May 10, 2012

Consolidated Financial Results

Fiscal Year ended March 31, 2012

April 1, 2011 – March 31, 2012

Konica Minolta Holdings, Inc.

Stock exchange listings:	Tokyo, Osaka (First Sections)
Local securities code number:	4902
URL:	http://konicaminolta.com
Listed company name:	Konica Minolta Holdings, Inc.
Representative:	Masatoshi Matsuzaki, President and CEO
Inquiries:	Yuki Kobayashi, General Manager, CSR, Corporate Communications & Branding Div.
Telephone number:	(81) 3-6250-2100

Scheduled date for Ordinary General Meeting of Shareholders:	June 20, 2012
Scheduled date for dividends payment:	May 28, 2012
Scheduled date for submission of securities report:	June 21, 2012
Availability of supplementary information:	Yes
Organization of financial result briefing:	Yes (for institutional investors)

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

1. Overview of performance (From April 1, 2011 to March 31, 2012)

(1) Business performance

Percentage figures represent the change from the same period of the previous year.

[Millions of yen]

	Net sales		Operating income		Ordinary income		Net income	
FY Mar/2012	767,879	-1.3%	40,346	0.8%	34,758	4.8%	20,424	-21.1%
FY Mar/2011	777,953	-3.3%	40,022	-9.0%	33,155	-18.8%	25,896	53.0%

Note: Comprehensive income

Fiscal year ended March 31, 2012: ¥14,943 million (-8.1%)

Fiscal year ended March 31, 2011: ¥16,267 million (8.4%)

	Net income per share		Net income per share (after full dilution)	
FY Mar/2012	38.52	yen	37.28	yen
FY Mar/2011	48.84	Yen	47.28	yen

	Net income to shareholders' equity	Ordinary income to total asset	Operating income to net sales
FY Mar/2012	4.7 %	4.0 %	5.3 %
FY Mar/2011	6.1 %	3.9 %	5.1 %

Note: Equity in profit (loss) of unconsolidated subsidiaries and affiliates:
Fiscal year ended March 31, 2012: ¥ 67 million
Fiscal year ended March 31, 2011: ¥ 112 million

(2) Financial position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)	Net assets per share
March 31, 2012	902,052	434,987	48.1%	817.81 yen
March 31, 2011	845,453	428,987	50.6%	806.53 yen

Notes: Shareholders' equity
As of March 31, 2012 ¥ 433,669 million
As of March 31, 2011: ¥ 427,647 million

(3) Cash flows

[Millions of yen]

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents balance at the end of period
FY Mar/2012	72,367	-42,757	26,390	231,933
FY Mar/2011	67,957	-44,738	-12,928	175,148

2. Dividends per share

[yen]

	Dividends per share				
	1Q	2Q	3Q	Year-end	Total annual
FY Mar/2011	-	7.50	-	7.50	15.00
FY Mar/2012	-	7.50	-	7.50	15.00
FY Mar/2013(forecast)	-	7.50	-	7.50	15.00

	Total dividends (annual) [millions of yen]	Dividend pay-out ratio (consolidated) [%]	Net asset-to-dividend ratio (consolidated) [%]
FY Mar/2011	7,953	30.7	1.9
FY Mar/2012	7,954	38.9	1.8
FY Mar/2013(forecast)		36.2	

3. Consolidated results forecast for fiscal year ending March 31, 2013
(From April 1, 2012 to March 31, 2013)

Percentage figures for the full year represent the change from the previous fiscal year.

[Millions of yen]

	Net sales		Operating income		Ordinary income		Net income		Net income per share
Full-year	800,000	4.2%	48,000	19.0%	44,000	26.6%	22,000	7.7%	41.49 yen

4. Other

(1) Changes in status of material subsidiaries during the consolidated fiscal year under review (Changes to specified subsidiaries accompanying the additional consolidation or removal from consolidation of companies): Yes - excluded one subsidiary - Konica Minolta Graphic Imaging U.S.A., Inc.

Note: For more detailed information, please see the "(6) Basis of presenting consolidated financial statements [1] Scope of consolidation" in the section 4. CONSOLIDATED FINANCIAL STATEMENTS on page 26.

(2) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

a. Changes in accounting policy accompanying amendment of accounting principles: None
b. Changes in accounting policy other than "a.": None
c. Changes in accounting estimates: None
d. Restatement due to correction: None

(4) Number of outstanding shares (common stock)

a. Outstanding shares at period-end (including treasury stock)
As of March 31, 2012: 531,664,337 shares
As of March 31, 2011: 531,664,337 shares

b. Treasury stock at period-end
As of March 31, 2012: 1,381,591 shares
As of March 31, 2011: 1,436,447 shares

c. Average number of outstanding shares during the period
As of March 31, 2012: 530,254,610 shares
As of March 31, 2011: 530,222,585 shares

Presentation of Present Status of Audit Procedures

This "Consolidated Financial Results" are exempt from audit procedures under the Financial Instruments and Exchange Act. Audit procedures for the financial statements are being performed when the Consolidated Financial Results are announced.

Explanation of Appropriate Use of Performance Projections and Other Special Items

(Note on forward-looking statements)

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 materially from the projections. Please see the "(1) Business Performance Analysis 3. Outlook for the fiscal year ended March 31, 2013" in the section 1. OPERATING RESULTS on page 11 for more information on points to be remembered in connection with the use of projections.

(How to obtain supplementary information and information on a financial results briefing)

The Group will hold a financial results briefing for institutional investors on Thursday, May 10, 2012. Descriptions at the briefing and presentation slides to be used at the briefing will be posted on the website of the Group immediately after the briefing.

Supplementary Information

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1. OPERATING RESULTS

（1） Business Performance Analysis

1. Overview of Performance

	Fiscal year ended March 31		[Billions of yen]	
	2012	2011	Increase (Decrease)	
Net sales	767.8	777.9	(10.0)	-1.3%
Gross profit	355.3	354.5	0.7	0.2%
Operating income	40.3	40.0	0.3	0.8%
Ordinary income	34.7	33.1	1.6	4.8%
Income before income taxes and minority interests	32.8	28.1	4.7	16.7%
Net income	20.4	25.8	(5.4)	-21.1%
Net income per share [yen]	38.52	48.84	(10.32)	-21.1%
Capital expenditure	34.0	42.9	(8.9)	-20.8%
Depreciation	49.2	55.1	(5.8)	-10.7%
R & D expenses	72.5	72.6	(0.0)	-0.1%
Free cash flow	29.6	23.2	6.3	27.5%
Number of employees [persons]	38,206	35,204	3,002	8.5%
Exchange rates [yen]				
US dollar	79.07	85.71	(6.64)	-7.7%
Euro	108.96	113.11	(4.15)	-3.7%

Looking back on the business environment in this consolidated fiscal year, the Konica Minolta Group's procurement and production operations were directly and indirectly affected by disruptions in supply chains in the related industries as a result of unprecedented natural disasters: the Great East Japan Earthquake in March last year and the widespread flooding that occurred in Thailand during the summer and autumn. Looking at macroeconomic circumstances in Japan and overseas, there was concern over the impact of the European economy, which became more and more uncertain in association with the sovereign debt crisis, on the global economy. Amid the concern, however, the US economy was relatively solid, and emerging economies, including China, maintained high growth rates overall. The Japanese economy, especially export-oriented manufacturers, continued to face a challenging environment because of the rapid strengthening of the yen in addition to the effect caused by the earthquake and Thai flooding.

The Group started to implement “G PLAN 2013”, a medium-term business plan for three years from the fiscal year ended March 31, 2012 to the fiscal year ending March 31, 2014. The keyword of the business plan is “growth,” and the Group is focusing on sustainable growth. The plan is created in accordance with the basic “Three Challenges” policy of: (1) Achieving strong growth, expanding business scale, (2) Changing into a “Global Company,” and (3) Increasing the recognition of the Konica Minolta brand. In this fiscal year, the first year of the plan, to achieve the goals of the plan despite the uncertain outlook for economic circumstances in Japan and abroad, the Group was united in executing a range of initiatives.

To achieve strong growth, expand business scale, the Group sought to bolster its business in the production print field, which the Group positions as a growth driver in the Business Technologies Business. As a result of the expansion of the range of products and the reinforcement of the sales structure, net sales for the fiscal year under review increased to the ¥100.0 billion scale. Sales of color products, in particular, remained strong, and the Group competed for the top position in the US and European markets. The rate of sales growth in emerging countries, including China and India, remained higher than that in developed countries.

In relation to changing into a "Global Company," the Group believes that to provide the best value to its customers worldwide, it is necessary to optimize its human resources from a global perspective. To that end, the Group created a global human resources database and took steps for its utilization. It endeavored to cultivate future executives from a global point of view, for example by regularly conducting Group-wide training programs to develop future executives for select members. The Group will build and develop a Group-wide personnel assessment system to assign personnel beyond organizational lines and borders.

To increase the recognition of the Konica Minolta brand, the Group adopted a communication message, "Giving Shape to Ideas," and transmitted the message to the world. The message expresses our commitment to fulfilling our customers' needs through creative technological innovation. Based on this message, the Group is endeavoring to solve customers' problems and provide value exceeding their expectations in day-to-day operations in all its businesses, using the reliable technologies and problem solving ability that it has developed.

Looking at the results of the main businesses in the fiscal year under review, in the Business Technologies Business, sales volumes of MFPs (Multi-functional peripherals) exceeded the results of the previous fiscal year as demand for MFPs for office recovered moderately and sales of color MFPs were solid both in Japan and overseas. Sales volumes of production printing products far exceeded the year-ago level, reflecting the launch of new color products and sales expansion, primarily in the digital printing market. In OPS (Optimized Print Services), which the Company continued to systematically enhance as a new growth field, business performance for global major accounts increased steadily, especially in Europe and the United States. Since overseas sales account for more than 80% of total sales, the Business Technologies Business was strongly influenced by the strong yen, but both net sales and operating income rose from a year ago. In the Optics Business, sales of glass substrates for HDDs and pickup lenses for optical disks were weak overall, given the impact of customers' production adjustments and the flooding in Thailand. In contrast, sales of TAC films for LCD polarizers (hereinafter referred to as "TAC films"), benefiting from the launch of new products, remained robust throughout the fiscal year, and sales of optical units for cell phones with cameras recovered in the latter part of the second half of the fiscal year. As a consequence, net sales declined, but operating income rose in the Optics Business. In the Healthcare Business, sales of digital medical input equipment increased year on year, driven by the introduction of new products, but fell short of offsetting a decline in sales of film products. Both net sales and operating income decreased in the business.

As a result, Konica Minolta's consolidated net sales for the fiscal year under review amounted to ¥767.8 billion, a decrease of 1.3% year on year. Despite a rise in procurement costs and sluggish orders received due to the effect of the earthquake and the flooding in Thailand, operating income stood at ¥40.3 billion, up 0.8%, reflecting an increase in sales of the main products and comprehensive expense cutting. The yen was stronger against the US dollar and euro than it was in the previous fiscal year. The adverse effects of exchange rates on net sales and operating income were ¥29.7 billion and ¥7.4 billion, respectively. Without the adverse effects, net sales and operating income rose 2.5% and 19.3%, respectively.

Ordinary income rose 4.8%, to ¥34.7 billion despite a foreign exchange loss associated with the strong yen. After posting extraordinary losses, including a loss on valuation of investment securities and business structure improvement expenses, income before income taxes and minority interests climbed 16.7%, to ¥32.8 billion. Net income stood at ¥20.4 billion, a fall of 21.1% year on year, including the effect of a change in the corporate tax rate of ¥3.3 billion.

2. Overview by Segment

	Fiscal year ended March 31		[Billions of yen]	
	2012	2011	Increase (Decrease)	
Business Technologies				
Net sales - external	547.5	539.6	7.9	1.5%
Operating income	39.4	37.4	2.0	5.4%
Optics				
Net sales - external	124.3	129.8	(5.5)	-4.3%
Operating income	14.0	12.8	1.2	9.6%
Healthcare				
Net sales - external	73.0	84.9	(11.9)	-14.1%
Operating income (loss)	0.0	0.1	(0.0)	-46.9%

Business Technologies Business

Office field:

Overall sales volumes of the A3 MFPs of the bizhub series for the fiscal year under review rose year on year, reflecting stronger sales of color MFPs in all regions—Japan, the United States, Europe, and Other regions including Asia—with sales volumes of monochrome MFPs remaining level. The Company bolstered its global sales system based on the concept of OPS (Optimized Print Services), which aims at providing optimal printing environments to customers, under the Company's growth strategy in the field. As a consequence, sales to global major accounts increased steadily. For example, the Company successfully concluded multi-year global contracts with BMW AG (headquartered in Germany), the major auto manufacturer of Europe, and NASA (the National Aeronautics and Space Administration) for the management and the maintenance of office equipment at their offices. To strengthen its IT service capability, which is to play a key role in expanding future service businesses and sustainable growth, the Company acquired IT service providers. Specifically, the Company acquired Koneo AB (headquartered in Sweden) in Europe in April 2011 and nine companies including Techcare LLC (headquartered in Illinois)—the effective date for two companies was April 1, 2012—in the United States through All Covered Inc. (headquartered in California), which became a member of the Konica Minolta Group in December 2010. With these initiatives, the Company sought to expand its IT service network in North America and European markets. The Company launched two new color MFPs, bizhub C754/C654, as the highest-end products in the bizhub series in January this year to enhance its product competitiveness in the field.

Production print field:

Sales volumes of color equipment for production printing systems for the fiscal year under review rose significantly from the year-ago level in all regions: Japan, the United States, Europe, and Other regions including Asia. This performance reflected strong sales of three new color digital printing systems, the bizhub PRESS C8000/C7000/C6000, which were launched in the autumn of 2010 and are used in in-house printing and digital commercial printing. Sales volumes of monochrome MFPs also rose from the previous fiscal year especially in the overseas market. Consequently overall sales volumes in this field remained robust throughout the fiscal year under review.

As a result, net sales of the Business Technologies Business to outside customers stood at ¥547.5 billion, up 1.5% year on year. Excluding the negative effects of ¥24.4 billion on sales attributable to exchange rate fluctuations, reflecting the appreciation of the yen, net sales rose about 6.0% year on year. Operating income was ¥39.4 billion, increasing 5.4% year on year. During the fiscal year under review, the Company faced difficulties in procuring certain materials and components, affected by large-scale natural disasters such as the Great East Japan Earthquake and flooding in Thailand. In response, it took steps to minimize the effect on sales by strengthening cooperation among its development, procurement, and production divisions. As a result, both net sales and operating income rose from the previous fiscal year despite a strong yen.

Optics Business

Display materials field:

Sales volumes of VA-TAC films for increasing viewing angle (hereinafter referred to as "VA-TAC films"), which introduced new products from early in this year, remained favorable in South Korea and Taiwan during the fiscal year under review despite widespread production adjustments in the LCD industry from last summer. Adoption of thin plain TAC films, which are strengths of the Company, increased steadily. As a result, overall sales volumes of TAC films including these products for the fiscal year under review moved higher from the year-ago period.

Memory devices field:

Sales volumes of glass substrates for HDDs remained level from the previous fiscal year, reflecting production adjustments adopted by PC manufacturers in the first half of the fiscal year and the effects of damages certain HDD set manufacturers suffered due to the flooding in Thailand in the second half. Sales volumes of pickup lenses for optical disks for the fiscal year under review declined from the level of the previous fiscal year, as the markets for both Blu-ray Discs™ and DVDs failed to recover.

Image input/output components field:

Sales volumes of lens units for digital and video cameras, which were picking up, rose only slightly from the previous fiscal year, given stagnant orders from certain customers that were affected by the flooding in Thailand. Meanwhile, sales volumes of optical units for cell phones with cameras were weak in the first half of the fiscal year, but increased year on year in the full year as the Company's optical units were used in more models in the second half.

As a result, net sales of the Optics Business to outside customers stood at ¥124.3 billion, down 4.3% year on year. Operating income rose 9.6%, to ¥14.0 billion with negative effects on income from lower sales of certain products and a decline in market prices offset by an increase in sales of the main products and the Company's initiatives including activities to lower costs and expenses.

Healthcare Business

In the Healthcare Business, the Company continued to expand the product lineup and sales areas for medical facilities in Japan and abroad, launching two models of new digital medical input equipment, AeroDR, the cassette digital X-ray detector, and REGIUS Σ, the desktop Computed Radiography (CR), in the first half and Digital Radiography (DR) for visiting cars, in the second half. The Company sought to bolster sales, especially of AeroDR in the hospital market and REGIUS Σ in the clinic market. As a result, sales volumes of digital equipment rose year on year. In film products, the Company sought to expand sales in emerging economies, particularly China. However, the rising use of filmless equipment in Japan and other developed countries could not be halted, and sales volumes of film products for the fiscal year under review declined year on year.

As a result of the factors as described above, as well as the effects of the strong yen and lower market prices, net external sales of this Company stood at ¥73.0 billion, down 14.1% year on year. Operating income came to ¥90 million, declining 46.9%, mainly reflecting the negative effects on income from lower sales and the surge in the price of silver, which were partly offset by cutting cost and reducing expenses.

<Reference>

Overview of Performance

Three months ended March 31, 2012 (From January 1, 2012 to March 31, 2012)

	Year-on-Year			[Billions of yen]
	4Q /Mar 2012	4Q /Mar 2011	Increase (Decrease)	
Net sales	207.5	202.6	4.8	2.4%
Gross profit	95.2	90.0	5.2	5.8%
Operating income	17.0	11.7	5.2	44.9%
Ordinary income	15.8	10.8	4.9	45.7%
Income before income taxes and minority interests	18.7	11.8	6.9	58.3%
Net income	15.0	15.1	(0.0)	-0.5%
Net income per share [yen]	28.33	28.49	(0.16)	-0.5%
Capital expenditure	11.6	9.8	1.8	18.6%
Depreciation	13.2	13.9	(0.7)	-5.6%
R & D expenses	17.0	18.5	(1.4)	-8.0%
Free cash flow	11.8	17.4	(5.5)	-32.1%
Exchange rates [yen]				
US dollar	79.28	82.34	(3.06)	-3.7%
Euro	103.99	112.57	(8.58)	-7.6%

Three months Business Performance by Segment

	Year-on-Year		[Billions of yen]	
	4Q /Mar 2012	4Q /Mar 2011	Increase (Decrease)	
Business Technologies				
Net sales - external	146.6	143.2	3.3	2.4%
Operating income	14.8	11.4	3.3	29.4%
Optics				
Net sales - external	33.2	30.4	2.7	9.1%
Operating income	4.3	2.7	1.5	56.7%
Healthcare				
Net sales - external	21.1	22.4	(1.3)	-5.9%
Operating income	0.6	(0.4)	1.1	-%

3. Outlook for the fiscal year ended March 31, 2013

Looking at the global economic conditions surrounding the Group, the outlook for the European economy remains uncertain due to its fiscal problems. We expect that the United States will grow moderately overall but will rise and fall for some time to come. Growth in emerging economies, especially China, India, and other Asian economies, is expected to slow, but we expect these economies will maintain higher economic growth rates than those of developed economies. The Japanese economy is expected to recover, backed by demand associated with post-earthquake reconstruction.

As for the outlook for demand in the Group's related market, in the Business Technologies Business, we expect that demand for production printing products will continue to expand both in Japan and in overseas markets. Demand for office MFPs, we expect, will be driven by growth in demand in emerging markets. In developed countries, we expect to boost demand from global major accounts, leveraging the development of OPS. In the Optics Business, prolonged inventory adjustments of digital consumer electronics, including LCD TVs, are expected to come to an end, bringing an overall recovery in demand. In the Healthcare Business, we anticipate demand for cassette DR and compact CR will continue to expand, especially in the hospital market and the clinic market.

Considering the situation described above, we have made the following forecasts for the fiscal year ending March 31, 2013.

We assume exchange rates of 80 yen against the US dollar and 105 yen against the euro.

[Billions of yen]

	FY/Mar 2013 forecast	FY/Mar 2012	Increase
Net sales	800.0	767.8	32.1
Operating income	48.0	40.3	7.6
Ordinary income	44.0	34.7	9.2
Net income	22.0	20.4	1.5

Note: The above operating performance forecasts are based on future-related suppositions, outlooks, and plans at the time this report was released, and they involve risks and uncertainties. It should be noted that actual results may differ significantly from these forecasts due to various important factors, such as changes in economic conditions, market trends, and currency exchange rates.

(2) Financial Position

1. Analysis of Financial Position

		As of March 31, 2012	As of March 31, 2011	Increase (Decrease)
Total assets	[Billions of yen]	902.0	845.4	56.5
Total liabilities	[Billions of yen]	434.9	428.9	5.9
Net assets per share	[yen]	817.81	806.53	11.27
Equity ratio	[%]	48.1	50.6	(2.5)

At fiscal year end, total assets were up ¥56.5 billion from the previous fiscal year-end, to ¥902.0 billion. Short-term investment securities and notes and accounts receivable-trade rose. Meanwhile, property, plant, and equipment, and intangible assets declined, reflecting overall depreciation and amortization. Interest-bearing debt increased ¥35.3 billion from the end of the previous consolidated fiscal year, to ¥227.9 billion, mainly attributable to the issuance of bonds.

Despite dividends paid and a decrease in foreign currency translation adjustment because of the appreciation of the yen, net assets increased ¥5.9 billion from the end of the previous consolidated fiscal year, to ¥434.9 billion, primarily due to the posting of net income.

As a result, net assets per share came to ¥817.81 and the shareholders' equity ratio fall 2.5 percentage points from the end of the previous fiscal year to 48.1%.

2. Cash Flows

	Fiscal year ended March 31		[Billions of yen]
	2012	2011	Increase
Cash flows from operating activities	72.3	67.9	4.4
Cash flows from investing activities	(42.7)	(44.7)	1.9
Total (Free cash flow)	29.6	23.2	6.3
Cash flows from financing activities	26.3	(12.9)	39.3

During the fiscal year under review, net cash provided by operating activities was ¥72.3 billion, while net cash used in investing activities, mainly associated with capital investment, totaled ¥42.7 billion. As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥29.6 billion.

Net cash provided by financing activities was ¥26.3 billion.

In addition, the effect of exchange rate changes increased cash and cash equivalents by ¥0.7 billion. As a result, cash and cash equivalents at the end of the fiscal year under review stood at ¥231.9 billion, rising ¥56.7 billion from the consolidated previous fiscal year-end. The amount was ¥4.0 billion more than the interest-bearing debt of ¥227.9 billion

The details of cash flows associated with each activity during the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities reached ¥72.3 billion (¥67.9 billion in the previous fiscal year), mainly reflecting inflows of cash from the recording of income before income taxes and minority interests of ¥32.8 billion, depreciation and amortization of ¥49.2 billion, and amortization of goodwill of ¥8.8 billion, as well as outflows of cash from an increase in working capital of ¥4.9 billion and the payment of ¥6.1 billion for income taxes.

Cash flows from investing activities

Net cash used in investing activities was ¥42.7 billion (¥44.7 billion in the previous consolidated fiscal year). Cash of ¥29.1 billion was used for the purchase of property, plant, and equipment, especially investments in molding for new products in the Business Technologies Business and capital investments in the Optics Business, the Group's strategic business. Other cash outflow included ¥5.5 billion for the purchase of shares in subsidiaries and ¥2.3 billion for payments for the transfer of business, with both outgoings used to acquire companies in Europe and the United States with the aim of strengthening the Company's IT services and direct sales in the Business Technologies Business.

As a result, free cash flow (the sum of operating and investing activities) was an inflow of ¥29.6 billion (an inflow of ¥23.2 billion in the same period of the previous fiscal year).

Cash flows from financing activities

Net cash provided by financing activities was ¥26.3 billion (net cash used of ¥12.9 billion in the previous consolidated fiscal year), mainly reflecting proceeds from the issuance of bonds of ¥40.0 billion, a net increase in long-term loans payable of ¥12.4 billion, a decrease in short-term loans payable of ¥16.4 billion, and cash dividends paid of ¥7.9 billion.

Note: Amounts mentioned above do not include consumption taxes.

[Cash flow indicators]

	Fiscal year ended March 31				
	2008	2009	2010	2011	2012
Shareholders' equity ratio [%]	43.0	45.0	48.5	50.6	48.1
Market price-based shareholders' equity ratio [%]	74.0	48.4	66.8	43.7	42.5
Debt redemption period [years]	1.8	2.1	1.7	2.8	3.1
Interest coverage ratio	27.7	23.4	29.3	21.9	30.0

Notes:

Shareholders' equity ratio: Shareholders' equity / Total assets
Market price-based shareholders' equity ratio: Market capitalization / Total assets
Debt redemption period: Interest-bearing debt / Cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities / Interest payments

Market capitalization is calculated as the share price at period-end multiplied by the number of shares outstanding at period-end (excluding treasury stock). Net cash flow from operating activities figures are those stated in the consolidated statements of cash flows. Interest-bearing debt is all liabilities reflected on the consolidated balance sheets that are subject to interest payments. Interest payments are those stated in the consolidated statements of cash flows.

Cash flow outlook for the fiscal year ending March 31, 2013

The Konica Minolta Group expect that free cash flow (the sum of operating and investing activities) will be an outflow of ¥10.0 billion in the fiscal year ending March 31, 2013, primarily reflecting aggressive investment activities.

(3) Basic policy regarding profit distribution, dividends for the fiscal year under review, and projected dividends for the current fiscal year

1. Basic policy regarding profit distribution

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements to promote strategic investments in growth fields while seeking to sustain shareholder returns. As for a specific dividend target, the Group is aiming to sustain a dividend payout ratio of 25% or more over the medium to long term.

With respect to the acquisition of treasury stock, the Group intends to make appropriate decisions by viewing it as a means of profit distribution while giving due attention to such factors as the Group's financial situation and stock price trends.

2. Dividends for the fiscal year under review and the current fiscal year

In the fiscal year under review (fiscal year ended March 31, 2012), the Group continued to face a challenging situation in terms of sales, affected by intensifying market competition, the appreciation of the yen, customers' production adjustments, and disruptions in supply chains due to the two major natural disasters. However, as a result of an increase in sales of profitable mainstay products and comprehensive expense control, the Group came close to achieving its latest forecasts of income items from operating income to net income. Given this situation, the Group will distribute a year-end dividend of 7.5 yen per share as planned, which combined with the interim dividend paid of 7.5 yen per share will bring the total annual dividend to 15.0 yen per share.

With respect to dividends for the fiscal year ending March 31, 2013, although the business environment remains uncertain, the Group plans to distribute an annual dividend of 15.0 yen per share based on the outlook for the fiscal year ending March 31, 2013. (An interim dividend of 7.5 yen per share is planned.)

**Figures given in the text as billions of yen have been rounded off to the nearest hundred million.*

2. GROUP OVERVIEW

The Group comprises the parent company, 92 consolidated subsidiaries, 16 unconsolidated subsidiaries, and 4 affiliates. A chart detailing the business structure follows.

Konica Minolta Holdings, Inc.

Business Technologies Business: 74
(Consolidated Subsidiaries: 58 Unconsolidated Subsidiaries: 14 Affiliates: 2)

Production: 10
- Konica Minolta Supplies Manufacturing Co., Ltd. (Japan)
- Toyohashi Precision Products Co., Ltd. (Japan)
- Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
- Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
- Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
- Other Companies: 5

↓

Konica Minolta Business Technologies, Inc.

↓

Sales & Service: 63
- Konica Minolta Business Solutions Japan Co., Ltd. (Japan)
- Konica Minolta Business Solutions U.S.A., Inc. (U.S.A.)
- Konica Minolta Business Solutions Europe GmbH (Germany)
- Konica Minolta Business Solutions Deutschland GmbH (Germany)
- Konica Minolta Business Solutions (UK) Ltd. (U.K.)
- Konica Minolta Business Solutions France S.A.S. (France)
- Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)
- Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
- Other Companies: 55

Healthcare Business: 12
(Consolidated Subsidiaries: 9 Unconsolidated Subsidiaries: 2 Affiliates: 1)

Production: 2
- Konica Minolta Technoproducts Co., Ltd. (Japan)
- Other Companies: 1

↓

Konica Minolta Medical & Graphic, Inc.

↓

Sales & Service: 9
- Konica Minolta Health Care Co., Ltd. (Japan)
- Konica Minolta Medical Imaging U.S.A., Inc. (U.S.A.)
- Konica Minolta Medical & Graphic (SHANGHAI) Co., Ltd. (China)
- Other Companies: 6

Optics Business: 8
(Consolidated Subsidiaries: 8)

Production: 6
- Konica Minolta Opto Products Co., Ltd. (Japan)
- Konica Minolta Opto (DALIAN) Co., Ltd. (China)
- Konica Minolta Optical Products (SHANGHAI) Co., Ltd. (China)
- Konica Minolta Glass Tech Malaysia Sdn. Bhd. (Malaysia)
- Other Companies: 2

↓

Konica Minolta Opto, Inc.

↓

Sales & Service: 1
- Konica Minolta Opto (SHANGHAI) Co., Ltd. (China)

Other Businesses: 18
(Consolidated Subsidiaries: 17 Affiliates: 1)

- Konica Minolta Sensing, Inc. (Japan)
- Konica Minolta Sensing Europe B.V. (Netherlands)
- Konica Minolta Sensing Americas, Inc. (U.S.A)
- Konica Minolta Sensing Singapore Pte. Ltd. (Singapore)

- Konica Minolta IJ Technologies, Inc. (Japan)
- Konica Minolta Planetarium Co., Ltd. (Japan)
- Konica Minolta Technology Center, Inc. (Japan)
- Konica Minolta Technosearch Corporation (Japan)
- Konica Minolta Business Expert, Inc. (Japan)
- Konica Minolta Logistics Co., Ltd. (Japan)
- Konica Minolta Sogo Service Co., Ltd. (Japan)
- Konica Minolta Engineering Co., Ltd. (Japan)
- Konica Minolta Information System Co., Ltd. (Japan)
- Other Companies: 5

Notes:
Organization chart is as March 31, 2012. Only major consolidated subsidiaries are shown.

3. MANAGEMENT POLICY

(1) Basic management policy

Management philosophy: "The Creation of New Value"

Management visions: "An innovative corporation that continues to create inspiring products and services in the field of imaging"
"A global corporation that leads the market by advanced technologies and reliability"

Corporate Message: "The essentials of imaging"
(The message represents our wish to be acknowledged as an essential company, by offering essential products, services and solutions to our customers in the world of imaging.)

(2) Target management indices

The Group has adopted a medium-term business plan, "G PLAN 2013", which runs for three years from the fiscal year ended March 31, 2012. The Group's performance targets for the final year (fiscal year ending March 31, 2014) of the plan are net sales of 1 trillion yen or more, an operating income ratio of 8% or more, and an ROE of 10% or more.

(3) Medium-to long-term management strategies and pending issues

Looking at the global economic conditions surrounding the Group, the outlook for the European economy remains uncertain due to its fiscal problems. We expect that the United States will grow moderately overall but will rise and fall for some time to come. Growth in emerging economies, especially China, India, and other Asian economies, is expected to slow, but we expect these economies will maintain higher economic growth rates than those of developed economies. The Japanese economy is expected to recover, backed by demand associated with post-earthquake reconstruction.

In the circumstances, the Group will implement initiatives for achieving the goals set in the medium-term business plan, "G PLAN 2013", in the fiscal year ending March 31, 2013, the intermediate year in the plan.

To achieve strong growth, expand business scale, which is the top priority, the Group will focus on expanding sales and profits by accelerating business expansion in growth areas, including the production print field and emerging countries, improving its profit structure primarily through cost cutting, and reducing sourcing costs and expenses from a global perspective. In association with the Group's organizational restructuring in April this year, the Group will accelerate the development of future businesses in the functional films field and new growth in the optics field and sensing field. In addition, the Group will earnestly pursue M&A for future growth.

To change into a "Global Company," the Group aims to become a corporate entity that will give its best performance through cooperation among Group companies to provide the best value for customers worldwide. The Group will strive to optimize management resources beyond organizational boundaries and regardless of nationality from a global perspective to strengthen its relations with its customers.

To increase the Konica Minolta brand higher recognition, the Group will promote and establish activities from the perspective of customers by all its organizations and employees based on its communication message, "Giving Shape to Ideas," and will thereby endeavor to build confidence in the Konica Minolta brand among its customers.

Through these initiatives, the Konica Minolta Group will aim to become a corporate group that will be widely supported in society and will be able to achieve sustainable growth.

Reorganization within the Group

To integrate technologies and human resources and thereby to expand operations and increase competitiveness and profitability through the resulting synergies, the Group carried out the following reorganization on April 1, 2012:

1. The LA Business Division, a division for commercializing new functional materials, especially organic light emitting diode (OLED) lighting, was transferred from Konica Minolta Holdings, Inc. to Konica Minolta Opto, Inc.

2. The optical business, which primarily manufactures pickup lenses for optical disks, glass substrates for HDDs, and lens units, was transferred from Konica Minolta Opto, Inc. to Konica Minolta Sensing, Inc., which engages in the Sensing Business.

The Group changed the trade names of Konica Minolta Opto, Inc. and Konica Minolta Sensing, Inc., whose businesses have changed in association with the reorganization, as follows:

Former Trade Name	New Trade Name
Konica Minolta Opto, Inc.	Konica Minolta Advanced Layers, Inc.
Konica Minolta Sensing, Inc.	Konica Minolta Optics, Inc.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

Fiscal year ended March 31, 2011 and 2012

[Millions of yen]

	March 31, 2011	March 31, 2012
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	87,886	90,640
Notes and accounts receivable-trade	163,363	174,193
Lease receivables and investment assets	14,327	13,775
Short-term investment securities	87,261	141,293
Inventories	100,243	105,080
Deferred tax assets	30,393	20,100
Accounts receivable-other	10,536	13,467
Other	12,084	11,759
Allowance for doubtful accounts	(4,220)	(4,385)
Total current assets	501,876	565,923
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	69,372	66,874
Machinery, equipment and vehicles, net	51,530	39,773
Tools, furniture and fixtures, net	20,154	22,407
Land	33,777	33,609
Lease assets, net	488	415
Construction in progress	6,589	7,817
Assets for rent, net	8,788	8,101
Total property, plant and equipment	190,701	178,999
Intangible assets		
Goodwill	63,146	59,727
Other	25,225	27,613
Total intangible assets	88,371	87,341
Investments and other assets		
Investment securities	20,893	19,073
Long-term loans receivable	154	133
Long-term prepaid expenses	3,030	2,650
Deferred tax assets	30,404	38,281
Other	10,752	10,355
Allowance for doubtful accounts	(732)	(706)
Total investments and other assets	64,504	69,788
Total noncurrent assets	343,577	336,128
Total assets	845,453	902,052

[Millions of yen]

	March 31, 2011	March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,640	88,129
Short-term loans payable	50,018	32,913
Current portion of long-term loans payable	24,516	11,994
Accounts payable-other	31,490	30,295
Accrued expenses	24,282	25,305
Income taxes payable	5,199	6,908
Provision for bonuses	10,911	10,826
Provision for directors' bonuses	130	203
Provision for product warranties	1,622	1,050
Provision for loss on business liquidation	26	—
Notes payable-facilities	585	1,062
Asset retirement obligations	42	146
Other	19,013	20,124
Total current liabilities	242,480	228,958
Noncurrent liabilities		
Bonds payable	70,000	110,000
Long-term loans payable	48,033	73,025
Deferred tax liabilities for land revaluation	3,733	3,269
Provision for retirement benefits	44,734	44,545
Provision for directors' retirement benefits	329	341
Asset retirement obligations	963	931
Other	6,192	5,992
Total noncurrent liabilities	173,985	238,105
Total liabilities	416,465	467,064
Net assets		
Shareholders' equity		
Capital stock	37,519	37,519
Capital surplus	204,140	204,142
Retained earnings	211,467	222,848
Treasury stock	(1,670)	(1,597)
Total shareholders' equity	451,457	462,913
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	478	1,183
Deferred gains or losses on hedges	(94)	(228)
Foreign currency translation adjustment	(24,193)	(30,199)
Total accumulated other comprehensive income	(23,809)	(29,243)
Subscription rights to shares	658	682
Minority interests	682	635
Total net assets	428,987	434,987
Total liabilities and net assets	845,453	902,052

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

Fiscal year ended March 31, 2011 and 2012

[Millions of yen]

	March 31, 2011	March 31, 2012
Net sales	777,953	767,879
Cost of sales	423,372	412,562
Gross profit	354,580	355,317
Selling, general and administrative expenses	314,558	314,971
Operating income	40,022	40,346
Non-operating income		
Interest income	1,434	1,095
Dividends income	372	468
Equity in earnings of affiliates	112	67
Other	3,975	3,800
Total non-operating income	5,895	5,431
Non-operating expenses		
Interest expenses	3,129	2,519
Foreign exchange losses	3,762	2,567
Other	5,869	5,932
Total non-operating expenses	12,761	11,018
Ordinary income	33,155	34,758
Extraordinary income		
Gain on sales of noncurrent assets	456	120
Gain on sales of investment securities	5	2
Gain on sales of subsidiaries and affiliates' stocks	12	—
Gain on sales of investments in capital	—	604
Reversal of provision for loss on business liquidation	2,498	19
Gain on reversal of foreign currency translation adjustment	—	3,730
Other extraordinary income of foreign subsidiaries	505	241
Total extraordinary income	3,477	4,719
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	1,983	1,813
Loss on sales of investment securities	2	—
Loss on valuation of investment securities	680	2,700
Impairment loss	1,027	893
Business structure improvement expenses	3,394	1,198
Loss on adjustment for changes of accounting standard for asset retirement obligations	983	—
Loss on disaster	450	57
Total extraordinary losses	8,521	6,663
Income before income taxes and minority interests	28,111	32,815
Income taxes-current	9,580	9,553
Income taxes-deferred	(7,420)	2,776
Total income taxes	2,160	12,330
Income before minority interests	25,951	20,484
Minority interests in income	54	60
Net income	25,896	20,424

Consolidated Statements of Comprehensive Income
Fiscal year ended March 31, 2011 and 2012

[Millions of yen]

	March 31, 2011	March 31, 2012
Income before minority interests	25,951	20,484
Other comprehensive income		
Valuation difference on available-for-sale securities	(261)	716
Deferred gains or losses on hedges	(128)	(133)
Foreign currency translation adjustment	(9,291)	(6,112)
Share of other comprehensive income of associates accounted for using equity method	(1)	(12)
Total other comprehensive income	(9,683)	(5,541)
Comprehensive income	16,267	14,943
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	16,258	14,990
Comprehensive income attributable to minority interests	8	(46)

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2011 and 2012

[Millions of yen]

	March 31, 2011	March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	37,519	37,519
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	37,519	37,519
Capital surplus		
Balance at the beginning of current period	204,140	204,140
Changes of items during the period		
Disposal of treasury stock	—	1
Total changes of items during the period	—	1
Balance at the end of current period	204,140	204,142
Retained earnings		
Balance at the beginning of current period	193,790	211,467
Changes of items during the period		
Dividends from surplus	(7,953)	(7,953)
Net income	25,896	20,424
Change of scope of consolidation	—	(38)
Disposal of treasury stock	(54)	—
Amortization of net retirement benefit obligation in foreign subsidiaries	(211)	(1,050)
Total changes of items during the period	17,676	11,381
Balance at the end of current period	211,467	222,848
Treasury stock		
Balance at the beginning of current period	(1,743)	(1,670)
Changes of items during the period		
Purchase of treasury stock	(76)	(11)
Disposal of treasury stock	148	84
Total changes of items during the period	72	73
Balance at the end of current period	(1,670)	(1,597)
Total shareholders' equity		
Balance at the beginning of current period	433,707	451,457
Changes of items during the period		
Dividends from surplus	(7,953)	(7,953)
Net income	25,896	20,424
Change of scope of consolidation	—	(38)
Purchase of treasury stock	(76)	(11)
Disposal of treasury stock	94	86
Amortization of net retirement benefit obligation in foreign subsidiaries	(211)	(1,050)
Total changes of items during the period	17,749	11,456
Balance at the end of current period	451,457	462,913

[Millions of yen]

	March 31, 2011	March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	741	478
Changes of items during the period		
Net changes of items other than shareholders' equity	(263)	704
Total changes of items during the period	(263)	704
Balance at the end of current period	478	1,183
Deferred gains or losses on hedges		
Balance at the beginning of current period	33	(94)
Changes of items during the period		
Net changes of items other than shareholders' equity	(128)	(133)
Total changes of items during the period	(128)	(133)
Balance at the end of current period	(94)	(228)
Foreign currency translation adjustment		
Balance at the beginning of current period	(14,947)	(24,193)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9,245)	(6,005)
Total changes of items during the period	(9,245)	(6,005)
Balance at the end of current period	(24,193)	(30,199)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(14,172)	(23,809)
Changes of items during the period		
Net changes of items other than shareholders' equity	(9,637)	(5,434)
Total changes of items during the period	(9,637)	(5,434)
Balance at the end of current period	(23,809)	(29,243)
Subscription rights to shares		
Balance at the beginning of current period	617	658
Changes of items during the period		
Net changes of items other than shareholders' equity	41	24
Total changes of items during the period	41	24
Balance at the end of current period	658	682
Minority interests		
Balance at the beginning of current period	622	682
Changes of items during the period		
Net changes of items other than shareholders' equity	59	(46)
Total changes of items during the period	59	(46)
Balance at the end of current period	682	635
Total net assets		
Balance at the beginning of current period	420,775	428,987
Changes of items during the period		
Dividends from surplus	(7,953)	(7,953)
Net income	25,896	20,424
Change of scope of consolidation	—	(38)
Purchase of treasury stock	(76)	(11)
Disposal of treasury stock	94	86
Amortization of net retirement benefit obligation in foreign subsidiaries	(211)	(1,050)
Net changes of items other than shareholders' equity	(9,536)	(5,456)
Total changes of items during the period	8,212	5,999
Balance at the end of current period	428,987	434,987

(4) Consolidated Statements of Cash Flow

Fiscal year ended March 31, 2011 and 2012

[Millions of yen]

	March 31, 2011	March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	28,111	32,815
Depreciation and amortization	55,129	49,239
Impairment loss	1,027	893
Amortization of goodwill	8,401	8,804
Interest and dividends income	(1,807)	(1,563)
Interest expenses	3,129	2,519
Loss (gain) on sales and retirement of noncurrent assets	1,526	1,693
Loss (gain) on sales and valuation of investment securities	678	2,698
Loss (gain) on sales and valuation of investments in capital	―	(604)
Gain on reversal of foreign currency translation adjustment	―	(3,730)
Increase (decrease) in provision for bonuses	(203)	(85)
Increase (decrease) in provision for retirement benefits	(8,358)	359
Increase (decrease) in provision for loss on business liquidation	(4,688)	(26)
Decrease (increase) in notes and accounts receivable-trade	3,411	(13,442)
Decrease (increase) in inventories	(7,800)	(6,268)
Increase (decrease) in notes and accounts payable-trade	433	14,715
Transfer of assets for rent	(5,324)	(4,700)
Decrease (increase) in accounts receivable-other	(543)	(4,449)
Increase (decrease) in accounts payable-other and accrued expenses	2,402	866
Decrease/increase in consumption taxes receivable/payable	(479)	1,249
Other, net	3,603	(1,543)
Subtotal	78,650	79,439
Interest and dividends income received	1,808	1,534
Interest expenses paid	(3,098)	(2,414)
Income taxes (paid) refund	(9,402)	(6,192)
Net cash provided by (used in) operating activities	67,957	72,367
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(37,026)	(29,104)
Proceeds from sales of property, plant and equipment	1,155	504
Purchase of intangible assets	(5,808)	(5,862)
Proceeds from transfer of business	577	―
Payments for transfer of business	―	(2,393)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(2,508)	(5,506)
Payments of loans receivable	(475)	(248)
Collection of loans receivable	240	138
Purchase of investment securities	(96)	(6)
Proceeds from sales of investment securities	29	2
Proceeds from sales of investments in capital	―	1,315
Payments of valuation of other investments	(1,271)	(1,773)
Other, net	445	177
Net cash provided by (used in) investing activities	(44,738)	(42,757)

[Millions of yen]

	March 31, 2011	March 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(6,551)	(16,439)
Proceeds from long-term loans payable	989	38,304
Repayment of long-term loans payable	(27,565)	(25,805)
Proceeds from issuance of bonds	30,000	40,000
Repayments of lease obligations	(1,838)	(1,715)
Proceeds from sales of treasury stock	4	3
Purchase of treasury stock	(76)	(11)
Cash dividends paid	(7,942)	(7,945)
Proceeds from stock issuance to minority shareholders	51	—
Net cash provided by (used in) financing activities	(12,928)	26,390
Effect of exchange rate change on cash and cash equivalents	711	785
Net increase (decrease) in cash and cash equivalents	11,002	56,785
Cash and cash equivalents at beginning of period	164,146	175,148
Cash and cash equivalents at end of period	175,148	231,933

(5) Notes Regarding Going Concern Assumptions

None.

(6) Basis of presenting consolidated financial statements

[1] Scope of consolidation

1) Number of consolidated subsidiaries: 92

Principal consolidated subsidiaries:
Konica Minolta Business Technologies, Inc.
Konica Minolta Opto, Inc.
Konica Minolta Medical & Graphic, Inc.
Konica Minolta Sensing, Inc.
Konica Minolta Technology Center, Inc.
Konica Minolta Business Expert, Inc.
Konica Minolta IJ Technologies, Inc.
Konica Minolta Business Solutions Japan Co., Ltd.
Konica Minolta Healthcare Co., Ltd.
Konica Minolta Supplies Manufacturing Co., Ltd.
Konica Minolta Business Solutions U.S.A., Inc.
Konica Minolta Business Solutions Europe GmbH
Konica Minolta Business Solutions Deutschland GmbH
Konica Minolta Business Technologies Manufacturing (HK) Ltd.

The following companies have been newly included in consolidated subsidiaries: Koneo AB, OfficeWare Inc. and Robinco CS a.s. due to acquisition; Konica Minolta Business Solutions (WUXI) Co., Ltd. and Konica Minolta Business Solutions Middle East FZE due to establishment; and Konica Minolta Business Solutions SE, Ltd. due to becoming a subsidiary of Konica Minolta Hungary Business Solutions Ltd., a consolidated subsidiary.

The following companies have been excluded from consolidated subsidiaries: Konica Minolta Photo Imaging, Inc. and Konica Minolta Graphic Imaging U.S.A., Inc. due to the completion of liquidation; All Covered Inc. due to a merger into Konica Minolta Business Solutions U.S.A., Inc., a consolidated subsidiary.

2) Principal unconsolidated subsidiaries: Konica Minolta Business Solutions India Private Ltd.

Unconsolidated subsidiaries have not been included in consolidation because they are relatively small and their assets, sales, net income, and retained earnings (in proportion to scale of equity ownership) do not have no material influence on consolidated financial statement.

[2] Scope of the use of equity method

1) Equity method is employed for investments in 3 unconsolidated subsidiaries and 2 important affiliates.

Major subsidiaries and affiliates accounted for by the equity method:
Unconsolidated subsidiary: ECS Buero-und Datentechnik GmbH
Affiliate: Toho Chemical Laboratory Co., Ltd.

2) Unconsolidated subsidiaries that are not accounted for by the equity method (including Konica Minolta Business Solutions India Private Ltd.) and affiliates that are not accounted for by the equity method (including Konica Minolta Business Support Aichi Co., Ltd.) are excluded from the scope of application of the equity method, because they have little impact on net income (loss) or retained earnings, and their significance as a whole is minor.

[3] Changes regarding consolidated subsidiaries during the fiscal year under review

Some consolidated subsidiaries have fiscal years ending on December 31, and consolidated financial statements are prepared using the financial statements of those companies as of that fiscal year-end date.
Adjustments are made to consolidated accounts to account for important transactions involving those companies that occur between the end of those companies' fiscal year-end date and the end of the consolidated fiscal year.

(Consolidated Subsidiaries with Fiscal Years Ending on December 31)
Konica Minolta Business Solutions (Shenzhen) Co., Ltd.
Konica Minolta Business Solutions do Brazil Ltda.
Konica Minolta Business Solutions de Mexico SA de CV.
Konica Minolta Medical Systems Russia LLC
Konica Minolta Business Solutions Romania s.r.l.
Konica Minolta Business Solutions Russia LLC

[4] Accounting standards and methods

1) Asset valuation

1. Securities

Bonds held to maturity:
Bonds held to maturity are recorded by the amortized cost method (straight-line method).
Other securities:
Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealized gains or losses after tax effect adjustments are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.)
Other securities that do not have fair market values are primarily stated at cost using the moving value average.

2. Derivatives

Derivatives are stated using the mark-to-market method.

3. Inventories

Domestic consolidated subsidiaries' inventories are, in the main, recorded at cost as determined by the periodic-average method (method of reducing book value when the contribution of inventories to profitability declines). Overseas consolidated subsidiaries' inventories are, in the main, recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

2) Amortization method for important depreciable assets

1. Tangible fixed assets (excluding lease assets)

The depreciable assets of the Company and its domestic consolidated subsidiaries are depreciated using the declining-balance method. Overseas consolidated subsidiaries adopt the straight-line method. However, the Company and its domestic consolidated subsidiaries have used the straight-line method for their buildings (excluding annexed structures) acquired since April 1, 1998.

2. Intangible fixed assets (excluding lease assets)

We have adopted the straight-line method based on an estimated in-house working life of five years for the software we use.

3. Lease Assets

Lease assets arising from finance lease transactions that do not transfer of ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

3) Standards for key allowances

1. Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectable. For specific receivables for which there is some concern regarding collectability, an estimated amount is recorded by investigating the possibility of collection for each individual account.

2. Allowance for bonuses

To prepare for the payment of employee bonuses, an amount corresponding to the current portion of estimated bonus payments to employees is recorded.

3. Allowance for director's bonus

To prepare for the payment of directors' bonuses, an amount corresponding to the projected value of bonus payments to directors for the fiscal year under review is recorded.

4. Allowance for product warranty

The provisioning of free after-sales service for products is recorded based on past after-sales service expenses as a percentage of net sales.

5. Reserve for retirement benefits and pension plans

In order to provide employee retirement benefits, the Company records an amount based on projected benefit obligations and pension assets at the end of the consolidated fiscal year under review. Prior service cost is being amortized as incurred by the straight-line method over certain periods (principally 10 years) which are shorter than the average remaining years of service of the employees at the time when the service cost is generated. Actuarial gains and losses are being amortized in the fiscal year following the fiscal year in which the gains or losses are recognized, by the straight line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees at the time when they are generated.

6. Reserve for directors' retirement benefits

Consolidated subsidiaries, to provide for the payment of directors' retirement benefits, record reserve for benefits for retired directors and auditors in an actual amount equal to the need at the end of the year period under review based on the Company's regulations.

4) Principal accounting methods for hedge transactions

1. Hedge accounting methods

The deferred hedge method is used. Special accounting methods are used for interest rate swaps.

2. Hedge methods and hedge targets

The hedge methods are forward exchange contracts, currency option transactions and interest rate swaps. The hedge targets are scheduled foreign currency denominated transactions, and borrowings.

3. Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts and currency option transactions as hedging instruments only, not for trading purpose to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates.

In addition, the Company and consolidated subsidiaries enter into interest rate swaps to make interest rates on bonds and borrowings stable or reduce costs fluctuations for future capital procurement, both as hedging instruments only, not for speculation purpose, within the limit of actual financial or operating transactions.

4. Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of cash flows and hedging instruments.

5) Methods and period for amortization of consolidation goodwill

Amortization of goodwill is carried out separately for each goodwill item over a rational time period of 20 years or less.

6) Range of cash within consolidated cash flow statements

Cash (cash and cash equivalents) in the consolidated cash flow statements comprises cash on hand, deposits that can be withdrawn as needed, and short-term investments that are due for redemption in a year or less and that are easily converted into cash with little risk to a change in value.

7) Other important items regarding the preparation of consolidated financial statements

1. Consumption tax

The tax-exclusion method is used to account for consumption taxes. In addition, asset-related consumption tax that cannot be excluded is accounted for as deferred consumption taxes, etc., in the long-term prepaid expenses item and amortized over a five-year period by the straight-line method.

2. Consolidated tax payment system

The consolidated tax payment system is applied.

(7) Important notes in the basis of presenting consolidated financial statements

[Consolidated balance sheets items]

1. Accumulated depreciation directly deducted from tangible fixed assets: ¥453,150 million

2. Investments in securities of unconsolidated subsidiaries and affiliated companies are as follows.

Investment securities (stocks)	¥2,819 million

3. Breakdown of inventories

Merchandise and finished goods	¥71,211 million
Work in process	¥13,482 million
Raw materials and stores	¥20,386 million

4. Guaranteed obligations

The Company guarantees bank loans and lease obligations etc. of unconsolidated companies, etc. amounting to ¥485 million. In addition, the Company has made commitments of guarantee for bank loans of suppliers/customers totaling ¥166 million.

5. Pledged assets

Notes receivables of ¥54 million are pledged as security for short-term loans payable of ¥54 million.

6. Notes due at the end of the consolidated fiscal year are settled on the date of clearing. Since the end of the consolidated fiscal year under review fell on a bank holiday, the following notes due at the end of the fiscal year are included in the balance at the end of the fiscal year.

Notes receivable-trade	¥879 million
Notes payable-trade	¥991 million
Notes payable-equipment	¥10 million

[Consolidated statements of income items]

1. Main expense items and amounts of selling, general and administrative expenses are as follows.

Selling	¥13,121 million
Transport and storage	¥18,386 million
Advertising	¥11,879 million
Salaries and wages	¥69,695 million
Provision for reserve for bonuses	¥4,824 million
Research and development	¥72,530 million
Depreciation and amortization	¥13,953 million
Retirement benefits	¥5,432 million
Provision for allowance for doubtful accounts	¥1,370 million

2. The cost of sales includes the cut-down of book values by ¥1,511 million, reflecting reduced profitability of inventory held for normal sales purposes.

3. The gain on reversal of foreign currency translation adjustment resulted from dipping into foreign currency translation adjustment with the completion of liquidation of a U.S. subsidiary.

4. Other extraordinary profit represents the reduction in refund obligation, etc. in accordance with US State laws at a U.S. sales subsidiary.

5. Impairment losses mainly represent the reduction of book values to recoverable values with respect to manufacturing facilities etc, in the Optics Businesses.

6. Restructuring expenses consist mainly in expenses on retirement allowances, etc. associated with staff allocation/optimization in the Business Technologies Business.

[Consolidated statements of comprehensive income]

Recycling and tax effect relating to other comprehensive income

Valuation difference on available-for-sale securities		
Amount arising during fiscal year under review	¥-247	million
Recycling	¥1,104	million
Before tax effect adjustment	¥856	million
Tax effect	¥-140	million
Valuation difference on available-for-sale securities	¥716	million
Deferred gains or losses on hedges		
Amount arising during fiscal year under review	¥161	million
Recycling	¥-369	million
Before tax effect adjustment	¥-207	million
Tax effect	¥74	million
Deferred gains or losses on hedges	¥-133	million
Foreign currency translation adjustment		
Amount arising during fiscal year under review	¥-2,381	million
Recycling	¥-3,730	million
Foreign currency translation adjustment	¥-6,112	million
Share of other comprehensive income of associates accounted for using equity method		
Amount arising during fiscal year under review	¥-12	million
Total other comprehensive income	¥-5,541	million

[Consolidated statements of changes in shareholder’s equity items]

The figures for provision of retirement allowance debt of overseas subsidiaries stems from provisions for the accounting treatment of retirement benefit payments that affect a portion of consolidated subsidiaries in the United States.

[Segment Information]

[1] Segment information

1. Summary of Reportable Segments

The Konica Minolta Group's reportable segments are components of the Group about which separate financial information is available that is evaluated regularly by the management in deciding how to allocate resources and in assessing performance.

The Group has Business Companies for different products and services in Japan, and each Business Company draws up comprehensive domestic and overseas strategies for their products and services, and conduct business activities accordingly.

Consequently, the Group is made up of segments for different products and services with a Business Company at the center of each and has three reportable segments: Business Technologies, Optics and Healthcare.

The Business Technologies manufactures and sells MFPs, printers, production printing equipment and related solution services, and the Optics Business manufactures and sells optical products (pickup lenses, etc.) and electronic materials (TAC films, etc.), while the Healthcare Business manufactures and sells healthcare systems and materials.

To further strengthen the competitiveness and operations of the production printing field, since the third quarter of the previous consolidated fiscal year, the Group has restructured its operations by integrating the businesses associated with commercial printing and digital printing into the Business Technologies Business. As a result, it has changed the method by which it categorizes its reportable segments, and integrated the Graphic Imaging Business in the Medical & Graphic Imaging Business into the Business Technologies Business.

As a result of restructuring as described above, the main products and the types of services of the Medical & Graphic Imaging Business have changed from the production and sale of medical, printing, and other related products to the production and sale of healthcare and other related products.

Consequently, the title of the reportable segment has changed from the Medical & Graphic Imaging Business to the Healthcare Business.

2. Methods of calculating sales, profit or loss, assets, liabilities, and other items by reportable segment

Accounting methods for reportable segments are mostly the same as the accounting methods described in "Basis of presenting consolidated financial statements."

Income by reportable segment is operating income. Intersegment sales and transfers are based on market values.

3. Information on sales, profit or loss, assets, liabilities, and other items by reportable segment

(1) Information based on amounts reported to managements

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Optics	Healthcare*	Total		
Sales						
External	539,639	129,836	84,990	754,465	23,487	777,953
Intersegment	3,067	799	1,598	5,466	50,451	55,917
Total	542,706	130,636	86,589	759,932	73,939	833,871
Segment incomes (loss)	37,457	12,813	171	50,442	5,455	55,898
Segment assets	390,299	130,592	61,032	581,924	54,869	636,794
Segment liabilities	196,669	81,952	39,054	317,676	74,413	392,089
Other items						
Depreciation and amortization	24,337	21,093	3,185	48,615	2,222	50,837
Amortization of goodwill	7,854	402	—	8,256	145	8,401
Investments in equity-method associates	3	—	732	735	—	735
Increases in property, plant and equipment and intangible assets	12,960	19,624	3,002	35,587	1,695	37,283

Note:

1. "Other" consists of business segments not included in reportable segments such as Sensing Business and Industrial Inkjet Business.
2. In the consolidated fiscal year under review, the segment title of the Medical & Graphic Imaging Business that was used until the first half has been changed to the Healthcare Business from the third quarter. The results of the Healthcare Business for the fiscal year include those of the Medical & Graphic Imaging Business for the first half.
   The related information appears in "(2) Segment information for the previous fiscal year calculated anew in accordance with segments for the fiscal year under review."

Fiscal year ended March 31, 2012(from April 1, 2011 to March 31, 2012)

[Millions of yen]

	Reportable Segment				Other*	Total
	Business Technologies	Optics	Healthcare	Total		
Sales						
External	547,576	124,313	73,046	744,936	22,943	767,879
Intersegment	1,853	755	1,930	4,539	48,206	52,745
Total	549,430	125,068	74,976	749,475	71,149	820,625
Segment incomes (loss)	39,479	14,038	91	53,608	5,554	59,163
Segment assets	399,754	118,864	65,000	583,620	56,593	640,213
Segment liabilities	195,304	66,401	41,020	302,727	25,728	328,455
Other items						
Depreciation	21,377	16,657	3,105	41,140	3,846	44,987
Amortization of goodwill	8,312	347	—	8,659	145	8,804
Investments in equity-method associates	3	—	734	737	—	737
Increases in property, plant and equipment and intangible assets	17,781	6,606	2,351	26,739	5,946	32,685

Note:

1. "Other" consists of business segments not included in reporting segments such as Sensing Business and Industrial Inkjet Business.

(2) Segment information for the previous fiscal year calculated anew in accordance with segments for the fiscal year under review

Obtaining information necessary for preparing segment information for the previous fiscal year in accordance with the segments for the fiscal year under review or preparing segment information for the fiscal year under review in accordance with the segments for the previous fiscal year is difficult, and preparing segment information in the ways described above imposes an excessive burden. Moreover, no such segment information has been reported to management. Considering those reasons and the utility of such segment information, we do not disclose it, excluding sales to outside customers.

If we prepare segment information for the previous fiscal year in accordance with the segments for the fiscal year under review, net sales in the Business Technologies Business are ¥544,506 million, and net sales in the Healthcare Business are ¥80,122 million. Net sales in the Business Technologies Business include ¥4,867 million in the former Graphic Imaging Business.

4. Differences between the totals of amounts for reportable segments and the amounts on the consolidated financial statements and the major factors of the differences (adjustments of differences)

Net Sales	Fiscal year ended March 31 2011	[Millions of yen] 2012
Total of reportable segment	759,932	749,475
Sales categorized in "Other"	73,939	71,149
Intersegment - eliminations	(55,917)	(52,745)
Net sales reported on the consolidated financial statements	777,953	767,879

Segment income	Fiscal year ended March 31 2011	[Millions of yen] 2012
Total operating income of reportable segments	50,442	53,608
Operating income categorized in "Other"	5,455	5,554
Intersegment - eliminations	(5,019)	(5,311)
Corporate expenses	(10,856)	(13,505)
Operating income reported on the consolidated financial statements	40,022	40,346

Note: Corporate expenses are mainly general administration expenses and R&D expenses that do not belong to any reportable segment.

Segment Assets	Fiscal year ended March 31 2011	[Millions of yen]] 2012
Total assets of reportable segments	581,924	583,620
Assets categorized in "Other"	54,869	56,593
Intersegment - eliminations	(50,150)	(48,363)
Corporate expenses	258,809	310,202
Assets reported on the consolidated financial statements	845,453	902,052

Note: Corporate assets are primarily surplus funds of the holding company (cash and deposits and securities), long-term investment funds (investment securities), and assets owned by the holding company that do not belong to any reportable segment.

Segment Liabilities	Fiscal year ended March 31 2011	[Millions of yen] 2012
Total liabilities of reportable segments	317,676	302,727
Liabilities categorized in "Other"	74,413	25,728
Intersegment - eliminations	(23,428)	(27,425)
Corporate liabilities	47,804	166,034
Liabilities reported on the consolidated financial statements	416,465	467,064

Note: Corporate liabilities are primarily interest-bearing debt (including loans payable and bonds payable) and liabilities relating to the holding company that do not belong to any reportable segment.

Other items	Fiscal year ended March 31 — Total of reportable segments		Others		Adjustments		Total amounts reported on the consolidated financial statements [Millions of yen]	
	2011	2012	2011	2012	2011	2012	2011	2012
Depreciation	48,615	41,140	2,222	3,846	4,291	4,252	55,129	49,239
Amortization of goodwill	8,256	8,659	145	145	―	―	8,401	8,804
Investments in equity-method associates	735	737	―	―	928	985	1,664	1,722
Increases in property, plant and equipment and intangible assets	35,587	26,739	1,695	5,946	5,699	1,347	42,982	34,033

Note: Depreciation adjustments are primarily depreciation of buildings of the holding company.
Adjustments of investments in equity method affiliates are chiefly investments by the holding company in equity method affiliates.
Adjustments of increases in property, plant and equipment and intangible assets are mainly capital expenditure on buildings of the holding company.

[2] Related information

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

1. Information by product or service

Since the segments of products and services are the same as the reportable segments, information by product or service is omitted.

2. Information by geographical area

(1) Sales [Millions of yen]

Japan	U.S.A.	Europe	Asia	Other	Total
216,492	150,791	217,167	132,504	60,997	777,953

Note: Sales are divided into countries and regions based on the locations of the customers.

(2) Property, plant, and equipment [Millions of yen]

Japan	China	Malaysia	Other	Total
135,434	14,997	20,078	20,190	190,701

3. Information by major customer

Since sales to no customer account for 10% or more of the net sales on the consolidated statements of income, information by major customer is omitted.

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

1. Information by product or service

Since the segments of products and services are the same as the reportable segments, information by product or service is omitted.

2. Information by geographical area

(1) Sales

[Millions of yen]

Japan	U.S.A.	Europe	Asia	Other	Total
214,776	149,540	211,272	129,531	62,757	767,879

Note: Sales are divided into countries and regions based on the locations of the customers.

(2) Property, plant, and equipment

[Millions of yen]

Japan	China	Malaysia	Other	Total
121,757	18,013	17,767	21,460	178,999

Note: Starting the consolidated fiscal year under review, China is separated as an independent geographical area, since the importance of the amount of its property, plant, and equipment increased.
China is stated separately also for the previous consolidated fiscal year.

3. Information by major customer

Since sales to no customer account for 10% or more of the net sales on the consolidated statements of income, information by major customer is omitted.

[3] Information on impairment losses for noncurrent assets by reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Optics	Healthcare	Total			
Impairment losses	60	967	—	1,027	—	—	1,027

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Optics	Healthcare	Total			
Impairment losses	227	603	—	830	—	62	893

Note: The amount for "Eliminations and Corporate" was an impairment loss for noncurrent assets of the holding company.

[4] Information on amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 31, 2011 (from April 1, 2010 to March 31, 2011)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Optics	Healthcare	Total			
Amortization for the fiscal year under review	7,854	402	—	8,256	145	—	8,401
Balance at the end of the fiscal year under review	57,621	3,702	—	61,323	1,822	—	63,146

Note: "Other" consists of business segments not included in reporting segments such as Sensing Business.

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

[Millions of yen]

	Reportable segment				Other	Eliminations and Corporate	Total
	Business Technologies	Optics	Healthcare	Total			
Amortization for the fiscal year under review	8,312	347	—	8,659	145	—	8,804
Balance at the end of the fiscal year under review	54,694	3,355	—	58,050	1,677	—	59,727

Note: "Other" consists of business segments not included in reporting segments such as Sensing Business.

[5] Information on gain on negative goodwill by reportable segment

None.

[Per Share Information]

[yen]

Fiscal year ended March 31			
2011		2012	
Net assets per share	806.53	Net assets per share	817.81
Net income per share	48.84	Net income per share	38.52
Diluted net income per share	47.28	Diluted net income per share	37.28

Notes: Bases of calculations

1) Net assets per share

	As of March 31, 2011	As of March 31, 2012
Total net assets in consolidated balance sheets [millions of yen]	428,987	434,987
Total net assets attributable to common stock [millions of yen]	427,647	433,669
Principal factors underlying difference [millions of yen]		
Subscription rights to shares	658	682
Minority interests	682	635
Common stock outstanding [thousands of shares]	531,664	531,664
Treasury stock [thousands of shares]	1,436	1,381
Common stock figure used for calculating shareholder's equity per share [thousands of shares]	530,227	530,282

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

[Millions of yen]

	Fiscal year ended March 31	
	2011	2012
Total net income in consolidated statements of income [millions of yen]	25,896	20,424
Value not attributable to common stock [millions of yen]	—	—
Total net income attributable to common stock [millions of yen]	25,896	20,424
Average number of shares outstanding during the year [thousands of shares]	530,222	530,254
Main net income adjustment items used to calculate diluted net income figure [millions of yen]	—	—
Adjustment of net income [millions of yen]	—	—
Main common stock change items used to calculate diluted net income figure [thousands of shares]		
Convertible bonds with subscription rights	16,785	16,785
Subscription rights to shares	715	856
Change in shares outstanding [thousands of shares]	17,501	17,642
Summary of potential shares not included in calculation of diluted EPS because they are anti-dilutive	―――――	―――――

[Notes Regarding Effects of Changes in Corporate Tax Rates]

Starting from consolidated fiscal years which begin on or after April 1, 2012, corporate tax rates will be lowered and special reconstruction corporate taxes will be applied, following the issuing of "a partial amendment to income tax law to develop a tax system that responds to changes in the structure of the economy" (Act No. 114 of 2011) and "a reconstruction funding law in the aftermath of the Great East Japan Earthquake" (Act No. 117 of 2011) on December 2, 2011. As a result of these changes, net income for the consolidated fiscal year under review declined ¥3,320 million.

[Important Subsequent Events]

Change in reportable segments

In the consolidated fiscal year under review, the reportable segments in the segment information are the Business Technologies Business, Optics Business, and Healthcare Business. However, with the reorganization of the Group in April 2012, it has been decided that the reportable segments will be the Business Technologies Business, Industrial Business, and Healthcare Business.

The change is a revision in the business segments of the Group and will not affect total consolidated net sales, income, assets and liabilities, or other financial data.