3) Other	-	-	-
	Sub total	9,707	6,876	(2,830)
Total		18,776	23,399	4,622

(2) Other securities sold in fiscal year ended March 31, 2008 (April 1, 2007 - March 31, 2008)

[Millions of yen]

	Sales amount	Total profit	Total loss
Other securities	23	20	0

(3) Composition and amounts on the consolidated balance sheets of other securities without market values

[Millions of yen]

	Total amount on consolidated balance sheets
Negotiable deposit	33,000
Unlisted stocks	863

10. DERIVATIVES

References have been omitted here and will be disclosed on EDINET (Yuka Shoken Houkoku-Sho).

11. RETIREMENT BENEFIT PLAN

(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 4 have adopted defined benefit corporate pension plans. In addition, one company has enrolled in the National Optical Industries welfare pension fund, which is a general establishment welfare pension fund, and 4 companies have enrolled in the Smaller Enterprise Retirement Allowance Mutual Aid.

(2) Items related to retirement benefit liabilities

[Millions of yen]

	As of March 31, 2007	As of March 31, 2008
a. Retirement benefit obligation	(149,936)	(144,011)
b. Plan assets	108,766	91,360
c. Unfunded retirement benefit obligation (a+b)	(41,170)	(52,651)
d. Unrecognized actuarial differences	(4,528)	10,276
e. Unrecognized prior service cost (reduction in liabilities)	(9,557)	(8,131)
f. Net amount on consolidated balance sheets (c+d+e)	(55,256)	(50,506)
g. Prepaid pension costs	2,690	2,861
h. Accrued for retirement benefits (f-g)	(57,947)	(53,367)

Note:

As of March 31, 2007	As of March 31, 2008
1. Certain subsidiaries use a simplified method for the calculation of benefit obligation	1. Certain subsidiaries use a simplified method for the calculation of benefit obligation

(3) Items related to retirement benefit costs

[Millions of yen]

	April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008
a. Service costs	6,383	5,662
b. Interest costs	4,244	4,410
c. Expected return on plan assets	(2,887)	(3,095)
d. Amortization of actuarial differences	338	1,248
e. Amortization of prior service costs	(1,529)	(1,426)
f. Retirement benefit costs (a+b+c+d+e)	6,549	6,799
g. Contribution defined contribution pension plans	2,745	3,199
Total (f+g)	9,295	9,998

Notes:

April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008
Retirement benefit costs for consolidated subsidiaries using a simplified method are included in "a Service costs".	1. Retirement benefit costs for consolidated subsidiaries using a simplified method are included in "a. Service costs". 2. In addition to the above retirement benefit costs, ¥460 million of special retirement bonus payments were recorded among extraordinary losses.

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

[Millions of yen]

	April 1, 2006 – March 31, 2007	April 1, 2007– March 31, 2008
a. Method of attributing the retirement benefits to periods of service	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 rate of return on plan assets	Mainly 1.25%	Mainly 1.25%
d. Period for amortization of unrecognized 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 unrecognized actuarial differences	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. STOCK OPTION

Notation has been omitted due to disclosure through EDINET

13. PRODUCTION AND ORDERS

(1) Production Results

[Millions of yen]

Business Segments	April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008	Y of Y [%]
Business Technologies	341,443	384,653	12.7%
Optics	134,303	179,481	33.6%
Medical and Graphic	98,763	89,829	(9.0%)
Sensing	7,746	7,924	2.3%
Photo Imaging	20,894	-	-
Other	3,376	5,816	72.3%
Total	606,527	667,705	10.1%

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.

14. PER SHARE INFORMATION

[yen]

April 1, 2006 – March 31, 2007		April 1, 2007 – March 31, 2008	
Net assets per share	692.39	Net assets per share	786.20
Net income per share	136.67	Net income per share	129.71
Diluted net income per share	134.00	Diluted net income per share	122.44

Notes: Bases of calculations

1. Net assets per share

	As of March 31, 2007	As of March 31, 2008
Total net assets in consolidated balance sheets [millions of yen]	368,624	418,310
Total net assets attributable to common stock [millions of yen]	367,467	417,166
Principal factors underlying difference [millions of yen]		
Warrants	108	286
Minority interests	1,048	858
Common stock outstanding [thousands of shares]	531,664	531,664
Treasury stock [thousands of shares]	939	1,055
Common stock figure used for calculating shareholder’s equity per share [thousands of shares]	530,725	530,609

2. Net income per share and diluted net income per share

	April 1, 2006 – March 31, 2007	April 1, 2007 – March 31, 2008
Total net income in consolidated statements of income [millions of yen]	72,542	68,829
Value not attributable to common stock [millions of yen]	-	-
Total net income attributable to common stock [millions of yen]	72,542	68,829
Average number of shares outstanding during the year [thousands of shares]	530,778	530,660
Main net income adjustment items used to calculate diluted net income figure [millions of yen]		
Interest receivable (after deducting tax)	(24)	(72)
Adjustment of net income [millions of yen]	(24)	(72)
Main common stock change items used to calculate diluted net income figure [thousands of shares]		
Convertible bonds with warrants	10,137	30,578
Warrants	253	341
Change in shares outstanding [thousands of shares]	10,390	30,919

15. IMPORTANT SUBSEQUENT EVENTS

The fiscal year under review (April 1, 2007, through March 31, 2008)

1. On April 8, 2008 (U.S. time), Konica Minolta Business Technologies, Inc., which is the business company of Business Technologies business segment reached agreement with U.K.-based Danka Business Systems PLC regarding the acquisition by Konica Minolta Business Technologies through U.S.-based subsidiary Konica Minolta Business Solutions U.S.A., Inc., of U.S.-based Danka Office Imaging Company (approximately $450 million in sales during fiscal 2006), which is a wholly owned subsidiary of Danka Business Systems. It is projected that the transaction procedures will be completed during June 2008 and that the acquisition price will be approximately $240 million.

2. On April 1, 2008, Konica Minolta Medical & Graphic, Inc., which is the business company of Medical and Graphic Imaging business segment transferred ownership of Konica Minolta ID System, Co., Ltd., and related business assets to an entity outside the Group. The gain from this transfer is estimated approximately ¥5.8 billion for the fiscal year ending march 31,2009.