

**Konica Minolta Group**  
**2nd Quarter/March 2011 Consolidated Financial Results**  
**Three months: July 1, 2010 – September 30, 2010**  
**Six months: April 1, 2010 – September 30, 2010**

October 28, 2010

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*Cautionary Statement:*

*The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.*

*Remarks:*

*Yen amounts are rounded to the nearest 100 million.*

# 1H/March 2011 financial results – Overview (vs. forecasts)



KONICA MINOLTA

- **1H/March 2011 results**
  - ✓ **Business Technologies Business:** Sales remained firm throughout 1H driven by new MFPs. Lost earnings attributed to the shortage of parts in Q1 were generally offset in Q2. While net sales fell slightly short of the forecast due to the effect of the stronger yen, operating income exceeded the forecast.
  - ✓ **Optics Business:** Net sales were generally sluggish in major products in Q2, influenced by production adjustment at customers.
  - ✓ **Consolidated basis:** The negative effects of lower-than-expected sales in Optics and the appreciation of the yen were offset by Business Technologies' robust sales and other businesses as well as by cost cutting. While net sales were slightly lower than the forecast, operating income and net income exceeded the forecasts.
- **Forecasts for FY/March 2011**
  - ✓ **Forex assumptions from Q3 onward:** USD = ¥85 (5 yen appreciation of the yen) , Euro = ¥110.
  - ✓ **Net sales:** Revised downward by 30 billion yen from the previous forecast, factoring in risk factors such as a decline in the yen-converted revenues due to the appreciation of the yen and the effect of production adjustment in the Optics Business.
  - ✓ **Profits:** Both operating income and net income remain unchanged from the previous forecast based on our expectation that an increase in profits in Business Technologies driven by strong sales of the new MFPs and other businesses and the Company-wide cost cutting efforts will offset the negative effects.

# 1H/Mar2011 financial results - Overview



[Billions of yen]

	Results			Forecast	Results		
	1H Mar11	1H Mar10	[%] YoY	1H Mar11	1Q Mar11	2Q Mar11	[%] QoQ
Net sales (a)	391.8	393.3	0%	400.0	194.7	197.2	1%
Operating income	22.6	9.2	147%	21.0	9.8	12.8	30%
<i>Operating income ratio</i>	<i>5.8%</i>	<i>2.3%</i>		<i>5.3%</i>	<i>5.1%</i>	<i>6.5%</i>	
Goodwill amortization	4.3	4.8	-10%	4.5	2.2	2.1	-4%
Operating income before amortization.of goodwill (b)	26.9	13.9	93%	25.5	12.0	14.9	23%
<i>(b)/(a)</i>	<i>6.9%</i>	<i>3.5%</i>	<i>3%</i>	<i>6.4%</i>	<i>6.2%</i>	<i>7.5%</i>	
Net income	8.6	3.5	144%	8.0	3.5	5.1	47%
<i>Net income ratio</i>	<i>2.2%</i>	<i>0.9%</i>	<i>0%</i>	<i>2.0%</i>	<i>1.8%</i>	<i>2.6%</i>	
FOREX [Yen] USD	88.94	95.49	-6.55	* 90.00	92.01	85.87	-6.14
Euro	113.83	133.16	-19.33	110.00	116.99	110.66	-6.33

\* Forex of 2Q onward

# 1H/March 2011 financial results - Group



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[¥ billions]

## ■ 1H/March 2011 results (YoY)

Net sales: -0% (w/o forex: +6%)

Operating income: +147% (w/o forex: +273%)

OP ratio: +3.5 percentage points

- Unit sales of main products increased in both Business Technologies and Optics.
- Net sales remained unchanged from a year ago, given the effect of the stronger yen. Operating income increased substantially, particularly in Business Technologies.

## ■ 2Q/March 2011 results (QoQ)

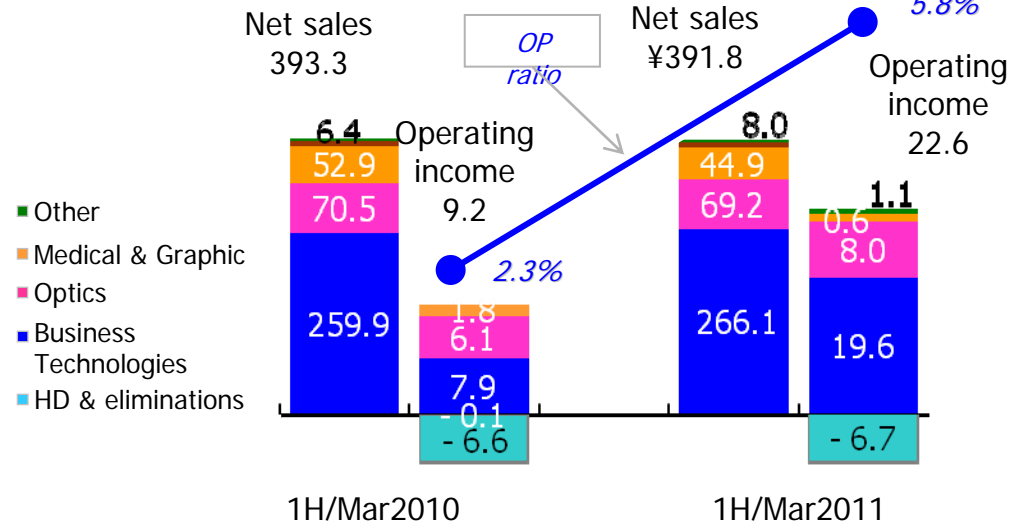
Net sales: +1% (w/o forex: +5%)

Operating income: +30% (w/o forex: +56%)

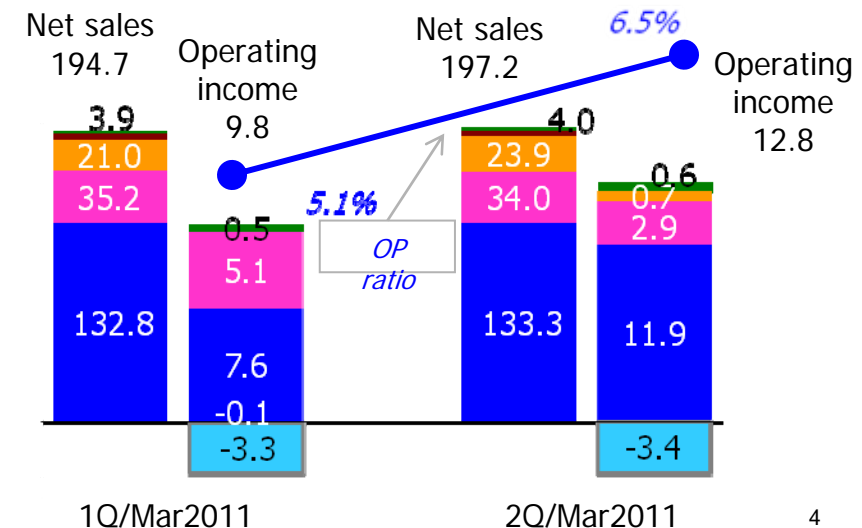
OP ratio: +1.4 percentage points

- Net sales grew at a sluggish pace in Optics in Q2 influenced by production adjustment, but the momentum generally remained firm in other businesses.
- Business Technologies maintained an increase in sales and profits despite the stronger yen, and this worked as a driver for consolidated results in Q2.

### ◆ Net sales / Operating income (YoY)



### ◆ Net sales / Operating income (QoQ)



# 1H/Mar2011 financial results – Segments



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<b>Net sales</b>	Results			Forecast	Results [Billions of yen]		
	1H Mar11	1H Mar10	[%] YoY	1H Mar11	1Q Mar11	2Q Mar11	[%] QoQ
Business Technologies	266.1	259.9	2%	269.0	132.8	133.3	0%
Optics	69.2	70.5	-2%	71.0	35.2	34.0	-3%
Medical & Graphic	44.9	52.9	-15%	49.0	21.0	23.9	14%
Other businesses	8.0	6.4	24%	8.0	3.9	4.0	3%
HD and eliminations	3.7	3.6	4%	3.0	1.8	2.0	13%
<b>Group total</b>	<b>391.8</b>	<b>393.3</b>	<b>0%</b>	<b>400.0</b>	<b>194.7</b>	<b>197.2</b>	<b>1%</b>

<b>Operating income</b>	Results			Forecast	Results		
	1H Mar11	1H Mar10	[%] YoY	1H Mar11	1Q Mar11	2Q Mar11	[%] QoQ
Business Technologies	19.6	7.9	148%	19.0	7.6	11.9	56%
<i>Operating income ratio</i>	<i>7.4%</i>	<i>3.0%</i>		<i>7.1%</i>	<i>5.8%</i>	<i>9.0%</i>	
Optics	8.0	6.1	31%	9.0	5.1	2.9	-43%
<i>Operating income ratio</i>	<i>11.6%</i>	<i>8.7%</i>		<i>12.7%</i>	<i>14.5%</i>	<i>8.5%</i>	
Medical & Graphic	0.6	1.8	-68%	0.5	-0.1	0.7	turn black
<i>Operating income ratio</i>	<i>1.3%</i>	<i>3.4%</i>		<i>1.0%</i>	<i>-0.4%</i>	<i>2.8%</i>	
Other businesses	1.1	-0.1	turn black	0.5	0.5	0.6	23%
HD and eliminations	-6.7	-6.6	-	-8.0	-3.3	-3.4	-
<b>Group total</b>	<b>22.6</b>	<b>9.2</b>	<b>147%</b>	<b>21.0</b>	<b>9.8</b>	<b>12.8</b>	<b>30%</b>
<i>Operating income ratio</i>	<i>5.8%</i>	<i>2.3%</i>		<i>5.3%</i>	<i>5.1%</i>	<i>6.5%</i>	

# Business Technologies - Overview



## ■ 1H/March 2011 results (YoY)

Net sales: +2% (w/o forex: +11%)  
 Operating income: +148% (w/o forex: +267%)  
 OP ratio: +4.4 percentage points

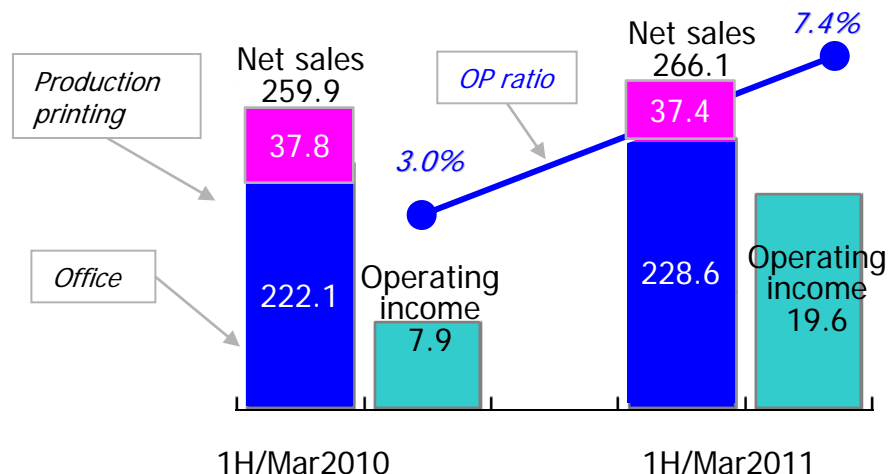
- MFP unit sales continued to recover in Japan and overseas. Net sales rose, driven by Office MFPs, despite the appreciation of the yen. Operating income rose significantly.
- The product mix improved driven with sales of profitable new color MFPs and B/W MFPs. Margins recovered sharply accordingly.

## ■ 2Q/March 2011 results (QoQ)

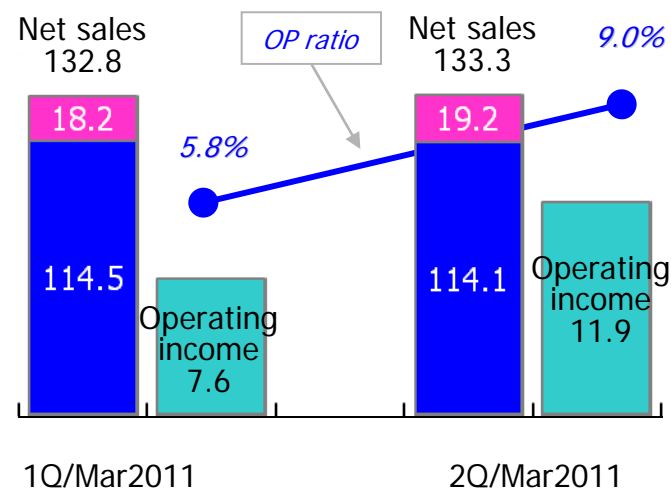
Net sales: +0% (w/o forex: +5%)  
 Operating income: +56% (w/o forex: +79%)  
 OP ratio: +3.2 percentage points

- As the parts shortage was solved, a slow start in Q1 was offset by strong momentum in Q2.
- Sales and profits increased on both QoQ and YoY bases, despite the further appreciation of the yen. The momentum of recovering revenues was maintained throughout the first half.

◆ Net sales / Operating income (YoY) [¥ billions]



◆ Net sales / Operating income (QoQ) [¥ billions]



# Business Technologies – Sales performance 1H/March 2011



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◆ MFP unit sales (YoY) \*Base index : "1H/Ma20r10" = 100

## ■ 1H/March 2011 results (YoY)

Office MFP unit sales: +25%

Non-hardware (w/o forex): +4%

- Double-digit growth was maintained in overseas markets due to the increased new product ratio.

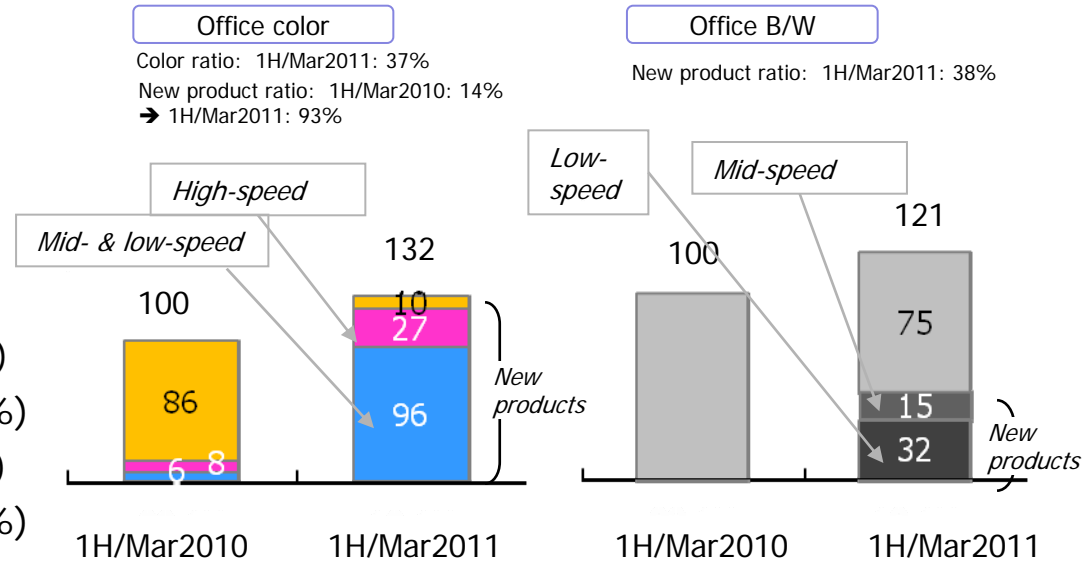
[Unit sales by region, YoY]

North America: +10% (Color +27%, B/W +0%)

Europe: +24% (Color +29%, B/W +20%)

Japan: +4% (Color +17%, B/W -10%)

Other: +37% (Color +53%, B/W +34%)



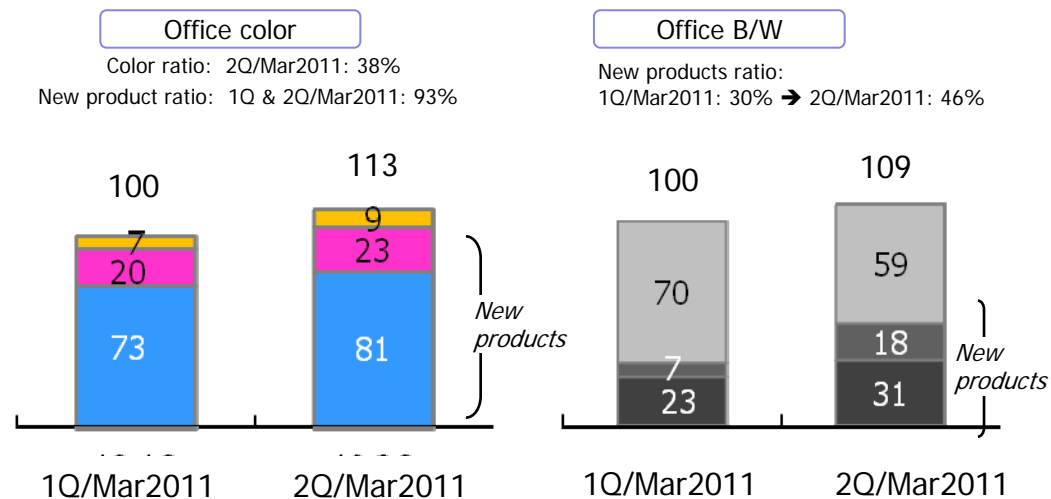
◆ MFP unit sales (QoQ) \*Base index : "1Q/Mar2010" = 100

## ■ 2Q/March 2011 results (QoQ)

Office MFP unit sales: +10%

Non-hardware (w/o forex): +1%

- Both color MFPs and B/W MFPs maintained the growth momentum on a QoQ basis.
- The new product ratio of B/W MFPs increased in Q2.






\*New products: MFPs launched between April 2009 and September 2011



## A3 Color MFP



**bizhub c360**   
**bizhub c280**   
**bizhub c220** 

## A3 B/W MFP



**bizhub 423**  
**bizhub 363**  
**bizhub 283**  
**bizhub 223**

## A3 B/W MFP for emerging markets



**bizhub 184**  
**bizhub 164**

## A4 Color MFP



**bizhub c35** 

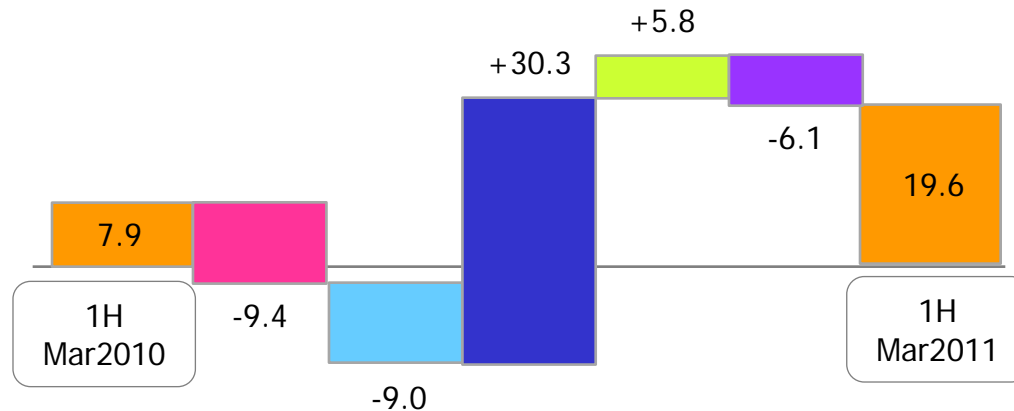
# Business Technologies – Operating income transition



[¥ Billions]

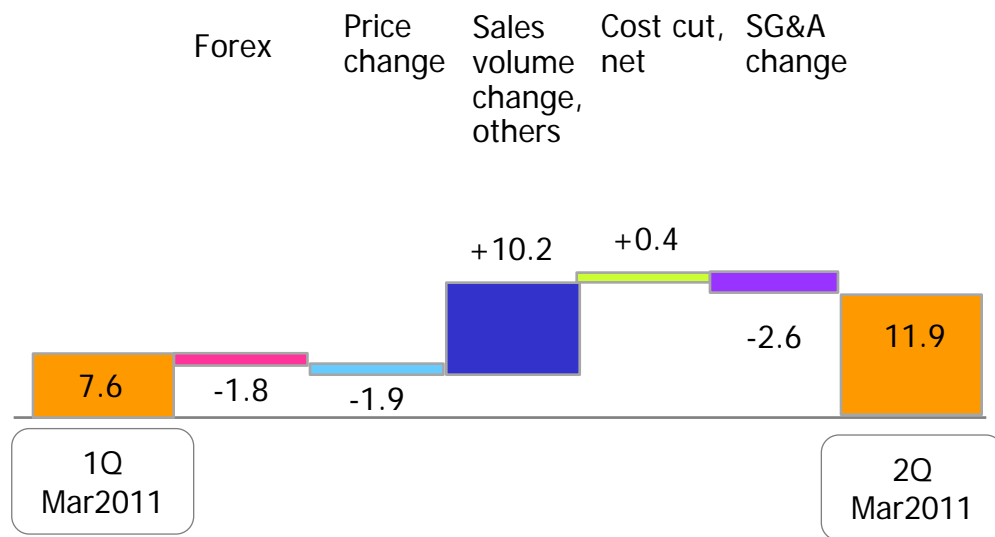
## 1H/March 2010 vs. 1H/March 2011:

- Costs declined mainly through the standardization of electric parts and procurement efforts.
- Expenses increased primarily attributable to variable selling and other related expenses such as distribution expenses associated with increased quantity.



## 1Q/March 2011 vs. 2Q/March 2011:

- In terms of quantity, the product mix improved due to the launch of new products and the shift to the higher speed segment.
- Expenses increased, mainly because of a rise in variable selling expenses associated with increased quantity and R&D expenses.



# Optics - Overview



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## ■ 1H/March 2011 results (YoY)

Net sales: -2%

Operating income: +31%

OP ratio: +2.9 percentage points

- While sales of glass HD substrates increased, lens unit-related sales declined. Net sales remained unchanged from a year ago partly due to the effect of customers' production adjustment of TAC film.
- An increase in profits associated with higher sales of glass HD substrates was a driver for higher segment profit.

## ■ 2Q/March 2011 results (QoQ)

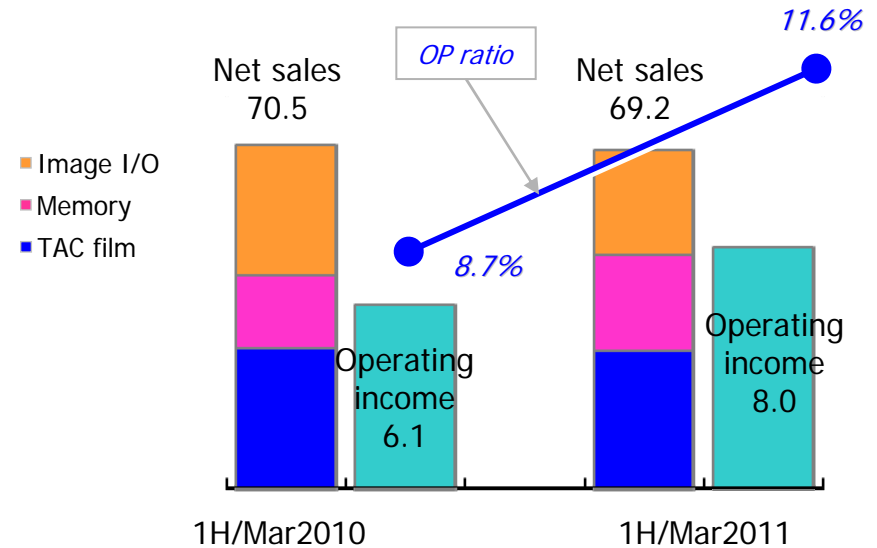
Net sales: -3%

Operating income: -43%

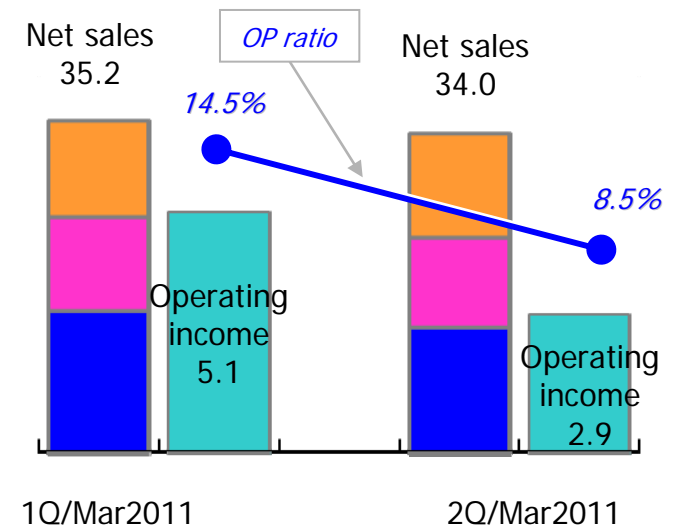
OP ratio: -6.0 percentage points

- Trend differed dramatically between Q1 and Q2 as customers commenced production adjustment from summer in digital home appliances across the board.
- Generally, both sales and profits declined in main products, such as TAC film, glass HD substrates and pickup lenses in Q2.

### ◆ Net sales / Operating income (YoY) [¥ Billions]



### ◆ Net sales / Operating income (QoQ) [¥ Billions]



# Optics – Sales performance 1H/March 2011

[¥ Billions]



\*Base index : "1H/Mar2010" and "1Q/Mar2011" = 100

## ● TAC film

- ✓ In first half (YoY), overall unit sales increased 7% driven by thin film and wide film, although unit sales of VA-TAC film declined.
- ✓ In Q2 (QoQ), VA-TAC film maintained its Q1 level, while overall unit sales declined as a result of production adjustment.

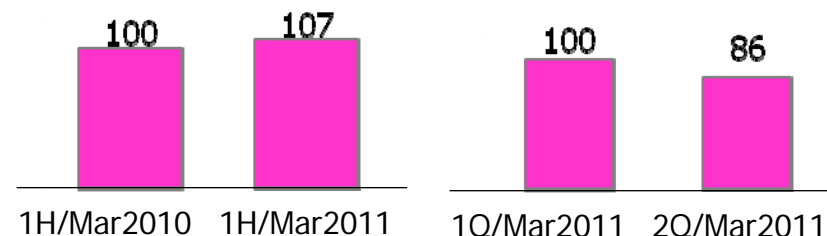
## ● Glass HD substrates

- ✓ In first half (YoY), unit sales increased significantly, driven by glass HD substrates for 320GB memory density.
- ✓ In Q2 (QoQ), overall units sales grew at a sluggish pace due to production adjustment, although unit sales of glass HD substrates for 320GB increased.

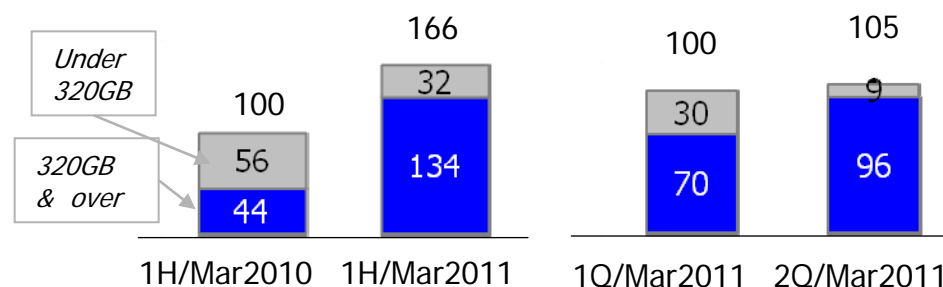
## ● Optical pickup lenses

- ✓ In first half (YoY), unit sales of pickup lenses for both Blu-ray (BD) and DVD increased. However, revenues declined as the average unit price fell with the expansion of plastic lenses for BD.
- ✓ In Q2 (QoQ), growth slowed with production adjustment in products for all applications.

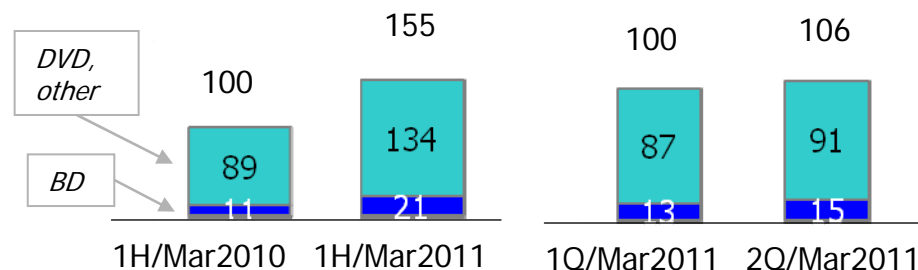
### ◆ TAC film unit sales



### ◆ Glass HD substrates unit sales



### ◆ Optical pickup lens unit sales

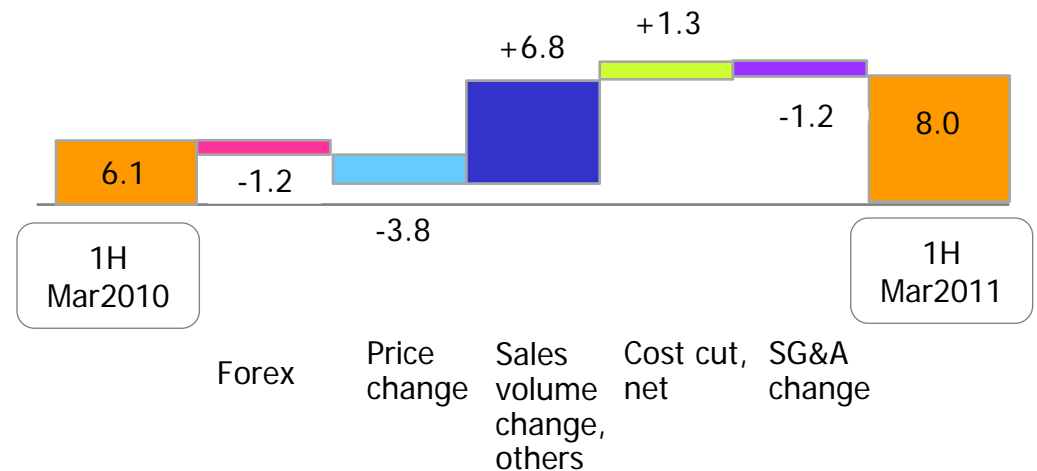


# Optics- Operating income analysis

## 1H/March 2010 vs. 1H/March 2011:

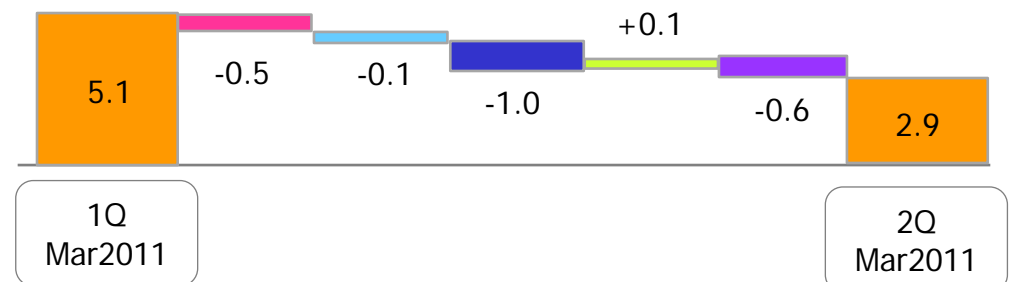
[¥ Billions]

- Forex effect emerged mainly in glass HD substrates.
- Price decline occurred in lens units and TAC film.
- The effect of sales volume increase was generated by glass HD substrates, TAC film, and optical pickup lenses in order.
- Expenses increased due to the posting of depreciation expenses for the 7th plant of TAC film.



## 1Q/March 2011 vs. 2Q/March 2011:

- Quantity declined due to the customers' production adjustment of TAC film, although glass HD substrates increased.
- Expenses increased because of higher R&D expenses in new business areas.



# Transformation for growth: Major initiatives and achievements 1H/March 2011



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- **Sales expansion in Asian markets**
  - ✓ **Business Technologies Business:** The market share increased in China, by increasing sales of specialized products for emerging markets. The business operation capability was strengthened in India with the establishment of an MFP sales company in July.
  - ✓ **Medical Business:** The sales and service network was bolstered in India with the establishment of a medical equipment sales company in June.
  - ✓ **Other businesses:** The Sensing Business gained new customers, automakers, in China. The Industrial Inkjet Business sharply expanded its sales in Asian markets.
- **Global undertaking of OPS**
  - ✓ The global framework was established to increase business opportunities by providing new value through the Optimized Printing Service (OPS) approach, taking advantage of a strong point of contact with leading mid-sized customers we have built through the "Genre-top Strategy." At the same time, a dedicated organization for GMA was established.
- **Sales expansion of production printing**
  - ✓ The printing division of Media & Graphic Business was merged with the production printing division of Business Technologies Business. We embarked on the development of the digital commercial printing market by integrating the Groupwide knowledge, product quality and business knowhow.
  - ✓ Along with these initiatives, the CTP business in the United States was sold as part of a policy of "selection and concentration."

# Forecasts FY/March 2011 - Group



KONICA MINOLTA

[Billions of yen]

	FY/Mar 2011						FY/Mar 2010
	FY		[%] Change	1H	2H	[%] HoH	
	Current Forecast	Previous Forecast		Results	Forecast		
Net sales (a)	800.0	830.0	-4%	391.8	408.2	4%	804.5
Operating income	50.0	50.0	0%	22.6	27.4	21%	44.0
<i>Operating income ratio</i>	6.3%	6.0%		5.8%	6.7%		5.5%
Goodwill amortization	8.5	9.0	-6%	4.3	4.2	-2%	9.2
Operating income before amortization of goodwill (b)	58.5	59.0	-1%	26.9	31.6	17%	53.2
<i>(b)/(a)</i>	7.3%	7.1%		6.9%	7.7%		6.6%
Ordinary income	43.0	46.0	-7%	17.9	25.1	40%	40.8
Net income	20.0	20.0	0%	8.6	11.4	33%	16.9
<i>Net income ratio</i>	2.5%	2.4%		2.2%	2.8%		2.1%
FOREX [Yen] USD	86.97	* 90.00		88.94	85.00	-3.94	92.85
Euro	111.92	110.00		113.83	110.00	-3.83	131.15
	*Forex of 2Q onward						
CAPEX	50.0	55.0	-5.0	24.6	25.4	0.8	36.9
Depreciation	63.0	65.0	-2.0	27.5	35.5	8.0	61.2
R&D expenses	78.0	80.0	-2.0	35.3	42.7	7.4	68.5
FCF	25.0	20.0	5.0	12.5	12.5	0.0	72.9

# Forecasts FY/March 2011 - Segments



[Billions of yen] KONICA MINOLTA

	FY/Mar 2011						FY/Mar 2010
	FY		[%] Change	1H	2H	[%] HoH	FY
	Current Forecast	Previous Forecast		Results	Forecast		Results
<b>Net sales</b>							
Business Technologies	549.0	560.0	-2%	266.1	282.9	6%	540.8
Optics	137.0	144.0	-5%	69.2	67.8	-2%	136.7
Medical & Graphic	89.0	102.0	-13%	44.9	44.1	-2%	104.4
Other businesses	17.0	17.0	0%	8.0	9.0	13%	14.5
HD and eliminations	8.0	7.0	14%	3.7	4.3	16%	8.1
<b>Group total</b>	<b>800.0</b>	<b>830.0</b>	<b>-4%</b>	<b>391.8</b>	<b>408.2</b>	<b>4%</b>	<b>804.5</b>

	FY/Mar 2011						FY/Mar 2010
	FY		[%] Change	1H	2H	[%] HoH	FY
	Current Forecast	Previous Forecast		Results	Forecast		Results
<b>Operating income</b>							
Business Technologies	45.6	44.0	4%	19.6	26.0	33%	39.0
<i>Operating income ratio</i>	8.3%	7.9%		7.4%	9.2%		7.2%
Optics	15.0	20.5	-27%	8.0	7.0	-12%	14.4
<i>Operating income ratio</i>	10.9%	14.2%		11.6%	10.3%		10.5%
Medical & Graphic	1.6	2.0	-20%	0.6	1.0	72%	1.5
<i>Operating income ratio</i>	1.8%	2.0%		1.3%	2.3%		1.4%
Other businesses	2.5	1.5	67%	1.1	1.4	27%	1.1
HD and eliminations	-14.7	-18.0	-	-6.7	-8.0	-	-11.9
<b>Group total</b>	<b>50.0</b>	<b>50.0</b>	<b>0%</b>	<b>22.6</b>	<b>27.4</b>	<b>21%</b>	<b>44.0</b>



# Business Technologies - Outlook 2H/March

## Office MFPs

Office MFP unit sales: +10% (HoH)

Non-hardware (w/o forex): +2 to +3% (YoY)

### [Major efforts]

- Add to sales of new color and B/W MFPs in Japan, the United States and Europe
- Increase sales in China and India
- Accelerate OPS and increase GMA customers

## Production printing (PP)

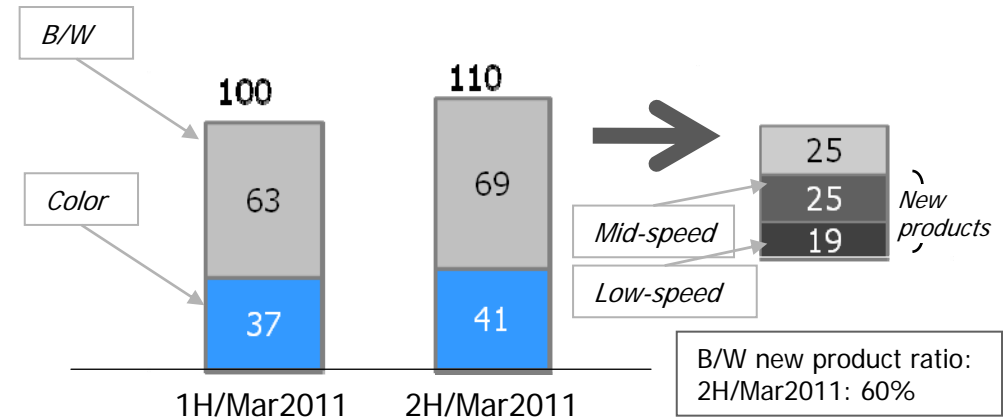
PP unit sales: +15% (HoH)

### [Major efforts]

- Introduce three new color products
- Accelerate operations in the digital commercial printing field
- Quickly derive synergies from the integrated printing division

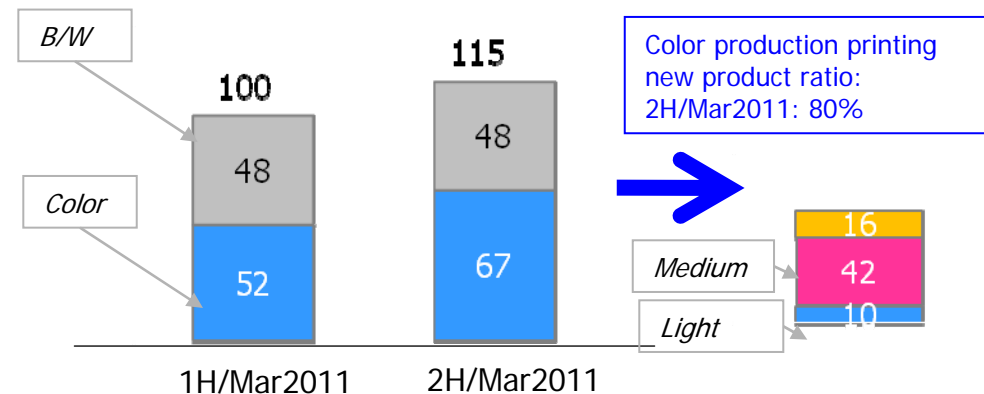
### Office MFP unit sales (HoH)

\*Base index : "1H/Mar2011" = 100



### Production printing unit sales (HoH)

\*Base index : "1H/Mar2011" = 100



# Business Technologies – Strategic products 2H/March 2011

**B/W**

**Color**



**Digimaster series**

*Heavy production printing*



**bizhub PRO  
1200**

**bizhub PRESS C8000**

**NEW**



*Medium production printing*



**bizhub PRO  
1051**



**bizhub PRO  
C65hc**

**bizhub PRESS  
C7000**

**NEW**



*Light production printing*

**bizhub PRO  
950**



**bizhub PRO  
C5501**

**bizhub PRESS  
C6000**

**NEW**



# Optics - Outlook 2H/March 2011



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\*Base index : "1H/Mar2011" = 100

## ● TAC film

- ✓ Unit sales: +0% (HoH)
- ✓ Work to recover the market share with new products in mainstay VA-TAC film, although the overall unit sales will decline from the initial forecast with the effect of continued production adjustment at customers.

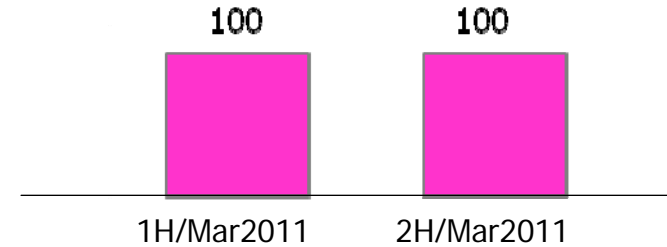
## ● Glass HD substrates

- ✓ Unit sales: +15% (HoH)
- ✓ Accelerate the production shift to Malaysia, using the production adjustment as an opportunity, and prepare for a mass-production of substrates for 500GB.

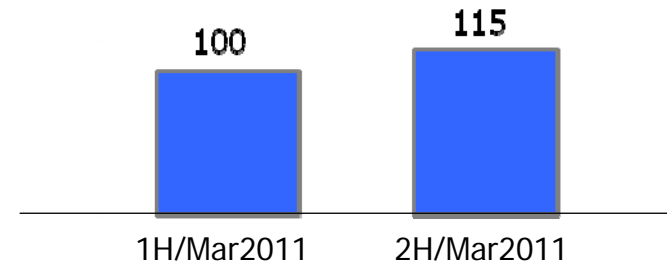
## ● Optical pickup lenses

- ✓ Unit sales: -10% (HoH)
- ✓ Continue to boost cost competitiveness to increase market share and profitability, using the production adjustment and the weaker market conditions as an opportunity

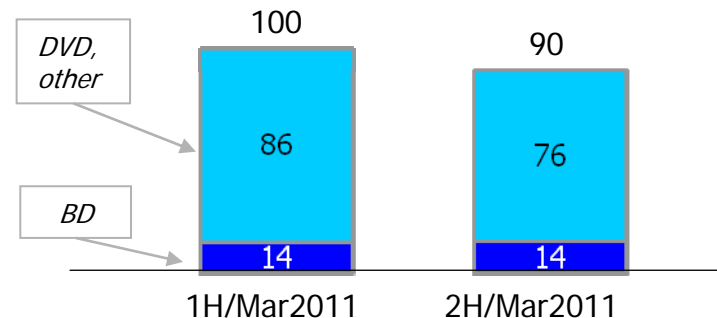
### ◆ TAC film unit sales (HoH)



### ◆ Glass HD substrates unit sales (HoH)



### ◆ Optical pickup lens unit sales (HoH)



## To achieve forecasts for FY/March 2011

- **Business Technologies Business**

Focus on expanding sales of highly profitable new MFPs and work to maximize gross profit, although there will be an erosion of income with the currency translation in the environment of the strong yen.

- **Optics Business**

Further strengthen its earning profile, although the business environment will be difficult because of prolonged production adjustment at customers.

- **Other businesses**

Maintain the strong momentum.

- **Expenses**

Ensure the necessary investment for future growth.



***Supplementary Information  
2Q/Mar2011 Financial Results***



## Results: 1H/March 2011

	1H Mar11	1H Mar10	YoY	[Billions of yen]
Net sales	391.8	393.3	-1.5	
Gross income	180.9	168.9	12.0	
<i>Gross income ratio</i>	<i>46.2%</i>	<i>42.9%</i>		
Operating income	22.6	9.2	13.4	
<i>Operating income ratio</i>	<i>5.8%</i>	<i>2.3%</i>		
Ordinary income	17.9	8.7	9.2	
Net income before taxes	11.6	6.9	4.7	
Net income	8.6	3.5	5.1	
<i>Net income ratio</i>	<i>2.2%</i>	<i>0.9%</i>		
<b>EPS [Yen]</b>	<b>16.29</b>	<b>6.67</b>		
CAPEX	24.6	17.4	7.2	
Depreciation	27.5	30.9	-3.4	
R&D expenses	35.3	35.3	0.0	
FCF	12.6	32.1	-19.5	
FOREX [Yen]				
USD	88.94	95.49	-6.55	
Euro	113.83	133.16	-19.33	



## Results: 1H/March 2011 - Segments

### Net sales

	1H Mar11	1H Mar10	YoY	[Billions of yen]
Business Technologies	266.1	259.9	6.1	
Optics	69.2	70.5	-1.3	
Medical & Graphic	44.9	52.9	-8.0	
Other businesses	8.0	6.4	1.5	
HD and eliminations	3.7	3.6	0.2	
Group total	391.8	393.3	-1.5	

### Operating income

	1H Mar11	1H Mar10	YoY
Business Technologies	19.6	7.9	11.7
<i>Operating income ratio</i>	7.4%	3.0%	
Optics	8.0	6.1	1.9
<i>Operating income ratio</i>	11.6%	8.7%	
Medical & Graphic	0.6	1.8	-1.2
<i>Operating income ratio</i>	1.3%	3.4%	
Other businesses	1.1	-0.1	1.2
HD and eliminations	-6.7	-6.6	-0.1
Group total	22.6	9.2	13.4
<i>Operating income ratio</i>	5.8%	2.3%	

\* Other businesses: Sensing and Industrial Inkjet businesses

## Results: 2Q/March 2011

	2Q Mar11	2Q Mar10	YoY	1Q Mar11	QoQ	[Billions of yen]
Net sales	197.2	203.9	-6.7	194.7	2.5	
Gross income	92.5	89.2	3.3	88.4	4.0	
<i>Gross income ratio</i>	<i>46.9%</i>	<i>43.7%</i>		<i>45.4%</i>		
Operating income	12.8	9.7	3.0	9.8	2.9	
<i>Operating income ratio</i>	<i>6.5%</i>	<i>4.8%</i>		<i>5.1%</i>		
Ordinary income	11.5	8.1	3.4	6.4	5.1	
Net income before taxes	9.4	6.5	2.9	2.2	7.2	
Net income	5.1	3.2	1.9	3.5	1.7	
<i>Net income ratio</i>	<i>2.6%</i>	<i>1.6%</i>		<i>1.8%</i>		
<b>EPS [Yen]</b>	<b>9.70</b>	<b>6.10</b>		<b>6.58</b>		
CAPEX	13.5	10.0	3.6	11.1	2.4	
Depreciation	13.6	15.5	-2.0	13.9	-0.3	
R&D expenses	18.2	17.6	-0.5	17.1	1.1	
FCF	13.9	26.9	-13.1	-1.3	15.2	
FOREX [Yen]						
USD	85.87	93.65	-7.78	92.01	-6.14	
Euro	110.66	133.74	-23.08	116.99	-6.33	



## Results: 2Q/March 2011 - Segments

[Billions of yen]

### Net sales

	2Q Mar11	2Q Mar10	YoY	1Q Mar11	QoQ
Business Technologies	133.3	132.7	0.5	132.8	0.5
Optics	34.0	36.5	-2.5	35.2	-1.2
Medical & Graphic	23.9	29.2	-5.3	21.0	2.9
Other businesses	4.0	3.6	0.4	3.9	0.1
HD and eliminations	2.0	1.9	0.1	1.8	0.2
<b>Group total</b>	<b>197.2</b>	<b>203.9</b>	<b>5.2</b>	<b>194.7</b>	<b>2.5</b>

### Operating income

	2Q Mar11	2Q Mar10	YoY	1Q Mar11	QoQ
Business Technologies	11.9	7.6	4.3	7.6	4.3
<i>Operating income ratio</i>	<i>9.0%</i>	<i>5.8%</i>		<i>5.8%</i>	
Optics	2.9	4.5	-1.6	5.1	-2.2
<i>Operating income ratio</i>	<i>8.5%</i>	<i>12.2%</i>		<i>14.5%</i>	
Medical & Graphic	0.7	1.0	-0.3	-0.1	0.8
<i>Operating income ratio</i>	<i>2.8%</i>	<i>3.3%</i>		<i>-0.4%</i>	
Other businesses	0.6	0.1	0.5	0.5	0.1
HD and eliminations	-3.4	-3.4	0.1	-3.3	-0.0
<b>Group total</b>	<b>12.8</b>	<b>9.7</b>	<b>3.0</b>	<b>9.8</b>	<b>2.9</b>
<i>Operating income ratio</i>	<i>6.5%</i>	<i>4.8%</i>		<i>5.1%</i>	

\* Other businesses: Sensing and Industrial Inkjet businesses

# Forecasts: FY/March 2011

[Billions of yen]

	FORCAST FY/Mar 2011			Results FY/Mar 2010	
	1H (Act)	2H	FY	FY	YoY
Net sales	391.8	408.2	800.0	804.5	-4.5
Operating income	22.6	27.4	50.0	44.0	6.0
<i>OP ratio</i>	<i>5.8%</i>	<i>6.7%</i>	<i>6.3%</i>	<i>5.5%</i>	
Ordinary income	17.9	25.1	43.0	40.8	2.2
Net income	8.6	11.4	20.0	16.9	3.1
<i>Net income ratio</i>	<i>2.2%</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.1%</i>	
EPS [yen]	16.26	21.43	37.72	31.93	
CAPEX	24.6	25.4	50.0	36.9	13.1
Depreciation	27.5	35.5	63.0	61.2	1.8
R&D expenses	35.3	42.7	78.0	68.5	9.5
FCF	12.6	12.4	25.0	72.9	-47.9
FOREX [P/L] [Yen]					
USD	88.94	85.00	86.97	92.85	-5.88
Euro	113.83	110.00	111.92	131.15	-19.24

Foreign exchange impact (Annual):

	USD	Euro
Net sales:	¥2.5 bn.	¥1.3 bn.
Operating income:	¥0.3 bn.	¥0.7 bn.



## Forecasts: FY/March 2011 - Segments

[Billions of yen]

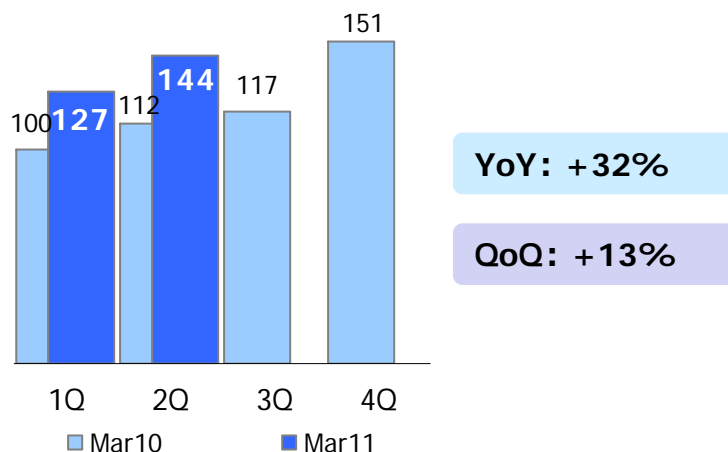
<b>Net sales</b>	FORCAST FY/Mar 2011			Results FY/Mar 2010	
	1H (Act)	2H	FY	FY	YoY
Business Technologies	266.1	282.9	549.0	540.8	8.2
Optics	69.2	67.8	137.0	136.7	0.3
Medical & Graphic	44.9	44.1	89.0	104.4	-15.4
Other businesses	8.0	9.0	17.0	14.5	2.5
HD and eliminations	3.7	4.3	8.0	8.1	-0.1
<b>Group total</b>	<b>391.8</b>	<b>408.2</b>	<b>800.0</b>	<b>804.5</b>	<b>-4.5</b>

[Billions of yen]

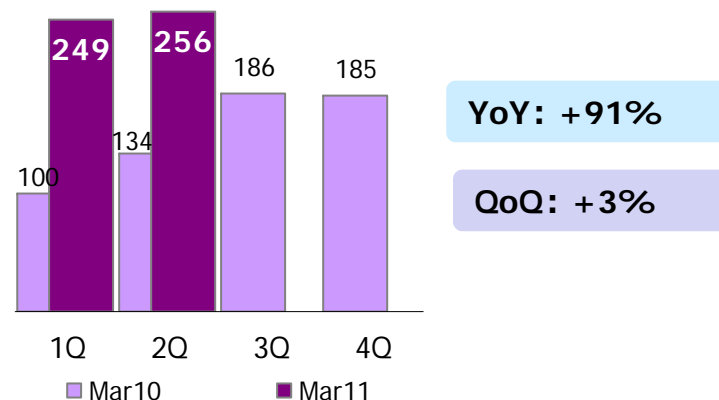
<b>Operating income</b>	FORCAST FY/Mar 2011			Results FY/Mar 2010	
	1H (Act)	2H	FY	FY	YoY
Business Technologies	19.6	26.0	45.6	39.0	6.6
<i>Operating income ratio</i>	<i>7.4%</i>	<i>9.2%</i>	<i>8.3%</i>	<i>7.2%</i>	
Optics	8.0	7.0	15.0	14.4	0.6
<i>Operating income ratio</i>	<i>11.6%</i>	<i>10.3%</i>	<i>10.9%</i>	<i>10.5%</i>	
Medical & Graphic	0.6	1.0	1.6	1.5	0.1
<i>Operating income ratio</i>	<i>1.3%</i>	<i>2.3%</i>	<i>1.8%</i>	<i>1.4%</i>	
Other businesses	1.1	1.4	2.5	1.1	1.4
HD and eliminations	-6.7	-8.0	-14.7	-11.9	-2.8
<b>Group total</b>	<b>22.6</b>	<b>27.4</b>	<b>50.0</b>	<b>44.0</b>	<b>6.0</b>
<i>Operating income ratio</i>	<i>5.8%</i>	<i>6.7%</i>	<i>6.3%</i>	<i>5.5%</i>	

# Unit sales: Business Technologies

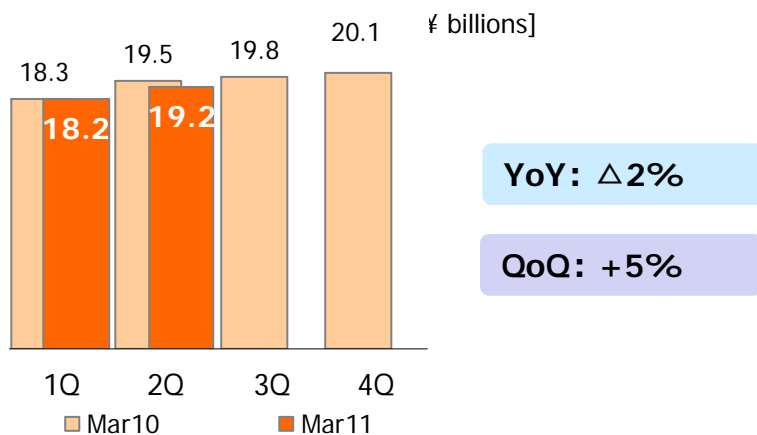
■ A3 color MFP – Units



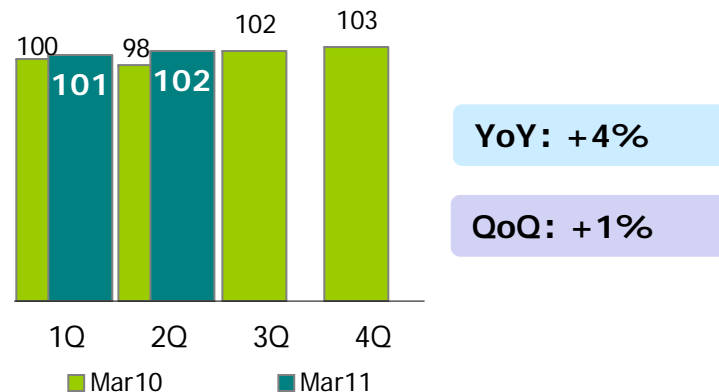
■ A4 color MFP – Units



■ Production printing – Value



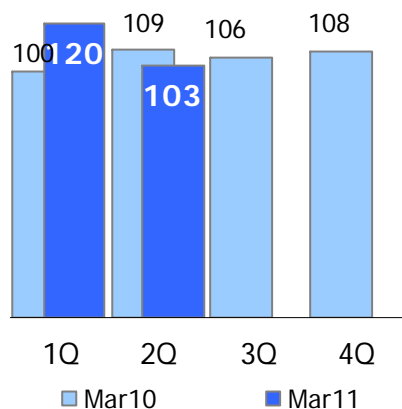
■ MFP non-hardware \* w/o forex effects



\* Base index : "1Q Mar2010 " = 100

# Unit Sales: Optics

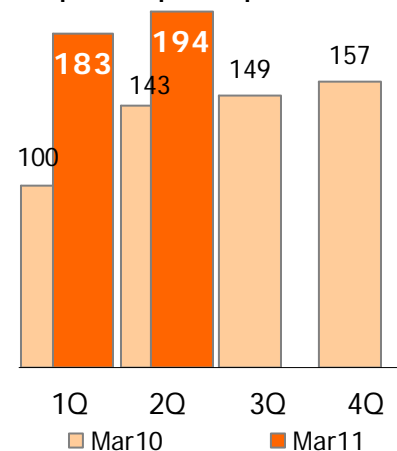
## TAC film – Units



YoY:  $\Delta 5\%$

QoQ:  $\Delta 14\%$

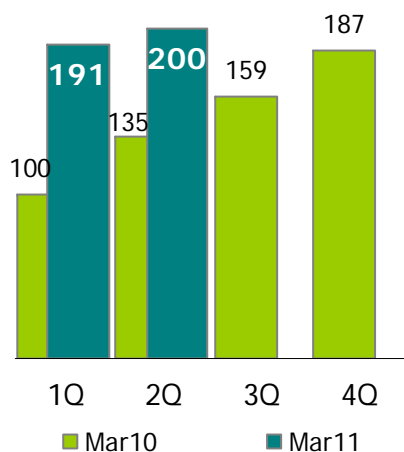
## Optical pickup lenses - Units



YoY:  $+36\%$

QoQ:  $+6\%$

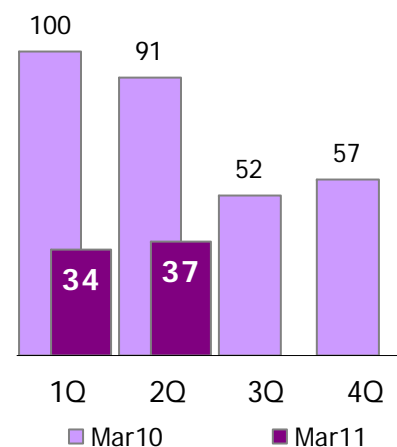
## Glass HD substrates - Units



YoY:  $+48\%$

QoQ:  $+5\%$

## Mobile phone components – Units



YoY:  $\Delta 59\%$

QoQ:  $+8\%$

\*Base index : "1Q Mar2011 " = 100

# Operating profit analysis

## 1H/Mar11 vs. 1H/Mar10

	[Billions of yen]			
	Business Technologies	Optics	Other	Total
<b>[Factors]</b>				
Forex impact	-9.4	-1.2	-0.9	-11.5
Prince change	-9.0	-3.8	0.0	-12.7
Sales volume change, and other, net	30.3	6.8	-3.0	34.1
Cost down	5.8	1.3	0.2	7.3
SG&A change, net	-6.1	-1.2	3.5	-3.7
<b>[Operating income]</b>				
Change, YoY	11.7	1.9	-0.1	13.4

## 2Q/Mar11 vs. 2Q/Mar10

	Business Technologies	Optics	Other	Total
<b>[Factors]</b>				
Forex impact	-6.0	-0.8	-0.6	-7.4
Prince change	-4.4	-1.8	0.0	-6.2
Sales volume change, and other, net	16.5	1.5	-0.8	17.2
Cost down	2.7	0.5	-0.2	3.0
SG&A change, net	-4.4	-1.0	1.9	-3.6
<b>[Operating income]</b>				
Change, YoY	4.3	-1.6	0.3	3.0

# SGA, non-operating and extraordinary income/loss



KONICA MINOLTA

[Billions of yen]

	1H Mar11	1H Mar10	YoY	2Q Mar11	2Q Mar10	YoY
<b>SG&amp;A:</b>						
Selling expenses - variable	23.1	19.8	3.3	12.6	10.8	1.8
R&D expenses	35.3	35.3	0.0	18.2	17.6	0.6
Labor costs	57.4	60.3	-2.9	28.0	29.3	-1.3
Other	42.5	44.4	-1.8	20.9	21.7	-0.8
<b>SGA total*</b>	<b>158.3</b>	<b>159.7</b>	<b>-1.4</b>	<b>79.7</b>	<b>79.5</b>	<b>0.2</b>
	<i>* Forex impact: ¥6.6 bn. (Actual: ¥5.2 bn.)</i>			<i>-¥4.0 bn. (Actual: ¥4.3 bn.)</i>		
<b>Non-operating income/loss:</b>						
Interest and dividend income/loss, net	-0.7	-0.9	0.2	-0.4	-0.5	0.1
Foreign exchange gain, net	-3.3	0.2	-3.5	-0.7	-1.2	0.5
Other	-0.7	0.2	-1.0	-0.2	0.0	-0.2
<b>Non-operating income/loss, net</b>	<b>-4.7</b>	<b>-0.4</b>	<b>-4.3</b>	<b>-1.3</b>	<b>-1.6</b>	<b>0.3</b>
<b>Extraordinary income/loss:</b>						
Sales of noncurrent assets, net	-0.8	-1.5	0.6	-0.6	-1.3	0.7
Sales of investment securities, and sales of subsidiaries and affiliates' stocks, net	-1.6	-0.2	-1.3	-0.6	-0.0	-0.6
Imperament gain/loss	-0.1	-0.2	0.1	-0.1	-0.2	0.1
Business structure improvement expenses	-3.4	-1.2	-2.2	-1.0	-0.4	-0.7
Other	-0.4	1.3	-1.7	0.2	0.2	-0.1
<b>Extraordinary income/loss, net</b>	<b>-6.3</b>	<b>-1.8</b>	<b>-4.5</b>	<b>-2.1</b>	<b>-1.6</b>	<b>-0.5</b>



## B/S

	[Billions of yen]						
Assets:	Sep 10	Mar 10	Change		[yen]		
				Sep 10	Mar 10	YoY	
Cash and short-term investment securities	169.5	164.1	5.3	US\$	83.82	93.04	-9.22
Notes and A/R-trade	160.7	177.7	-17.0	Euro	114.24	124.92	-10.68
Inventories	105.8	98.3	7.5				
Other	56.1	49.1	7.0				
<b>Total current assets</b>	<b>492.0</b>	<b>489.3</b>	<b>2.8</b>				
Tangible assets	198.4	205.1	-6.6				
Intangible assets	91.0	99.1	-8.1				
Investments and other assets	69.1	72.4	-3.3				
<b>Total noncurrent assets</b>	<b>358.5</b>	<b>376.5</b>	<b>-18.1</b>				
<b>Total assets</b>	<b>850.5</b>	<b>865.8</b>	<b>-15.3</b>				
<b>Liabilities and Net Assets:</b>							
Notes and A/P-trade	85.3	83.1	2.2				
Interest bearing debts	190.9	197.4	-6.4				
Other liabilities	160.4	164.5	-4.1				
<b>Total liabilities</b>	<b>436.6</b>	<b>445.0</b>	<b>-8.4</b>				
Total shareholders' equity*	412.6	419.5	-6.9				
Other	1.2	1.2	0.0				
<b>Total net assets</b>	<b>413.9</b>	<b>420.8</b>	<b>-6.9</b>				
<b>Total liabilities and net assets</b>	<b>850.5</b>	<b>865.8</b>	<b>-15.3</b>				

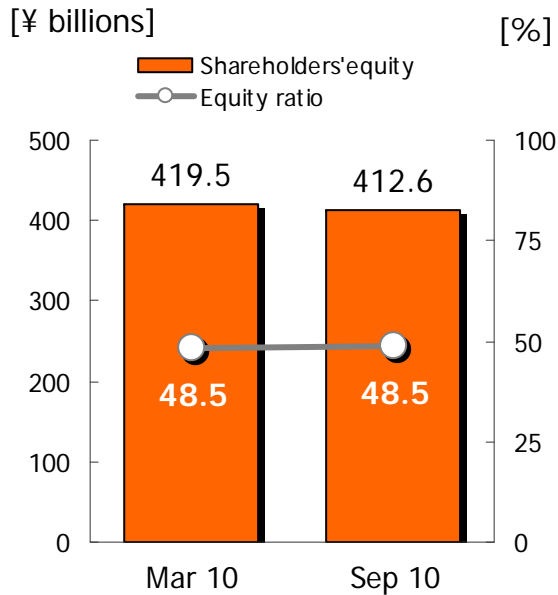
\* Shareholders' equity + valuation and translation adjustments





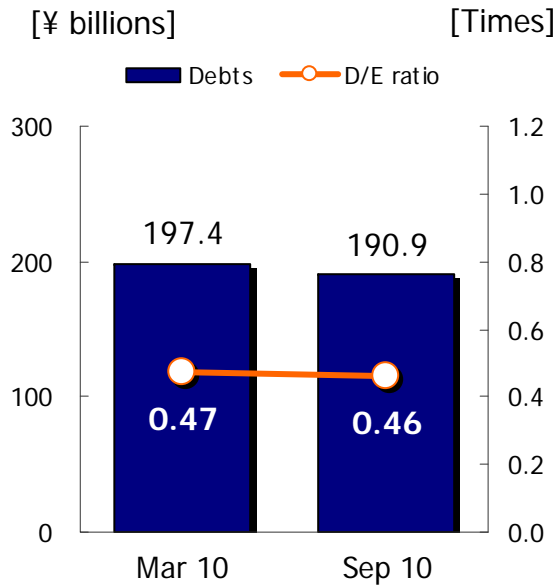
# B/S – Main indicators

## Equity ratio



Equity ratio = Equity / Total assets

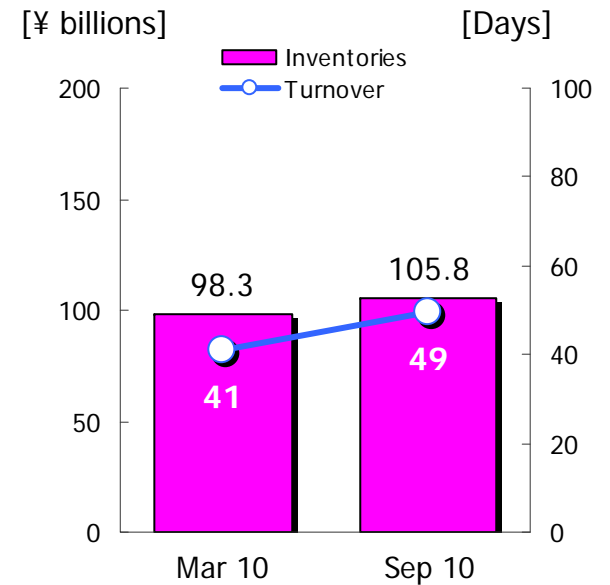
## Interest-bearing debts



D/E ratio =

Interest-bearing debts at year-end / Shareholders' equity at year-end

## Inventories and inventory turnover



Inventory turnover (days) =

Inventories at period-end / Average sales per day

\*Equity = Shareholder's equity + Total revaluation and translation adjustments

# Cash flows



[Billions of yen]

	1H Mar11	1H Mar10	YoY	2Q Mar11	2Q Mar10	YoY
Income before income taxes and minority	11.6	6.9	4.7	9.4	6.5	2.9
Depreciation and amortization	27.5	30.9	-3.4	13.6	15.5	-2.0
Income taxes paid	-3.1	6.2	-9.3	-1.7	7.1	-8.8
Change in working capital	-4.1	10.1	-14.2	3.1	10.7	-7.6
<b>I. Net cash provided by operating activities</b>	<b>31.8</b>	<b>54.1</b>	<b>-22.3</b>	<b>24.4</b>	<b>39.8</b>	<b>-15.4</b>
<b>II. Net cash used in investing activities</b>	<b>-19.2</b>	<b>-22.0</b>	<b>2.8</b>	<b>-10.5</b>	<b>-12.9</b>	<b>2.4</b>
<b>I.+ II. Free cash flow</b>	<b>12.6</b>	<b>32.1</b>	<b>-19.5</b>	<b>13.9</b>	<b>26.9</b>	<b>-13.1</b>
Change in debts and bonds	-3.1	13.7	-16.7	-4.5	-7.5	3.1
Cash dividends paid	-4.0	-5.3	1.3	-0.1	-0.0	-0.1
Other	-0.7	-1.0	0.3	-0.4	-0.5	0.1
<b>III. Net cash used in financing activities</b>	<b>-7.8</b>	<b>7.4</b>	<b>-15.1</b>	<b>-5.0</b>	<b>-8.0</b>	<b>3.1</b>