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Securities Code: 4902
May 28, 2010

To Our Shareholders

Masatoshi Matsuzaki
Director, Representative Executive Officer
and President
Konica Minolta Holdings, Inc.
1-6-1 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 106TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA HOLDINGS, INC. ("the Company") respectfully requests your attendance at the 106th Ordinary General Meeting of Shareholders ("the Meeting"), which will be held as detailed below.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or by an electronic method (via the Internet). In this case, please examine the attached Reference Documents for the Meeting of Shareholders, indicate your approval or disapproval on the enclosed Voting Form and return it so it reaches us by 5.40 p.m., Monday, June 21, 2010, or vote on the website for exercising voting rights designated by the Company (http://www.evote.jp/) no later than the above-mentioned deadline.

1. Date and Time: Tuesday, June 22, 2010 at 10.00 a.m.

2. Place: Grand Prince Hotel Akasaka, Banquet Building 5F Royal Hall

3. Objectives:

Matters to be Reported:
1. Reports on the Business Report, the Consolidated Financial Statements for the 106th Fiscal Year (from April 1, 2009 to March 31, 2010); and Audit Reports by the Accounting Auditor and the Auditing Committee on the Consolidated Financial Statements
2. Reports on the Non-consolidated Financial Statements for the 106th Fiscal Year (from April 1, 2009 to March 31, 2010)

Matters to be Resolved:
Agenda Item: Election of Eleven (11) Directors

4. Guide to the Exercise of Voting Rights, etc.
Please refer to "Guide to the Exercise of Voting Rights, etc."

- ◙ If you plan to attend the Meeting, please submit the enclosed Voting Form to the receptionist at the Meeting.
- ◙ In case of any changes to the Reference Documents for the Meeting of Shareholders, the Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, the changes will be posted on the Company's website (http://konicaminolta.jp/about/investors/index.html).

Guide to the Exercise of Voting Rights, etc.

1. Deadline for exercise of voting rights
   As specified in the opening statement of this notice, for those unable to attend the Meeting, the deadline for receipt of votes by mail and the deadline for the exercise of voting rights on the website for exercising voting rights designated by the Company (http://www.evote.jp/) is 5.40 p.m., Monday, June 21, 2010.
2. Treatment of votes without indication of approval or disapproval
   Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
3. Treatment of votes cast more than once by mail
   If any voting right is exercised more than once by mail, the latest exercise will be upheld as a valid exercise of the voting right.
4. Diverse exercise of voting rights
   Shareholders are respectfully requested to notify the Company in writing of any diverse exercising of voting rights and the reason therefore not later than three days before the Shareholders' Meeting.

Using the Internet to exercise voting rights

1. Treatment of votes cast both by mail and via the Internet
   If any voting right is exercised both by mail and by the Internet, the exercise via the Internet will be upheld as valid exercise of the voting right.
2. Treatment of votes cast more than once via the Internet
   If any voting right is exercised more than once via the Internet, the latest exercise will be upheld as a valid exercise of the voting right. If any voting right is exercised by personal computer and by cellular phone, the latest exercise will be upheld as a valid exercise of the voting right.
3. Guide to using the Internet to exercise voting rights
   If you decide to use the Internet to exercise your voting rights, please read the following in advance. If you intend to attend the Meeting in person, voting in writing or using the Internet is unnecessary.

(1) Site for Exercising Voting Rights

- (i) You may only exercise voting rights via the Internet by accessing the website for exercising voting rights designated by the Company (http://www.evote.jp/) through a personal computer or cellular phone (i-mode, EZweb or Yahoo! Mobile)*. Please note that you will not be able to access the above URL from 2.00 a.m. to 5.00 a.m. each day during the exercise period.
  - * ("i-mode" is a trade mark or registered trademark of NTT DoCoMo Inc., "EZweb" is a trademark or registered trademark of KDDI Corporation and "Yahoo!" is a trademark or registered trademark of Yahoo! Inc. in the United States.)
- (ii) With respect to exercising voting rights via the Internet using a personal computer, in some network environments (including, but not limited to, the case in which you use firewall, etc. antivirus programs or a Proxy Server for Internet access), you may not be able to exercise voting rights.
- (iii) With respect to the exercise of voting rights via the Internet by using a cellular phone, please use the service by i-mode, EZweb or Yahoo! Mobile. For security purposes, the website is only compatible with cellular phones that have functions of an encrypted communication (SSL communication) and transmission of cellular phone information.
- (iv) Although the exercise of voting rights via the Internet will be acceptable until 5.40 p.m. on Monday, June 21, 2010, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

(2) Method of Exercising Voting Rights via the Internet

(i) On the website for exercising voting rights (http://www.evote.jp/), please enter your approval or disapproval for the proposals by using your "Login ID" and "Temporary Password" described in the Voting Form and by following the instructions on the screen.

(ii) Please note that if you wish to exercise your voting rights via the internet, you will be asked to change your "Temporary Password" on the website for exercising voting rights in order to prevent unauthorized access (web spoofing) or alteration of the voting by any other person than shareholders.

(iii) The "Login ID" and the "Temporary Password" will be renewed and sent to you for each general meeting of shareholders to be held in the future.

(3) Costs Arising from Access to the Website for Exercising Voting Rights

Any costs arising from access to the website for exercising voting rights (such as dial-up access fees and phone charges, etc.) shall be paid by you. In addition, with respect to accessing the website by using a cellular phone, packet communication fees and any other phone charges shall also be paid by you.

For enquiries with respect to exercising voting rights via the Internet Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department (helpdesk) Telephone: 0120-173-027 （Operating Hours: 9.00 to 21.00, toll-free number） （Japanese language only）

To Institutional Investors

As an additional method for exercising your voting rights at the General Meeting of Shareholders using electronic means, made available in addition to the method of exercise via the Internet described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and others, subject to prior request for the use of the platform.

[Provided Document]

BUSINESS REPORT

From April 1, 2009 to March 31, 2010

1. Overview of Konica Minolta Group business activities

(1) Konica Minolta Group developments and results of business activities

Looking at economic circumstances in Japan and abroad, a credit crunch triggered by the financial crisis in the fall of 2008 had severe repercussions for the real economy, producing a vicious cycle of weak consumption, declining production, and worsening employment conditions that swept across the world, especially in advanced economies. The worst of this downturn has now passed, thanks largely to measures to restore financial order by the financial authorities and the success of government stimulus packages, and there were signs of a gradual recovery in the second half of the fiscal year under review. However, the recovery remained anemic as capital spending restrains and the credit crunch lingered. Moreover, a protracted appreciation of the yen put strong pressure on operating revenue at businesses including Konica Minolta Holdings, Inc. and its group companies ("the Company" or collectively "the Group") where the ratio of overseas sales is high.

The Group regards the drastic change in the business environment not as a temporary economic slowdown but as a turning point in society and an opportunity to enhance its corporate value to achieve stronger growth, the Group formulated BUSINESS PLAN <09-10>. And it is now executed it to ensure it is able to successfully navigate through this challenging period. The business plan has three pillars: (1) Improving corporate capabilities, (2) Achieving strong growth, and (3) Reforming the corporate culture. It will be executed during the fiscal year under review and in the next fiscal year. In the fiscal year under review, the first year of implementation, the Group focused on lowering break-even point by minimizing fixed costs through cost cutting and the execution of structural reforms, including the optimization of production systems in Japan and overseas, and the streamlining of overseas sales bases and sales personnel, including acquired sales companies, considering that the Group needs to urgently change its corporate structure to ensure it has free cash flows even in difficult business circumstances where growth in sales cannot be expected. The Group also took steps to trim down the balance sheet by reducing inventories, curbing capital expenditure, and improving accounts receivable periods and accounts payable periods. As a result of those initiatives, free cash flows for the fiscal year under review topped ¥70 billion, far exceeding the year-ago level.

Looking at the results of major businesses, sales of multi-functional peripherals (MFPs) for offices, the main products in the Business Technologies Business, were less than in the previous fiscal year, reflecting reduced capital spending by a corporate sector looking to cut costs, as well as tightening lease contracts attributable to the credit crunch. Nonetheless, the Group sought to boost demand by launching new color machines, and sales situation consequently recovered in the Business Technologies Business in the second half of the fiscal year under review. In the Optics Business, as the LCD TV and personal computer markets recovered, sales of TAC films (protective films for polarizing plates) and glass hard disk (HD) substrates were sold well. In the Medical and Graphic Imaging Business, sales of digital equipment were almost on a par with the year-ago level, but that did not offset decrease in sales of film products.

As a result, The Group's consolidated net sales for the fiscal year under review amounted to ¥804.4 billion, a decrease of 15% year on year, reflecting declines in sales of main products and the effect of exchange conversion associated with the strong yen. Although the Group cut fixed costs and research and development expenditure, among other cost reductions, operating income fell 22%, to ¥43.9 billion, and ordinary income slipped 10%, to ¥40.8 billion, respectively, reflecting a decline in profits associated with the decrease in sales and the effect of exchange rates. After posting a loss on valuation of investment securities and business structure improvement expenses as extraordinary losses, net income stood at ¥16.9 billion, up 12% year on year.

Regarding the payment of year-end dividends from retained earnings, to reward shareholders for their support, the Company intends to distribute year-end dividends of ¥7.50 per share as planned. This will bring annual dividends, including interim dividends to shareholders of record as of September 30, 2009, to ¥15 per share.

Overview of Business Segments

[Billions of yen]

Segment	Net sales to outside customers			Operating income		
		YoY change			YoY change	
Business Technologies Business	540.8	(82.8)	(13%)	38.9	(13.5)	(26%)
Optics Business	136.7	(36.6)	(21%)	14.3	1.8	15%
Medical and Graphic Imaging Business	104.3	(21.5)	(17%)	1.4	(1.6)	(52%)
Sensing Business	6.9	(1.4)	(18%)	(0)	(0.3)	-

Business conditions in each segment during the fiscal year under review are as follows.

Business Technologies Business

In the field of MFPs for offices, we strove to boost demand for MFPs for offices as companies cut costs and curbed capital expenditure in the protracted global downturn, updating the bizhub series by launching two models of high speed color MFPs, namely bizhub C652 and C552, and four models of medium-to-low speed color MFPs, bizhub C452, C360, C280, and C220, in the first half of the fiscal year. These six new products are designed to contribute to customers' total cost of ownership (TCO) with new energy saving systems that slash power consumption compared with conventional models and with more durable components. They are also intended to help customers boost their productivity and reduce the environmental burden by offering high image quality with the use of our proprietary polymerized toner, cutting-edge network and security functions, and significantly lower machine operation noise. Partly reflecting the contribution of these new products, etc., sales volumes of color MFPs for offices increased steadily every quarter. Although sales volumes for the full year fell short of the level of a year ago, those for the second half exceeded the year-ago level. Meanwhile, sales volumes of monochrome MFPs for offices recovered in the second half, with volumes in the North American market, which drove the recovery, exceeding the year-ago level.

We stepped up our efforts to sell A4 tandem printers and A4 color MFPs for office use in the printer field. Sales volumes of printers for the fiscal year under review far exceeded the year-ago level, driven by sharp rises in sales volumes of color machines for Europe and OEMs.

In the production printing field, demand for color machines, such as bizhub PRO C6501 and C5501, remained stagnant in all markets in the global slowdown. On the other hand, with the launch of two new monochrome products, the bizhub PRO 1200/1051, sales of monochrome MFPs were up from a year ago, reflecting strong sales, principally in the North America and Asian markets.

Overall, our Business Technologies Business focused on sales of color MFPs for offices, color printers and production printing machines in line with our "genre-top strategy." Momentum recovered, with sales rising every quarter and exceeding the year-ago level in certain areas and product fields. However, the recovery did not offset weak sales in the first half and the effect of the strong yen. As a consequence, sales to external customers fell 13% from the previous fiscal year, to ¥540.8 billion, and also operating income declined 26%, to ¥38.9 billion.

◇TCO (Total Cost of Ownership)

TCO shows the total cost of ownership that sums up all necessary expenditures associated with an asset, such as equipment and facilities, in their lifecycle from purchase to disposal.

Compared with conventional models, the new "bizhub" series of color MFP products for office can substantially reduce initial costs as well as the total cost of ownership, including running costs (operational costs such as electricity and communication expenses as well as maintenance and management costs) for customers who purchase the product.

◇Termination of the strategic business alliance with Oce N.V.

We had concluded the strategic business alliance agreement with Netherlands-based Oce N.V., an information equipment manufacturer in Europe, in the office and production printing fields in April 2008 and moved forward with the collaboration. However, we reached, through mutual consultation, an agreement to terminate such strategic business alliance agreement in February 2010.

Optics Business

In the display materials field, the Group sought to boost sales of high-function products, such as VA-TAC (viewing angle expansion) film and 40µ thin film, where we have a competitive edge. Meanwhile, given the positive impact of measures taken, especially by the Japanese and Chinese governments, to stimulate demand for home electrical appliances, the market for large LCD televisions recovered sharply. The recovery in demand in the United States and advanced economies in Europe also outpaced expectations. Consequently, sales volumes for the fiscal year under review were up sharply from a year ago.

The Group took steps to expand sales of optical pickup lenses for Blu-ray Discs, the mainstay in the memory related product field. Although demand for optical pickup lenses for personal computers remained weak, demand for lenses for audio-video equipment recovered. Overall sales volumes of optical pickup lenses, including those for CDs and DVDs, exceeded the year-ago levels.

The Group sought to increase sales of glass HD substrates for high storage densities of 250GB and 320GB. Backed by a recovery in demand for substrates for notebook computers and external memory, sales volumes exceeded the year-ago result.

In the image input/output component field, while we have limited the product fields focusing on profitability, sales volumes declined, reflecting weak demand for the high-end items in which we excel and, in turn attributable to the global economic downturn.

Overall, sales volumes of TAC film and glass HD substrates increased, backed by a recovery in the markets. However, the business was adversely affected by increasing pricing pressure on TAC film in association with falling prices of LCD TVs, a decline in sales volumes in the image input/output component field, and a fall in the unit sales price of pickup lenses for Blu-ray Discs, shifting to plastic. As a result, net sales to outside customers declined 21% from a year ago, to ¥136.7 billion, but operating income increased 15%, to ¥14.3 billion, reflecting a recovery in sales of mainstay products and the effect of structural reforms to reduce breakeven sales undertaken by the Group from the end of the previous fiscal year.

◇Increasing production capacity for TAC film

We decided to resume construction of the seventh TAC film plant (Kobe, Hyogo), work on which had been frozen in response to the drastic cooling of the market in late 2008. We will move up construction, planning to complete the plant by the summer of this year. With the construction of the new plant, we will increase production capacity for TAC film to 270 million m^2 per year, up from 220 million m^2 at present. With the increase in production capacity, we will respond to expanding demand for liquid crystal panels and will increase market share, taking advantage of its competitive superiority in thin film and ultrawide film technologies.

◇Ramping up production capacity for glass HD substrates

We have decided to increase production capacity for glass HD substrates, regarding expanding demand in the hard disk drive industry and increases in memory density as a business opportunity. We are building a new plant in Malaysia, where a production base is, to increase production capacity to 16 million units per month from 9 million units and to expand market share. The new plant in Malaysia is planned to be completed in October this year.

Medical and Graphic Imaging Business

In the healthcare field, we started to sell a new computed radiography (CR) system, the REGIUS MODEL 210 in the digital X-ray diagnostic imaging area, main business sector. We sought to expand sales to medical facilities both in Japan and overseas by offering digital radiography (DR) systems and diagnostic imaging workstations in addition to CR systems. As a result, sales volumes of this digital equipment were almost on a par with the levels of the previous year. We also took steps to expand our business sphere from the existing X-ray diagnostic imaging area, launching new products such as the I-PACS EX ceed, a network device, and the SONIMAGE 513 color ultrasonic diagnostic equipment.

We focused on sales of digital equipment, including Pagemaster Pro 6500, an on-demand printing system in the graphic imaging field. Despite the continued cooling of capital expenditure in the printing industry associated with the lingering economic sluggishness, we endeavored to boost sales. As a result of its efforts, sales of digital equipment were almost on a par with the level of a year ago.

As noted, our Medical & Graphic Imaging Business focused on expanding the sale of the digital equipment and strengthening the solution business, but accelerating declines in sales of film products, in addition to the effect of a strong yen, could not be offset either in the healthcare field or in the graphic imaging field. As a consequence, net sales to outside customers fell 17% from the previous year, to ¥104.3 billion. As gross profit declined with a fall in sales volumes of film products, we stepped up its initiatives to reduce fixed costs. However, operating income slipped 52%, to ¥1.4 billion.

◇Alliance with GE Healthcare Japan

We agreed with GE Healthcare Japan, the Japanese arm of US-based GE, under which we will sell certain high-resolution DR equipment of GE Healthcare Japan exclusively in Japan. Based on the agreement, we started to sell PLAUDR X60, a new DR item. With this addition to other DR machines that have been already sold in the market, we will focus on expanding sales in the DR market, which is expected to grow.

Sensing Business

In the Sensing Business, we launched new products, the CM-5 spectrophotometer, the CR-5 colorimeter, and the RANGE5 non-contact 3D digitizer and sought to boost sales, especially in the fields of color sensing and 3D measuring. However, although sales increased sharply in China, capital expenditure continued to be curbed in the manufacturing industry in major markets in Japan, the United States, and Europe, reflecting economic stagnation, and consequently, sales volumes experienced sluggish growth. As a result, net sales to outside customers declined 18%, to ¥6.9 billion. The operating loss was ¥0.0 billion.

(2) Konica Minolta Group financing, capital expenditure and significant restructuring

a. Financing

The Company, which is the holding company of the Group, is mainly responsible for financing, and, in the fiscal year under review, we funded capital expenditure, the redemption of corporate bonds (¥ 30 billion) and the repayment of loans, etc. ourselves and did not raise any new funds by means such as capital increase or bond issue.

b. Capital expenditure

The capital expenditure of the Group during the fiscal year under review totaled ¥36.9 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Business Technologies Business and the Optics Business. Significant expenditure included investment in the TAC film plant in Kobe in Optics Business.

c. Significant restructuring

In the Business Technologies Business, we integrated the sales subsidiaries, which we had acquired in Netherland, Germany, and U.S. with the aim of strengthening our marketing structure in both the general office and production printing fields in the U.S. market, into the existing local companies in each country.

(3) Business results of the last three fiscal years

		103rd Term Fiscal Year Ended March 31, 2007	104th Term Fiscal Year Ended March 31, 2008	105th Term Fiscal Year Ended March 31, 2009	106th Term Fiscal Year Ended March 31, 2010 (Fiscal year under review)
Net sales	(Millions of yen)	1,027,630	1,071,568	947,843	804,465
Operating income	(Millions of yen)	104,006	119,606	56,260	43,988
Ordinary income	(Millions of yen)	96,099	104,227	45,403	40,818
Net income	(Millions of yen)	72,542	68,829	15,179	16,931
Net income per share	(yen)	136.67	129.71	28.62	31.93
Total assets	(Millions of yen)	951,052	970,538	918,058	865,797
Net assets	(Millions of yen)	368,624	418,310	414,284	420,775
Net assets per share	(yen)	692.39	786.20	779.53	791.28
Dividend per share [of which, interim dividend per share]	(yen)	10 [-]	15 [7.5]	20 [10]	15 [7.5]

(4) Issues to be handled

We expect the current positive momentum will generally continue, with the ongoing growth of emerging economies, especially in Asia, and moderate recoveries in advanced economies such as Japan, the United States, and Europe. However, potential causes of instability among macroeconomic indicators are still of particular concern, including the employment situation, long-term interest rates, and exchange rates. Consequently, economic conditions remain uncertain and challenging.

In this difficult environment, the Group has stemmed the trend of declines in sales and profit for two consecutive fiscal years. Positioning the fiscal year ending March 31, 2011 as a turning point for a return to growth, the Group will be proactive in its initiatives to achieve strong growth, as stated in BUSINESS PLAN <09-10>, and will look to achieve sustainable growth not only in the immediate future but also five to ten years from now. The Group has focused on improving its corporate capabilities under the business plan. To do this, the Group will reform processes in all functions, including the planning, development, production, and sale of products, from the perspective of customers. We will also undertake comprehensive reforms in distribution, procurement, and information technology. We believe these reforms will strengthen the competitiveness of the entire Group.

To achieve its vision for sustainable growth, the Group will take on the major challenges described below.

a. Bolstering existing businesses and expanding operations

In the Business Technologies Business, particularly in the office segment we will strive to meet the diversified needs of customers for offices by bolstering the competitiveness of MFPs and enhancing solution and service systems. For the production printing segment, we will enhance our product lineup by launching new products and will enter the commercial printing market by strengthening cooperation with internal and external resources, then expand the production printing business.

In the Optics Business, the Group aims to expand the sales volume and market share of TAC films and glass HD substrates by improving production efficiency and ramping up production capacity through active capital expenditure. Using its optical technologies, the Group will enter the LED lighting business, thus expanding operations into a new field other than the digital consumer electronics industry.

b. Strengthening operations in Asian markets

In Asian markets, where demand is expected to grow, the Group will focus on rapidly expanding sales in China and India as immediate priority, especially in the Business Technologies and Medical/Healthcare Businesses, and strengthen to sell the Group’s products and services. Meanwhile, we will continue to shift production bases to China and Malaysia and will step up local procurement. The Group aims to expand operations by enhancing its competitiveness through cost reductions.

c. Accelerating development of new businesses

For the Group to achieve strong, sustainable growth over the next five to ten years, it is important to add new businesses that will create a new era in addition to existing businesses. The Group will launch new businesses in the environment and energy, where social needs are increasing, and will harness its strengths to offer unique products. The Group will then develop a new area to serve as the third business, following the Business Technologies Business and Optics Business.

Specifically, we are developing an organic light emitting diode (OLED) business based on a strategic alliance with General Electric Company (GE) of the United States. To establish mass production technology and to produce samples and products for limited sale aiming for cultivating potential customers, the Group is constructing a pilot line that is slated to be completed in the fall of 2010.

Meanwhile, the Group has formed a capital and business alliance with Konarka Technologies, Inc., a U.S. venture, and is launching an organic thin film solar cell business, taking advantage of synergies with the OLED business.

Through these businesses, the Group seeks to maximize its social contribution and elevate itself to a group of companies that better meet the needs of society, thereby increasing corporate value.

(5) Main businesses of Konica Minolta Group at the fiscal year end

The main businesses of the Group are as follows.

Business segment	Principal products
Business Technologies Business	MFP (multifunction peripheral) products, printers, etc.
Optics Business	Optical devices, electronic materials, etc.
Medical and Graphic Business	Medical products, printing products, etc.
Sensing Business	Measuring instruments for industrial and medical fields, etc.
Other Business	Products not included the above product groups

(6) Major business offices, plants, etc. and employees of the Konica Minolta Group at the fiscal year end

a. Main business offices, plants, etc. of the Group

The Group carries out operations throughout the world. The Group consists of the Company, which is the holding company of the Group, 114 subsidiaries and seven affiliated companies, which include the business companies responsible for each business segment and common-function companies.

a) Offices of the Company

Head Office: Chiyoda-ku, Tokyo

Kansai Office: Osaka

b) Other domestic offices

The offices of the business companies and the common function companies are located in Chiyoda-ku, Tokyo, Hino City (Tokyo), Hachioji City (Tokyo), Toyokawa City (Aichi Prefecture), Sakai City (Osaka), Osakasayama City (Osaka), Kobe City (Hyogo Prefecture) and other sites.

c) Overseas offices

The Group has plants, development facilities and sales offices throughout the world, including the United States, Germany and China.

b. Employees of the Group

Number of employees	Compared with end of previous fiscal year
36,048	Decrease of 827

Notes 1. The number of employees indicates the number of employees currently on duty.

2. The number of employees excludes employees seconded by the Group to outside the Group and includes employees seconded to the Group.

(7) Significant subsidiaries at end of period

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Technologies, Inc.	Millions of yen 500	100%	Manufacture, sale and related services of office equipment including MFPs and printers, and related supplies
Konica Minolta Opto, Inc.	Millions of yen 500	100%	Manufacture and sale of optical products and electronic materials
Konica Minolta Medical & Graphic, Inc.	Millions of yen 500	100%	Manufacture and sale of processing equipment and materials for medical and graphic imaging
Konica Minolta Sensing, Inc.	Millions of yen 495	100%	Manufacture and sale of measuring instruments for industrial and medical purposes
Konica Minolta Photo Imaging, Inc.	Millions of yen 100	100%	—
Konica Minolta Technology Center, Inc.	Millions of yen 50	100%	R&D, promotion of commercialization of new technologies, control management of intellectual property
Konica Minolta Business Expert, Inc.	Millions of yen 495	100%	Provision of management support and indirect function services
Konica Minolta IJ Technologies, Inc.	Millions of yen 10	100%	Manufacture and sale of print heads for industrial inkjet printers and textile print systems
Konica Minolta Business Solutions Japan Co., Ltd.	Millions of yen 497	*100%	Sale of office equipment including MFPs, printers and related supplies in Japan
Konica Minolta Health Care Co., Ltd.	Millions of yen 397	*100%	Sale of medical equipment and materials in Japan
Konica Minolta Technoproducts Co., Ltd.	Millions of yen 350	*100%	Manufacture and sale of medical and graphic imaging equipment
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 1,500	*100%	Manufacture and sale of supplies for MFPs and printers
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of office equipment including MFPs, printers and related supplies in the U.S.
Konica Minolta Business Solutions Europe GmbH	Thousand euro 88,100	*100%	Sale of office equipment including MFPs, printers and related supplies in Europe
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of office equipment including MFPs, printers and related supplies in Germany
Develop GmbH	Thousand euro 1,540	*100%	Sale of office equipment including MFPs, printers and related supplies
Konica Minolta Business Solutions France S.A.S.	Thousand euro 26,490	*100%	Sale of office equipment including MFPs, printers and related supplies in France
Konica Minolta Business Solutions (UK) Ltd.	Thousand British pound 21,000	*100%	Sale of office equipment including MFPs, printers and related supplies in the U.K.
Konica Minolta Business Solutions Australia Pty. Ltd.	Thousand Australian dollar 24,950	*100%	Sale of office equipment including MFPs, printers and related supplies in Australia
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	*100%	Sale of office equipment including MFPs, printers and related supplies in China
Konica Minolta Opto (SHANGHAI) Co., Ltd.	Thousand RMB 8,119	*100%	Sale of optical products and electronic materials in China
Konica Minolta Business Technologies Manufacturing(HK) Ltd.	Thousand HK dollar 195,800	*100%	Manufacture and sale of office equipment including MFPs and printers, and related supplies
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacture and sale of office equipment including MFPs and printers, and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacture and sale of office equipment including MFPs and printers, and related supplies
Konica Minolta Opto (DALIAN) Co., Ltd.	Thousand RMB 244,675	*100%	Manufacture and sale of optical products and electronic materials

Note: The ratio of voting rights marked with * include those held by subsidiaries.

(8) Principal lenders and the amount of loans of the Konica Minolta Group at end of period

[Millions of yen]

Lender	Outstanding amount of loan
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	35,226
Sumitomo Mitsui Banking Corporation	18,825
Resona Bank, Limited.	7,395
Mizuho Corporate Bank, Ltd.	4,276

(9) Policy on exercise of authority if Articles of Incorporation allow distribution of dividends from retained earnings by the resolution of the Board of Directors (Article 459, Paragraph 1 of the Company Law)

The policy regarding resolutions on the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements for promoting strategic investments in growth fields while seeking to sustain shareholder returns. Regarding the specific dividend target, the Group is aiming to sustain a dividend payout ratio of 25% or higher over the medium-to-long term. With respect to the acquisition of treasury stock, the Company intends to make appropriate decision regarding treasury stock acquisition as a means of profit distribution while giving due attention to such factors as the Company's financial condition and stock price trends.

(10) Other significant matters of the Konica Minolta Group

No significant matters worth mentioning.

2. State of shares at end of period

(1) Total number of shares authorized to be issued ······· 1,200,000,000 shares
(2) Total number of shares issued ··························· 531,664,337 shares
(of which, treasury stock 1,464,883 shares)
(3) Number of shareholders ································· 28,196
(4) Major shareholders (the top ten shareholders)

Name of shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
Japan Trustee Services Bank, Ltd. (Trust account)	36,256	6.8
JPMorgan Chase Bank 380055	29,495	5.6
The Master Trust Bank of Japan, Ltd. (Trust account)	26,278	5.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,494	2.9
State Street Trust & Banking Co., Ltd. 505223	15,012	2.8
The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	13,699	2.6
Nippon Life Insurance Company	12,009	2.3
Japan Trustee Services Bank, Ltd. (Chuo Mitsui Asset Trust and Banking Company, Limited Retrust Portion, Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.2
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for the Bank of Tokyo-Mitsubishi UFJ, Ltd.)	10,801	2.0
State Street Trust & Banking Co., Ltd. 505225	9,825	1.9

Notes 1. Ratio of shared held is calculated by deducting treasury stock 1,464,883 shares.

2. Although significant shareholder reports from four joint shareholders including The Bank of Tokyo-Mitsubishi UFJ, Ltd., member of the Mitsubishi UFJ Financial Group, claim that they hold shares in the Company as set out below, the Company is unable to confirm the exact number of shares held at period end. For this reason only the top ten shareholders as per the shareholders' register have been listed.

Companies submitting significant shareholder reports	Reporting obligation accrual date	Number of shares held	Percentage of shares held
Mitsubishi UFJ Financial Group, Inc. (Joint holding)	January 5, 2010	51,007 thousand shares	9.6%

3. Although significant shareholder reports from the following companies claim that they hold substantial numbers of shares in the Company, the Company is unable to confirm the exact number of shares held at period end and hence these companies have not been included in the top ten shareholders.

Companies submitting significant shareholder reports	Reporting obligation accrual date	Number of shares held	Percentage of shares held
Templeton Global Advisers Limited (Joint holding)	December 15, 2009	38,785 thousand shares	7.3%
MFS Investment Management K.K. (Joint holding)	February 15, 2010	27,224 thousand shares	5.1%
Barclays Global Investors (Joint holding)	March 9, 2009	23,168 thousand shares	4.4%
Fidelity Investments Japan Limited (Joint holding)	April 15, 2009	16,972thousand shares	3.2%

3. Stock acquisition rights, etc. of the Company

(1) Summary of stock acquisition rights, etc., issued to/held by directors and officers of the Company as compensation for the execution of duties at the end of the period

Starting in fiscal 2005, the Company began issuing stock acquisition rights to directors (excludes outside directors) and executive officers in the form of a compensation-type stock option plan, in accordance with its compensation policy.

Upon the exercise of stock acquisition rights, treasury stock owned by the Company will be transferred.

		First Series Fiscal Year Ended March 31, 2006	Second Series Fiscal Year Ended March 31, 2007	Third Series Fiscal Year Ended March 31, 2008	Fourth Series Fiscal Year Ended March 31, 2009	Fifth Series Fiscal Year Ended March 31, 2010
Number of stock acquisition rights		389	211	226	256	399
Type and number of shares under stock acquisition rights		Common shares 194,500 shares	Common shares 105,500 shares	Common shares 113,000 shares	Common shares 128,000 shares	Common shares 199,500 shares
Amount to be paid upon exercise of the stock acquisition rights		One (1) yen per share	One (1) yen per share	One (1) yen per share	One (1) yen per share	One (1) yen per share
Exercise period of stock acquisition rights		August 23, 2005 - June 30, 2025	September 2, 2006 - June 30, 2026	August 23, 2007 - June 30, 2027	August 19, 2008 - June 30, 2028	August 20, 2009 - June 30, 2029
Primary condition for exercise of stock acquisition rights		The Optionee shall exercise stock acquisition rights during the period from one (1) year after the date of retirement from the post of director or executive officer of the Company up until five (5) years from that starting date.				
Primary events and conditions for acquisition of stock acquisition rights		The Company may acquire stock acquisition rights without any compensation if the General Meeting of Shareholders approves merger agreement in which the Company becomes the dissolving company, etc.				
Holdings of directors and executive officers	Number of holders	12	14	17	20	25
	Number of rights	167	135	159	202	399
	Number of shares	83,500 shares	67,500 shares	79,500 shares	101,000 shares	199,500 shares

(2) Other significant matters regarding stock acquisition rights, etc. at end of period

Stock acquisition rights incorporated in Euro-Yen base convertible type corporate bonds with stock acquisition rights due 2016 (issued December 7, 2006; total amount of issue being ¥40 billion)

Number of stock acquisition rights	8,000
Type of shares under stock acquisition rights	Common shares
Number of shares under stock acquisition rights	16,785,564 shares
Amount to be paid per share upon exercise of the stock acquisition rights	2,383 yen

4. Status of the Company's management members

(1) Names, etc. of directors and executive officers

a. Directors

Name	Responsibilities, important positions currently held
Yoshikatsu Ota	Chairman of the Board
Masatoshi Matsuzaki	(Representative Executive Officer and President)
Tadao Namiki	Representative of Namiki Office
Tadaaki Jagawa	Advisor to the Board, Hino Motors, Ltd. and President and CEO of Union of Japanese Scientists and Engineers
Tohru Tsuji	Senior Corporate Advisor of Marubeni Corporation and Director of SEKISUI CHEMICAL CO., LTD.
Yozo Izuhara	Director, Chairman of the Board and Chairman of Nippon Sheet Glass Co., Ltd.
Hisao Yasutomi	
Yoshifumi Johno	
Hiroshi Ishiko	(Senior Executive Officer)
Shoei Yamana	(Senior Executive Officer)
Akio Kitani	(Senior Executive Officer)
Yasuo Matsumoto	(Senior Executive Officer)

Notes 1. The four directors Mr. Tadao Namiki, Mr. Tadaaki Jagawa, Mr. Tohru Tsuji and Mr. Yozo Izuhara are outside directors, as provided for in Article 2, Item 15 of the Company Law and independent directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. At the 105th Ordinary General Meeting of Shareholders held on June 23, 2009, the terms of office of all thirteen (13) directors expired. The following ten directors were reelected: Mr. Yoshikatsu Ota, Mr. Masatoshi Matsuzaki, Mr. Tadao Namiki, Mr. Tadaaki Jagawa, Mr. Tohru Tsuji, Mr. Hisao Yasutomi, Mr. Hiroshi Ishiko, Mr. Shoei Yamana, Mr. Akio Kitani and Mr. Yasuo Matsumoto; and Mr. Yozo Izuhara and Mr. Yoshifumi Johno were newly elected and assumed office the same day.

3. Upon the close of the 105th Ordinary General Meeting of Shareholders held on June 23, 2009, the term of office of Mr. Fumio Iwai, Mr. Takeo Higuchi and Mr. Masanori Hondo expired and they retired from the office of directors.

4. The members of each of the committees under the company-with-committees-system provided for in Article 2, Item 12 of the Company Law were appointed as follows at the Board meeting held on June 23, 2009, and assumed office the same day.

Nomination Committee	Tadaaki Jagawa (Chairman), Tadao Namiki, Yozo Izuhara, Yoshikatsu Ota, Hisao Yasutomi
Auditing Committee	Tadao Namiki (Chairman), Tohru Tsuji, Yozo Izuhara, Hisao Yasutomi, Yoshifumi Johno
Compensation Committee	Tohru Tsuji (Chairman), Tadaaki Jagawa, Yozo Izuhara, Hisao Yasutomi, Yoshifumi Johno

5. Mr. Hiroshi Ishiko passed away and retired from the office of director on April 28, 2010.

b. Executive Officers

Position	Responsibilities, important positions currently held	Name
* Representative Executive Officer and President		Masatoshi Matsuzaki
* Senior Executive Officer	In charge of Corporate Strategy, Investor Relations (IR), and Administrative Innovation Chairman of Risk Management Committee	Shoei Yamana
* Senior Executive Officer	In charge of CSR, Legal Affairs, General Affairs, and Compliance General Manager of Kansai Headquarters	Hiroshi Ishiko
Senior Executive Officer	In charge of Human Resources, Corporate Communications and Branding, and Imaging Strategy	Yoshihiko Someya
Senior Executive Officer	Representative Director and President of Konica Minolta Opto, Inc.	Takashi Matsumaru
* Senior Executive Officer	In charge of Supply Chain Management (SCM) Representative Director and President of Konica Minolta Business Technologies, Inc.	Akio Kitani
Senior Executive Officer	Representative Director and President of Konica Minolta Medical & Graphic, Inc.	Kiyofumi Tanida
* Senior Executive Officer	In charge of Corporate Accounting, Corporate Finance, and Information Technology (IT)	Yasuo Matsumoto
Senior Executive Officer	In charge of Technology Strategy Managing Director and General Manager of R & D Headquarters of Konica Minolta Business Technologies, Inc.	Takashi Sugiyama
Executive Officer	Managing Director of Konica Minolta Business Technologies, Inc. President of Konica Minolta Business Solutions Europe GmbH	Hideki Okamura
Executive Officer	Managing Director and General Manager of Sales Headquarters of Konica Minolta Business Technologies, Inc.	Atsushi Kodama
Executive Officer	In charge of New Business Development General Manager of LA Business Division	Hisashi Tokumaru
Executive Officer	General Manager of Corporate Finance Division	Yoshiaki Ando
Executive Officer	Managing Director and General Manager of Intellectual Property Center of Konica Minolta Technology Center, Inc.	Masaru Kamei
Executive Officer	Managing Director and General Manager of Performance Materials Headquarters of Konica Minolta Opto, Inc.	Masami Akiyama
Executive Officer	In charge of Manufacturing Innovation Managing Director and General Manager of Manufacturing Headquarters of Konica Minolta Business Technologies, Inc.	Nobuyasu Ieuji
Executive Officer	Representative Director and President of Konica Minolta Sensing, Inc.	Toshihiko Karasaki
Executive Officer	Managing Director and General Manager of Optical Business Headquarters of Konica Minolta Opto, Inc.	Hiroyuki Inoue
Executive Officer	Representative Director and President of Konica Minolta Technology Center, Inc.	Tawara Komamura
Executive Officer	Managing Director and General Manager of Corporate Planning & Managing Headquarters of Konica Minolta Business Technologies, Inc.	Yoshiaki Takei
Executive Officer	General Manager of Corporate Strategy Division	Kazuyoshi Hata
Executive Officer	Representative Director and President of Konica Minolta Business Expert, Inc.	Hirofumi Hogaki

Notes 1. Executive officers marked with * hold concurrent director positions.
2. The above executive officers were, after the close of the 105th Ordinary General Meeting of Shareholders held on June 23, 2009, elected at the meeting of the board of directors held the same day.
3. Upon the close of the meeting of the board of directors held after the close of the 105th Ordinary General Meeting of Shareholders held on June 23, 2009, the term of office of Mr. Yoshifumi Johno expired and he retired from the office of executive officer.
4. The three executive officers Mr. Hiroshi Ishiko, Mr. Yasuo Matsumoto and Mr. Hisashi Tokumaru resigned as executive officers as of March 31, 2010.

5. Executive officers changed as of April 1, 2010 as follows.

Position	Responsibilities, important positions currently held	Name
Representative Executive Officer and President	In charge of Risk Management	Masatoshi Matsuzaki
Senior Executive Officer	In charge of Corporate Strategy and Investor Relations (IR)	Shoei Yamana
Senior Executive Officer	In charge of Human Resources, Corporate Communications and Branding, and Imaging Strategy	Yoshihiko Someya
Senior Executive Officer	Representative Director and President of Konica Minolta Opto, Inc.	Takashi Matsumaru
Senior Executive Officer	In charge of Supply Chain Management (SCM) Representative Director and President of Konica Minolta Business Technologies, Inc.	Akio Kitani
Senior Executive Officer	In charge of CSR General Manager of Kansai Headquarters	Kiyofumi Tanida
Senior Executive Officer	In charge of Technology Strategy Managing Director and General Manager of R & D Headquarters of Konica Minolta Business Technologies, Inc.	Takashi Sugiyama
Senior Executive Officer	In charge of Corporate Accounting, Corporate Finance, and Information Technology (IT)	Yoshiaki Ando
Senior Executive Officer	In charge of Legal Affairs, General Affairs, Compliance, Intellectual Property and Crisis Management	Masaru Kamei
Senior Executive Officer	Representative Director and President of Konica Minolta Medical & Graphic, Inc.	Atsushi Kodama
Executive Officer	Managing Director of Konica Minolta Business Technologies, Inc. President of Konica Minolta Business Solutions Europe GmbH	Hideki Okamura
Executive Officer	Managing Director and General Manager of Performance Materials Headquarters of Konica Minolta Opto, Inc.	Masami Akiyama
Executive Officer	In charge of Manufacturing Innovation Managing Director and General Manager of Manufacturing Headquarters of Konica Minolta Business Technologies, Inc.	Nobuyasu Ieuji
Executive Officer	Representative Director and President of Konica Minolta Sensing, Inc.	Toshihiko Karasaki
Executive Officer	Managing Director and General Manager of Optical Business Headquarters of Konica Minolta Opto, Inc.	Hiroyuki Inoue
Executive Officer	Representative Director and President of Konica Minolta Technology Center, Inc.	Tawara Komamura
Executive Officer	Managing Director and General Manager of Corporate Planning & Managing Headquarters of Konica Minolta Business Technologies, Inc.	Yoshiaki Takei
Executive Officer	General Manager of Corporate Strategy Division	Kazuyoshi Hata
Executive Officer	Representative Director and President of Konica Minolta Business Expert, Inc.	Hirofumi Hogaki
Executive Officer	Representative Director and President of Konica Minolta IJ Technologies, Inc.	Akiyoshi Ohno
Executive Officer	General Manager of LA Business Division	Yoshitsugu Shiraki

6. Mr. Yoshiaki Ando, Mr. Masaru Kamei and Mr. Atsushi Kodama were promoted to senior executive officer as of April 1, 2010. Mr. Akiyoshi Ohno and Mr. Yoshitsugu Shiraki were newly assumed executive officer posts as of the same date.

(2) Total compensation to directors and executive officers

		Total	Compensation (Millions of yen)					
			Base salary		Performance-based cash bonus		Stock compensation-type stock options	
			Persons	Amount	Persons	Amount	Persons	Amount
directors	Outside	41	5	41	-	-	-	-
	Inside	152	5	127	-	-	5	24
	Total	193	10	168	-	-	5	24
Executive Officers		514	23	266	23	116	23	132

Notes 1. At the end of the period (March 31, 2010), the Company has four (4) outside directors, three (3) inside directors (not concurrently holding executive officer posts) and twenty-two (22) executive officers.

2. In addition to the five (5) inside directors shown above, the Company has another five (5) inside directors who concurrently hold executive officer posts, and the compensation to these directors is included in compensation to executive officers.

3. Regarding the performance-based cash bonus, the amounts which should be recorded as expense in the period are stated.

4. Regarding the compensation-type stock options, the amounts which should be recorded as expense based on an estimation of the fair value of the stock acquisition rights issued to directors (excluding outside directors) and executive officers as part of their compensation are stated.

5. The base salary and the performance-based cash bonus of the 14 executive officers who are primarily responsible for the company's subsidiaries are partially paid by the subsidiaries concerned, and the total of such amount plus the amount recorded as expense by the Company is as follows.

	Total	Compensation (Millions of yen)					
		Base salary		Performance-based cash bonus		Stock compensation-type stock options	
		Persons	Amount	Persons	Amount	Persons	Amount
Executive Officers	809	23	525	23	151	23	132

6. In addition to the compensation outlined above, the Company also paid compensation under the conventional retirement benefit system abolished in June 2005 as follows during the period under review in accordance with a resolution of the Compensation Committee.
- Directors (two) 188 million yen (retired on June 23, 2009)
- Executive officers (two) 55 million yen (retired on March 31, 2009)

(3) Summary of policy for determining amount of director or executive officer compensation and the method of calculation

The Company, which has adopted the company-with-committees system, has established a Compensation Committee. Outside directors account for the majority of members of the committee and the committee is chaired by an outside director to ensure transparency and to determine compensation in a fair and appropriate manner.

The Company's directors' compensation system is intended to strengthen the motivation of directors and executive officers to strive for the continuous medium-to-long-term improvement of Group performance in line with management policies to meet shareholder expectations, and to contribute to the optimization of Group value. The Company aims for a level of compensation that enables it to attract and retain talented people to take responsibility for the Company's development.

In keeping with these aims, the Compensation Committee has established a policy for determining the individual compensation entitlement of directors and executive officers as set out below, and determines the amount, etc. of individual compensation entitlement of directors and executive officers in line with this policy.

1. Compensation system
   (1) Compensation packages for directors (excluding directors who concurrently hold executive officer posts) exclude a short-term performance-based cash bonus because directors have a supervisory role, and consist of a "base salary" component in the form of a base salary and long-term incentives in the form of "compensation-type stock options." Outside directors receive base salary only.
   (2) Executive officer compensation packages consist of "base salary," "performance-based cash bonus," which reflects the short-term performance of the Group and the short-term performance of the business of which they are in charge, and "compensation-type stock options" as a long-term incentive.
2. "Base salary" is set at an appropriate level for each position, based upon objective data, evaluation data and other data collected at regular intervals , etc.
3. The amount of the "performance-based cash bonus" is determined according to the level of performance result for the fiscal year and the degree of attainment of annual performance targets. Targets currently place emphasis on profits.
4. Regarding the "compensation-type stock options," the Company grants stock acquisition rights to inside directors and executive officers as share-price based incentives from a shareholder perspective. The number of rights granted is determined for each optionee taking into account Group performance and the degree of attainment of the target performance in the business of which each optionee is in charge.
5. The standard for compensation to executive officers is a 60:20:20 mix of "base salary," "performance-based cash bonus" and "compensation-type stock options."
6. The Company reviews matters such as the level of compensation and the compensation structure in a timely and appropriate manner in response to changes in the business environment.

Regarding the conventional retirement benefit system abolished in June 2005, the Compensation Committee has determined individual entitlements within reason based upon certain criteria established by the Company, and will pay such entitlement upon the retirement of each director or executive officer in office prior to the abolition of this system.

(4) Matters regarding outside directors

a. Persons serving as executive officers at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Tadao Namiki	Namiki Office	Representative
Tadaaki Jagawa	Union of Japanese Scientists and Engineers	President and CEO

There are no material transactions with the Company.

b. Persons serving as outside directors at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Tohru Tsuji	SEKISUI CHEMICAL CO., LTD.	Outside director

There are no material transactions with the Company.

c. Family relationship with an executive officer, etc. of the Company or of a specified related business operator of the Company

Not applicable

d. Primary activities of outside directors

Outside directors of the Company participate in Board of Directors meetings by making constructive statements on the decision-making and supervision of management, and they are also in charge of duties of the three committees: the Nomination Committee, the Auditing Committee and the Compensation Committee, as stated in “(1) Names, etc. of Directors and Executive Officers.” Also, where appropriate, outside directors also observe development, production and marketing and other actual operations as part of their supervision and auditing work, and exchange information with the President and the Chairman of the Board on various aspects including the running of Board of Directors meetings. The principal activities of outside directors are as follows.

a) Mr. Tadao Namiki

He attended all 14 Board of Directors meetings, all five the Nomination Committee meetings and all 14 the Auditing Committee meetings held during the fiscal year. At Board of Directors meetings, he primarily made statements as necessary and appropriate from the perspective of a highly experienced management on areas such as financial strategy and shareholder benefits. At the Auditing Committee, as the chairman, he made appropriate and necessary statements with his experienced deep knowledge.

b) Mr. Tadaaki Jagawa

He attended all14 Board of Directors meetings, all five the Nomination Committee meetings and all six the Compensation Committee meetings held during the fiscal year. At Board of Directors meetings, he primarily made statements as necessary and appropriate from the perspective of a highly experienced management on areas such as new business strategy and the strategy for production and procurement.

c) Mr. Tohru Tsuji

He attended all 14 Board of Directors meetings, 13 out of the 14 Auditing Committee meetings and all six Compensation Committee meetings held during the fiscal year. At Board of Directors meetings, he primarily made statements as necessary and appropriate from the perspective of a highly experienced management on areas such as medium-term management strategy and global business strategy. At the Auditing Committee, he made appropriate and necessary statements with his experienced deep knowledge.

d) Mr. Yozo Izuhara (appointed at the Ordinary General Meeting of Shareholders held June 2009)

He attended 9 out of the 11 Board of Directors meetings held after his appointment, and three out of five Nomination Committee meetings and 8 out of the 10 Auditing

Committee meetings, and all five Compensation Committee meetings held during the fiscal year. At Board of Directors meetings, he primarily made statements as necessary and appropriate from the perspective of a highly experienced management on areas such as competition strategy and risk management. At the Auditing Committee, he made appropriate and necessary statements with his experienced deep knowledge.

e. Liability limitation agreements

To attract skillful people as outside directors and to enable them to fully demonstrate their expected role, the Company stipulates in its current Articles of Incorporation that the Company may, pursuant to the provisions of Article 427, Paragraph 1 of the Company Law, enter into an agreement with outside directors which limits their liabilities for payment of damages with respect to the acts mentioned in Article 423, Paragraph 1 of the Company Law to the extent permitted by laws and regulations. Based on these stipulations, the four outside directors Mr. Tadao Namiki, Mr. Tadaaki Jagawa, Mr. Tohru Tsuji and Mr. Yozo Izuhara have entered into an agreement with the Company limiting their liabilities for payment of damages, and the content of this agreement is summarized as follows.

The maximum amount of liability of an outside director who, with the best of intentions and without gross negligence, fails to execute his or her duties while in office and causes damage to the Company shall be limited to the aggregate sum of the amounts prescribed in Article 113 of the Company Law Enforcement Regulations multiplied by two (Article 425, Paragraph 1, Item 1 (c) of the Company Law).

5. Status of Independent Auditor

(1) Name of Independent Auditor

KPMG AZSA & Co.

(2) Compensation to the Independent Auditor

a. Compensation paid by the Company to the Independent Auditor during the fiscal year under review

Compensation for audit certification in accordance with Article 2, Section 1 of the Certified Public Accountants Law	93 millions of yen
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Law	— millions of yen
Total	93 millions of yen

Note Compensation is the total of compensation for the Independent Auditor’s audit under the Company Law and audit compensation under the Financial Instruments and Exchange Law, as there is no clear separation between the two.

b. Total amount of other property benefits paid by the Company and its subsidiaries

283 Millions of yen

(3) Details of services other than auditing

Not applicable

(4) Policy regarding decisions to dismiss or deny reappointment to Independent Auditor

The Auditing Committee will examine dismissing or denying reappointment of the Independent Auditor if the Independent Auditor has committed a serious violation or infringement of the Company Law, the Certified Public Accountants Law or other relevant laws or regulations, or if the Independent Auditor is deemed to have committed a serious breach of public order or custom. If, as a result of this examination, it is deemed appropriate to dismiss or deny reappointment, the Auditing Committee will request the Board of Directors to submit a proposition calling for the dismissal or denial of reappointment of the Independent Auditor to the General Meeting of Shareholders pursuant to the provisions of Article 339, Paragraph 1 and Article 404, Paragraph 2, Item 2 of the Company Law.

6. Establishment of system to ensure appropriate business operations

The Board of Directors of the Company adopted resolutions on the matters prescribed by the applicable Ordinance of the Ministry of Justice as those necessary for the execution of the duties of the Audit Committee (Article 416, Paragraph 1, Item 1 (b) of the Company Law), and on the establishment of systems necessary to ensure that the execution of duties by executive officers complies with laws and regulations and the Articles of Incorporation, and other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company (Article 416, Paragraph 1, Item 1 (e) of the Company Law). A summary of the resolutions is as follows.

<I. Requirements for the execution of duties by the Auditing Committee>

1. The Company set up the Auditing Committee Office with a full-time staff to support the Auditing Committee, and, besides being the secretariat of the Auditing Committee, the Auditing Committee Office shall perform its duties in accordance with the instructions of the Auditing Committee.
2. To ensure the independence of the above Auditing Committee Office from executive officers, personnel matters regarding the Auditing Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Auditing Committee.
3. The executive officers with jurisdiction over internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee, shall report on the status of operation to the Auditing Committee on a regular basis and without delay if an urgent situation that must be reported has arisen or if requested to make a report by the Auditing Committee.
4. Auditing Committee members elected by the Auditing Committee may attend management council meetings and other important meetings if necessary and may request investigations, reports, etc. from the executive officers with jurisdiction over internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee.

<II. Systems for ensuring compliance of execution of duties by executive officers with laws, regulations and the Articles of Incorporation and other required systems for ensuring the properness of business operations>

5. Each executive officer shall manage the minutes of management council meetings and other important meetings, documents requesting formal approval and other information concerning the performance of their duties to ensure that documents are preserved in an appropriate manner and made available for inspection in accordance with the provisions of document management regulations.
6. The Company set up the Risk Management Committee which is in charge of managing the various risks that arise in connection with the Group’s business activities, and the executive officer nominated by the Board of Directors shall be responsible for the development of risk management systems including the following, in accordance with the Risk Management Committee Regulations.
   (1) Seeking to integrate risks arising in connection with business opportunities such as business strategy risk and risks arising in connection with the execution of

business activities such as operational risk and seeking to maximize profits, while at the same time conducting risk assessments and reassessments and taking appropriate measures to provide reasonable assurance that operations will be executed in an appropriate and efficient manner.

(2) Managing and responding to crises including the formulation of contingency plans, crisis management, and post-crisis response.

(3) Supporting the development and strengthening of risk management systems at each group company.

7. The Company set up the Compliance Committee which is in charge of establishing the Group's compliance systems, and the executive officer nominated by the Board of Directors shall be responsible for the development of compliance systems including the following, in accordance with the Compliance Committee Regulations.

    (1) Defining compliance in the Group as the observance of laws and regulations applicable to corporate activities, corporate ethics and internal regulations and policies, and making this known to every individual working for the Group.

    (2) Establishing the Konica Minolta Group Charter of Corporate Behavior, making this percolate down through the Group, and enacting compliance conduct guidelines, etc. based on the philosophy of the Charter of Corporate Behavior.

    (3) Developing systems to promote compliance at each group company.

    (4) Developing and operating a whistle blowing system that allows employees to report any compliance violations that are discovered or anticipated.

8. The Company set up a Corporate Audit Division which is in charge of the internal auditing of the Group to evaluate and improve the status of execution of business operations in all business activities from the viewpoint of legality and rationality, and which shall be responsible for developing internal auditing systems in accordance with the Internal Auditing Regulations.
9. The Company shall be responsible for developing a system of internal control over financial reporting in the Group and a system for evaluating the efficacy of their operation.
10. The Company established the Corporate Organization Basic Regulations, and shall develop the corporate governance mechanisms of the Company and the Group, including the foregoing systems. The Company shall also work to develop a system for ensuring the appropriateness of business operation through the management council and other meeting bodies, authority regulations and other internal regulations, and shall endeavor to ensure the legality, rationality and efficiency of business execution by reviewing as necessary systems for management and administration across all the business activities of the Group.

*Amounts and numbers of shares shown in this business report are rounded down to the nearest whole unit.

Consolidated Balance Sheet

(As of March 31, 2010) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**489,253**	**Current liabilities**	**267,313**
Cash and deposits	85,533	Notes and account payable - trade	83,118
Notes and accounts receivable-trade	177,720	Short-term loans payable	58,231
Lease receivables and lease investment assets	13,993	Long-term loans due within one year	27,501
Short-term investment securities	79,000		
Inventories	98,263	Unpaid expenses	30,536
Deferred tax assets	19,085	Accrued expenses	24,882
Accounts receivable-other	7,639	Income taxes payable	2,488
Other current assets	12,720	Provision for bonuses	11,173
Allowance for doubtful accounts	(4,703)	Provision for D & O’s bonuses	149
		Provision for product warranties	1,869
		Provision for loss on withdrawal from operation	4,714
		Notes payable-facilities	562
		Other current liabilities	22,086
Noncurrent assets	**376,544**	**Noncurrent liabilities**	**177,708**
Tangible noncurrent assets	**205,057**	Corporate Bonds payable	40,000
Buildings and structures	66,708	Long-term loans payable	71,625
Machinery, equipment and vehicles	52,782	Deferred tax liabilities for land revaluation	3,733
Tools, furniture and fixtures	22,026	Provision for retirement benefits	54,245
Land	34,320	Provision for D & Os’ retirement benefits	450
Lease assets	366	Other noncurrent liabilities	7,654
Construction in progress	16,901		
Assets for business-use rent	11,952	**Total liabilities**	**445,022**
Intangible noncurrent assets	**99,074**	**Net assets**	
Goodwill	71,936	**Shareholder's equity**	**433,707**
Other intangible noncurrent assets	27,137	Capital stock	37,519
Investments and other assets	**72,411**	Capital surplus	204,140
Investment securities	22,029	Retained earnings	193,790
Long-term loans receivable	164	Treasury stock	(1,743)
Long-term prepaid expenses	3,353	**Valuation and translation adjustments**	**(14,172)**
Deferred tax assets	35,304	Valuation difference on securities	741
Other investments	12,375	Deferred gains or losses on hedges	33
Allowance for doubtful accounts	(815)	Foreign currency translation adjustment	(14,947)
		Subscription rights to shares	**617**
		Minority interests	**622**
		Total net assets	**420,775**
Total assets	**865,797**	**Total liabilities and net assets**	**865,797**

Consolidated Statement of Income

(From April 1, 2009 to March 31, 2010) [Millions of yen]

Item	Amount	
Net sales		**804,465**
Cost of sales		439,978
Gross profit		**364,486**
Selling, general and administrative expenses		320,498
Operating income		**43,988**
Non-operating income		
Interest and dividends income	2,107	
Equity in gains of affiliates	81	
Other	5,654	7,843
Non-operating expenses		
Interest expenses	3,808	
Foreign exchange losses	1,124	
Other	6,079	11,013
Ordinary income		**40,818**
Extraordinary income		
Gain on sales of noncurrent assets	853	
Gain on sales of investment securities	699	
Patent-related income	257	
Reversal of provision for loss on withdrawal from operation	1,025	
Other extraordinary income of foreign subsidiaries	757	3,593
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	2,833	
Loss on sale of investment securities	351	
Loss on valuation of investment securities	499	
Impairment loss	2,561	
Business structure improvement expenses	2,084	8,329
Income before income taxes and minority interests		**36,082**
Income taxes-current	9,306	
Income taxes-deferred	9,806	19,113
Minority interests in income		37
Net income		**16,931**

Consolidated Statement of Changes in Shareholder's Equity

(From April 1, 2009 to March 31, 2010) [Millions of yen]

	Shareholder's Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at March 31, 2009	**37,519**	**204,140**	**185,453**	**(1,662)**	**425,451**
Changes during the period					
Dividends from surplus			(9,280)		(9,280)
Net income			16,931		16,931
Purchase of treasury stock				(106)	(106)
Disposal of treasury stock			(11)	25	14
Amortization of net retirement benefit obligation in foreign subsidiaries			697		697
Changes, net, in items other than shareholder's equity					
Total changes during the period	**-**	**-**	**8,337**	**(81)**	**8,256**
Balance at March 31, 2010	**37,519**	**204,140**	**193,790**	**(1,743)**	**433,707**

	Valuation and Translation Adjustments				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments			
Balance at March 31, 2009	**(513)**	**198**	**(11,755)**	**(12,070)**	**460**	**444**	**414,284**
Changes during the period							
Dividends from surplus							(9,280)
Net income							16,931
Purchase of treasury stock							(106)
Disposal of treasury stock							14
Amortization of net retirement benefit obligation in foreign subsidiaries							697
Changes, net, in items other than shareholder's equity	1,255	(164)	(3,192)	(2,101)	157	178	(1,766)
Total changes during the period	**1,255**	**(164)**	**(3,192)**	**(2,101)**	**157**	**178**	**6,490**
Balance at March 31, 2010	**741**	**33**	**(14,947)**	**(14,172)**	**617**	**622**	**420,775**

Notes to Consolidated Financial Statements

＜NOTES TO BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS＞

I. Scope of Consolidation

1. Number of consolidated subsidiaries and names of principal consolidated subsidiaries
   Number of consolidated subsidiaries: 96 companies
   Names of principal consolidated subsidiaries:
      Konica Minolta Business Technologies, Inc.
      Konica Minolta Opto, Inc.
      Konica Minolta Medical & Graphic, Inc.
      Konica Minolta Sensing, Inc.
      Konica Minolta Photo Imaging, Inc.
      Konica Minolta Technology Center, Inc.
      Konica Minolta Business Expert, Inc.
   Changes in scope of consolidation
      (Excluded due to merger)
         Veenman Deutschland GmbH
         Konica Minolta Danka Imaging Company
         Konica Minolta Business Solutions Nederland B.V. (See Note)
         Develop Nederland B.V.
         Holding Kantoor Communicatiesystemen B.V.
         Flexi Technologies B.V.

      (Excluded due to liquidation)
         Konica Singapore Pte. Ltd.
         Konica Minolta Photo Imaging Asia H. Q. Pte. Ltd.
         Konica Minolta Photo Imaging U.S.A., Inc.
      (Note) In the fiscal year under review, Konica Minolta Business Solutions Nederland B.V. merged into Konica Minolta Printing Solutions Benelux B.V. whose name changed into Konica Minolta Business Solutions Nederland B.V..
2. Names of principal unconsolidated subsidiaries
   ECS Buero-und Datensysteme GmbH
   Unconsolidated subsidiaries have not been included in consolidation because they are relatively small and their total assets, sales, net income and retained earnings (in proportion to scale of equity ownership), etc. do not have a material impact on the consolidated financial statements.

II. Scope of the Use of Equity Accounting

1. Number of unconsolidated subsidiaries and affiliated companies accounted for by the equity method and names of principal companies
   Number of companies accounted for by the equity method:
      8 companies (5 unconsolidated subsidiaries, 3 affiliated companies)
   Principal companies accounted for by the equity method:
      ECS Buero-und Datensysteme GmbH
   Changes in scope of application of equity method
      (Excluded due to liquidation)
      Konica Minolta Photo Imaging (SHANGHAI) Co., Ltd.
2. Names of principal unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method
   Konica Minolta Software Laboratory Co., Ltd. is an unconsolidated subsidiary not accounted for by the equity method.
   Companies that are not accounted for by the equity method are excluded from the scope of the equity method because they have an insignificant effect on consolidated net income and consolidated retained earnings and also lack overall materiality.

III. 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 Medical & Graphic (SHANGHAI) 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

IV. Accounting Standards and Methods

1. Valuation Standards and Methods of Assets

(1) Securities

Held to maturity receivables

The amortized cost method (the straight-line method) is used.

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 recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

2. Amortization Method for Noncurrent Assets

(1) Tangible noncurrent assets (excluding lease assets)

The depreciable assets of Konica Minolta Holdings, Inc. ("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 noncurrent 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 not involving 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 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 uncollectables. 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) Provision 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) Provision for D & O's bonuses

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

(4) Provision for product warranties

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) Provision for loss on withdrawal from operation

To provide for losses when the Company exits a business, provisions to this reserve are made in the amount of the estimated losses.

(6) Provision for retirement benefits

In order to provide employee retirement benefits, the amount recorded by the Company is based on projected benefit obligations and pension assets at the end of the fiscal year.

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 at the time when the service cost is generated.

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 at the time when the service cost is generated.

(Accounting policy changes)

Beginning with the fiscal year under review, Partial Revision of Accounting Standard for Retirement Benefits (No.3) (No. 19, issued by The Accounting Standards Board of Japan (ASBJ) on July 31, 2008) has been applied. This change did not affect profit and loss and retirement benefit obligations.

(7) Provision for D & O's retirement benefits

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

4. 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 meet certain conditions.

(2) Hedge methods and hedge targets

The hedge methods are forward exchange contracts, 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 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 borrowings stable and 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. 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.

6. Consolidated tax payment system

The consolidated tax payment system is applied.

7. Valuation of consolidated subsidiary's assets and liabilities

The market value method is used to value the assets and liabilities of consolidated subsidiaries.

8. Amortization of goodwill

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

<Notes to Consolidated Balance Sheet>

1. Assets used for collateral and Secured Obligations

(1) Assets used for collateral

Receivable Notes	¥ 696 million

(2) Secured Obligations

Long-term Loans payable	¥ 46 million

2. Accumulated depreciation on tangible noncurrent assets ¥ 434,396 million

3. Breakdown of inventories

Merchandise and Finished Goods	¥67,349 million
Work in Process	¥ 15,541million
Raw Materials and Stores	¥ 15,373 million

4. Balance of guaranteed obligations

Guaranteed obligations (guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)	¥ 1,926 million
Commitments to guarantee, etc. (guarantees for bank loans of suppliers/customers)	¥ 85 million
Total	¥ 2,011 million

<Notes to Consolidated Statement of Changes in Shareholders' Equity>

1. Issued Shares

Type of shares	End of previous fiscal year	Increase	Decrease	End of fiscal year under review
Common shares	shares 531,664,337	shares -	shares -	shares 531,664,337

2. Treasury stock

Type of shares	End of previous fiscal year	Increase	Decrease	End of fiscal year under review
Common shares	shares 1,370,709	shares 115,388	shares 21,214	shares 1,464,883

(Summary of reasons for change)

The principal reasons for increase were as follows:

Increase related to requests to purchase shares less than full trading units: 115,388shares

The principal reasons for decrease were as follows:

Reduction related to shareholders' buying to complete full trading units: 15,714 shares

Reduction related to exercise of stock acquisition rights: 5,500 shares

3. Dividends

(1) Dividends paid

Decision	Type of shares	Total dividend value (millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors May 14, 2009	Common shares	5,302	10.00	March 31, 2009	June 1, 2009
Board of Directors October 29, 2009	Common shares	3,977	7.50	September 30, 2009	November 26, 2009

(2) Dividends for which the record date belonging to the current period will be effective in the next period

Decision	Type of shares	Total dividend value (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Effective date
Board of Directors May 13, 2010	Common shares	3,976	Retained earnings	7.50	March 31, 2010	May 31, 2010

4. Stock acquisition rights

Breakdown of stock acquisition rights	Type of shares under stock acquisition rights	Number of shares under stock acquisition rights
First issue of stock compensation-type stock options for 2005	Common shares	145,500shares
Second issue of stock compensation-type stock options for 2006	Common shares	98,500 shares
Third issue of stock compensation-type stock options for 2007	Common shares	112,500 shares
Fourth issue of stock compensation-type stock options for 2008	Common shares	125,500 shares
Fifth issue of stock compensation-type stock options for 2009	Common shares	199,500 shares
Total		681,500shares

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

<Notes to Financial Instruments>

1. Matters relating to the status of financial instruments

The Group raises short-term working capital mainly with bank borrowings and invests temporary surplus funds in financial instruments with extremely low risk. The Group has decided to engage in derivatives transactions within the scope of actual demand in accordance with its internal regulations.

In principle, the risk of currency fluctuations relating to receivables and payables denominated in foreign currencies are hedged using the forward exchange contract. With respect to the interest volatility risk relating to some long-term loans payable, we try to fix interest expenses using the interest-rate swap.

Investment securities consist mainly of stocks, and the market values of listed stocks are determined on a quarterly basis.
We try to reduce the credit risk of customers relating to notes and accounts receivable-trade through regular monitoring and the comprehensive management of deadlines and balances.

2. Matters relating to fair market values, etc. of financial instruments
The consolidated balance sheet amount, the fair market value and the difference between the two on March 31, 2010 (the closing date of the consolidated fiscal year under review) are as follows.

[Millions of yen]

	Consolidated balance sheet amount	Fair market value	Difference
(1) Cash and deposits	85,533	85,533	-
(2) Notes and accounts receivable-trade	177,720	177,720	-
(3) Securities and investment securities			
(i) Held-to-maturity receivables	10	10	-
(ii) Other securities	95,848	95848	-
(4) Notes and accounts payable-trade	(83,118)	(83,118)	-
(5) Short-term loans payable	(58,231)	(58,231)	-
(6) Long-term loans payable	(71,625)	(71,715)	(90)
(7) Derivatives	(1,375)	(1,375)	-

1) Items that are posted in liabilities are enclosed in parentheses.
2) Net receivables and payables generated from derivatives trading are shown. Items generating net payables are enclosed in parentheses.

(Note 1)
Methods of calculating the fair market value of financial instruments and matters relating to securities and derivatives transactions
(1) Cash and deposits and (2) Notes and accounts receivable-trade
As they are settled in a short period and their market values are nearly identical to their book values, the book values are used.
(3) Securities and investment securities
For the fair market values of securities and investment securities, the prices on the relevant exchanges are used.
(i) As held-to-maturity receivables are entirely school bonds and the creditworthiness of the issuers has not changed materially from the time of acquisition, their book values are used.

(ii) The acquisition cost, consolidated balance sheet amount and difference between them of other securities are as follows.

[Millions of yen]

	Type	Acquisition cost	Consolidated balance sheet amount	difference
Consolidated balance sheet amount exceeds the acquisition cost	Stocks	7,862	11,044	3,182
	Others	11	13	1
Consolidated balance sheet amount does not exceed the acquisition cost	Stocks	7,745	5,786	(1,959)
	Negotiable deposit	79,000	79,000	-
	Others	4	3	(1)
Total		94,624	95,848	1,223

(4) Notes and accounts payable-trade and, (5) Short-term loans payable
As they are settled in a short period and their fair market values are nearly identical to their book values, the book values are used.
(6) Long-term loans payable
For the fair market values of long-term loans payable at fixed interest rates, the total amount of the principal and interest is discounted using a rate that is assumed to be applied when a similar loan is newly borrowed.
For the fair market values of long-term loans payable at variable interest rates, as the credit risk of the Company has not changed materially and the market values are nearly identical to their book values, the book values are used. For those that are subject to the special treatment of interest rate swaps (see (7) (ii) below), the total

amount of the principal and interest that were accounted for as a single item with the relevant interest rate swap is discounted with a rate that is assumed to be applied when a new, similar loan is taken out.

(7) Derivatives transactions

(i) Those which the hedge accounting does not apply to

The contract amount or the amount equivalent to the principal set forth in the contract for each type of hedged item in derivatives transactions on the consolidated closing date, the fair market value and valuation gains or losses, and the method of calculating fair market value are as follows:

(a) Currency-related derivatives (the fair market values of forward exchange contracts are calculated using forward exchange rates, and the fair market values of currency swaps are calculated using prices offered by relationship financial institutions.)

[Millions of yen]

Category	Type	Contract amount, etc.		Fair market value	Valuation gains or losses
			More than one year		
Transactions other than market transactions	Forward exchange contract	29,415	-	(324)	(324)
	Currency swap	18,897	-	(1,001)	(1,001)

(b) Interest rate-related derivatives (the fair market values are calculated using prices offered by relationship financial institutions.)

[Millions of yen]

Category	Type	Contract amount, etc.		Fair market value	Valuation gains or losses
			More than one year		
Transactions other than market transactions	Interest rate swap	3,747	-	(106)	(106)

(ii) Those which the hedge accounting applies to

The contract amount or the amount equivalent to the principal set forth in the contract, etc. for each method of hedge accounting on the consolidated closing date are as follows:

[Millions of yen]

Method of hedge accounting	Type of derivatives transactions	Major hedged items	Contract amount, etc.		Fair market value	Calculation method of the fair market value
				More than one year		
Special treatment of interest rate swap	Interest rate swap	Long-term loans payable	50,500	23,000	(*)	
Planned transactions such as forward exchange contract	Forward exchange contract	Accounts receivable and accounts payable-trade	11,842	-	56	Forward exchange rate

(*) As interest rate swaps subject to the special treatment of interest rate swap are accounted for as a single item with underlying long-term loans payable, which are hedged items, their market values are included in those of long-term loans payable (see (6) above).

(Note 2)

As unlisted stocks (consolidated balance sheet amount of 2,354 million yen) do not have market values, it is considered extremely difficult to calculate their fair market values. Therefore, they are not included in “(3) (ii) Other securities.”

<Notes to Real Estates for Rent, etc.>

1. Matters regarding the status of real estates for rent, etc.

The Company and some subsidiaries have office buildings for rent and idle assets, etc. in Japan and overseas.

2. Matters regarding fair market values, etc. of real estates for rent, etc.

[Millions of yen]

Consolidated balance sheet amount	Fair market value as of the end of the fiscal year under review
3,855	4,800

(Note 1) Consolidated balance sheet amount is calculated by subtracting accumulated depreciation and accumulated impairment losses from acquisition cost.

(Note 2) Fair market value as of the end of the fiscal year under review is recorded as follows:

(1) Amount of primary domestic real estates has been calculated by the Company based on the method similar to real-estate appraisal standards. However, such domestic real estates whose change of the fair market value has been insignificant have been evaluated by real-estate appraisal at the immediate appraisal. Other domestic real estates have been calculated based on a certain appraisal or the criteria which seems to reflect the fair market value correctly.

(2) Overseas real estates have been primarily calculated by real-estate appraisal by local appraisers.

<Notes on Per-Share Information>

1. Net assets per share	¥791.28
2. EPS	¥31.93

<Significant Subsequent Events>

Not applicable

<Other Notes>

1. Regarding patent-related revenue, patent royalties related to Photo Imaging business are recorded in a lump sum.
2. The reversal of the provision for loss on withdrawal from operations represents the net value of drawing down of the provision for loss on withdrawal from operations accompanying the withdrawal from the Photo Imaging business in the fiscal year under review, in response to changes in conditions, the environment, etc. and such loss.
3. Other extraordinary profit of foreign subsidiaries represents the reduction in refund obligation, etc. in accordance with US State laws at a U.S. subsidiary.
4. Impairment losses mainly represent the reduction of book values to recoverable values with respect to the buildings and manufacturing facilities in the Medical & Graphic Business and the buildings and land in the Optics Business.
5. Business structure improvement expense consists mainly in retirement allowances, etc. associated with staff allocation/optimization in the Business Technologies Business, expenses on business reorganization in the Medical & Graphic Business, and expenses on the reorganization of manufacturing facilities in the Optics Business.
6. Figures given in the text have been rounded off to the nearest million.

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 12, 2010

The Board of Directors
Konica Minolta Holdings, Inc.

KPMG AZSA & Co.

Atuji Maeno (Seal)
Designated and Engagement Partner
Certified Public Accountant

Tsutomu Takahashi (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholder’s equity and the notes to consolidated financial statements of Konica Minolta Holdings, Inc. (“the Company”) as of March 31, 2010 and for the year from April 1, 2009 to March 31, 2010 in accordance with Article 444 (4) of the Corporate Law. The consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Balance Sheet

(As of March 31, 2010) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**245,754**	**Current liabilities**	**87,664**
Cash and deposits	56,248	Notes payable	24
Accrued income	1,131	Short-term loans payable	49,042
Short-term investment securities	79,000	Long-term loans due within one year	27,501
Prepaid expenses	315	Lease obligations	14
Deferred tax assets	146	Unpaid expenses	9,377
Short-term loans receivable	148,154	Accrued expenses	353
Accounts receivable-other	9,747	Income taxes payable	149
Income tax refund receivable	1,058	Advances received	0
Other current assets	1,166	Provision for bonuses	260
Allowance for doubtful accounts	(51,212)	Provision for D & O's bonuses	69
		Other current liabilities	867
Noncurrent assets	**224,199**	**Noncurrent liabilities**	**126,484**
Tangible noncurrent assets	**69,056**	Corporate bonds payable	40,000
Buildings	37,165	Long-term loans payable	71,508
Structures	2,406	Lease obligations	30
Machinery and equipment	962	Deferred tax liabilities for land revaluation	5,201
Vehicles	0	Provision for retirement benefits	9,512
Tools, furniture and fixtures	561	Other noncurrent liabilities	231
Land	27,780		
Lease assets	43	**Total liabilities**	**214,148**
Construction in progress	135	**Net assets**	
		Shareholder's equity	**246,630**
Intangible noncurrent assets	**2,094**	**Capital stock**	**37,519**
Software	1,576	**Capital surplus**	**135,592**
Other intangible noncurrent assets	518	Capital reserve	135,592
		Retained earnings	**75,261**
		Other retained earnings	75,261
Investments and other assets	**153,048**	Unappropriated retained earnings	75,261
Investment securities	16,570	**Treasury stock**	**(1,743)**
Stock of affiliated companies	126,632		
Investments-affiliated companies	3,794	**Valuation and translation adjustments**	**8,557**
Long-term loans to employees	0	Valuation difference on securities	1,230
Long-term loans to affiliated companies	131	Land revaluation difference	7,327
Long-term prepaid expenses	426		
Deferred tax assets	3,926	**Subscription rights to shares**	**617**
Other investments	1,629		
Allowance for doubtful accounts	(63)		
		Total net assets	**255,806**
Total assets	**469,954**	**Total liabilities and shareholders' equity**	**469,954**

Statement of Income

(From April 1, 2009 to March 31, 2010) [Millions of yen]

Item	Amount	
Operating revenue		**19,965**
Operating expense		**29,734**
Operating loss		**9,768**
Non-operating income		
Interest and dividends income	2,945	
Miscellaneous income	432	3,377
Non-operating expenses		
Interest expenses	1,913	
Miscellaneous expense	471	2,385
Ordinary loss		**8,775**
Extraordinary income		
Gain on sales of noncurrent assets	436	
Gain on sales of investment securities	718	1,154
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	543	
Loss on sales of investment securities	337	
Loss on valuation of investment securities	301	
Provision for allowance for doubtful receivables	100	1,283
Net loss before taxes		**8,904**
Income taxes-current	(3,868)	
Income taxes-deferred	(450)	(4,318)
Net loss		**4,586**

Statement of Changes in Shareholder's Equity

(From April 1, 2009 to March 31, 2010) [Millions of yen]

	Shareholder's equity		
	Capital stock	Additional paid−in capital	
		Capital surplus	Total additional paid−in capital
Balance at March 31, 2009	**37,519**	**135,592**	**135,592**
Changes during the period			
Reversal of reserve for special depreciation			
Reversal of reserve for advanced depreciation			
Dividends from surplus			
Net loss			
Purchase of treasury stock			
Disposal of treasury stock			
Reversal of change in land value			
Changes, net, in items other than shareholders' equity			
Total changes during the period	**−**	**−**	**−**
Balance at March 31, 2010	**37,519**	**135,592**	**135,592**

	Shareholder's equity					
	Retained earnings				Treasury stock	Total shareholder's equity
	Other retained earnings			Total retained earnings		
	Reserve for special depreciation	Reserve for advanced depreciation	Increase in retained earnings			
Balance at March 31, 2009	**93**	**55**	**88,713**	**88,863**	**(1,662)**	**260,313**
Changes during the period						
Reversal of reserve for special depreciation	(93)		93	−		−
Reversal of reserve for advanced depreciation		(55)	55	−		−
Dividends from surplus			(9,280)	(9,280)		(9,280)
Net loss			(4,586)	(4,586)		(4,586)
Purchase of treasury stock					(106)	(106)
Disposal of treasury stock			(11)	(11)	25	14
Reversal of change in land value			276	276		276
Changes, net, in items other than shareholders' equity						
Total changes during the period	**(93)**	**(55)**	**(13,451)**	**(13,601)**	**(81)**	**(13,682)**
Balance at March 31, 2010	**-**	**-**	**75,261**	**75,261**	**(1,743)**	**246,630**

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on securities	Change in land value	Total valuation and translation adjustments		
Balance at March 31, 2009	**464**	**7,603**	**8,067**	**460**	**268,840**
Changes during the period					
Reversal of reserve for special depreciation					−
Reversal of reserve for advanced depreciation					−
Dividends from surplus					(9,280)
Net loss					(4,586)
Purchase of treasury stock					(106)
Disposal of treasury stock					14
Reversal of change in land value		(276)	(276)		−
Changes, net, in items other than shareholders' equity	766		766	157	923
Total changes during the period	**766**	**(276)**	**490**	**157**	**(13,034)**
Balance at March 31, 2010	**1,230**	**7,327**	**8,557**	**617**	**255,806**

Notes to Financial Statements

<Summary of Significant Accounting Policies>

1. Criteria and methods for evaluating securities
   (1) Shares of subsidiaries and affiliates
   Shares of subsidiaries and affiliates are stated at cost using the moving-average method.
   (2) 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 adjustment 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 value are primarily stated at cost using the moving-value average.

2. Criteria and methods for evaluating derivatives
   Derivatives are stated using the mark-to-market method.

3. Depreciation and amortization of noncurrent assets
   (1) Tangible noncurrent assets (excluding lease assets)
   The declining-balance method is used. However, the straight-line method is used for buildings (excluding annexed structures) acquired since April 1, 1998.
   (2) Intangible noncurrent assets
   The straight-line method is used. For software for internal use, the straight-line method is adopted based on a licensing period of five years.
   (3) Lease assets
   Lease assets arising from finance lease transactions not involving 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.

4. Standards for 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 uncollectables. 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) Provision 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) Provision for D&O' bonuses
   To prepare for the payment of directors and officers' bonuses, an amount corresponding to the projected value of bonus payments to directors and officers for the fiscal year under review is recorded.
   (4) Provision for retirement benefits
   In order to provide employee retirement benefits, the amount recorded by Konica Minolta Holdings, Inc. (the Company) is based on projected benefit obligations and pension assets at the end of the fiscal year.
   Prior service cost is being amortized as incurred by the straight-line method over periods (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 (10 years) which are shorter than the average remaining years of service of the employees.
   (Accounting policy changes)
   Beginning with the fiscal year under review, Partial Revision of Accounting Standard for Retirement Benefits (No.3) (No. 19, issued by The Accounting Standards Board of Japan (ASBJ) on July 31, 2008) has been applied. This change did not affect profit and loss and retirement benefit obligations.

5. 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 meet certain conditions.
   (2) Hedging methods and hedging targets
   Interest rate swaps are used as the hedge method.
   The hedge targets are borrowings and loans.
   (3) Hedge policy

The Company enters into interest rate swaps to make interest rates on borrowings stable, to reduce the risk of cost fluctuations for future capital procurement, or to make interest income from loans stable, 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, cash flows and hedge instruments.

6. 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.

7. Consolidated tax payment system

Consolidated tax payment system is adopted.

<Notes to Balance Sheet>

1. Accumulated depreciation of tangible noncurrent assets ¥ 74,862 Million
2. Accumulated impairment on tangible noncurrent assets ¥2,793 Million
3. Receivables from affiliated companies and payables to affiliated companies

Short-term receivables	¥159,379 Million
Short-term payables	¥38,533 Million

4. Land revaluation

Land for industrial purposes that had been revaluated based on the Law Concerning Land Revaluation (Law No. 34 implemented on March 31, 1998) was received from Minolta Co., Ltd. on October 1, 2003, at the time of the merger. The amount corresponding to taxes on the amount of the land revaluation is included under the item deferred tax liabilities for land revaluation. An amount equivalent to the amount of the revaluation less the deferred tax liability has been entered in shareholders' equity as the land revaluation difference.

(1) Method of revaluation

The value of the land has been evaluated according to the value appraisal method for land fronting major roads, as provided for in Article 2−4 of the Enforcement Orders for the Law Concerning Land Revaluation (Enforcement Orders No. 119, implemented on March 31, 1998) and the method for valuation of noncurrent assets provided for in Article 2−3 of the Enforcement Orders.

(2) Date of revaluation March 31, 2002

(3) The difference between the market value of the revalued land at the end of the fiscal year under review and the book value following revaluation ¥ (7,923 Million)

5. Loan commitment

The Company has entered into loan agreements concerning group financing with 17 subsidiaries, setting a loan limit. The available loan balance at the end of the fiscal year under review under these agreements is as follows.

Total loan limit	¥269,220 Million
Disbursed loan balance	¥148,285 Million
Available loan balance	¥120,934 Million

6. Pension assets in retirement benefit trust

The Company operates with two types of retirement benefit plans: a lump-sum payment plan and a defined contribution pension plan.

Provision for retirement benefits and pension assets in retirement benefit trust at year end by retirement benefit plan are as follows.

[Millions of yen]

	Provision for retirement benefits (before deduction of pension assets in retirement benefit trust)	pension assets in retirement benefit trust	Provision for retirement benefits (After deduction of pension assets in retirement benefit trust)
Lump-sum payment plan	752	−	752
Defined contribution pension plan	10,897	2,136	8,760
Total	11,649	2,136	9,512

<Notes to Statement of Income>

Transactions with affiliated companies

Operating revenue	¥19,923 Million
Operating expense	¥18,793 Million
Other non-operating transactions	¥4,352 Million

<Notes to Statement of Changes in Shareholders' Equity>

Type and number of treasury stock at end of period

Common shares	1,464,883 shares

<Notes on Tax Effect Accounting>

1. Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	
Allowance for doubtful accounts	¥20,863 Million
Losses on stock of affiliated companies	¥13,757 Million
Net operating tax loss carried forward	¥9,511 Million
Provision for retirement benefits	¥6,461 Million
Excess of depreciation and amortization over deductible limit	¥590 Million
Provision for bonuses	¥106 Million
Other	¥1,648 Million
Deferred tax assets subtotal	¥52,938 Million
Valuation allowance	¥(47,073 Million)
Total deferred tax assets	¥5,864 Million
Deferred tax liabilities	
Gain on establishment of employee pension trust	¥(954 Million)
Revaluation difference of marketable securities	¥(838 Million)
Total deferred tax liabilities	¥(1,792 Million)
Net deferred tax assets	¥4,072 Million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities related to revaluation of land	¥ (5,201 Million)

<Notes on Leased Noncurrent Assets>

In addition to the noncurrent assets recorded on the balance sheet, the Company has other significant noncurrent assets which it uses under lease contracts, notably computer equipment. 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.

<Notes on Related-Party Transactions>

Subsidiaries, etc.

[Millions of yen]

Attribute	Name of company, etc.	Equity ownership percentage	Relationship with the Company		Description of transactions	Transaction amount	Account item	Ending balance
			Executive posts concurrently held	Business relationship				
Subsidiary	Konica Minolta Holdings U. S. A., Inc.	(Ownership) Direct 27% Indirect 73%	One Executive of the Company	U.S. holding company	Lending of funds (See Note 1.)	35,256	Short-term loans	31,168
Subsidiary	Konica Minolta Business Technologies, Inc.	(Ownership) Direct 100%	Six Executives of the Company	Manufacture and sale of MFPs, printers and related supplies	Lending of funds (See Note 1.)	2,564	Short-term loans	2,351
					Renting of real estates (See Note 2.)	2,000	Accrued income	169
					Usage of Brands (See Note 3)	2,596	Accrued income	146
Subsidiary	Konica Minolta Opto, Inc.	(Ownership) Direct 100%	Three Executives of the Company	Manufacture and sale of optical devices, electronic materials, etc.	Lending of funds (See Note 1.)	56,402	Short-term loans	47,496
					Renting of real estates (See Note 2.)	2,539	Accrued income	217
Subsidiary	Konica Minolta Medical &	(Ownership) Direct 100%	One Executive of the Company	Manufacture and sale of medical	Lending of funds (See Note 1.)	8,830	Short-term loans	3,941

	Graphic, Inc.			equipment & materials, printing equipment & materials, etc.	Renting of real estates (See Note 2.)	2,005	Accrued income	186
Subsidiary	Konica Minolta Photo Imaging, Inc.	(Ownership) Direct 100%	One Executive of the Company	- (See Note 5.)	Lending of funds (See Note 1.)	59,825	Short-term loans (See Note 5.)	59,570
Subsidiary	Konica Minolta Technology Center, Inc.	(Ownership) Direct 100%	Two Executives of the Company	Research & development, commercialization of new business, and management, administration, etc. of intellectual property	Consignment of research & development (See Note 4.)	8,564	Unpaid expenses	872
Subsidiary	Konica Minolta Business Expert, Inc.	(Ownership) Direct 100%	One Executive of the Company	Provision of management support, and indirect capabilities & services	Consignment of indirect capabilities & services (See Note 4.)	2,907	Unpaid expenses	234

The transaction amount does not include consumptions tax. The ending-balance of unpaid expenses include consumption tax.

(Notes) Transaction terms and policy for determining transaction terms

1. Regarding the lending of funds, the Company enters into loan agreements concerning group financing with subsidiaries, setting a limit. The interest rate is determined based on market rates.
   The transaction amount is the average loan balance over the period under review.
2. The Company determines the rental fee for real estates based on overall consideration of the management expenses for the real estate and general economic circumstances.
3. The Company determines the usage fee for brands based on the net sales of subsidiaries for the fiscal year under review based on overall consideration of the investment and expenses regarding enhancing the brand value of the Company.
4. The fee for consignment of research & development and the fee for consignment of indirect capabilities & services are determined based on overall consideration of expenses necessary to receive provision of these services.
5. With the withdrawal from the manufacture and sale of photosensitive materials and other photographic products in response to the decision to withdraw from Photo Imaging business, the Company reserved a provision for possible losses on loans to Konica Minolta Photo Imaging, Inc. of ¥51,211 million. The Company also reserved a provision for possible loan losses of ¥100 million in the period under review.

<Notes on Per Share Information>

Net assets per share	¥ 481.31
Losses per share	¥ 8.65

<Other Notes>

Figures given in the text have been rounded off to the nearest million.

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 12, 2010

The Board of Directors
Konica Minolta Holdings, Inc.

KPMG AZSA & Co.

Atuji Maeno (Seal)
Designated and Engagement Partner
Certified Public Accountant

Tsutomu Takahashi (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in shateholder’s equity and the notes to financial statements, and its supporting schedules of Konica Minolta Holdings, Inc. (“the Company”) as of March 31, 2010 and for the 106th business year from April 1, 2009 to March 31, 2010 in accordance with Article 436 (2) (i) of the Corporate Law. The financial statements and supporting schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements and supporting schedules based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the financial statements and supporting schedules are free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the financial statements and supporting schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and supporting schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and supporting schedules were prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

[English Translation of the Audit Report Originally Issued in the Japanese Language]

AUDIT REPORT

We, the Auditing Committee of Konica Minolta Holdings, Inc. ("the Company"), have audited the performance of duties by directors and executive officers during the 106th business year from April 1, 2009 to March 31, 2010. We report the method and results as follows.

1. Method and details of audit

We, the Auditing Committee, have overseen and inspected the details of the board resolutions with respect to items prescribed in Article 416, Paragraph 1, Item 1, b) and e) of the Company Law, and the status of the system established based on the resolutions (internal control system). Also, in accordance with the audit standards, audit policy, audit plan, assignment of duties, etc. determined by the Auditing Committee and in cooperation with the internal audit division and other internal control divisions of the Company and the auditors of subsidiaries, we confirmed the process and details of the decision-making at the important meetings, etc., the details of the primary decision documents and other important documents, etc. on the performance of business operations, the status of the performance of the duties of directors, executive officers and others, and the status of business operations and assets of the Company.

In addition, we received reports from the executive officers, etc. and KPMG AZSA & Co. on the status of assessment and auditing of internal controls in relation to financial reporting and sought explanations when necessary.

With respect to subsidiaries, we communicated and exchanged information with directors, corporate auditors, etc. of the subsidiaries and inspected important decision documents, etc. and received reports from subsidiaries whenever the necessity arose.

Moreover, in addition to monitoring and examining whether the accounting auditor maintained an independent position and performed auditing appropriately, we received reports from the accounting auditor on the performance of its duties and requested explanations when necessary. In addition, we received notice from the accounting auditor that "The systems for ensuring the proper performance of duties" (set forth in each item of Article 131 of the Regulations of Corporate Financial Calculation) are organized in accordance with the "Standards for Quality Control of Audit" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations whenever necessity arose.

Based on the above methods, we examined the business report, financial statements (balance sheet, statement of income, statement of changes in shareholder's equity, notes to financial statements), supporting schedules, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholder's equity, notes to consolidated financial statements) for the fiscal year under review.

2. Results of audit

(1) Results of audit of business report, etc.

i) In our opinion, the Business Report and accompanying schedules fairly represent the condition of the Company in accordance with the laws, regulations and Articles of Incorporation of the Company.

ii) We have determined that there were no serious occurrences of dishonest or false activity or violations of any laws, regulations or the Company's Articles of Incorporation by any directors or executive officers in carrying out their duties.

iii) We believe the details of resolutions of the Board of Directors regarding the internal control system are appropriate. We found no matters of note with respect to the execution of duties of executive officers regarding the internal control system including the internal control relating to financial reporting.

(2) Results of audit of financial statements and accompanying schedules

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA & Co. are appropriate.

(3) Results of audit of consolidated financial statements

In our opinion, the audit method and audit results received from the accounting auditor KPMG AZSA & Co. are appropriate.

May 13, 2010

Auditing Committee of Konica Minolta Holdings, Inc.

Auditing Committee Member	Tadao Namiki	(Seal)
Auditing Committee Member	Tohru Tsuji	(Seal)
Auditing Committee Member	Yozo Izuhara	(Seal)
Auditing Committee Member	Hisao Yasutomi	(Seal)
Auditing Committee Member	Yoshifumi Johno	(Seal)

Note: Mr. Tadao Namiki, Mr. Tohru Tsuji and Mr. Yozo Izuhara are outside directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Company Law.

REFERENCE DOCUMENTS
FOR
THE GENERAL MEETING OF SHAREHOLDERS

Agenda Item Election of Eleven (11) Directors

Upon the close of this Ordinary General Meeting of Shareholders of Konica Minolta Holdings, Inc. ("the Company"), the terms of office of all present eleven (11) directors will expire. Accordingly, shareholders are requested to elect eleven (11) directors based on the nominations of the Nomination Committee.

The Nomination Committee has nominated suitable candidates for achieving good corporate governance, i.e. ensuring the transparency, soundness and efficiency of the Company's operations, in accordance with the director election standards determined by the Nomination Committee.

The candidates for the position of director are as follows.

Director Candidates

No.	Name (Date of birth)	Career history, position and responsibilities at the Company, and important position currently held		Number of shares of the Company held by the candidate
1	Yoshikatsu Ota (December 28, 1941)	April 1964	Joined Minolta Camera Co., Ltd.	47,776 shares
		April 1987	General Manager of Reprographic Marketing Division, Reprographic Operations of Minolta Camera Co., Ltd.	
		June 1991	Director and General Manager of Reprographic Operations of Minolta Camera Co., Ltd.	
		June 1995	Managing Director of Minolta Co., Ltd.	
		June 1999	Representative Director and President of Minolta Co., Ltd.	
		April 2001	Representative Director, President and Executive Officer of Minolta Co., Ltd.	
		April 2002	Representative Director, President, Executive Officer and President of Image Information Products Company of Minolta Co., Ltd.	
		August 2003	Director, Representative Executive Officer and Vice-President of the Company, and Representative Director, President, Executive Officer and President of Image Information Products Company of Minolta Co., Ltd.	
		October 2003	Director, Representative Executive Officer and Vice-President of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc.	
		April 2006	Director, Representative Executive Officer and President of the Company	
		April 2009	Director and Chairman of the Board of the Company (positions which he continues to hold)	

2	Masatoshi Matsuzaki (July 21, 1950)	April 1976 Joined Konishiroku Photo Industry Co., Ltd. November 1997 General Manager of Development Group No. 2, Color Business Machines Development Div., Business Machines Headquarters of Konica Corporation May 1998 General Manager of Development Center No. 1, System Technology Development Div., Business Machines Headquarters of Konica Corporation October 2003 Director of Konica Minolta Business Technologies, Inc. April 2005 Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc. April 2006 Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc. June 2006 Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Technology Center, Inc. April 2009 Director, Representative Executive Officer and President of the Company (positions which he continues to hold)	32,500 shares
3	Tadao Namiki (October 30, 1935)	April 1959 Joined Asahi Glass Co., Ltd. March 1989 Director of Asahi Glass Co., Ltd. March 1993 Managing Director of Asahi Glass Co., Ltd. March 1994 Senior Managing Director of Asahi Glass Co., Ltd. June 1996 Representative Director and Vice-President of Asahi Glass Co., Ltd. June 1998 Left Asahi Glass Co., Ltd. March 1999 Representative Director and Chairman of Nippon Dry-Chemical Co., Ltd. November 2000 Left Nippon Dry-Chemical Co., Ltd. Representative of Namiki Office (position which he continues to hold) June 2006 Director of the Company (position which he continues to hold) <Important position currently held> Representative of Namiki Office	-

4	Tohru Tsuji (February 10, 1939)	April 1961 Joined Marubeni-Iida Co., Ltd. June 1991 Director of Marubeni Corporation June 1995 Managing Director of Marubeni Corporation April 1996 Representative Director and Managing Director of Marubeni Corporation June 1997 Representative Director and Senior Managing Director of Marubeni Corporation April 1999 Representative Director and President of Marubeni Corporation April 2003 Representative Director and Chairman of Marubeni Corporation April 2004 Director and Chairman of Marubeni Corporation April 2008 Director and Senior Corporate Advisor of Marubeni Corporation June 2008 Senior Corporate Advisor of Marubeni Corporation (position which he continues to hold) June 2008 Director of the Company (position which he continues to hold) <Important position currently held> Senior Corporate Advisor of Marubeni Corporation Director of SEKISUI CHEMICAL CO., LTD.	-
5	Yozo Izuhara (September 23, 1938)	April 1962 Joined Nippon Sheet Glass Co., Ltd. June 1992 Representative Director and President of Nippon Glass Fiber Co., Ltd. June 1996 Managing Director of Nippon Sheet Glass Co., Ltd. June 1998 Representative Director and President of Nippon Sheet Glass Co., Ltd. June 2004 Representative Director and Chairman of Nippon Sheet Glass Co., Ltd. June 2008 Director and Chairman of the Board of Nippon Sheet Glass Co., Ltd. October 2009 Director, Chairman of the Board and Chairman of Nippon Sheet Glass Co., Ltd. (positions which he continues to hold) June 2009 Director of the Company (position which he continues to hold) <Important position currently held> Chairman of the Board and Chairman of Nippon Sheet Glass Co., Ltd.	-
6 (*)	Nobuhiko Ito (February 5, 1947)	July 1971 Joined Exxon Chemical Japan, Ltd. July 1989 Joined General Electric Japan, Ltd. January 1999 Representative Director and President of GE Yokogawa Medical Systems, INC. September 2002 Representative Director, President and CEO of GE Edison Life Insurance Company January 2004 Representative Director, President and CEO of GE Capital Leasing Corporation February 2005 Representative Director, President and CEO of General Electric Japan, Ltd. October 2007 Left General Electric Japan, Ltd. <Important position currently held> Director of TADANO LTD.	-

7	Yoshifumi Johno (March 1, 1949)	April 1972 Joined Minolta Camera Co., Ltd. September 1994 General Manager of Shanghai Office of Minolta Co., Ltd. February 1997 General Manager of Camera Business Planning Div., Optical Products Operations of Minolta Co., Ltd. April 2002 Manager of Execution Audit Office of Minolta Co., Ltd. August 2003 General Manager of Audit Committee Office of the Company June 2006 General Manager of Corporate Audit Div. of the Company April 2007 Executive Officer and General Manager of Corporate Audit Div. of the Company June 2009 Director of the Company (position which he continues to hold)	9,500 shares
8	Yasuo Matsumoto (August 20, 1948)	July 1981 Joined Konishiroku Photo Industry Co., Ltd. July 1998 General Manager of Marketing Dept., Business Machines Marketing Div., Business Machines Headquarters of Konica Corporation July 2000 President of Konica Business Technologies U.S.A. October 2003 Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions U.S.A. June 2004 Executive Officer of the Company, and Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions U.S.A. April 2005 Executive Officer and General Manager of Corporate Strategy Div. of the Company April 2006 Senior Executive Officer of the Company June 2006 Director and Senior Executive Officer of the Company April 2010 Director of the Company (position which he continues to hold)	20,500 shares
9	Shoei Yamana (November 18, 1954)	April 1977 Joined Minolta Camera Co., Ltd. July 1996 General Manager of Management Planning Div. of Minolta Co., Ltd. January 2001 CEO of Minolta QMS Inc. July 2002 Executive Officer, General Manager of Management Planning Div., Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd. August 2003 Senior Executive Officer of the Company, and Executive Officer and General Manager of MFP Operations and Deputy General Manager of Image Information Products General Headquarters, Image Information Products Company of Minolta Co., Ltd. October 2003 Senior Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc. April 2006 Senior Executive Officer of the Company June 2006 Director and Senior Executive Officer of the Company (positions which he continues to hold)	21,500 shares

10	Akio Kitani (August 1, 1948)	April 1972 Joined Minolta Camera Co., Ltd. June 2001 Executive Officer of Minolta Co., Ltd., and President of Minolta Europe GmbH October 2003 Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions Europe GmbH June 2004 Executive Officer of the Company, and Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions Europe GmbH April 2005 Executive Officer of the Company, and Managing Director of Konica Minolta Business Technologies, Inc. April 2006 Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. June 2006 Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. (positions which he continues to hold) <Important position currently held> Representative Director and President of Konica Minolta Business Technologies, Inc.	24,863 shares
11 (*)	Yoshiaki Ando (November 16, 1951)	April 1975 Joined Konishiroku Photo Industry Co., Ltd. March 1994 Executive Vice-President and CFO of Konica Business Machines U.S.A., Inc. June 1998 General Manager of Planning Dept., Business Machines Marketing Div., Business Machines Headquarters of Konica Corporation October 2002 Director of Konica Business Machines Co., Ltd. October 2003 Director of Konica Minolta Business Solutions Japan Co., Ltd. April 2005 General Manager of Corporate Finance Division of the Company April 2007 Executive Officer and General Manager of Corporate Finance Division of the Company April 2010 Senior Executive Officer of the Company (position which he continues to hold)	10,000 shares

Notes 1.The candidates for directors marked with (*) are first-time candidates.

2. Mr. Yoshikatsu Ota, Mr. Masatoshi Matsuzaki, Mr. Tadao Namiki, Mr. Tohru Tsuji, Mr. Yozo Izuhara, Mr. Yoshifumi Johno, Mr. Yasuo Matsumoto, Mr. Shoei Yamana, and Mr. Akio Kitani are currently directors of the Company, and their positions and responsibilities at the Company are as specified in "Names, etc. of directors and executive officers" on p. 15~ p. 17 of the Business Report.
3. No conflicts of interest exist between the Company and the director candidates.
4. The four director nominees Mr. Tadao Namiki, Mr. Tohru Tsuji, Mr. Yozo Izuhara and Mr. Nobuhiko Ito are candidates for outside directors, as provided for under Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law and candidates for independent directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
5. The Nomination Committee chooses outside director nominees, assessing their professional records and visions, ensuring they have done no material business with the Company and are strictly independent from the Company, and that they can devote sufficient time to Board and committee duties.
   Mr. Tadao Namiki, Mr. Tohru Tsuji, Mr. Yozo Izuhara and Mr. Nobuhiko Ito have top corporate management experience and broad vision, and the Company believes that they could help maintain and enhance the Board's ability to supervise management of the Company which has adopted a company-with-committees-system, and requests their election as outside directors.
6. Candidate for outside director Mr. Tohru Tsuji served as outside director of Sompo Japan Insurance Inc. from June 2003 to June 2009. On May 25, 2006, Sompo Japan Insurance Inc. was

punished by the Financial Services Agency pursuant to the Insurance Business Law (partial business suspension order and business improvement order) on the grounds that there had been misconduct in connection with an investigation into insurance benefit non-payment and other matters, but Mr. Tsuji had no direct involvement in the facts that led to the punishment and had always performed his duties in compliance with the laws and regulations. Since the punishment of Sompo Japan Insurance, Inc., Mr. Tsuji had overseen the execution of measures to prevent a recurrence such as improvement and strengthening of the internal control system.

7. As of the close of this Ordinary General Meeting of Shareholders, director candidates Mr. Tadao Namiki will have served as outside directors for four years and Mr. Tohru Tsuji will have served for two years and Mr. Yozo Izuhara will have served for one year.
8. If the eleven directors are elected at this Ordinary General Meeting of Shareholders, Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Akio Kitani and Mr. Yoshiaki Ando will concurrently hold executive officer posts. The members of each of the committees under the company-with-committees-system provided for in Article 2, Item 12 of the Company Law will be appointed as follows from among the seven directors who will not concurrently hold the executive officer posts.

Nomination Committee	Tadao Namiki (Chairman), Tohru Tsuji, Nobuhiko Ito, Yoshikatsu Ota, Yasuo Matsumoto
Auditing Committee	Tohru Tsuji (Chairman), Yozo Izuhara, Nobuhiko Ito, Yoshifumi Johno, Yasuo Matsumoto
Compensation Committee	Yozo Izuhara (Chairman), Tadao Namiki, Nobuhiko Ito, Yoshifumi Johno, Yasuo Matsumoto

9. The Company has entered into liability limitation agreements with candidates for outside directors Mr. Tadao Namiki, Mr. Tohru Tsuji and Mr. Yozo Izuhara, the content of which is summarized in "Liability limitation agreements" on p. 21 of the Business Report. The Company will enter into similar agreements with those candidates when they will be re-elected, and with the first-time candidate for outside director Mr. Nobuhiko Ito when he will be elected.