

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Statements of Income

(Millions of yen)

	April 1, 2004 — September 30, 2004		April 1, 2003 — September 30, 2003		April 1, 2003 — March 31, 2004	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Net Sales	535,115	100.0	278,429	100.0	860,420	100.0
Cost of sales	300,469	56.2	152,540	54.8	498,967	58.0
Gross profit	234,646	43.8	125,889	45.2	361,453	42.0
Selling, general and administrative expenses	202,121	37.7	101,559	36.5	303,922	35.3
Operating income	32,524	6.1	24,329	8.7	57,530	6.7
Non-operating income	[7,503]	1.4	[3,186]	1.2	[8,762]	1.0
Interest and dividend income	706		353		1,003	
Equity Method Profits	6		125		61	
Foreign exchange gain	2,901		—		—	
Other	3,887		2,707		7,697	
Non-operating expenses	[11,861]	2.2	[8,423]	3.0	[23,106]	2.7
Interest expense	2,826		1,826		5,190	
Foreign exchange loss	—		2,137		4,177	
Other	9,034		4,459		13,737	
Recurring profit	28,166	5.3	19,092	6.9	43,186	5.0
Extraordinary profit	[301]	0.0	[489]	0.1	[897]	0.1
Gain on sales of fixed assets	141		292		690	
Gain on sales of investment securities	—		197		207	
Earnings accompanying the transfer of defined contribution pensions	160		—		—	
Extraordinary losses	[5,220]	1.0	[2,870]	1.0	[11,721]	1.3
Loss on disposal and sale of fixed assets	2,217		1,259		3,168	
Loss on sale of investment securities	—		14		330	
Write-down on investment securities	67		50		451	
Transition obligations due to adoption of new accounting standards for retirement benefits	264		518		1,540	
Reserve for directors' retirement benefits	—		513		513	
Special premium withdrawal from national employees' pension fund	—		513		513	
Expenses related to switch to defined benefit pension plan	—		—		180	
Management integration rationalization expenses	2,671		—		5,022	
Income before income taxes and minority interests	23,247	4.3	16,712	6.0	32,363	3.8
Income taxes	15,716		11,846		22,466	
Deferred income taxes	(693)		(3,680)		(2,841)	
Minority interest in earnings of consolidated subsidiaries	23		166		189	
Net income	8,200	1.5	8,379	3.0	12,548	1.5

(2) Consolidated Balance Sheets

(Millions of yen)

	As of September 30, 2004		As of September 30, 2003		As of March 31, 2004	
	Amount	% of total	Amount	% of total	Amount	% of total
Current assets	[550,969]	[56.2]	[553,893]	[55.7]	[535,769]	[55.3]
Cash and deposits	70,622		89,513		83,574	
Trade notes and accounts receivable	236,688		224,356		223,032	
Marketable securities	329		5		130	
Inventories	180,721		184,154		173,949	
Deferred tax assets	32,615		30,388		31,033	
Other accounts receivable	18,396		17,246		13,574	
Other current assets	20,294		19,495		18,889	
Allowance for doubtful accounts	(8,698)		(11,267)		(8,414)	
Fixed assets	[428,935]	[43.8]	[440,567]	[44.3]	[433,820]	[44.7]
<i>Tangible fixed assets</i>	[225,763]	23.1	[226,399]	22.8	[220,204]	22.7
Buildings and structures	74,181		75,142		71,760	
Machinery and vehicles	58,871		60,236		58,694	
Land	38,632		41,019		38,514	
Rental business-use assets	21,754		23,870		20,928	
Other property, plant and equipment	32,323		26,131		30,305	
<i>Intangible fixed assets</i>	[117,626]	12.0	[122,190]	12.3	[120,204]	12.4
Consolidation goodwill	96,557		101,444		98,716	
Other intangible fixed assets	21,068		20,745		21,488	
<i>Investments and others</i>	[85,545]	8.7	[91,977]	9.2	[93,411]	9.6
Investment securities	34,156		32,736		37,424	
Long-term loans	1,516		2,424		2,672	
Long-term prepaid expenses	4,329		5,568		4,429	
Deferred tax assets	32,671		34,006		31,926	
Other investments	14,783		18,832		18,281	
Allowance for doubtful accounts	(1,912)		(1,591)		(1,323)	
Total assets	979,904	100.0	994,460	100.0	969,589	100.0

(Millions of yen)

	As of September 30, 2004		As of September 30, 2003		As of March 31, 2004	
	Amount	% of total	Amount	Amount	% of total	Amount
Current liabilities	[477,159]	48.7	[491,785]	49.5	[484,842]	50.0
Trade notes and accounts payable	143,961		139,853		141,783	
Short-term loans	176,374		204,987		182,429	
Long-term loans due within one year	7,796		15,806		14,251	
Bonds due within one year	16,354		12,054		18,354	
Accrued expenses	77,170		55,410		71,480	
Accrued income taxes	16,333		14,747		16,736	
Allowance for product warranty	5,027		2,629		5,164	
Reserve for restructuring/liquidation losses	—		1,172		—	
Other current liabilities	34,142		45,123		34,641	
Long-term liabilities	[158,636]	16.2	[164,319]	16.5	[148,076]	15.3
Bonds	15,084		31,438		20,138	
Long-term loans	50,780		40,298		32,778	
Long-term accrued liabilities	17,018		10,578		20,305	
Deferred tax assets on land revaluation	3,925		3,896		3,925	
Reserve for retirement benefits and pension plans	65,138		70,014		64,915	
Reserve for directors' retirement benefits	952		677		922	
Other long-term liabilities	5,736		7,417		5,091	
Total liabilities	635,795	[64.9]	656,104	[66.0]	632,919	[65.3]
Minority interests	1,213	0.1	1,262	0.1	1,242	0.1
Capital stock	37,519	3.8	37,519	3.8	37,519	3.9
Additional paid-in capital	226,067	23.1	226,055	22.7	226,065	23.3
Retained earnings	82,776	8.5	75,613	7.6	77,254	8.0
Unrealized gains on securities	3,676	0.4	2,533	0.2	4,886	0.5
Translation adjustment	(6,476)	(0.7)	(4,171)	(0.4)	(9,721)	(1.0)
Treasury stock	(666)	(0.1)	(457)	(0.0)	(576)	(0.1)
Total shareholders' equity	342,896	[35.0]	337,093	[33.9]	335,427	[34.6]
Total liabilities, minority interests, and shareholders' equity	979,904	100.0	994,460	100.0	969,589	100.0

Notes:

	As of September 30, 2004	As of September 30, 2003	As of March 31, 2004
1. Accumulated depreciation on tangible fixed assets (millions of yen)	461,685	451,564	440,481
2. Discounted trade notes receivable (millions of yen)	107	368	190

(3) Consolidated Statement of Retained Earnings

(Millions of yen)

	April 1, 2004 — September 30, 2004	April 1, 2003 — September 30, 2003	April 1, 2003 — March 31, 2004
	Amount	Amount	Amount
(Additional paid-in capital portion)			
Additional paid-in capital at beginning of period	[226,065]	[79,342]	[79,342]
Increase in Additional paid-in capital	[2]	[146,713]	[146,722]
Issuance of new shares due to share exchange	—	146,706	146,706
Gain on disposal of treasury stock	2	6	15
Additional paid-in capital at period end	226,067	226,055	226,065
(Retained earnings portion)			
Retained earnings at beginning of period	[77,254]	[69,052]	[69,052]
Increase in retained earnings	[8,200]	[8,391]	[12,688]
Net income	8,200	8,379	12,548
Increase resulting from newly consolidated subsidiaries	—	12	139
Decrease in retained earnings	[2,677]	[1,831]	[4,487]
Dividends	2,655	1,786	4,442
Bonuses to directors and corporate auditors	22	45	45
Retained earnings at period end	82,776	75,613	77,254

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	April 1, 2004 — September 30, 2004	April 1, 2003 — September 30, 2003	April 1, 2003 — March 31, 2004
	Amount	Amount	Amount
I. Cash flows from operating activities			
Net income before income taxes and minority interests	23,247	16,712	32,363
Depreciation and amortization	25,167	13,598	44,386
Amortization of consolidated goodwill	2,950	—	2,896
Increase(decrease) in allowance for doubtful accounts	171	(1,327)	(3,874)
Interest and dividend income	(706)	(353)	(1,003)
Interest expense	2,826	1,826	5,190
Loss (gain) on sales or disposals of fixed assets	2,076	967	2,477
Loss (gain) on valuation and sale of investment securities	67	133	574
Transition obligations due to adoption of new accounting standards for retirement benefits	264	518	1,540
Special premium for withdrawal from national employee's pension fund	—	513	513
Transfers to reserve for deferred pension and past service recognition payments to directors	—	513	513
Management integration rationalization expenses	2,671	—	5,022
Gain (loss) related to switch of defined contribution benefit plan	(160)	—	180
Decrease (increase) in trade notes and accounts receivable	(6,301)	5,200	(3,210)
Decrease (increase) in inventories	(1,485)	(5,698)	(2,914)
Increase (decrease) in trade notes and accounts payable	(4,937)	(4,776)	(1,060)
Increase (decrease) in accrued consumption tax payable	(1,358)	(645)	(738)
Other	(485)	(6,293)	(4,585)
Subtotal	44,007	20,622	78,243
Interest and dividends received	743	396	1,363
Interest paid	(2,887)	(1,827)	(5,263)
Income taxes paid	(19,320)	(11,025)	(18,385)
Net cash provided by operating activities	22,543	8,165	55,957
II. Cash flows from investing activities			
Payment for acquisition of tangible fixed assets	(23,953)	(8,621)	(24,935)
Proceeds from sale of tangible fixed assets	1,018	1,210	6,102
Payment for acquisition of intangible fixed assets	(4,276)	(792)	(6,383)
Payment for loans receivable	(428)	(169)	(1,451)
Proceeds from return of loan receivable	1,557	98	460
Payment for acquisition of investment securities	(29)	(4)	(39)
Proceeds from sale of investment securities	55	149	225
Payment for other investments	(1,460)	(1,122)	(3,296)
Other	190	445	533
Net cash used in investing activities	(27,325)	(8,806)	(28,784)
III. Cash flows from financing activities			
Net (decrease) increase in short-term loans payable	(10,724)	5,101	(11,090)
Proceeds from long-term loans payable	20,258	193	674
Repayment of long-term loans payable	(9,013)	(4,065)	(13,006)
Redemption of bonds	(7,054)	(54)	(5,054)
Payment to execute buyback of Company's stock	(95)	(147)	(286)
Proceeds from sale of Company's stock	6	14	44
Dividend payments	(2,655)	(1,788)	(4,430)
Net cash used in financing activities	(9,278)	(745)	(33,149)
IV. Effect of exchange rate changes on cash and cash equivalents	859	159	(1,317)
V. Increase(decrease) in cash and cash equivalents	(13,199)	(1,226)	(7,292)
VI. Cash and cash equivalents at beginning of the period	83,704	51,876	51,876
VII. Increase in cash and cash equivalents due to newly consolidation subsidiaries	447	415	667
VIII. Increase in cash and cash equivalents due to exchange of shares	—	38,453	38,453
IX. Cash and cash equivalents at end of the interim period	70,951	89,518	83,704

BASIS OF PRESENTING INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

Number of consolidated subsidiaries: 121

Principal consolidated subsidiaries:

Konica Minolta Business Technologies, Inc.	Konica Minolta Medical Co., Ltd.
Konica Minolta Opto, Inc.	Konica Minolta Marketing Corporation
Konica Minolta Photo Imaging, Inc.	Konica Minolta Supplies Manufacturing Co., Ltd.
Konica Minolta Medical & Graphic, Inc.	Konica Minolta Business Solutions U.S.A., Inc.
Konica Minolta Sensing, Inc.	Konica Minolta Business Solutions Europe GmbH
Konica Minolta Technology Center, Inc.	Konica Minolta Photo Imaging U.S.A., Inc.
Konica Minolta Business Expert, Inc.	Konica Minolta Manufacturing U.S.A., Inc.
Konica Minolta Business Solutions Japan Co., Ltd.	Konica Minolta Photo Imaging Europe GmbH

Number of unconsolidated subsidiaries: 34

Unconsolidated subsidiaries have not been included in consolidation because they are relatively small companies and their assets, sales, net income, and retained earnings do not have a material influence on interim consolidated results.

2. Scope of the Use of Equity Accounting

Number of unconsolidated subsidiaries accounted for by the equity method: 13

Principal unconsolidated subsidiaries: Konica Minolta Photochem (Thailand)Co., Ltd.

Number of affiliates accounted for by the equity method: 2

The total net income (loss) and retained earnings of the 21 equity-method non-consolidated subsidiaries and 8 affiliates were of small value and had a negligible effect on interim consolidated financial statements.

3. Accounting Standards and Methods

(1) Asset valuation

1. Securities

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. Overseas consolidated subsidiaries' inventories are recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

(2) Depreciation and amortization of major depreciable 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 for depreciation. However, the parent and its domestic consolidated subsidiaries have used the straight-line method for their buildings (excluding annexed structures) acquired since April 1, 1998.

(3) Reserves

1. Allowance for doubtful receivables

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

2. Reserves for product warranty

Regarding the provision of after-sales service for cameras, facsimiles, and copiers, reserves for product warranties for cameras and facsimiles are calculated based on the estimated amount of service costs during the warranty period. For copiers, the amount is recorded based on past after-sales service expenses as a percentage of net sales.

3. Reserves for retirement benefits

To prepare for employee retirement benefits, the Company has calculated the amount recognized to have been incurred at the end of the interim consolidated accounting period based on projected benefit obligations and pension assets.

The variance in accounting standards is being amortized mainly five years in the case of consolidated subsidiaries.

Prior service cost is being amortized as incurred by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees.

Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees.

(Additional information)

Accounting treatment of the transition from a defined benefits pension plan to a defined contribution pension plan

With the enforcement of the Defined Contribution Pension Law, on April 1, 2004, the Company and a portion of its domestic subsidiaries changed certain portions of the former Minolta Co., Ltd.'s defined benefit pension plan to a defined contribution pension plan.

The Company and a portion of its domestic subsidiaries have applied "Accounting for Transfers among Retirement Benefit Plans"(issue No. 1 of Application Guidelines in Accounting Standards for Business Enterprises and "Handling of Practices Regarding Accounting for the Transfers among Retirement Benefit Plans" (issue No.2 of the Report on the Handling of Professional Practices).

The transfer of pension plan resulted in the recording of a ¥160 million extraordinary gain.

4. Allowance for Directors' Retirement Benefits

To provide for the payment of directors' retirement benefits, reserve for benefits for retired directors and auditors is recorded in an actual amount equal to the need at the interim period end based on Konica Minolta's regulations.

(4) Lease transactions

Finance leases are principally accounted for as operating leases that do not transfer ownership rights of the leased property to the lessee.

(5) 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 that

2. Hedge methods and hedge targets

Derivatives are used as the hedge method (forward exchange contracts, interest rate swaps, and commodity swaps)

The hedge targets are scheduled foreign currency denominated transactions, corporate bonds, borrowings, and raw materials

3. Hedge policy

The Company and consolidated subsidiaries enter into forward foreign exchange contracts 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 with respect to export and import.

In addition, the Company and consolidated subsidiaries enter into interest rate swaps to reduce interest rates on bonds and borrowings or costs for future capital procurement and enter into commodity swaps to make material costs stable, 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 hedged items and hedging instruments.

(6) Other important items regarding the preparation of consolidated financial statements

Consumption tax

National and local consumption taxes are accounted for by the net-of-tax method.

4. Range of Cash within Consolidated Cash Flow Statements

Cash (cash and cash equivalents) in the interim consolidated cash flow statements comprises cash on hand and short-term investments easily converted into cash with little risk to a change in value.

5. SEGMENT INFORMATION

(1) Information by Business Segment

Interim Period ended September 30, 2004

(Millions of yen)

	Business Technologies	Optics	Photo Imaging	Medical and Graphic Imaging	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales									
Outside customers	281,394	44,008	142,824	60,900	2,643	3,344	535,115	—	535,115
Intersegment sales/transfers	14,500	2,418	6,433	10,302	1,200	28,840	63,696	(63,696)	—
Total	295,894	46,427	149,257	71,202	3,843	32,184	598,811	(63,696)	535,115
Operating expenses	269,161	39,226	153,262	66,890	2,969	25,849	557,360	(54,769)	502,591
Operating income	26,733	7,200	(4,004)	4,311	873	6,335	41,450	(8,925)	32,524

Notes:

1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Photo Imaging, Medical and Graphic Imaging, Sensing, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In this interim period ended September 30, 2004, this amount was ¥ 9,744 million.

Interim Period ended September 30, 2003

(Millions of yen)

	Business Technologies	Optics	Photo Imaging	Medical and Graphic Imaging	Other	Elimination & corporate	Consolidation
Sales							
Outside customers	103,644	30,091	83,635	58,751	2,305	—	278,429
Intersegment sales/transfers	11,346	8,968	7,550	12,488	17,644	(57,997)	—
Total	114,991	39,059	91,185	71,239	19,950	(57,997)	278,429
Operating expenses	101,891	31,663	88,157	66,566	16,632	(50,810)	254,099
Operating income	13,100	7,396	3,028	4,673	3,318	(7,187)	24,329

Notes:

1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Photo Imaging, Medical and Graphic Imaging, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In the interim period ended September 30, 2003, this amount was ¥7,336 million.

Fiscal 2004 (April 1, 2003, to March 31, 2004)

(Millions of yen)

	Business Technologies	Optics	Photo Imaging	Medical and Graphic Imaging	Sensing	Other	Total	Elimination & corporate	Consolidation
Sales									
Outside customers	431,118	76,711	223,962	120,871	2,657	5,100	860,420	—	860,420
Intersegment sales/transfers	24,594	17,948	15,057	23,461	1,236	43,909	126,207	(126,207)	—
Total	455,712	94,660	239,019	144,332	3,893	49,009	986,628	(126,207)	860,420
Operating expenses	409,303	78,491	244,392	136,426	3,092	40,831	912,538	(109,647)	802,890
Operating income	46,408	16,168	(5,372)	7,906	801	8,177	74,090	(16,559)	57,530

Notes:

1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Photo Imaging, Medical and Graphic Imaging, Sensing, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal 2004, this amount was ¥ 17,545 million.

(2) Information by Geographical Area

Interim Period ended September 30, 2004

(Millions of yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	241,613	122,746	140,887	29,867	535,115	—	535,115
Intersegment sales/transfers	137,340	4,858	822	67,005	210,026	(210,026)	—
Total	378,954	127,605	141,710	96,873	745,142	(210,026)	535,115
Operating expenses	356,352	125,737	140,827	95,340	718,256	(215,666)	502,590
Operating income	22,602	1,867	882	1,533	26,885	5,641	32,524

Notes:

1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
 - (1) North America: United States, Canada
 - (2) Europe: Germany, France, United Kingdom
 - (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In the interim period ended September 30, 2004, this amount was ¥ 9,744 million.

Interim Period ended September 30, 2003

(Millions of yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	158,349	58,812	47,623	13,644	278,429	—	278,429
Intersegment sales/transfers	67,069	3,667	629	21,984	93,352	(93,352)	—
Total	225,419	62,480	48,252	35,629	371,781	(93,352)	278,429
Operating expenses	197,453	60,251	46,991	34,275	346,307	(84,871)	254,099
Operating income	27,966	2,228	1,260	1,354	25,473	(8,480)	24,329

Notes:

1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
 - (1) North America: United States, Canada
 - (2) Europe: Germany, France, United Kingdom
 - (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In the interim period ended September 30, 2003, this amount was ¥ 7,336 million.

Fiscal 2004 (April 1, 2003, to March 31, 2004)

(Millions of yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	405,787	215,554	190,178	48,901	860,420	—	860,420
Intersegment sales/transfers	223,931	9,678	2,069	95,247	330,928	(330,928)	—
Total	629,719	225,233	192,247	144,148	1,191,348	(330,928)	860,420
Operating expenses	565,964	220,802	187,730	139,638	1,114,136	(311,245)	802,890
Operating income	63,754	4,430	4,517	4,510	77,212	(19,682)	57,530

Notes:

- Countries and territories are classified based on geographical proximity.
- Principal country markets in the above areas, excluding Japan, are as follows:
 - North America: United States, Canada
 - Europe: Germany, France, United Kingdom
 - Asia excluding Japan, Others: Australia, China, and Singapore
- Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal 2004, this amount was ¥ 17,545 million.

(3) Overseas Sales
Interim Period ended September 30, 2004

(Millions of yen)

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	131,905	141,471	109,562	382,938
Consolidated sales	—	—	—	535,115
Overseas sales as a percentage of consolidated sales	24.6%	26.4%	20.5%	71.6%

Interim Period ended September 30, 2003

(Millions of yen)

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	65,665	52,839	59,987	178,492
Consolidated sales	—	—	—	278,429
Overseas sales as a percentage of consolidated sales	23.6%	19.0%	21.5%	64.1%

Fiscal 2004 (April 1, 2003, to March 31, 2004)

(Millions of yen)

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	235,270	210,899	157,038	603,207
Consolidated sales	—	—	—	860,420
Overseas sales as a percentage of consolidated sales	27.3%	24.5%	18.3%	70.1%

Notes:

- Countries and territories are classified based on geographical proximity.
- Principal country markets in the above areas, excluding Japan, are as follows:
 - North America; United States, Canada
 - Europe: Germany, France, United Kingdom
 - Asia excluding Japan, Others: Australia, China, and Singapore
- Overseas sales are those sales that are made by the Company or its consolidated subsidiaries in a country or region outside of Japan.

6. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET

7. Marketable Securities

(1) Other marketable securities with market values:

(Millions of yen)

	As of September 30, 2004			As of September 30, 2003			As of March 31, 2004		
	Acquisition cost	Total amount on interim consolidated balance sheets	Difference	Acquisition cost	Total amount on interim consolidated balance sheets	Difference	Acquisition cost	Total amount on interim consolidated balance sheets	Difference
1. Stocks	22,082	28,025	5,942	22,206	26,486	4,279	21,365	30,173	8,807
2. Bonds	165	165		1	1		155	155	(0)
3. Other	53	52	(1)	173	170	(2)	53	52	(0)
Total	22,302	28,243	5,941	22,380	26,657	4,276	21,574	30,381	8,806

(2) Details of principal marketable securities that are not assessed at market value and interim and full year consolidated balance sheet total amounts:

(Millions of yen)

	As of September 30, 2004	As of September 30, 2003	As of March 31, 2004
	Interim consolidated balance sheet total amount	Interim consolidated balance sheet total amount	Consolidated balance sheet total amount
Other marketable securities			
Unlisted stocks (does not include shares traded over-the-counter)	1,399	1,955	1,443
Unlisted foreign bonds, etc.	5	244	5
Medium-term national government bond funds	—	4	—
Other	—	—	130

8. DERIVATIVES

Notation has been omitted due to disclosure through EDINET

9. PRODUCTION AND ORDERS

(1) Production Results

(Millions of yen)

Business Segments	April 1, 2004 – September 30, 2004	April 1, 2003 – September 30, 2003	April 1, 2003 – March 31, 2004
Business Technologies	202,421	53,173	218,871
Optics	44,896	30,351	76,277
Photo Imaging	86,216	56,163	147,752
Medical and Graphic Imaging	43,420	42,713	86,800
Sensing	3,553	—	3,688
Other	730	161	393
Total	381,238	182,563	533,783

Notes: 1. Amounts are based on manufacturers' sales prices.

2. The above amounts do not include consumption and other taxes.

(2) Orders

Konica Minolta does not conduct order production.