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Securities Code: 4902
May 24, 2013

To Our Shareholders

Masatoshi Matsuzaki
Director, President and CEO
Representative Executive Officer
Konica Minolta, Inc.
2-7-2 Marunouchi, Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF THE 109TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA, INC. ("the Company") respectfully requests your attendance at the 109th 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 General 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., Tuesday, June 18, 2013, 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: Wednesday, June19, 2013 at 10.00 a.m.

2. Place: Grand Arc Hanzomon, 4F "Fuji-no-ma"

3. Objectives:

Matters to be Reported:
1. Reports on the Business Report, the Consolidated Financial Statements for the 109th Fiscal Year (from April 1, 2012 to March 31, 2013); and Audit Reports by the Accounting Auditor and the Audit Committee on the Consolidated Financial Statements
2. Reports on the Non-consolidated Financial Statements for the 109th Fiscal Year (from April 1, 2012 to March 31, 2013)

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."

- ◙ In case of any changes to the Reference Documents for the General 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).
- ◙ If you plan to attend the Meeting, please submit the enclosed Voting Form to the receptionist at the Meeting.
- ◙ Shareholders who plan to attend the Meeting are asked to wear light apparel because the temperature setting for air conditioning in the meeting room will be slightly higher than usual in order to conserve electricity.

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., Tuesday, June 18, 2013.
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 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, by smartphone 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, smartphone 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 trademark or registered trademark of NTT DoCoMo Inc., "EZweb" is a trademark or registered trademark of KDDI Corporation, "Yahoo!" is a trademark or registered trademark of Yahoo! Inc. in the United States and "Yahoo! Mobile" is a trademark or registered trademark of SOFTBANK MOBILE Corp.)

(ii) With respect to exercising voting rights via the Internet using a personal computer or smartphone, 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 Tuesday, June 18, 2013, 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 you.

(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 the Internet access fees, phone charges and packet communication fees, etc.) shall 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 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. subject to prior request for the use of the platform.

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 (“the Meeting”) of Konica Minolta, Inc. (“the Company”), the terms of office of all the eleven (11) directors will expire. Accordingly, shareholders are requested to elect eleven (11) directors based on the nominations of the Nominating Committee.

The Nominating 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 Nominating Committee. In particular, outside director nominees have been nominated, assessing their professional records and visions, ensuring they have done no material business transaction with the Company and are strictly independent from the Company, and ensuring that they can devote sufficient time to the Board and committee duties.

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 concurrently held	Number of shares of the Company held by the candidate
1	Yoshikatsu Ota (December 28, 1941)	April 1964 Joined Minolta Camera Co., Ltd. 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) <Important position concurrently held> Director of YAMAHA CORPORATION	58,276 shares

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) <Important position concurrently held> None	61,500 shares

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<td>Nobuhiko Ito
(February 5, 1947)</td>
<td>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.
October 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.
March 2012 Representative Director and Chairman of Avon Products Co., Ltd.
January 2013 Left Avon Products Co., Ltd.

June 2010 Director of the Company (position which he continues to hold)
<Important position concurrently held>
Director of TADANO LTD.
Director of TOMY COMPANY, LTD.</td>
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- Reasons for selecting the candidate for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law) and term of office
Mr. Nobuhiko Ito has many years of experience in the management of various businesses as the Representative Director and President of Japanese subsidiaries of global companies, including General Electric Japan, Ltd. and GE Yokogawa Medical Systems, Inc. (currently GE Healthcare Japan, Inc.). He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Ito has a high degree of independence from the Company. Therefore, the Company believes that Mr. Ito can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an outside director.
As of the close of the Meeting, Mr. Ito will have served for three years.
Mr. Ito attended every meeting of the Board of Directors during the fiscal year.
- Information concerning independence
There is a business relationship between GE Yokogawa Medical System, Inc. (currently GE Healthcare Japan, Inc.), where Mr. Ito was Representative Director and President until August 2002, and a sales subsidiary in Japan of the Company. However, General Electric and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other. In addition, TADANO LTD. and TOMY COMPANY, LTD. are not major customers or shareholders. Mr. Ito meets the independence standards for outside directors established by the Company’s Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Ito as an independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

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4	Shoji Kondo (December 6, 1942)	April 1965 Joined Toyota Motor Co., Ltd. June 1997 Director of Toyota Motor Corporation June 2001 Senior Executive Director of Toyota Motor Corporation June 2003 Director and Vice-President of Hino Motors, Ltd. June 2004 Representative Director and President of Hino Motors, Ltd. June 2008 Representative Director and Chairman of Hino Motors, Ltd. June 2011 Senior Corporate Advisor of Hino Motors, Ltd. (position which he continues to hold) June 2011 Director of the Company (position which he continues to hold) <Important position concurrently held> Senior Corporate Advisor of Hino Motors, Ltd.	-

- Reasons for selecting the candidate for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law) and term of office
  Mr. Shoji Kondo has many years of experience in the management of manufacturers at Toyota Motor Corporation and Hino Motors, Ltd. He was involved primarily in production and purchase activities, which are the main components of manufacturing. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Kondo has a high degree of independence from the Company. Therefore, the Company believes that Mr. Kondo can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an outside director.
  As of the close of the Meeting, Mr. Kondo will have served for two years.
  Mr. Kondo attended every meeting of the Board of Directors during the fiscal year.
- Information concerning independence
  Hino Motors, Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
  Mr. Kondo meets the independence standards for outside directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Kondo as an eligible candidate of independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

5	Hirokazu Yoshikawa (October 25, 1942)	April 1966 Joined Dowa Mining Co., Ltd. June 1993 Director of Dowa Mining Co., Ltd. June 1997 Managing Director of Dowa Mining Co., Ltd. June 1999 Representative Director and Senior Managing Director of Dowa Mining Co., Ltd. April 2000 Representative Director and Vice-President of Dowa Mining Co., Ltd. April 2002 Representative Director, President and COO of Dowa Mining Co., Ltd. April 2003 Representative Director, President and CEO of Dowa Mining Co., Ltd. October 2006 Representative Director, Chairman and CEO of DOWA HOLDINGS Co., Ltd. April 2010 Representative Director and Chairman of DOWA HOLDINGS Co., Ltd. June 2011 Senior Corporate Advisor of DOWA HOLDINGS Co., Ltd. (position which he continues to hold) June 2012 Director of the Company (position which he continues to hold) <Important position concurrently held> Senior Corporate Advisor of DOWA HOLDINGS Co., Ltd.	-

- Reasons for selecting the candidate for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law) and term of office
  Mr. Hirokazu Yoshikawa has many years of experience at DOWA HOLDINGS Co., Ltd. in the management of non-ferrous metal smelting businesses and environmental and recycling businesses while implementing business structural reforms and corporate reforms. In addition, Mr. Yoshikawa had experience in the public sector as a member of advisory bodies of the Ministry of the Environment, Cabinet Office and in other roles. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Yoshikawa has a high degree of independence from the Company. Therefore, the Company believes that Mr. Yoshikawa can continue contributing to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an outside director.
  As of the close of the Meeting, Mr. Yoshikawa will have served for one year.
  Mr. Yoshikawa attended every meeting of the Board of Directors during the fiscal year after his election as a director in June 2012.
- Information concerning independence
  There is a business relationship between DOWA Electronics Materials Co., Ltd., a subsidiary of DOWA HOLDINGS Co., Ltd., and a manufacturing subsidiary of the Company. However, DOWA HOLDINGS Co., Ltd. and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
  Mr. Yoshikawa meets the independence standards for outside directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Yoshikawa as an independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

6 (*)	Takashi Enomoto (January 18, 1953)	April 1975 Joined Nippon Telegraph and Telephone Public Corporation June 2003 Director of NTT DATA Corporation June 2007 Representative Director and Senior Executive Officer of NTT DATA Corporation June 2008 Representative Director and Vice-President of NTT DATA Corporation June 2012 Senior Corporate Advisor of NTT DATA Corporation (position which he continues to hold) <Important position concurrently held> Executive Advisor of NTT DATA Corporation	-

- Reasons for selecting the candidate for outside director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Company Law)
  Mr. Takashi Enomoto has many years of experience in the management of IT solutions businesses at NTT DATA Corporation. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Enomoto has a high degree of independence from the Company. Therefore, the Company believes that Mr. Enomoto can contribute to the maintenance and upgrading of corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to newly elect him as an outside director.
- Information concerning independence
  The Company has a business relationship with NTT DATA Corporation that includes the payment to this company of ERP software licensing fees and maintenance fees. However, NTT DATA Corporation and the Company are not major customers of each other because these sales accounted for less than 1% of the consolidated net sales of each company. Furthermore, the two companies are not major shareholders of each other.
  Mr. Enomoto meets the independence standards for outside directors established by the Company's Nominating Committee as well as the standards for independence of Tokyo Stock Exchange, Inc. The Company has submitted a notice to this exchange designating Mr. Enomoto as an eligible candidate of independent director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.
- Information concerning others
  In the 2010 fiscal year, when Mr. Enomoto was a director of NTT DATA Corporation, a bribery incident concerning payments by a former employee to a former employee of the Japan Patent Office was discovered. NTT DATA Corporation performed an internal investigation by forming a committee headed by the company president. There was also an investigation by a committee made up of intellectuals from outside NTT DATA Corporation. Reports were subsequently announced and an internal and external compliance declaration was made. For the internal investigation committee, Mr. Enomoto served as the leader of the first investigation task force.

7	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., Inc. October 2003 Director of Konica Minolta Business Technologies, Inc., and President of Konica Minolta Business Solutions U.S.A., Inc. 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., Inc. 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) <Important position concurrently held> None	36,000 shares
8	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. April 2011 Director of the Company (position which he continues to hold) <Important position concurrently held> None	36,863 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 April 2011 Director and Senior Executive Officer of the Company, and Representative Director and President of Konica Minolta Business Technologies, Inc. April 2013 Director and Senior Managing Executive Officer of the Company (positions which he continues to hold) <Important position concurrently held> None	22,000 shares
10	Takashi Sugiyama (November 21, 1950)	April 1974 Joined Minolta Camera Co., Ltd. July 1997 General Manager of Design Division No.1, Image Information Products Development Headquarters of Minolta Co., Ltd. April 2001 General Manager of Development Center No.1 of Minolta Co., Ltd. October 2003 Director of Konica Minolta Business Technologies, Inc. April 2005 Executive Officer of the Company, and Senior Executive Director of Konica Minolta Business Technologies, Inc. April 2009 Senior Executive Officer of the Company, and Senior Executive Director of Konica Minolta Business Technologies, Inc. April 2011 Senior Executive Officer of the Company June 2011 Director and Managing Executive Officer of the Company April 2013 Director and Senior Managing Executive Officer of the Company (positions which he continues to hold) <Important position concurrently held> None	24,500 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 June 2010 Director and Senior Executive Officer of the Company (position which he continues to hold) <Important position concurrently held> None	21,000 shares

Notes 1.The candidate for director marked with (*) is first-time candidate.

2. Mr. Yoshikatsu Ota, Mr. Masatoshi Matsuzaki, Mr. Nobuhiko Ito, Mr. Shoji Kondo, Mr. Hirokazu Yoshikawa, Mr. Yasuo Matsumoto, Mr. Akio Kitani, Mr. Shoei Yamana, Mr. Takashi Sugiyama and Mr. Yoshiaki Ando 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. 28~ p. 30 of the Business Report.
3. No conflicts of interest exist between the Company and the director candidates.
4. The Company has entered into liability limitation agreements with outside directors Mr. Nobuhiko Ito, Mr. Shoji Kondo and Mr. Hirokazu Yoshikawa, the content of which is summarized in “Liability limitation agreements” on p. 34 of the Business Report. The Company will enter into similar agreements with them when they will be re-elected, and with the first-time candidate for outside director Mr. Takashi Enomoto when he will be elected.

[Reference]

1. The following types of people are ineligible to serve as outside directors at Konica Minolta. Our Nominating Committee selects outside director candidates with a high level of independence, provided that none of the following criteria apply.

   (1) Person affiliated with Konica Minolta
   - Former employee of the Konica Minolta Group
   - Having a family member (spouse, child, or any blood or marital relative twice removed or less) that has served as a director, executive officer, auditor or top manager in the Konica Minolta Group during the past five years

   (2) Person affiliated with a major supplier/client
   - Currently serving as a managing director, executive officer, or employee of a major supplier/client company/group that receives 2% or more of its consolidated sales from the Konica Minolta Group or vice versa

   (3) Specialized service provider (lawyer, accountant, consultant, etc.)
   - Specialized service provider that received annual compensation of ¥5 million or more from the Konica Minolta Group for the past two years

   (4) Other
   - A shareholder holding more than 10% of the voting rights in the company (executive directors, executives, or employees in the case of a corporate body)
   - A director taking part in a director exchange
   - A director, executive officer, auditor or equivalent position-holder of a company that competes with the Konica Minolta Group, or a person holding 3% or more of the shares of a competing company
   - Having some other significant conflict of interest with the Konica Minolta Group

2. If the eleven directors are elected at the Meeting, 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 three inside directors, Mr. Yoshikatsu Ota, Mr. Yasuo Matsumoto and Mr. Akio Kitani who do not concurrently hold executive officer posts, and the four outside directors.

   The Company appoints the Chairman of each committee especially from among outside directors. The Representative Executive Officer and President serves as neither member of the committees. Thus, the Company continues to strive to ensure the transparency of the administration of three committees.

Nominating Committee	Shoji Kondo (Chairman), Nobuhiko Ito, Takashi Enomoto, Yoshikatsu Ota, Yasuo Matsumoto
Audit Committee	Hirokazu Yoshikawa (Chairman), Shoji Kondo, Takashi Enomoto, Yasuo Matsumoto, Akio Kitani
Compensation Committee	Nobuhiko Ito (Chairman), Hirokazu Yoshikawa, Takashi Enomoto, Yasuo Matsumoto, Akio Kitani

[Provided Document]

BUSINESS REPORT

From April 1, 2012 to March 31, 2013

1. Overview of Konica Minolta Group business activities

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

Looking back on the business environment in the consolidated fiscal year under review, the Euro zone economy saw negative growth due to the impact of the European debt crisis, and further to this, economies in emerging countries stagnated despite having led growth in the global economy. In the U.S. economy, improvement in the employment environment and an increase in asset value pushed up consumption, driving a recovery trend. In the Japanese economy, post-earthquake demand returned to normal in the first half of the fiscal year while a multitude of factors such as the yen's appreciation put downward pressure on business activity. Although difficult conditions persisted in the manufacturing industry, corrections continued to be made to the strong yen from the end of 2012 along with a change of government which is heightening expectations for the future business environment.

Looking at the main businesses in the consolidated fiscal year under review, in the Business Technologies Business, sales were strong for the new series of A3 color MFPs (Multi-functional peripherals) for the office under the "bizhub" brand, and sales volumes of color MFPs for the fiscal year increased compared with the previous fiscal year in all regions worldwide, including Japan, the U.S., and Europe, and Other regions. In the production print field, sales volumes exceeded the previous fiscal year due in part to an increase in sales of color units in the key areas of Japan, the U.S. and Europe, and to the introduction of new products in the monochrome range. In the Industrial Business, while sales were soft for glass substrates for HDDs and pickup lenses for optical disks due to deterioration in market conditions and the impact of inventory adjustments, sales of thin plain TAC films for LCD polarizers ("TAC films for LCD polarizers" hereinafter referred to as "TAC films") and VA-TAC films for increasing the viewing angles (hereinafter referred to as "VA-TAC films") were strong, and sales volumes were up year on year for replacement lenses for DSLR cameras and light meters. In the Healthcare Business, sales were strong for digital radiography systems such as the "AeroDR".

Also, we implemented a variety of initiatives in accord with the growth strategy of our Medium Term Business Plan, "G PLAN 2013," which commenced in 2011 based on the keyword "Growth." In the Business Technologies Business, we pushed ahead vigorously with M&As in the production print field. In the office field, we promoted the acquisition of IT businesses in Europe and the U.S. with the aim of shifting to a business model that provides high value-added services such as improved business processes for customers through IT. In the Industrial Business, we conducted M&As in the sensing field aimed at decreasing dependency as a supplier of parts and components for digital consumer electronics and the shift to business units that can maintain stable, higher profitability in markets with future growth potential.

As a result, Konica Minolta's consolidated net sales for the fiscal year under review amounted to ¥813.0 billion, an increase of 5.9% year on year. In addition to the trend of corrections to the high yen since the end of last year, we successfully strengthened sales of main products in each business and proceeded with M&A, which culminated in an increase in sales compared with the previous fiscal year.

Operating income was ¥40.6 billion, an increase of 0.8% year on year. Profits were down in the Business Technologies Business due to a delay in achieving cost reduction plans for certain new products and the impact of deterioration in market conditions in Europe. On the other hand, in the Industrial Business and the Healthcare Business, profits increased year on year due to increased sales and initiatives to improve profitability.

Ordinary income was ¥38.9 billion, an increase of 11.9% year on year, as a result of factors including foreign currency transaction gain in line with corrections to the high yen. Income before income taxes and minority interests was ¥33.8 billion, up 3.1% year on year, primarily attributable to a loss on sales and retirement of noncurrent assets and impairment loss of ¥4.7 billion associated with a portion of production equipment. Net income amounted to ¥15.1 billion, a decrease of 25.9% year on year, due to an increase in total income tax compared with the previous fiscal year.

With respect to dividends from retained earnings for the fiscal year under review, the Group will distribute a year-end dividend of 7.5 yen per share as planned. Combined with the dividend paid to shareholders on record as of September 30, 2012, the total annual dividend will be 15.0 yen per share.

Overview of Business Segments

[Billions of yen]

Segment	Net sales to outside customers			Operating income		
		YoY change			YoY change	
Business Technologies Business	581.6	34.0	6.2%	31.6	(7.8)	(19.8%)
Industrial Business	146.7	-	-%	23.6	-	-%
Healthcare Business	72.7	(0.2)	(0.4%)	3.3	3.2	-%

Note: With the April 2012 reorganization of the Group, the reportable segments are the Business Technologies Business, Industrial Business, and Healthcare Business from the first quarter of the consolidated fiscal year under review, instead of the Business Technologies Business, Optics Business, and Healthcare Business, which were reportable segments until the previous fiscal year. Therefore, there is no description of year on year change regarding the Industrial Business.

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

Business Technologies Business

In the office field, sales volumes of A3 color MFPs for the fiscal year under review increased compared with the previous fiscal year due to the effects of new model introductions. Although sales volumes of A3 monochrome MFPs decreased in key markets such as Europe due to continued market maturation, sales volumes of A3 MFPs overall increased year on year.

In the production print field, sales of color units increased in the United States and Japan amid a challenging market environment while performance was solid for monochrome units thanks to the successful introduction of new digital printing systems from the first half of the year, such as the “bizhub PRO 951,” “bizhub PRESS 1250” and “bizhub PRESS 1052.” As a result, sales volumes grew year on year for both color units and monochrome units.

We are pushing ahead strongly with M&As in the Business Technologies Business aimed at expanding sales of output equipment such as MFPs and solution services as well as transforming our business portfolio in the future.

In the office field, the Company acquired IT service providers Serians S.A.S. (headquartered in France) in June and Raber+Märcker GmbH (headquartered in Germany) in December of last year, to bolster IT services to serve as the focal point in improving business processes along with the development of OPS (Optimized Print Services). That enabled us to enhance the attractiveness of our proposals to small- and medium-size customers in terms of improving business processes. Furthermore, five companies were similarly acquired in the U.S. through M&As (coming into effect in the fiscal year under review). In sales to major clients on a global level, the number of customers was expanded from the previous fiscal year, including the conclusion of a global contract with a major European energy company.

In the production print field, the Company acquired FedEx Kinko's Japan Co., Ltd. (headquartered in Tokyo), one of Japan's largest on-demand printing providers, in May of last year, and FedEx Kinko's Korea Ltd. in January of this year to enhance sales, service and solution proposal capabilities in the in-house printing market. In Europe, we acquired Charterhouse PM Limited (headquartered in the UK), a leading marketing service production company with proven performance in developing business in 18 countries throughout Europe, in December of last year. This company specializes in optimization of materials and costs related to the production of customers' printed documents as well as in marketing planning.

As a result, net sales of the Business Technologies Business to outside customers stood at ¥581.6 billion, up 6.2% year on year, and operating income was ¥31.6 billion, down 19.8% year on year. Net sales were up year on year due to an increase in sales volumes of new color MFPs as well as production print units and to the effects of M&As. Operating income fell year on year due to a delay in achieving cost reduction plans for new products and to the impact of deterioration in market conditions in Europe.

< Production print field >

The Company has been concentrating on the global expansion of the production print sector, which serves primarily large companies with their own printing facilities, large franchised print shops and commercial printing companies.

In Japan, this business has been meeting the diverse document output needs of companies and providing output services that help companies raise efficiency and cut costs. The acquisition of FedEx Kinko Japan Co., Ltd. was made to strengthen the ability to perform consulting sales that match specific industries and business models and to enlarge the lineup of customer-oriented services. With these capabilities, the Company plans to be a source of a broad array of solutions for the printing requirements of companies.

Industrial Business

In the display material field, sales of our core thin film products such as TAC film with a thickness of 40 μm and VA-TAC film for large TVs as well as TAC film with a thickness of 60 μm were strong, and sales volumes of these products exceeded those of the previous fiscal year. Furthermore, the Company made the industry-pioneering move of commencing mass production of ultra-thin TAC film with a thickness of 25 μm for the mobile market in November of last year, which further heightened the competitiveness of thin film products.

In the optical products field, while sales were soft for glass substrates for HDDs and pickup lenses for optical disks due to deterioration in market conditions, the application of the Company's projector lenses for digital cinemas, replacement lenses for DSLR cameras and zoom lens units for compact digital cameras has increased. Shipping of lens units for smartphones commenced from the beginning of last year and sales volumes were up year on year for each of these products.

In the sensing field, large orders were acquired for light meters, including the "CL-200A Chroma Meter" and the "CA-310 Color Analyzer," which are used for quality control in the manufacturing process for displays, such as those for smartphones, and LED lighting, and as a result sales volumes were up year on year. With the aim of strengthening competitiveness in this light measurement segment, Instrument Systems GmbH (headquartered in Germany), which has a particularly high market share of top segment products, was acquired in November of last year.

As a result, net sales of the Industrial Business to outside customers and operating income stood at ¥146.7 billion and ¥23.6 billion, respectively. Both sales and profits grew year on year due to an increase in overall sales volumes for major products, excluding some products such as those in the field of optics.

< VA-TAC >

The Group was one of the first to develop and manufacture TAC films, which are used to protect the LCD polarizers. By using its technological advantage gained from manufacturing photographic film, the Group was among the first in the industry to start selling a TAC film that is half the thickness of conventional films. Furthermore, the new film still delivers the outstanding flatness, ultraviolet light absorption and other characteristics needed to achieve the high quality demanded by LCDs.

VA-TEC is a thin film that widens LCD viewing angles by uniformly controlling phase differences and wavelength dispersion characteristics. Adding a viewing angle widening capability to an LCD polarizer played a part in making large LCD televisions slimmer.

Healthcare Business

In the Healthcare Business, the Company focused on increasing sales of digital X-ray diagnostic imaging systems to medical facilities in Japan and overseas. Sales are expanding further for “AeroDR,” a cassette-type digital radiography system, particularly in general X-ray systems and nursing carts. “AeroDR” is equipped with a high resolution scintillator developed and manufactured in-house and realizes low radiation emissions and high image quality despite being small and the world’s lightest cassette-type digital radiography system. This offset the impact of a decline in sales of film products, particularly in developed countries

As a result of these factors, net sales to outside customers stood at ¥72.7 billion, down 0.4% year on year. An increase in gross profit in line with growth in sales of digital radiography systems and the effect of initiatives to enhance profitability led to a significant increase in operating income from ¥90 million in the previous fiscal year to ¥3.3 billion.

<Digital Radiography (DR)>

With the rapidly increasing use of IT for handling medical data, medical facilities have started using cassette-type digital x-ray equipment. However, this equipment had many problems that made it difficult to use. For example, the equipment was heavy and there were cables for supplying power to the panel and transmitting data.

The AeroDR is a wireless cassette digital X-ray detector and is the world’s lightest imaging device of this type that can perform the wireless transmission of imaging data. This product has low radiation, outstanding imaging quality and a rugged construction. In addition, a competitive price makes it easy to switch to digital X-ray imaging equipment. The AeroDR is very easy to operate. All these features have enabled the AeroDR to earn an excellent reputation at healthcare facilities.

Konica Minolta Awarded with Gold Class in CSR Rating from SRI Rating Agency RobecoSAM

Konica Minolta was awarded with the Gold Class for the first time from RobecoSAM, one of the world’s leading research and rating organizations in the field of socially responsible investing (SRI).

RobecoSAM evaluates over 3,000 of the world’s largest companies on corporate sustainability in terms of economic, environmental and social issues, and awards the Gold Class to those companies demonstrating particularly exceptional performance. In 2013, 67 companies worldwide were awarded with Gold Class. Three Japanese companies were bestowed with this award, including Konica Minolta.

Konica Minolta regards corporate social responsibility (CSR) efforts as an integral part of the Group’s management and, while globally driving strong growth, aims at pursuing and creating new “values” sought by society through integration of its business and CSR activities.

The Company's group-wide efforts, including mid- to long-term initiatives to reduce environmental impact, implementation of high-level compliance across the board and commitment to address social challenges based on its innovations, have received global recognition as a top-class company that contributes to sustainable earth and society.

Besides RobecoSAM Gold Class, Konica Minolta has been included in Dow Jones Sustainability World Index by Dow Jones and RobecoSAM, FTSE4Good Global Index of the UK-based FTSE International Limited, and Japan-based Morningstar Socially Responsible Investment Index.

(2) Financing, etc.

a. Financing

The Company is mainly responsible for financing. In the fiscal year under review, the issue of euroyen convertible bonds due in 2016 (total issue price of ¥40 billion) was redeemed before maturity and bank loans were used to procure ¥37 billion to meet working capital and investment requirements.

b. Capital expenditure

The capital expenditure of the Group during the fiscal year under review totaled ¥38.6 billion, with the emphasis on expenditure for the development and manufacture of new products mainly in the Business Technologies Business and the Industrial Business. Significant expenditures included the production facilities for MFPs, production printing systems in the Business Technologies Business and the production facilities for TAC film and functional film in the Industrial Business.

c. Significant restructuring

In the Business Technologies Business, the Company acquired IT service providers Serians S.A.S. (headquartered in France) and Raber+Märcker GmbH (headquartered in Germany) for the purpose of strengthening IT service capabilities, which will be critical to transforming operations in the office sector. Acquiring these companies improved the Company’s ability to create proposals for improving the business processes of middle-market and small and mid-size companies. Furthermore, five companies were similarly acquired in the U.S. through M&As (coming into effect in the fiscal year under review). In the production print field of this business, the Company acquired FedEx Kinko’s Japan Co., Ltd. (headquartered in Tokyo), FedEx Kinko’s Korea Ltd., and Charterhouse PM Limited (headquartered in the UK). The goal is to enhance sales, service and solution proposal capabilities in the in-house printing market. In the Industrial business, Instrument Systems GmbH (headquartered in Germany) was acquired to become more competitive in the light measurement category of the measuring instruments sector.

(3) Business results of the last three fiscal years

		106th Term Fiscal Year Ended March 31, 2010	107th Term Fiscal Year Ended March 31, 2011	108th Term Fiscal Year Ended March 31, 2012	109th Term Fiscal Year Ended March 31, 2013 (Fiscal year under review)
Net sales	(Millions of yen)	804,465	777,953	767,879	813,073
Operating income	(Millions of yen)	43,988	40,022	40,346	40,659
Ordinary income	(Millions of yen)	40,818	33,155	34,758	38,901
Net income	(Millions of yen)	16,931	25,896	20,424	15,124
Net income per share	(yen)	31.93	48.84	38.52	28.52
Total assets	(Millions of yen)	865,797	845,453	902,052	940,553
Net assets	(Millions of yen)	420,775	428,987	434,987	466,416
Net assets per share	(yen)	791.28	806.53	817.81	876.65
Dividend per share [of which, interim dividend per share]	(yen)	15 [7.5]	15 [7.5]	15 [7.5]	15 [7.5]

(4) Issues to be handled

<Reorganization in the Group Management System>

The business environment has changed abruptly, characterized by a shift in economic and corporate activities along with rapid expansion of digital networks, borderless information communication and growing concerns over resources and energy. Against this backdrop, companies are required to conduct business faster than ever before.

The Konica Minolta Group executed reorganization of its management system from the foundations in order to enable flexible response to such environmental changes, continue outstripping the global competition and retain dynamic growth. Konica Minolta Holdings, Inc., a pure holding company, absorbed seven group companies that were under its umbrella and became a company engaging directly in business operations as well as group management. In line with this move, the Company's trade name was changed to Konica Minolta, Inc., and a new start was made on April 1, 2013. The following three points outline the goals of the reorganization.

1. Innovative management capabilities in the Business Technologies Business
   The Business Technologies Business, which accounts for about 70 percent of the Group's net sales, strengthened its innovative ability to upgrade the quality of business processes and administrative efficiency by integrating the Company and Konica Minolta Business Technologies , Inc. so that it will keep transforming the portfolio of business, while driving growth and profitability.

2. Strategic and agile utilization of management resources
   This reorganization clears a path for a system to align organizations and assign human resources strategically and with higher agility. That will help accelerate growth in emerging and promising fields such as functional films, including Organic Light Emitting Diode (OLED) lighting, and industrial inkjet businesses, as well as stepping up efforts to implement changes in segments that need to drive profitability growth.

3. Creation of systems to support efficient operation
   While keeping the merits of the split-business structure by employing an in-house company system, the reorganization will consolidate corporate functions to enable more efficient operational support.

<Konica Minolta Group Medium Term Business Plan>

The fiscal year ending March 31, 2014 is the final year of our Medium Term Business Plan, "G PLAN 2013." Under the new management system, we will steadily promote the following three fundamental policies stated in the plan and proactively aim to achieve enhanced sales and profits.

1. Achieving growth, expanding business scale
   We will swiftly create an earnings structure in each business field that can achieve strong growth and leverage the effects of past M&As to drive increases in sales and profits. Corporate divisions strengthened through the reorganization will take the lead in promoting investment of management resources into growth fields.

2. Changing into a "Global Company"
   We aim to shift away from the idea of suboptimization of each group company and pursue optimization as an overall group to produce the best results based on a global perspective.
   To achieve this, we will continue to promote measures for global human resources.

3. Increasing the recognition of the Konica Minolta brand
   The group reorganization has provided us with an opportunity to work toward the realization of our management philosophy, "The Creation of New Value," across the organization. By doing so, we can provide attractive products, services and solutions to customers and make Konica Minolta even more appealing.

(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	MFPs (Multi-functional peripherals), printers, equipment for production print systems and graphic arts, etc.
Industrial Business	Electronic materials, performance materials, optical products and measuring instruments for industrial and healthcare applications, etc.
Healthcare Business	Consumables and equipment for healthcare systems, etc.

With the April 2012 reorganization of the Group, the reportable segments are the Business Technologies Business, Industrial Business, and Healthcare Business from the first quarter of the consolidated fiscal year under review, instead of the Business Technologies Business, Optics Business, and Healthcare Business, which were reportable segments until the previous fiscal year.

(6) Major business offices, plants, etc. 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, 128 subsidiaries and four 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 City, 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
41,844	Increase of 3,638

Note The number of employees indicates the number of employees currently on duty.

(7) Significant subsidiaries at the fiscal year end

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Technologies, Inc.	Millions of yen 400	100%	Manufacturing and sale of multi-functional peripherals (MFPs), printers, and equipment for production print systems and graphic arts, and providing related solution services
Konica Minolta Advanced Layers, Inc.	Millions of yen 400	100%	Manufacturing and sale of electronic materials (such as TAC films), illuminating light source panels and functional films (such as thermal insulation films)
Konica Minolta Optics, Inc.	Millions of yen 400	100%	Manufacturing and sale of optical devices (such as pickup lenses) and measuring instruments for industrial and healthcare applications
Konica Minolta Medical & Graphic, Inc.	Millions of yen 400	100%	Manufacturing and sale of consumables and equipment for healthcare systems
Konica Minolta Technology Center, Inc.	Millions of yen 50	100%	Provision of services to group companies including R&D, customized product design and management of intellectual property assets
Konica Minolta Business Expert, Inc.	Millions of yen 495	100%	Provision of various shared services for the Group in the field of engineering, logistics, environment, safety and others
Konica Minolta IJ Technologies, Inc.	Millions of yen 10	100%	Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use
Konica Minolta Business Solutions Japan Co., Ltd.	Millions of yen 497	*100%	Sale of multi-functional peripherals (MFPs), printers, equipment for production print systems and graphic arts, and related supplies in Japan, and providing related solution services
Konica Minolta Health Care Co., Ltd.	Millions of yen 397	*100%	Sale of consumables and equipment for healthcare system in Japan
Konica Minolta Technoproducts Co., Ltd.	Millions of yen 350	*100%	Manufacturing and sale of equipment for healthcare system
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 1,500	*100%	Manufacturing and sale of supplies for multi-functional peripherals (MFPs) and printers

(Notes)
1. The ratio of voting rights marked with * include those held by subsidiaries.
2. On April 1, 2012, Konica Minolta Opto, Inc. combined the electronic materials, illuminating light source panel and functional film businesses and changed the trade name to Konica Minolta Advanced Layers, Inc.
3. On April 1, 2012, Konica Minolta Sensing, Inc. combined the optical device and industrial and measuring instruments for industrial and healthcare applications and changed the trade name to Konica Minolta Optics, Inc.

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in the U.S., and providing related solution services
Konica Minolta Business Solutions Europe GmbH	Thousand euro 88,100	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in Europe, and providing related solution services
Konica Minolta Business Solutions Deutschland GmbH	Thousand euro 10,025	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in Germany, and providing related solution services
Konica Minolta Business Solutions France S.A.S.	Thousand euro 26,490	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in France, and providing related solution services
Konica Minolta Business Solutions (UK) Ltd.	Thousand British pound 21,000	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in the U.K., and providing related solution services
Konica Minolta Business Solutions Australia Pty. Ltd.	Thousand Australian dollar 24,950	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in Australia, and providing related solution services
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	*100%	Sale of multi-functional peripherals (MFPs), printers and related supplies in China, and providing related solution services
Konica Minolta Business Technologies Manufacturing (HK) Ltd.	Thousand HK dollar 195,800	*100%	Manufacturing and sale of multi-functional peripherals (MFPs) , printers, and related supplies
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacturing and sale of multi-functional peripherals (MFPs), printers, and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacturing and sale of multi-functional peripherals (MFPs, printers, and related supplies
Konica Minolta Opto (DALIAN) Co., Ltd.	Thousand RMB 244,675	*100%	Manufacturing and sale of optical products (pickup lenses, etc.)
Konica Minolta Glass Tech Malaysia Sdn. Bhd.	Thousand RM 230,850	*100%	Manufacturing and sale of glass substrates for HDDs

(Notes)

1. The ratio of voting rights marked with * include those held by subsidiaries.
2. On October 1, 2012, Develop GmbH was combined with Konica Minolta Business Solutions Europe GmbH and Konica Minolta Business Solutions Deutschland GmbH.

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

[Millions of yen]

Lender	Outstanding amount of loan
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	42,677
Sumitomo Mitsui Banking Corporation	18,474
Resona Bank, Limited.	7,528
Mizuho Corporate Bank, Ltd.	6,871

(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 Company is aiming to sustain a dividend payout ratio of 25% or higher on a consolidated basis 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

The Company moved its head office to 2-7-2 Marunouchi, Chiyoda-ku, Tokyo on August 17, 2012. On April 1, 2013, the Company merged with the following seven group companies through acquisition and changed its trade name to Konica Minolta, Inc.

Konica Minolta Business Technologies, Inc.
Konica Minolta Advanced Layers, Inc.
Konica Minolta Optics, Inc.
Konica Minolta Medical & Graphic, Inc.
Konica Minolta IJ Technologies, Inc.
Konica Minolta Technology Center, Inc.
Konica Minolta Business Expert, Inc.

2. State of shares at the fiscal year end

(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 1,346,048 shares)

(3) Number of shareholders ···································· 30,206

(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)	33,439	6.3
The Master Trust Bank of Japan, Ltd. (Trust account)	27,446	5.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,945	2.6
Nippon Life Insurance Company	12,009	2.3
JPMorgan Chase Bank 385167	11,948	2.3
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retrust Portion, Sumitomo Mitsui Banking Corporation Pension Trust Account)	11,875	2.2
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	11,295	2.1
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for the Bank of Tokyo-Mitsubishi UFJ, Ltd.)	10,801	2.0
Japan Trustee Services Bank, Ltd. (Trust account 9)	9,744	1.8
Mellon Bank, N.A. as agent for its client Mellon Omnibus US Pension	9,534	1.8

Note: Ratio of shared held is calculated by deducting treasury stock 1,346,048 shares.

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 fiscal year end

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 determination 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
Number of stock acquisition rights		389	211	226	256
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
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
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
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	10	10	12	15
	Number of rights	137	101	117	153
	Number of shares	68,500 shares	50,500 shares	58,500 shares	76,500 shares

<table>
<tr><th colspan="2"></th><th>Fifth Series
Fiscal Year Ended
March 31, 2010</th><th>Sixth Series
Fiscal Year Ended
March 31, 2011</th><th>Seventh Series
Fiscal Year Ended
March 31, 2012</th><th>Eighth Series
Fiscal Year Ended
March 31, 2013</th></tr>
<tr><td colspan="2">Number of stock acquisition rights</td><td>399</td><td>376</td><td>479</td><td>571</td></tr>
<tr><td colspan="2">Type and number of shares under stock acquisition rights</td><td>Common shares 199,500 shares</td><td>Common shares 188,000 shares</td><td>Common shares 239,500 shares</td><td>Common shares 285,500 shares</td></tr>
<tr><td colspan="2">Amount to be paid upon exercise of the stock acquisition rights</td><td>One (1) yen per share</td><td>One (1) yen per share</td><td>One (1) yen per share</td><td>One (1) yen per share</td></tr>
<tr><td colspan="2">Exercise period of stock acquisition rights</td><td>August 20, 2009
-
June 30, 2029</td><td>August 28, 2010
-
June 30, 2030</td><td>August 24, 2011
-
June 30, 2031</td><td>August 23, 2012
-
June 30, 2032</td></tr>
<tr><td colspan="2">Primary condition for exercise of stock acquisition rights</td><td colspan="4">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.</td></tr>
<tr><td colspan="2">Primary events and conditions for acquisition of stock acquisition rights</td><td colspan="4">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.</td></tr>
<tr><td rowspan="3">Holdings of directors and executive officers</td><td>Number of holders</td><td>16</td><td>18</td><td>20</td><td>25</td></tr>
<tr><td>Number of rights</td><td>266</td><td>298</td><td>423</td><td>571</td></tr>
<tr><td>Number of shares</td><td>133,000 shares</td><td>149,000 shares</td><td>211,500 shares</td><td>285,500 shares</td></tr>
</table>

4. Status of the Company's management members

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

a. Directors

Position	Name	Responsibilities	Important positions concurrently held
Director	Yoshikatsu Ota	Chairman of the Board Member of Nominating Committee	Director of YAMAHA CORPORATION
Director	Masatoshi Matsuzaki	(Representative Executive Officer and President)	
Outside Director	Yozo Izuhara	Member of Compensation Committee (Chairman) Member of Audit Committee	Honorary Corporate Advisor of Nippon Sheet Glass Co., Ltd.
Outside Director	Nobuhiko Ito	Member of Audit Committee (Chairman) Member of Nominating Committee	Director of TADANO LTD. and Director of TOMY COMPANY, LTD.
Outside Director	Shoji Kondo	Member of Nominating Committee (Chairman) Member of Compensation Committee	Senior Corporate Advisor of Hino Motors, Ltd.
Outside Director	Hirokazu Yoshikawa	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	Senior Corporate Advisor of DOWA HOLDINGS Co., Ltd.
Director	Yasuo Matsumoto	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	
Director	Akio Kitani	Member of Audit Committee Member of Compensation Committee	
Director	Shoei Yamana	(Senior Executive Officer)	
Director	Yoshiaki Ando	(Senior Executive Officer)	
Director	Takashi Sugiyama	(Senior Executive Officer)	

Notes 1. The four directors Mr. Yozo Izuhara, Mr. Nobuhiko Ito, Mr. Shoji Kondo and Mr. Hirokazu Yoshikawa 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 108th Ordinary General Meeting of Shareholders held on June 20, 2012, the terms of office of all eleven (11) directors expired. The following ten directors were reelected: Mr. Yoshikatsu Ota, Mr. Masatoshi Matsuzaki, Mr. Yozo Izuhara, Mr. Nobuhiko Ito, Mr. Shoji Kondo, Mr. Yasuo Matsumoto, Mr. Akio Kitani, Mr. Shoei Yamana, Mr. Yoshiaki Ando and Mr. Takashi Sugiyama; and Mr. Hirokazu Yoshikawa was newly elected and assumed office the same day.

3. Upon the close of the 108th Ordinary General Meeting of Shareholders held on June 20, 2012, the term of office of Mr. Tohru Tsuji expired and he retired from the office of director.

4. Audit Committee member Mr. Yasuo Matsumoto had been in charge of the corporate accounting and corporate finance of the Company as the senior executive officer and has considerable knowledge of corporate finance and corporate accounting.

b. Executive Officers

Position	Name	Responsibilities and important positions concurrently held
* President and CEO Representative Executive Officer	Masatoshi Matsuzaki	In charge of CSR, Corporate Communications and Branding
* Senior Executive Officer	Shoei Yamana	Representative Director and President of Konica Minolta Business Technologies, Inc.
Senior Executive Officer	Takashi Matsumaru	Representative Director and President of Konica Minolta Technology Center, Inc.
Senior Executive Officer	Kiyofumi Tanida	Representative Director and President of Konica Minolta Business Expert, Inc. In charge of Environment, Quality and Safety General Manager of Kansai Headquarters
* Senior Executive Officer	Takashi Sugiyama	In charge of Technology Strategy and Information Technology (IT)
* Senior Executive Officer	Yoshiaki Ando	In charge of Corporate Strategy, Investor Relations (IR), Corporate Accounting, Corporate Finance and Risk Management
Senior Executive Officer	Masaru Kamei	In charge of Legal Affairs, General Affairs, Compliance, Intellectual Property and Crisis Management
Senior Executive Officer	Atsushi Kodama	Representative Director and President of Konica Minolta Medical & Graphic, Inc.
Senior Executive Officer	Nobuyasu Ieuji	In charge of Manufacturing Innovation Managing Director, General Manager of Manufacturing Headquarters and in charge of Manufacturing Technologies of Konica Minolta Business Technologies, Inc.
Senior Executive Officer	Hideki Okamura	In charge of Supply Chain Management (SCM)
Senior Executive Officer	Toshihiko Karasaki	Representative Director and President of Konica Minolta Optics, Inc.
Senior Executive Officer	Yoshitsugu Shiraki	Representative Director and President of Konica Minolta Advanced Layers, Inc.
Executive Officer	Masami Akiyama	Managing Director and General Manager of Performance Materials Headquarters of Konica Minolta Advanced Layers, Inc.
Executive Officer	Kazuyoshi Hata	Managing Director and General Manager of Corporate Management Headquarters of Konica Minolta Medical & Graphic, Inc.
Executive Officer	Akiyoshi Ohno	Representative Director and President of Konica Minolta IJ Technologies, Inc.
Executive Officer	Jun Haraguchi	Managing Director, General Manager of Sales Headquarters and in charge of Business Development of Konica Minolta Business Technologies, Inc.
Executive Officer	Tsukasa Wakashima	General Manager of Human Resources Division
Executive Officer	Shingo Asai	Managing Director and in charge of Operational Efficiency Innovation of Konica Minolta Business Technologies, Inc.
Executive Officer	Kunihiro Koshizuka	General Manager of Technology Strategy Division
Executive Officer	Ken Shiomi	Director and in charge of Planning and Coordination Division and Quality and Environment Division of Konica Minolta Optics, Inc.
Executive Officer	Hiroyuki Suzuki	General Manager of Corporate Audit Office
Executive Officer	Tomio Nakamura	Director and in charge of HD Business Division and U&C Business Division of Konica Minolta Optics, Inc.

Notes 1. Executive officers marked with * hold concurrent director positions.
2. The above executive officers were, after the close of the 108th Ordinary General Meeting of Shareholders held on June 20, 2012, elected at the meeting of the board of directors held the same day.
3. Mr. Kiyofumi Tanida and Mr. Hideki Okamura resigned as senior executive officers as of March 31, 2013.

4. Mr. Takashi Sugiyama and Mr. Shoei Yamana were promoted to senior managing executive officer and Mr. Jun Haraguchi was promoted to senior executive officer as of April 1, 2013. Mr. Toyotsugu Itoh, Mr. Ken Osuga, Mr. Kenichi Sanada and Mr. Seiji Hatano were newly assumed executive officer posts as of the same date. Executive officers and its responsibilities changed as of April 1, 2013 are as follows.

Position	Name	Responsibilities, important positions concurrently held
President and CEO Representative Executive Officer	Masatoshi Matsuzaki	In charge of Corporate CSR & Communications & Branding
Senior Managing Executive Officer	Takashi Sugiyama	In charge of Corporate R&D, Corporate IT Innovation & Planning and Corporate Production
Senior Managing Executive Officer	Shoei Yamana	In charge of Business Technologies Business
Senior Executive Officer	Takashi Matsumaru	General Manager, Corporate R&D Headquarters
Senior Executive Officer	Yoshiaki Ando	In charge of Corporate Business Management, Corporate Accounting, Corporate Finance and Risk Management
Senior Executive Officer	Masaru Kamei	In charge of Corporate Legal & General Affairs , Intellectual Property Center, Compliance and Crisis Management General Manager of Kansai Headquarters
Senior Executive Officer	Atsushi Kodama	Healthcare Company President
Senior Executive Officer	Nobuyasu Ieuji	In charge of Corporate Social Responsibility and Corporate SCM Center
Senior Executive Officer	Toshihiko Karasaki	Optics Company President
Senior Executive Officer	Yoshitsugu Shiraki	Advanced Layers Company President
Senior Executive Officer	Jun Haraguchi	General Manager, Business Technologies Business Sales Headquarters
Executive Officer	Masami Akiyama	General Manager, Advanced Layers Company Performance Materials Business
Executive Officer	Kazuyoshi Hata	In charge of Healthcare Company, Responsible for R&D, Product Planning , Healthcare IT Solutions, General Planning, and Management Administration
Executive Officer	Akiyoshi Ohno	General Manager, Inkjet Business Unit
Executive Officer	Tsukasa Wakashima	General Manager, Corporate Human Resources Division
Executive Officer	Shingo Asai	General Manager, Business Technologies Business Manufacturing Headquarters
Executive Officer	Kunihiro Koshizuka	General Manager, Corporate R&D Headquarters Technology Strategy Division, Responsible for Technology R&D Center 1&2
Executive Officer	Ken Shiomi	Optics Company, Responsible for Planning & Administration
Executive Officer	Hiroyuki Suzuki	General Manager, Corporate Audit Division
Executive Officer	Tomio Nakamura	Optics Company, General Manager, Hard Disk Business Unit Responsible for U&C Business
Executive Officer	Toyotsugu Ito	General Manager, Corporate Production Operations
Executive Officer	Ken Osuga	President, Konica Minolta Business Solutions Europe GmbH
Executive Officer	Kenichi Sanada	General Manager, Corporate Intellectual Property Center
Executive Officer	Seiji Hatano	General Manager, Corporate Strategy Division

(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	43	5	43	-	-	-	-
	Inside	151	3	127	-	-	3	24
	Total	195	8	170	-	-	3	24
Executive Officers		465	22	264	22	94	22	107

Notes 1. At the end of the period (March 31, 2013), 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 three (3) inside directors shown above, the Company has another four (4) 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	779	22	520	22	151	22	107

(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. The total amount of individual compensation entitlement and “Base salary” are 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 (consolidated operating income) and the degree of attainment of annual performance targets. The amount based on the degree of attainment of annual performance targets is determined in the 0 % to 200 % range of the standard amount of compensation. The targets are major consolidated performance indicators (sales, operating income, ROE and others) associated with results of operations.
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 based on the position.
5. The standard for compensation to executive officers is a 60:25:15 mix of “base salary,” “performance-based cash bonus” and “compensation-type stock options.” For the executive officers ranked in a more senior position, the “base salary” ratio is lowered while the ratio of “performance-based cash bonus” is increased.
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.

Not applicable.

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

Name	Name of company, etc.	Position
Nobuhiko Ito	TADANO LTD.	Outside director
	TOMY COMPANY, LTD.	Outside director

There is no material transaction 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 Nominating Committee, the Audit 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, the Chairman and other Directors 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. Yozo Izuhara

He attended all 14 Board of Directors meetings, all 16 Audit Committee meetings, and all six Compensation Committee meetings, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, global strategy including emerging countries and sales strategy. At the Audit Committee, he had made appropriate and necessary statements with his experienced deep knowledge.

b) Mr. Nobuhiko Ito

He attended all 14 Board of Directors meetings, all seven Nominating Committee meetings, all 16 Audit Committee meetings, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, M&A strategy and corporate operating management. At the Audit Committee, as the chairman, he made appropriate and necessary statements with his experienced deep knowledge.

c) Mr. Shoji Kondo

He attended all 14 Board of Directors meetings, all seven Nominating Committee meetings, all five Audit Committee meetings held up until June 2012, and all six Compensation Committee meetings, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, production and purchase strategy and human resources strategy. At the Audit Committee, he made appropriate and necessary statements with his experienced deep knowledge.

d) Mr. Hirokazu Yoshikawa (appointed at the Ordinary General Meeting of Shareholders held June 2012)

He attended all 11 Board of Directors meetings held after his appointment, all six Nominating Committee meetings, all 11 Audit Committee meetings, and all five Compensation Committee meetings, which were respectively held during the fiscal year. At Board of Directors meetings, he primarily made statements, as necessary and appropriate, for the supervision of and the advice on management from the perspective of a highly experienced management on areas such as medium-term management strategy, organization and human resources strategy and group business management. At the Audit 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. Yozo Izuhara, Mr. Nobuhiko Ito, Mr. Shoji Kondo and Mr. Hirokazu Yoshikawa 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 LLC

(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	¥85 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Law	¥16 million
Total	¥102 million

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

¥297 million

(3) Details of services other than auditing

We paid KPMG AZSA LLC to consign the advisory service about reorganization of Group management structure and the introduction of International Financial Reporting Standards.

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

The Audit 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 Audit 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.

The Audit Committee also examines the status of the performance of the Independent Auditor and decides the reappointment or denial every fiscal year.

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 Audit Committee>

1. The Company set up the Audit Committee Office with a full-time staff to support the Audit Committee, and, besides being the secretariat of the Audit Committee, the Audit Committee Office shall perform its duties in accordance with the instructions of the Audit Committee.
2. To ensure the independence of the above Audit Committee Office from executive officers, personnel matters regarding the Audit Committee Office including appointment, personnel changes and disciplinary action, shall be approved in advance by the Audit Committee.
3. The executive officers in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee, shall report on the status of operation to the Audit 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 Audit Committee.
4. Audit Committee members elected by the Audit Committee may attend management council meetings and other important meetings if necessary and may request investigations, reports, etc. from the executive officers in charge of 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 the executive officer document management rules and internal rules concerning the management of other documents.
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) With respect to management of the business strategy risks, the executive officer in charge of business strategy shall be responsible, and regarding management of other risks in connection with business activities, each executive officer shall be responsible in accordance with respective assigned area. The Risk Management Committee shall provide support to each executive officer. Further, the Risk Management Committee shall periodically conduct selection,

assessment and review of material risks, develop measures, and confirm management status.

(2) The executive officer in charge of risk management nominated by the Board of Directors shall be responsible for establishing the contingency plans and countermeasures to minimize the damages by a crisis which is supposed to adversely affect the corporate value.

(3) Provide support to 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 and operating the Group’s compliance systems, and the executive officer nominated by the Board of Directors shall be responsible for establishing and operating the 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, familiarizing this through the Group, and enacting compliance conduct guidelines, etc. based on the philosophy of the Charter of Corporate Behavior.
   (3) Establishing and operating systems to promote compliance at each group company.
   (4) Establishing 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 establishing and operating internal auditing systems in accordance with the Internal Auditing Regulations.
9. The Company shall be responsible for establishing and operating 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 establish and operate 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, 2013) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**579,593**	**Current liabilities**	**282,671**
Cash and deposits	93,413	Notes and account payable - trade	85,424
Notes and accounts receivable-trade	194,038	Short-term loans payable	67,398
Lease receivables and lease investment assets	16,007	Long-term loans due within one year	23,990
Short-term investment securities	120,501	Unpaid expenses	32,462
Inventories	112,479	Accrued expenses	28,993
Deferred tax assets	20,259	Income taxes payable	7,376
Accounts receivable-other	12,602	Provision for bonuses	10,841
Other current assets	14,860	Provision for D & O's bonuses	229
Allowance for doubtful accounts	(4,568)	Provision for product warranties	1,199
		Notes payable-facilities	975
		Asset retirement obligations	33
		Other current liabilities	23,745
Noncurrent assets	**360,960**	**Noncurrent liabilities**	**191,465**
Tangible noncurrent assets	**179,903**	Corporate Bonds payable	70,000
Buildings and structures	68,601	Long-term loans payable	63,507
Machinery, equipment and vehicles	33,900	Deferred tax liabilities for land revaluation	3,269
Tools, furniture and fixtures	24,584	Provision for retirement benefits	43,754
Land	34,013	Provision for D & Os' retirement benefits	282
Lease assets	480	Asset retirement obligations	981
Construction in progress	6,969	Other noncurrent liabilities	9,669
Assets for business-use rent	11,354	**Total liabilities**	**474,136**
Intangible noncurrent assets	**110,937**	**Net assets**	
Goodwill	69,465	**Shareholder's equity**	**469,825**
Other intangible noncurrent assets	41,472	Capital stock	37,519
Investments and other assets	**70,118**	Capital surplus	204,140
Investment securities	23,236	Retained earnings	229,713
Long-term loans receivable	126	Treasury stock	(1,548)
Long-term prepaid expenses	2,387	**Accumulated other comprehensive income**	**(4,920)**
Deferred tax assets	33,000	Valuation difference on securities	3,345
Other investments	12,735	Deferred gains or losses on hedges	2
Allowance for doubtful accounts	(1,366)	Foreign currency translation adjustment	(8,268)
		Subscription rights to shares	**764**
		Minority interests	**747**
		Total net assets	**466,416**
Total assets	**940,553**	**Total liabilities and net assets**	**940,553**

Consolidated Statement of Income

(From April 1, 2012 to March 31, 2013) [Millions of yen]

Item	Amount	
Net sales		**813,073**
Cost of sales		437,487
Gross profit		**375,585**
Selling, general and administrative expenses		334,926
Operating income		**40,659**
Non-operating income		
Interest and dividends income	1,476	
Equity in gains of affiliates	61	
Foreign exchange gains	1,508	
Other	4,674	7,720
Non-operating expenses		
Interest expenses	2,499	
Other	6,978	9,478
Ordinary income		**38,901**
Extraordinary income		
Gain on sales of noncurrent assets	211	
Gain on sales of investment securities	55	
Other extraordinary income of foreign subsidiaries	95	
Other extraordinary income	25	388
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	1,873	
Loss on valuation of investment securities	2	
Impairment loss	2,902	
Business structure improvement expenses	379	
Group restructuring expenses	296	5,454
Income before income taxes and minority interests		**33,836**
Income taxes-current	11,745	
Income taxes-deferred	6,934	18,680
Income before minority interests		**15,155**
Minority interests in income		30
Net income		**15,124**

Consolidated Statement of Changes in Shareholder's Equity

(From April 1, 2012 to March 31, 2013) [Millions of yen]

	Shareholder's Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholder's equity
Balance at April 1, 2012	**37,519**	**204,142**	**222,848**	**(1,597)**	**462,913**
Changes during the period					
Dividends from surplus			(7,954)		(7,954)
Net income			15,124		15,124
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		(1)	(4)	58	52
Amortization of net retirement benefit obligation in foreign subsidiaries			(301)		(301)
Changes, net, in items other than shareholder's equity					
Total changes during the period	**-**	**(1)**	**6,865**	**48**	**6,912**
Balance at March 31, 2013	**37,519**	**204,140**	**229,713**	**(1,548)**	**469,825**

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at April 1, 2012	**1,183**	**(228)**	**(30,199)**	**(29,243)**	**682**	**635**	**434,987**
Changes during the period							
Dividends from surplus							(7,954)
Net income							15,124
Purchase of treasury stock							(9)
Disposal of treasury stock							52
Amortization of net retirement benefit obligation in foreign subsidiaries							(301)
Changes, net, in items other than shareholder's equity	2,162	230	21,930	24,323	82	111	24,517
Total changes during the period	**2,162**	**230**	**21,930**	**24,323**	**82**	**111**	**31,429**
Balance at March 31, 2013	**3,345**	**2**	**(8,268)**	**(4,920)**	**764**	**747**	**466,416**

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: 112 companies

   Names of principal consolidated subsidiaries:

   Konica Minolta Business Technologies, Inc.
   Konica Minolta Advanced Layers, Inc.
   Konica Minolta Optics, Inc.
   Konica Minolta Medical & Graphic, Inc.
   Konica Minolta Technology Center, Inc.
   Konica Minolta Business Expert, Inc.

   (Note) 1) Konica Minolta Advanced Layers, Inc.;
   Former trade name was Konica Minolta Opto, Inc., which was changed on April 1, 2012.
   2) Konica Minolta Optics, Inc.;
   Former trade name was Konica Minolta Sensing, Inc., which was changed on April 1, 2012.

   Changes in consolidated subsidiaries:

   (Increased due to purchase of shares or equity interest)
   Konica Minolta Turkey Business Technologies A.S.
   Serians S.A.S. and its subsidiary
   Kinko's Japan Co., Ltd.
   Konica Minolta Business Solutions Roma srl
   Instrument Systems GmbH
   Charterhouse PM Limited and its seven subsidiaries
   DocuSource LLC
   Raber+Märcker GmbH and its five subsidiaries
   R+M Graphik GmbH and its subsidiary
   Kinko's Korea Ltd.
   (Decreased due to company liquidation)
   Konica Minolta Printing Solutions (Japan) Ltd.
   (Decreased due to merger)
   Robinco CS a.s.
   OfficeWare Inc.
   Develop GmbH

2. Names of principal unconsolidated subsidiaries

   Konica Minolta Business Solutions India Private Ltd.

   Unconsolidated subsidiaries have not been included in consolidation because they are relatively small and their 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:

   4 companies (2 unconsolidated subsidiaries, 2 affiliated companies)

   Principal companies accounted for by the equity method:

   ECS Buero-und Datentechnik GmbH

2. Names of principal unconsolidated subsidiaries and affiliated companies that are not accounted for by the equity method

   Konica Minolta Business Solutions India Private Ltd.

   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 Business Solutions do Brazil Ltda.
Konica Minolta Business Solutions de Mexico SA de CV.
Konica Minolta Business Solutions Romania s.r.l.
Konica Minolta Business Solutions Russia LLC
Konica Minolta Medical Systems 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, 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 (excluding lease assets)

We have adopted the straight-line method. The software for internal use applies the straight-line method based on an estimated in-house working life 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.

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 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.

(6) 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 the relevant 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, currency option transactions, currency swaps and interest rate swaps.

The hedge targets are scheduled foreign currency denominated transactions and borrowings.

(3) Hedge policy

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

In addition, the Company and consolidated subsidiaries enter into currency swaps and 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. Amortization of goodwill

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

<Note concerning change in accounting method>

(Change in depreciation method)

Starting this fiscal year under review, with the revision of the Corporation Tax Law, the Company and its domestic consolidated subsidiaries are depreciating tangible noncurrent assets acquired on or after April 1, 2012 under the revised Corporation Tax Law.

Because of the change, operating income increased ¥646 million while ordinary income and income before income taxes and minority interests for the fiscal year under review each increased ¥647 million compared with the amount calculated by the previous method.

<Notes to Consolidated Balance Sheet>

1. Assets used for collateral and Secured Obligations

(1) Assets used for collateral

Accounts Receivable-trade and Lease Investment Assets	¥31 million

(2) Secured Obligations

Short-term Loans payable	¥31 million

2. Accumulated depreciation on tangible noncurrent assets	¥479,704 million

3. Breakdown of inventories

Merchandise and Finished Goods	¥82,788 million
Work in Process	¥10,610 million
Raw Materials and Stores	¥19,080 million

4. Balance of guaranteed obligations

Guaranteed obligations (guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.) ¥456 million

5. Notes due at the end of the fiscal year

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

Notes receivable-trade	¥870 million
Notes payable-trade	¥879 million
Notes payable-equipment	¥5 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 1,381,591	shares 14,929	shares 50,472	shares 1,346,048

(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: 14,929 shares

The principal reasons for decrease were as follows:

Reduction related to exercise of stock acquisition rights: 47,500 shares

Reduction related to shareholders' buying to complete full trading units: 2,972 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 10, 2012	Common shares	3,977	7.50	March 31, 2012	May 28, 2012
Board of Directors October 31, 2012	Common shares	3,977	7.50	September 30, 2012	November 27, 2012

(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 10, 2013	Common shares	3,977	Retained earnings	7.50	March 31, 2013	May 27, 2013

4. Stock subscription rights

Breakdown of stock subscription rights	Type of shares under stock subscription rights	Number of shares under stock subscription rights
First issue of stock compensation-type stock options for 2005	Common shares	75,000 shares
Second issue of stock compensation-type stock options for 2006	Common shares	54,500 shares
Third issue of stock compensation-type stock options for 2007	Common shares	67,000 shares
Fourth issue of stock compensation-type stock options for 2008	Common shares	83,500 shares
Fifth issue of stock compensation-type stock options for 2009	Common shares	169,000 shares
Sixth issue of stock compensation-type stock options for 2010	Common shares	180,000 shares
Seventh issue of stock compensation-type stock options for 2011	Common shares	233,500 shares
Eighth issue of stock compensation-type stock options for 2012	Common shares	285,500 shares
Total		1,148,000 shares

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 Konica Minolta 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 and currency option transactions. With respect to the interest volatility risk relating to some loans payable and costs fluctuations risk for future capital procurement, we try to fix interest expenses using the currency swaps and interest-rate swaps.

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, 2013 (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	93,413	93,413	-
(2) Notes and accounts receivable-trade	194,038	194,038	-
(3) Securities and investment securities			
(i) Held-to-maturity receivables	10	10	-
(ii) Other securities	139,411	139,411	-
(4) Notes and accounts payable-trade	(85,424)	(85,424)	-
(5) Short-term loans payable	(67,398)	(67,398)	-
(6) Long-term loans due within one year	(23,990)	(24,094)	(104)
(7) Corporate bonds	(70,000)	(71,309)	(1,309)
(8) Long-term loans payable	(63,507)	(63,346)	161
(9) Derivatives	(1,058)	(1,058)	-

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 of stocks are based on the value on the relevant stock exchanges and the prices of receivables are based on the value indicated by relationship financial institutions.

(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	9,556	15,259	5,703
	Receivables	6,000	6,001	1
	Others	10	15	4
Consolidated balance sheet amount does not exceed the acquisition cost	Stocks	4,572	3,629	(942)
	Receivables	3,000	2,999	(0)
	Negotiable deposit	111,500	111,500	-
	Others	5	4	(0)
Total		134,644	139,411	4,766

(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 due within one year, and (8) 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 (9) (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) Corporate bonds

The book value of corporate bonds is based on the value indicated by relationship financial institutions.

(9) 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

[Millions of yen]

Category	Type	Contract amount, etc.	More than one year	Fair market value	Valuation gains or losses
Transactions other than market transactions	Forward exchange contract	23,815	-	(1,090)	(1,090)
	Currency swap transaction	1,896	-	14	14

(Note) The fair market values of forward exchange contracts are calculated using forward exchange rates, and the fair market values of currency swap transaction are calculated using prices offered by relationship financial institutions.

(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:

(a) Currency-related derivatives

[Millions of yen]

Method of hedge accounting	Type etc. of derivatives transactions	Major hedged items	Contract amount, etc.		Fair market value
				More than one year	
Fundamental treatment method	Forward exchange contract	Accounts receivable	5,789	-	103
	Currency swap transaction	Long-term loans payable	4,450	4,450	(61)

(Note) The fair market values of forward exchange contracts are calculated using forward exchange rates, and the fair market values of currency swap transaction are calculated using prices offered by relationship financial institutions.

(b) Interest rate related derivatives

[Millions of yen]

Method of hedge accounting	Type etc. of derivatives transactions	Major hedged items	Contract amount, etc.		Fair market value
				More than one year	
Fundamental treatment method	Interest rate swap	Long-term loans payable	3,000	3,000	(23)
Special treatment of interest rate swap	Interest rate swap	Short-term loans payable and long-term loans due within one year	28,608	-	(*)

(*) As interest rate swaps subject to the special treatment of interest rate swap are accounted for as a single item with underlying short-term loans payable and long-term loans due within one year, which are hedged items, their market values are included in those of short-term loans payable and long-term loans due within one year (see (5) and (6) above).

(Note 2)

As unlisted stocks (consolidated balance sheet amount of ¥ 1,010 million) and shares of affiliates (consolidated balance sheet amount ¥ 3,306 million) 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
3,928	4,457

(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 changes in a performance indicator that is believed to properly reflect the market price have 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 ¥876.65

2. EPS ¥28.52

<Significant Subsequent Events>

(Reorganization in the Group management system)

The Company absorbed seven group companies, including Konica Minolta Business Technologies, Inc. on April 1, 2013.

I. Purpose of Business Combination

This reorganization of the Group’s management system will further speed up various initiatives to increase corporate value and is designed to achieve “innovative management capabilities in the Business Technologies Business,” “strategic and agile utilization of management resources,” and “creation of systems to support efficient operation.”

II. Legal Form of the Business Combination

1. Method of absorption-type merger

An absorption-type merger was conducted with the Company as the surviving entity and the seven group companies were terminated.

2. Contents of allocations and contracts related to the absorption-type merger

Because the seven group companies were the Company's wholly-owned subsidiaries, no issuance of new shares, capital increases, or deliveries of money due to the merger accompanied the merger.

III. Overview of Merging Companies (Non-consolidated, Fiscal year ended March 31, 2013)

(1) Trade name	Konica Minolta Business Technologies, Inc.	Konica Minolta Advanced Layers, Inc. (Former trade name: Konica Minolta Opto, Inc.) (The trade name was changed on April 1, 2012.)
(2) Description of businesses	Manufacturing and sale of multi-functional peripherals (MFPs), printers, and equipment for production print systems and graphic arts, providing related solution services	Manufacturing and sale of electronic materials (TAC films etc.), lighting source panels, and performance materials (including heat insulation films) (On April 1, 2012, its optical products (including pickup lenses) business was split and transferred to Konica Minolta Optics, Inc.)
(3) Capital	¥400 million	¥400 million
(4) Net assets	¥140,744 million	¥37,922 million
(5) Total assets	¥203,548 million	¥62,257 million

(1) Trade name	Konica Minolta Optics, Inc. (Former trade name: Konica Minolta Sensing, Inc.) (The trade name was changed on April 1, 2012.)	Konica Minolta Medical & Graphic, Inc.
(2) Description of businesses	Manufacturing and sale of optical products (including pickup lenses) and measuring instruments for industrial and healthcare applications (On April 1, 2012, optical products (including pickup lenses) were transferred from Konica Minolta Opto., Inc.)	Manufacturing and sale of consumables and equipment for healthcare systems
(3) Capital	¥400 million	¥400 million
(4) Net assets	¥11,207 million	¥21,726 million
(5) Total assets	¥51,430 million	¥47,653 million

(1) Trade name	Konica Minolta IJ Technologies, Inc.	Konica Minolta Technology Center, Inc.	Konica Minolta Business Expert, Inc.
(2) Description of businesses	Manufacturing and sale of inkjet printheads, inks and textile printers for industrial use	Provision of services to group companies including R&D, customized product design and management of intellectual property assets	Provision of various shared services for the Group in the field of engineering, environment, safety and others
(3) Capital	¥10 million	¥50 million	¥495 million
(4) Net assets	¥5,582 million	¥2,895 million	¥6,683 million
(5) Total assets	¥9,329 million	¥9,161 million	¥9,498 million

IV. Status after the Merger

1. Trade name: Konica Minolta, Inc.
2. Location of head office: 2-7-2 Marunouchi, Chiyoda-ku, Tokyo
3. Title and name of representative: Masatoshi Matsuzaki, Representative Executive Officer and President
4. Description of businesses
   - Development, manufacture, and sales of products including MFPs, printers, equipment for production printing systems, equipment for healthcare systems, measuring instruments for industrial and healthcare applications, inkjet printheads and textile printers for industrial use, and providing related consumables and solution services, etc.
   - Development, manufacture, and sales, etc. of electronic materials (TAC films, etc.), lighting source panels, functional films (heat insulation films, etc.), and optical products (lens units, etc.)
5. Capital: ¥37,519 million

V. Outline of Accounting Treatment

Accounting treatment is applied as transactions under common control based on the Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008) and the Guidance on Accounting Standard for Business Combinations and Implementation Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

<Other Notes>

1. Other extraordinary profit of foreign subsidiaries represents the reduction in refund obligation, etc. in accordance with US State laws at a U.S. subsidiary.

2. Impairment losses mainly represent the reduction of book values to recoverable values with respect to manufacturing facilities, etc. in the Industrial Business and Healthcare Business.

3. Restructuring expenses consist of expenses on the termination of the production of lenses and prisms using glass molding and the sale of these products in the Industrial Business.

4. Group restructuring expenses are expenses associated with the reorganization of the Group management structure that took place on April 1, 2013.
5. The following is information concerning the business combination resulting from the acquisition.

(Purchase of stock of Charterhouse PM Limited)
I. Overview of Business Combination
1) Name of acquired company and description of businesses
Name: Charterhouse PM Limited
Description of businesses: Provision of print management services exclusively for the marketing domain
2) Reason for Business Combination
This combination will improve the ability to offer customers proposals for solutions and allow providing new services by acquiring the marketing and consulting know-how involving document management and the European sales network of Charterhouse.
3) Business Combination date December 14, 2012
4) Legal Form of Business Combination Cash purchase of stock
5) Name after Business Combination Charterhouse PM Limited
6) Voting rights acquired 100% of all voting rights
7) Main reason for selection of acquiring company
Decision was made so that subsidiary Konica Minolta Business Solutions Europe GmbH can purchase the stock with cash.

II. Results of the acquired company included in the consolidated statement of income for the fiscal year under review.
The consolidated statement of income includes the results of the acquired company from December 1, 2012 to March 31, 2013.

III. Cost of acquisition and its breakdown

Payment:	¥3,959 million
Direct expenses of purchase:	¥ – million
Cost of acquisition:	¥3,959 million

IV. Amount of goodwill, cause of goodwill and amortization method and period
1) Amount of goodwill: ¥4,878 million

2) Cause of goodwill
Goodwill has been recognized for the amount by which the acquisition cost exceeds assets acquired and net amount allocated to liabilities assumed.
3) Amortization method and period
Amortization of goodwill will be computed by using the straight-line method over 14 years.

Since the acquisition cost has not been distributed, depreciation is accounted provisionally based on data currently available.

(Purchase of investment in Instrument Systems GmbH)
I. Overview of Business Combination
1) Name of acquired company and description of businesses
Name: Instrument Systems GmbH
Description of businesses: Manufacturing and sale of lighting measurement instruments for LED light sources and illumination products based on spectrometers with expertise in optics.
2) Reason for Business Combination
This acquisition was made to maintain the Company's leading position in the light source color measurement sector and to capture synergies with businesses associated with organic EL and other next-generation illumination systems and components.
3) Business Combination date November 30, 2012
4) Legal Form of Business Combination Cash purchase of investment
5) Name after Business Combination Instrument Systems GmbH
6) Voting rights acquired 100% of all voting rights
7) Main reason for selection of acquiring company
Decision was made so that subsidiary Konica Minolta Optics, Inc. can purchase the investment with cash.

II. Results of the acquired company included in the consolidated statement of income for the fiscal year under review.
The consolidated statement of income includes the results of the acquired company from December 1, 2012 to March 31, 2013.

III. Cost of acquisition and its breakdown

Payment:	¥7,942 million
Direct expenses of purchase:	¥178 million
Cost of acquisition:	¥8,120 million

IV. Amount of goodwill, cause of goodwill and amortization method and period
1) Amount of goodwill: ¥4,415 million
2) Cause of goodwill
Goodwill has been recognized for the amount by which the acquisition cost exceeds assets acquired and net amount allocated to liabilities assumed.
3) Amortization method and period
Amortization of goodwill will be computed by using the straight-line method over 12 years.

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

<u>Independent Auditor's Report</u>

<u>May 9, 2013</u>

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinji Someha (Seal)
Designated Limited Liability Partner
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, Inc. ("the Company", former name: Konica Minolta Holdings, Inc.) as at March 31, 2013 and for the year from April 1, 2012 to March 31, 2013 in accordance with Article 444 (4) of the Company Law.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 accordance with accounting principles generally accepted in Japan.

Other Matter

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.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Company Law

Balance Sheet

(As of March 31, 2013) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**261,177**	**Current liabilities**	**95,851**
Cash and deposits	48,784	Notes payable	22
Accrued income	1,975	Short-term loans payable	62,799
Short-term investment securities	120,501	Long-term loans due within one year	23,001
Prepaid expenses	397	Lease obligations	77
Deferred tax assets	4,178	Unpaid expenses	8,183
Short-term loans receivable	72,141	Accrued expenses	1,138
Accounts receivable-other	10,458	Income taxes payable	131
Income tax refund receivable	1,748	Advances received	0
Other current assets	992	Provision for bonuses	260
Allowance for doubtful accounts	(0)	Provision for D & O’s bonuses	84
		Other current liabilities	152
Noncurrent assets	**231,839**	**Noncurrent liabilities**	**146,677**
Tangible noncurrent assets	**66,121**	Corporate bonds payable	70,000
Buildings	34,801	Long-term loans payable	63,504
Structures	1,949	Lease obligations	107
Machinery and equipment	679	Deferred tax liabilities for land revaluation	4,555
Vehicles	0	Provision for retirement benefits	7,301
Tools, furniture and fixtures	672	Asset retirement obligations	958
Land	27,780	Other noncurrent liabilities	249
Lease assets	175		
Construction in progress	60	**Total liabilities**	**242,529**
		Net assets	
		Shareholder's equity	**238,021**
Intangible noncurrent assets	**1,655**	**Capital stock**	**37,519**
Software	1,319	**Capital surplus**	**135,592**
Other intangible noncurrent assets	336	Capital reserve	135,592
		Retained earnings	**66,457**
Investments and other assets	**164,062**	Other retained earnings	66,457
Investment securities	17,003	Retained earnings carried forward	66,457
Stock of affiliated companies	135,169	**Treasury stock**	**(1,548)**
Investments-affiliated companies	3,794		
Long-term prepaid expenses	538	**Valuation and translation adjustments**	**11,701**
Deferred tax assets	5,550	Valuation difference on securities	3,789
Other investments	2,066	Deferred gains or losses on hedges	(61)
Allowance for doubtful accounts	(59)	Land revaluation difference	7,972
		Subscription rights to shares	**764**
		Total net assets	**250,487**
Total assets	**493,017**	**Total liabilities and shareholders’ equity**	**493,017**

Statement of Income

(From April 1, 2012 to March 31, 2013) [Millions of yen]

Item	Amount	
Operating revenue		**35,567**
Operating expense		**35,651**
Operating loss		**84**
Non-operating income		
Interest and dividends income	1,051	
Miscellaneous income	210	1,261
Non-operating expenses		
Interest expenses	1,743	
Miscellaneous expense	555	2,299
Ordinary loss		**1,121**
Extraordinary income		
Gain on sales of investment securities	81	81
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	340	
Group restructuring expenses	154	495
Net loss before taxes		**1,535**
Income taxes-current	(7,359)	
Income taxes-deferred	4,443	(2,916)
Net income		**1,381**

Statement of Changes in Shareholder's Equity

(From April 1, 2012 to March 31, 2013) [Millions of yen]

	Shareholder's equity			
	Capital stock	Additional paid−in capital		
		Capital surplus	Other Capital surplus	Total additional paid−in capital
Balance at April 1, 2012	**37,519**	**135,592**	**1**	**135,594**
Changes during the period				
Dividends from surplus				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			(1)	(1)
Changes, net, in items other than shareholders' equity				
Total changes during the period	**−**	**−**	**(1)**	**(1)**
Balance at March 31, 2013	**37,519**	**135,592**	**−**	**135,592**

	Shareholder's equity			
	Retained earnings		Treasury stock	Total shareholder's equity
	Other retained earnings	Total retained earnings		
	Retained earnings carried forward			
Balance at April 1, 2012	**73,034**	**73,034**	**(1,597)**	**244,551**
Changes during the period				
Dividends from surplus	(7,954)	(7,954)		(7,954)
Net income	1,381	1,381		1,381
Purchase of treasury stock			(9)	(9)
Disposal of treasury stock	(4)	(4)	58	52
Changes, net, in items other than shareholders' equity				
Total changes during the period	**(6,576)**	**(6,576)**	**48**	**(6,530)**
Balance at March 31, 2013	**66,457**	**66,457**	**(1,548)**	**238,021**

	Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Valuation difference on securities	Deferred gains or losses on hedges	Change in land value	Total valuation and translation adjustments		
Balance at April 1, 2012	**1,699**	**−**	**7,972**	**9,672**	**682**	**254,906**
Changes during the period						
Dividends from surplus						(7,954)
Net income						1,381
Purchase of treasury stock						(9)
Disposal of treasury stock						52
Changes, net, in items other than shareholders' equity	2,090	(61)		2,029	82	2,111
Total changes during the period	**2,090**	**(61)**	**−**	**2,029**	**82**	**(4,418)**
Balance at March 31, 2013	**3,789**	**(61)**	**7,972**	**11,701**	**764**	**250,487**

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.

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

Currency swaps and 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 and currency 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.

<Note concerning change in accounting method >

(Change in depreciation method)

In accordance with the revisions to the Corporation Tax Act of Japan, starting with the fiscal year that ended in March 2013, the depreciation method in the revised Corporation Tax Act is used for tangible noncurrent assets that was acquired on or after April 1, 2012. Compared with the previous depreciation method, this change reduced by ¥41 million the operating loss, ordinary loss and net loss before taxes in the fiscal year that ended in March 2013.

<Notes to Balance Sheet>

1. Accumulated depreciation of tangible noncurrent assets ¥82,503 million

2. Accumulated impairment on tangible noncurrent assets ¥2,402 million

3. Receivables from affiliated companies and payables to affiliated companies

Short-term receivables	¥84,995 million
Short-term payables	¥53,538 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 ¥(8,964 million)

5. Loan commitment

The Company has entered into loan agreements concerning group financing with 13 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	¥140,140 million
Disbursed loan balance	¥72,141 million
Available loan balance	¥67,998 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 benefit 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	740	–	740
Defined benefit pension plan	10,598	4,036	6,561
Total	11,338	4,036	7,301

<Notes to Statement of Income>

Transactions with affiliated companies

Operating revenue	¥35,554 million
Operating expense	¥25,150 million
Other non-operating transactions	¥3,527 million

<Notes to Statement of Changes in Shareholders’ Equity>

Type and number of treasury stock at end of period

Common shares	1,346,048 shares

<Notes on Tax Effect Accounting>

1. Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	
Net operating tax loss carried forward	¥33,283 million
Provision for retirement benefits	¥4,951 million
Excess of depreciation and amortization over deductible limit	¥395 million
Provision for bonuses	¥98 million
Allowance for doubtful accounts	¥21 million
Other	¥3,085 million
Deferred tax assets subtotal	¥41,835 million
Valuation allowance	¥(29,686 million)
Total deferred tax assets	¥12,148 million
Deferred tax liabilities	
Revaluation difference of marketable securities	¥(1,654 million)
Gain on establishment of employee pension trust	¥(766 million)
Total deferred tax liabilities	¥(2,420 million)
Net deferred tax assets	¥9,728 million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities related to revaluation of land	¥(4,555 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.	(Ownershi) Direct 40% Indirect 60%	One Executive of the Company	U.S. holding company	Lending of funds (See Note 1.)	15,602	Short-term loans	17,869
Subsidiary	Konica Minolta Business Technologies, Inc.	(Ownershi) Direct 100%	Four Executives of the Company	Manufacturing and sale of multi-functional peripherals (MFPs), printers, and equipment for production print systems and graphic arts, and providing related solution services	Renting of real estates (See Note 2.)	2,020	Accrued income	173
					Management guidance (See Note 3.)	13,295	Accrued income	856
Subsidiary	Konica Minolta Advanced Layers, Inc.	(Ownership) Direct 100%	Three Executives of the Company	Manufacturing and sale of electronic materials (such as TAC films), illuminating light source panels and functional films (such as thermal insulation films)	Borrowing of funds (See Note 1.)	2,279	Short-term loans	15,545
					Renting of real estates (See Note 2.)	1,898	Accrued income	167
					Management guidance (See Note 3.)	1,733	Accrued income	85
Subsidiary	Konica Minolta Optics, Inc.	(Ownershi) Direct 100%	Three Executives of the Company	Manufacturing and sale of optical devices (such as pickup lenses) and measuring instruments for industrial and healthcare applications	Lending of funds (See Note 1.)	23,147	Short-term loans	28,937
Subsidiary	Konica Minolta Medical & Graphic, Inc.	(Ownershi) Direct 100%	Two Executives of the Company	Manufacturing and sale of consumables and equipment for healthcare systems	Lending of funds (See Note 1.)	14,286	Short-term loans	13,500
Subsidiary	Konica Minolta Technology Center, Inc.	(Ownershi) Direct 100%	One Executive of the Company	Provision of services to group companies including R&D, customized product design and management of intellectual property assets	Consignment of research & development (See Note 4.)	11,316	Unpaid expenses	940

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

(Notes) Transaction terms and policy for determining transaction terms

1. Regarding the lending of funds and the borrowing 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. Management guidance fees are determined based mainly on sales of subsidiaries while taking into overall consideration of investments and expenses involving the Group's management guidance and operations.
4. The fee for consignment of research & development is determined based on overall consideration of expenses necessary to receive provision of these services.

<Notes on Per Share Information>

Net assets per share	¥470.89
Net income per share	¥2.60

<Note concerning significant subsequent event >

(Reorganization of Group management structure)

On April 1, 2013, the Company absorbed seven subsidiaries including Konica Minolta Business Technologies, Inc. For more information, please see the note concerning this merger in the notes in the consolidated financial section.

<Other Notes>

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

Independent Auditor's Report

May 9, 2013

The Board of Directors
Konica Minolta, Inc.

KPMG AZSA LLC

Yoshihiko Nakamura (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shinji Someha (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the financial statements, comprising the balance sheet, the statement of income, the statement of changes in shareholder's equity and the notes to financial statements, and the supporting schedules of Konica Minolta, Inc. ("the Company", former name: Konica Minolta Holdings, Inc.) as at March 31, 2013 and for the 109th business year from April 1, 2012 to March 31, 2013 in accordance with Article 436 (2) (i) of the Company Law.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supporting schedules in accordance with accounting principles generally accepted in Japan, and for the establishment and operation of such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the supporting schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supporting schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supporting schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supporting schedules. The procedures selected and applied depend on our judgement, including the assessment of the risks of material misstatement of the financial statements and the supporting schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supporting schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supporting schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the 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 accordance with accounting principles generally accepted in Japan.

Emphasis Matter

As stated in significant subsequent event of 'Notes to Financial Statements', on April 1, 2013, the Company absorbed seven subsidiaries including Konica Minolta Business Technologies, Inc. This matter does not influence our audit opinion.

Other Matter

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.

Notes to the Reader of Independent Auditor's Report:
The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Company Law.

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

AUDIT REPORT

We, the Audit Committee of Konica Minolta, Inc. (“the Company”, former name: Konica Minolta Holdings, Inc.), have audited the performance of duties by directors and executive officers during the 109th business year from April 1, 2012 to March 31, 2013. We report the method and results as follows.

1. Method and details of audit

We, the Audit Committee, have received reports from the executive officers and employees on a regularly basis on 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 establishment and operation of the system established based on such board resolutions (internal control system), sought explanations, whenever the necessity arose, and expressed our opinions. Also, in accordance with the audit standards, audit policy, audit plan, assignment of duties, etc. determined by the Audit Committee and in cooperation with the internal audit division and other internal control divisions of the Company and the auditors of subsidiaries, we verified 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.

With respect to subsidiaries, we confirmed the status of their business and management by communicating and exchanging information with directors and corporate auditors of the subsidiaries, visiting and attending important meetings, and inspecting important decision documents, etc., 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.

(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 LLC 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 LLC are appropriate.

May 10, 2013

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Nobuhiko Ito	(Seal)
Audit Committee Member	Yozo Izuhara	(Seal)
Audit Committee Member	Hirokazu Yoshikawa	(Seal)
Audit Committee Member	Yasuo Matsumoto	(Seal)
Audit Committee Member	Akio Kitani	(Seal)

Note: Mr. Nobuhiko Ito, Mr. Yozo Izuhara and Mr. Hirokazu Yoshikawa are outside directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Company Law.