

## Konica Minolta Group

### Q&A from 2Q / March 2013 Financial Results Briefing Session

Date: October 31, 2012 18:30 – 19:30 JST  
Place: Nomura Conference Plaza Nihonbashi (Tokyo, Japan)

#### Cautionary Statement

*This material was prepared for those who were unable to attend the financial results briefing person and is intended only for reference purposes. Readers are asked to acknowledge in advance that the following text is not a verbatim account of everything that was said at the briefing but a basic summary whose content was determined by Konica Minolta.*

*Moreover, readers are asked to further acknowledge in advance that the business performance outlook and other content concerning future results in this document is based upon information that the company has at present and upon a rational evaluation based on certain assumptions and, additionally, that actual business performance can greatly vary due to a number of factors.*

#### ■ Business Technologies

---

Q: It has been said that the economic climate in the major countries of America and Europe has gotten worse since the latter half of the second quarter.

Has this affected Konica Minolta?

A: It is our view that the US economic climate is undergoing a gentle recovery, as is typified by factors such as the PMI (Purchasing Managers Index) rising above the 50 mark. While we are aware that the situation in Europe continues to be uncertain, business is stable in western and eastern European countries where Konica Minolta has strong sales foundations. In these areas that account for slightly over 70% of total sales in the entire European region, net sales grew strongly on a local currency basis year on year. On the other hand, while sales decreased in southern Europe and some Scandinavian countries, the impact has been limited because these regions account for a small percentage of sales. Accordingly, net sales have grown 2% year on year on a local currency basis, maintaining momentum for Europe overall.

Q: For the full-year forecast for the Business Technologies Business, operating income has been reduced by 7 billion yen. Please provide us with an explanation on the background behind this reduction.

A: During the first half of the fiscal year, exchange rate assumptions for the euro were revised from 105 yen to 100 yen in the first quarter earnings announcement. Although we had expected sales growth to absorb the impact of yen appreciation, Konica Minolta has revised forecasts due to the negative impact of over a billion yen during the first half of the fiscal year caused in part by the yen reaching 98 yen to the euro during the second quarter and a temporary cost increase of around 1 billion yen resulting from a reorganization of production facilities in China. For the second half of the fiscal year, Konica Minolta has factored in a nearly 2 billion yen impact resulting from exchange rates and around 2 billion yen for other risks.

Q: Is the Business Technologies Business exposed to China-related risks?

A: China-related risks can be separated into risks related to problems in the economic environment and risks arising from territorial issues. Although sales to China were weak during the first half, when looking at the breakdown it can be seen that while direct sales were strong, sales to dealers decreased due to conservative purchases. Based on information from top dealers that handle our products, we do not believe that the current situation will continue over the long term. Meanwhile, there have been reports of delays in closing sales on some government-affiliated businesses. However, because sales in China account for only 2 to 3% of overall sales for the Business Technologies Business, this will not have much of an impact on our overall business performance.

## ■ Industrial Business

---

Q: Competition for TAC films for LCD polarizers (hereinafter referred to as "TAC films") is expected to intensify in the future. Has Konica Minolta planned any countermeasures to mitigate this?

A: In VA-TAC films for increasing viewing angle, while Konica Minolta has incorporated the impact of some 2013 spring models, sales of our core thin plain TAC film products are expected to continue to be strong due in part to expansion in mobile applications. The impact of these factors has been incorporated into the forecast for the second half of the fiscal year, and we believe that sales volumes of TAC film products will only decrease by about 10% compared to the first half of the fiscal year.

Q: Please give us some background information on why sales were strong for replacement lenses for DSLR cameras and color meters.

A: For replacement lenses, currently sales are particularly strong in the business for specific customers. In the future, increased adoption of mirrorless products is expected. In color meters, sales have been strong for luminance colorimeters used for testing display products such as smartphones and tablets. While the sales volume assumptions for color meters during the second half assume that total volume will decline, the continuation of strong sales of high value-added products to major clients is expected.

## ■ Group Overview

---

Q: What are Konica Minolta's strengths in the Organic Light Emitting Diode (OLED) lighting business?

A: We are currently accumulating the technologies that would be required for the commercialization of a flexible lighting business. Our strength is a production system that allows us to coat large areas of film surfaces, and we believe competitors that are technically capable of production through this method to be extremely limited.