(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
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<Revised as of June 16, 2015>

Securities Code: 4902
May 27, 2015

To Our Shareholders

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

NOTICE OF CONVOCATION OF THE 111TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

KONICA MINOLTA, INC. ("the Company") respectfully requests your attendance at the 111th 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., Thursday, June 18, 2015, 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: Friday, June 19, 2015 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 111th Fiscal Year (from April 1, 2014 to March 31, 2015); 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 111th Fiscal Year (from April 1, 2014 to March 31, 2015)

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."

- Method of Publication in the Event of Revisions to the Reference Documents, Business Report, Non-Consolidated Financial Statements and the Consolidated Financial Statements

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.
Website: http://konicaminolta.jp/about/investors/index.html

Guide to the Exercise of Voting Rights, etc.

About the exercise of voting rights

1. Any voting right exercised without indicating approval or disapproval for a particular proposal will be counted as a vote for approval of the proposal.
2. 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.
3. 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.
4. 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.
5. 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.
6. If you intend to attend the Meeting in person, voting in writing or using the Internet is unnecessary.

Using a personal computer or smartphone to exercise voting rights

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.

Using a cellular phone to exercise voting rights

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.

Note:

- 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.
- 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.
- Any costs arising from access to the website for exercising voting rights (such as the Internet access fees) shall be paid by you. In addition, data transmission or other fees are required when using a cellular phone and you are responsible for these fees, too.
- 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 and "Yahoo!" is a trademark or registered trademark of Yahoo! Inc. in the United State.
- 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.

Although the exercise of voting rights via the Internet will be acceptable until 5.40 p.m. on Thursday, June 18, 2015, we recommend that you exercise your voting rights earlier. If you have any enquiries, please contact the helpdesk shown below.

For enquiries with respect to the system, etc.
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 candidates for the position of Director are as follows. For career histories, please refer to pages 6 through 18.

Please refer to the following page for information on the Company's basic approach with regard to corporate governance, policies regarding the nomination of Director candidates, election standards, procedures and other items.

No.	Name	Current Position and Responsibilities at the Company	
1	**Masatoshi Matsuzaki**	Director and Chairman of the Board of the Company Member of Nominating Committee	Up for re-election
2	**Shoei Yamana**	Director, President and CEO, and Representative Executive Officer of the Company	Up for re-election
3	**Shoji Kondo**	Director of the Company Chairman of Nominating Committee Member of Audit Committee	Up for re-election Outside Independent
4	**Takashi Enomoto**	Director of the Company Chairman of Audit Committee Member of Compensation Committee	Up for re-election Outside Independent
5	**Kazuaki Kama**	Director of the Company Member of Nominating Committee, Audit Committee and Compensation Committee	Up for re-election Outside Independent
6	**Hiroshi Tomono**		First-time candidate Outside Independent
7	**Yoshiaki Ando**	Director of the Company Member of Audit Committee Compensation Committee	Up for re-election
8	**Ken Shiomi**	Executive Officer	First-time candidate
9	**Ken Osuga**	Director and Senior Executive Officer of the Company	Up for re-election
10	**Seiji Hatano**	Director and Senior Executive Officer of the Company	Up for re-election
11	**Kunihiro Koshizuka**	Senior Executive Officer of the Company	First-time candidate

Note: If the eleven Directors are elected at the Meeting, the members of each of the committees will be appointed as shown on page 21.

Basic Concept of Corporate Governance

The Company views strengthening corporate governance as an important management issue. Accordingly, the Company has adopted a “company with three committees”: the Nominating, Audit and Compensation Committees. The Company has established a governance “system” devoid of personal characteristics in the aim of enhancing corporate value. The Company’s basic approach with regard to its governance system is as follows.

- Reinforcement of business supervisory functions by separating the supervisory and execution functions
- Faster decision-making by delegating substantial authority to the Executive Officers.
- Election of an Independent Outside Director who can provide supervision from a general shareholder perspective.
- Improvement of the transparency, integrity and efficiency of management through the above mentioned three points.

Specifically, the Board of Directors and the three committees are composed as follows.

1. Board of Directors
   - One third or more of Directors are Outside Directors, and Directors who do not concurrently serve as Executive Officers (4 Outside Directors, 3 Inside Directors) constitute the majority of the total number of Directors (11).
   - The Chairman of the Board is selected from among Directors not concurrently serving as an executive officer.
2. Nominating, Audit and Compensation Committees
   - Each of the three committees is composed of three Outside Directors and two internal Directors
   - The chairmen of the three committees are selected from among the Outside Directors.
   - Representative Executive Officer cannot be appointed to an Audit Committee position under the provisions of the Companies Act and will not be selected by the Company for a position on the Nominating or Compensation Committees.

Policies and Procedures for the Nomination of Director Candidates

The Nominating Committee has formulated Director election standards and independence standards for Outside Directors, which are shown on page 18.

Prior to selecting candidates, the Nominating Committee reviews the composition of the Board of Directors and committees and deliberates on the number of Director candidates for the upcoming fiscal year. Concerning the size of the Board of Directors, the Company considers the current membership of 11 Directors to be appropriate, considering the composition and combination of Inside Directors who do not concurrently serve as Executive Officers, Inside Directors who concurrently serve as Executive Officers and Outside Directors.

Based on principles prescribing limitations to the number of years re-election is possible and taking into account directors who are scheduled to step down, the Nominating Committee assumes the number of candidates for new election, separating them according to Inside Directors and Outside Directors, and proceeds with candidate selection.

With regard to Directors diversity, the Nominating Committee Regulations specify “people with organizational management experience in industry, government or academia, or specialists in technology, accounting, law or some other field” and “Outside Directors who have professional records and visions in their respective fields.” The Nominating Committee conducts broad-ranging deliberations that also take diversity into account to ensure that candidates have the necessary qualifications and capabilities to augment and enhance the strategic orientation to the management issues the Board of Directors faces.

Given that the Board of Directors is expected to provide advice from the perspective of enhancing corporate value and contribute to the supervision of management with an awareness of all stakeholders, fundamentally this year the Nominating Committee determined to select Outside Director candidates with corporate management experience. Specifically, the Nominating Committee takes the following steps in selecting candidates.

<Outside Director Candidates>

a. Outside Director candidates are endorsed by a consensus of Nominating Committee members and other Outside Directors. At the same time, the Nominating Committee secretariat creates a candidate database from among “chairmen” of excellent companies, taking into account such factors as independence from the Company, their age, concurrent positions and amount of sales of their companies.

b. Taking into account the balance among such factors as candidates' original fields of business, primary management experience and fields of expertise, including those of candidates for reelection as Outside Directors, the Nominating Committee refines the candidate pool and ranks candidates.

c. In order of ranking, the Nominating Committee approaches candidates regarding appointment as Outside Directors and conducts interviews.

<Inside Director Candidates>

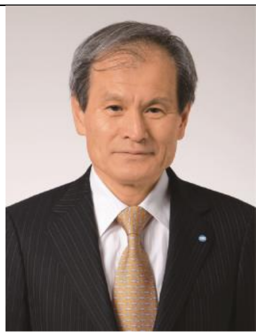
For Inside Director candidates, a draft proposal is created in consultation with the Chairman of the Board of Directors and the President and CEO. The Nominating committee decides on candidates following deliberations that take into consideration the appropriate composition of members with duties on the Board of Directors and three committees, the balance of work experience and the areas candidates would concurrently oversee as Executive Officers.

No. 1

Masatoshi Matsuzaki

(July 21, 1950)

Up for re-election



・Number of shares of the Company held: **68,500 shares**

・Board of Directors meeting attendance: **13 times/13 times**

・Term of office: **nine years**

Career history, position and responsibilities at the Company

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, President and CEO, and Representative Executive Officer of the Company
April 2014	Director and Chairman of the Board of the Company (positions which he continues to hold)

Important position concurrently held

President of Japan Business Machine and Information System Industries Association

- Reasons for selecting the candidate for Director

Mr. Masatoshi Matsuzaki has extensive experience and expertise. At Konica Minolta and its Group companies, under the company split and holding company structure, Mr. Matsuzaki has been in charge of research for the Business Technologies Business, served as president of a subsidiary handling basic research and development of elemental technologies and served as Executive Officer in charge of technology strategy at Konica Minolta. In addition, Mr. Matsuzaki led the management of the Konica Minolta Group, serving as President and CEO from April 2009 through March 2014. Since April 2014, as Chairman of the Board of Directors, he has worked to further enhance corporate governance.

The Company believes that having an Inside Director with this level of familiarity of the Company's management as the Chairman of the Board of Directors will contribute to the supervision of management with an awareness of all stakeholders and enhance the Board of Directors function of making important decisions from a management standpoint, thereby leading to enhanced corporate value. Therefore, the Company requests that shareholders elect for him to continue.

No. 2 **Shoei Yamana** (November 18, 1954)

Up for re-election

・Number of shares of the Company held: **33,100 shares**

・Board of Directors meeting attendance: **13times／13times**

・Term of office: **nine years**

Career history, position and responsibilities at the Company

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
April 2014	Director, President and CEO, and Representative Executive Officer of the Company (positions which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director

Mr. Shoei Yamana has extensive experience and expertise. At Konica Minolta and its Group companies, Mr. Yamana has been a Executive Officer in charge of management strategy and IR, served as General Manager of the Sales Division of Image Information Products and been in charge of operations, among other positions. Mr. Yamana has led the management of the Konica Minolta Group, serving as President and CEO since April 2014, and has worked to enhance corporate value by promoting "TRANSFORM 2016," the Company's Medium-Term Business Plan.

As the Chief Executive Officer for the Konica Minolta Group, Mr. Yamana has led the Company to ongoing profit growth. In addition to demonstrating accountability as Representative Executive Officer for supervising management on the Board of Directors, Mr. Yamana has contributed to the enhancement of the function of making important decisions from a management standpoint. Therefore, the Company requests that shareholders elect for him to continue.

No. 3

Shoji Kondo

(December 6, 1942)

Up for re-election

Outside

Independent

・Number of shares of the Company held: **0 shares**

・Board of Directors meeting attendance: **13times／13times**

・Term of office: **four years**

Career history, position and responsibilities at the Company

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 Companies Act)

  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 as stated below. Following his election as a Director in June 2011, Mr. Kondo has performed well as a member of the Board of Directors and other committees. Fiscal 2014 activities are listed in "Primary activities of Outside Directors" in the business report (page 42).

  Therefore, the Company believes that Mr. Kondo can continue contributing to the maintenance and upgrading of the Company's corporate governance through the activities of the Board of Directors and the committees, and requests shareholders to elect him as an Outside Director.
- 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 Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 4

Takashi Enomoto

(January 18, 1953)

Up for re-election

Outside

Independent

・Number of shares of the Company held:
0 shares

・Board of Directors meeting attendance:
13times／13times

・Term of office:
two years

Career history, position and responsibilities at the Company

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	Executive Advisor of NTT DATA Corporation (position which he continues to hold)
June 2013	Director of the Company (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 Companies Act)

  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 as stated below. Following his election as a Director in June 2013, Mr. Enomoto has performed well as a member of the Board of Directors and other committees. Fiscal 2014 activities are listed in "Primary activities of Outside Directors" in the business report (page 42). Therefore, the Company believes that Mr. Enomoto 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.
- 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 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.

No.
5

Kazuaki Kama

(December 26,1948)

Up for re-election

Outside

Independent

・Number of shares of the Company held:
0 shares

・Board of Directors meeting attendance:
10times／10times

・Term of office:
one year

Career history, position and responsibilities at the Company

July 1971	Joined IHI Corporation (former Ishikawajima-Harima Heavy Industries Co., Ltd.)
June 2004	Executive officer of IHI Corporation
April 2005	Managing Executive Officer of IHI Corporation
June 2005	Director and Managing Executive Officer of IHI Corporation
April 2007	Representative Director and President & Chief Executive Officer of IHI Corporation
April 2012	Representative Director and Chairman of IHI Corporation (position which he continues to hold)
June 2014	Director of the Company (position which he continues to hold)

Important position concurrently held

Chairman of the Board of IHI Corporation
Outside Director of Kyokuto Boeki Kaisha, Ltd.
Outside Director of NSK Ltd.
Representative Director of Japanese Aero Engines Corporation
President of Financial Accounting Standards Foundation

- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)

  At IHI Corporation, Mr. Kazuaki Kama was involved for many years in the management of the heavy machinery manufacturing business, including progress of the focus of resources on strategic business activities. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Kama has a high degree of independence from the Company as stated below.

  Following his election as a Director in June 2014, Mr. Kama has performed well as a member of the Board of Directors and other committees. Fiscal 2014 activities are listed in “Primary activities of Outside Directors” in the business report (page 42).

  Therefore, the Company believes that Mr. Kama 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.

- Information concerning independence

  IHI 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. Kama 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. Kama as an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 6

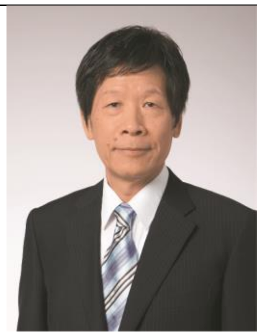
Hiroshi Tomono

(July 13,1945)

First-time candidate

Outside

Independent



・Number of shares of the Company held:

0 shares

Career history, position and responsibilities at the Company

April 1971	Joined Sumitomo Metal Industries, Ltd.
June 1998	Director of Sumitomo Metal Industries, Ltd.
June 1999	Managing Executive Officer of Sumitomo Metal Industries, Ltd.
April 2003	Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.
June 2003	Director and Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.
April 2005	Representative Director and Executive Vice President of Sumitomo Metal Industries, Ltd.
June 2005	Representative Director and President of Sumitomo Metal Industries, Ltd.
October 2012	Representative Director, President and Chief Operating Officer (COO) of Nippon Steel & Sumitomo Metal Corporation
April 2014	Representative Director and Vice Chairman of Nippon Steel & Sumitomo Metal Corporation
April 2015	Director and Senior Advisor of Nippon Steel & Sumitomo Metal Corporation (position which he continues to hold)

Important position concurrently held

Director and Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
Administrative Director of Tekkou Gakuen

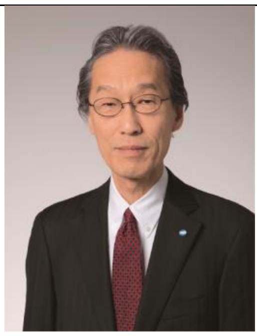
- Reasons for selecting the candidate for Outside Director (Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act)
  Mr. Hiroshi Tomono has many years of experience at Sumitomo Metal Industries, Ltd. and Nippon Steel & Sumitomo Metal Corporation in the management of the materials manufacturing sector, including having overseen activities at steelmakers ranging from technology and manufacturing to planning, administration and new business. He has extensive experience and a broad range of knowledge as a corporate executive. In addition, Mr. Tomono has a high degree of independence from the Company as stated below. Therefore, the Company believes that Mr. Tomono 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
  Nippon Steel & Sumitomo Metal 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. Tomono 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. Tomono as an eligible candidate of Independent Director as defined in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

No. 7

Yoshiaki Ando

(November 16, 1951)

Up for re-election



・Number of shares of the Company held:
27,700 shares

・Board of Directors meeting attendance:
13times／13times

・Term of office:
five years

Career history, position and responsibilities at the Company

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
April 2014	Director of the Company (position which he continues to hold)

Important position concurrently held

None

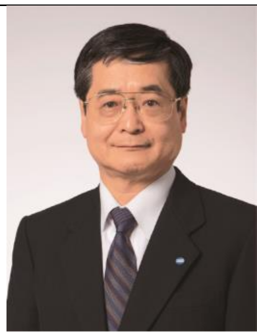
- Reasons for selecting the candidate for Director
  Mr. Yoshiaki Ando has extensive experience and considerable expertise related to finance and accounting, having served as General Manager of the Corporate Finance Division of the Company and, as Senior Executive Officer, taking charge of accounting, finance and management strategy. Since 2014, as a Director at the Company not concurrently serving as Executive Officer Mr. Ando thoroughly supervises management and works to enhance activities of the Company's internal committees as a member of the Audit and Compensation committees.
  Therefore, the Company believes that Mr. Ando can enhance corporate value by maintaining and upgrading the corporate governance, and requests that shareholders elect for him to continue.

No.
8

Ken Shiomi

(December 12, 1954)

First-time candidate



・Number of shares of the Company held:
10,000 shares

Career history, position and responsibilities at the Company

April 1977	Joined Minolta Camera Co., Ltd.
April 2000	General Manager, Corporate Business Management Division of Minolta Co., Ltd.
October 2003	General Manager, Corporate Accounting Division of Konica Minolta Camera, Inc.
April 2006	President of Konica Minolta Sensing Europe B.V.
January 2008	General Manager of Business Management of Konica Minolta Sensing, Inc.
June 2008	Director, General Manager, Corporate Business Management Division of Konica Minolta Sensing, Inc.
April 2012	Executive Officer of the Company, Director of Konica Minolta Optics, Inc.
April 2015	Executive Officer of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  Mr. Ken Shiomi has extensive experience and considerable expertise related to business administration from serving as Executive Officer in the Company's camera, sensing and optics businesses. By leveraging his experience in management execution, the Company believes Mr. Shiomi will thoroughly supervise management as a Director at the Company not concurrently serving as Executive Officer and contribute to various committee duties. Therefore, the Company believes that Mr. Shiomi can enhance corporate value by maintaining and upgrading the corporate governance, and requests that shareholders newly elect for him as a Director.

No.
9

Ken Osuga

(March 4, 1963)

Up for
re-election

・Number of shares of the Company held:
10,900 shares

・Board of Directors meeting attendance:
10times／10times

・Term of office:
one year

Career history, position and responsibilities at the Company

April 1985	Joined Minolta Camera Co., Ltd.
April 2010	General manager of Sales Planning Dept., Sales Headquarters of Konica Minolta Business Technologies, Inc.
April 2011	President of Konica Minolta Business Solutions Europe GmbH
June 2012	Director of Konica Minolta Business Technologies, Inc. and President of Konica Minolta Business Solutions Europe GmbH
April 2013	Executive Officer of the Company and President of Konica Minolta Business Solutions Europe GmbH
April 2014	Senior Executive Officer of the Company
June 2014	Director and Senior Executive Officer of the Company
April 2015	Director, Senior Executive Officer and General Manager, Corporate Business Management Division of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  As a Senior Executive Officer of the Company, Mr. Ken Osuga promotes the medium-term business plan, as well as taking charge of such functions as accounting and finance, risk management and IR, seeking to enhance the corporate value of the Konica Minolta Group. Principally as Senior Executive Officer overseeing the Corporate Business Management Division, the Company believes Mr. Osuga will demonstrate accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

No. 10

Seiji Hatano

(December 17, 1959)

Up for re-election

・Number of shares of the Company held:
12,300 shares

・Board of Directors meeting attendance:
10times／10times

・Term of office:
one year

Career history, position and responsibilities at the Company

April 1982	Joined the Mitsubishi Bank, Ltd.
June 2011	Resigned the Bank of Tokyo-Mitsubishi UFJ, Ltd.
July 2011	Joined the Company
April 2013	Executive Officer and General Manager, Corporate Strategy Division of the Company
April 2014	Senior Executive Officer and General Manager, Corporate Strategy Division of the Company
June 2014	Director, Senior Executive Officer and General Manager, Corporate Strategy Division of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  As a Senior Executive Officer of the Company, Mr. Seiji Hatano promotes the medium-term business plan, as well as taking charge principally of the management strategy function, seeking to enhance the corporate value of the Konica Minolta Group. As Senior Executive Officer in charge of supervising Group management strategy and promoting M&A activities, the Company believes Mr. Hatano will demonstrate accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests that shareholders elect for him to continue.

No. 11 **Kunihiro Koshizuka** (September 30, 1955)

First-time candidate

・Number of shares of the Company held: **11,900 shares**

Career history, position and responsibilities at the Company

April 1981	Joined Konishiroku Photo Industry Co., Ltd.
October 2003	GI System Group Leader (Manager), R&D Center, of Konica Minolta Medical & Graphic, Inc.
June 2004	General Manager, Development Center, of Konica Minolta Medical & Graphic, Inc.
June 2008	Director and General Manager, Development Center, of Konica Minolta Medical & Graphic, Inc.
April 2012	Executive Officer and General Manager, Technology Strategy Division of the Company
April 2014	Senior Executive Officer and General Manager, Corporate R&D Headquarters of the Company
April 2015	Senior Executive Officer and General Manager, Business Development Headquarters of the Company (position which he continues to hold)

Important position concurrently held

None

- Reasons for selecting the candidate for Director
  As a Senior Executive Officer of the Company, Mr. Kunihiro Koshizuka promotes the medium-term business plan, as well as taking charge of the business development, basic research and elemental technology development functions, seeking to enhance the corporate value of the Konica Minolta Group. As a Senior Executive Officer in charge of supervising and promoting new business cultivation, the Company believes Mr. Koshizuka will demonstrate accountability to the Board of Directors and participate in important management decisions. Therefore, the Company requests shareholders to newly elect him as a Director.

Notes
1. No conflicts of interest exist between the Company and the Director candidates.
2. The Company has entered into liability limitation agreements with Outside Directors Mr. Shoji Kondo, Mr. Takashi Enomoto and Mr. Kazuaki Kama, the content of which is summarized in “Liability limitation agreements” on page 43 of the Business Report. The Company will enter into similar agreements with them if they are re-elected, and with Mr. Hiroshi Tomono, the first-time candidate for Outside Director, if he is elected.

[Reference]

1. The Nominating Committee has selected candidates who satisfy the following standards as being suitable Directors for achieving good corporate governance i.e. ensuring the transparency, soundness and efficiency of the Company's operations.
 (1) Good physical and mental health
 (2) A person that is well liked, dignified, and ethical
 (3) Completely law-abiding
 (4) In addition to having objective decision-making abilities for management, the person must have good foresight and insight
 (5) Someone with no possible conflict of interest or outside business relations that may affect management decisions in the company's main business areas, and who has organizational management experience in the business, academic, or governmental sectors. Otherwise, someone with specialized knowledge in technology, accounting, law, or other fields
 (6) For Outside Directors, a candidate with a history of performance and insight in that person's field, someone with sufficient time to fulfill the duties of a Director, and who has the ability to execute required duties as a member of the three relevant committees
 (7) The Nominating Committee has separately set forth points for consideration in the re-election of Directors and requirements concerning the number of terms of office, age and other factors. Especially, in principle, existing terms of office for Outside Directors are up to four years.
 (8) In addition, the candidate must have the abilities necessary for a Director running and building a public corporation that is transparent, sound, and efficient
2. Regarding standards for the independence of Outside Directors, the Company's Nominating Committee selects Outside Director candidates, 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 director, executive officer, or employee 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
3. If the eleven Directors are elected at the Meeting, the members of each of the committees under the company with three committees provided for in Article 2, Item 12 of the Companies Act will be appointed as follows from among three Inside Directors, Mr. Masatoshi Matsuzaki, Mr. Yoshiaki Ando and Mr. Ken Shiomi 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. Committees are composed of three Outside Directors and two Inside Directors who do not concurrently serve as Executive Officers, and consideration is given to cooperation among the committees and between the individual committees and the senior management team.

Nominating Committee	Shoji Kondo (Chairman), Takashi Enomoto, Hiroshi Tomono, Masatoshi Matsuzaki, Yoshiaki Ando
Audit Committee	Takashi Enomoto (Chairman), Kazuaki Kama, Hiroshi Tomono, Yoshiaki Ando, Ken Shiomi
Compensation Committee	Kazuaki Kama (Chairman), Shoji Kondo, Hiroshi Tomono, Yoshiaki Ando, Ken Shiomi

[Provided Document]

BUSINESS REPORT

From April 1, 2014 to March 31, 2015

1. Overview of Konica Minolta Group business activities

(1) Developments and results of business activities

Looking back on the business environment in the consolidated fiscal year under review ("the fiscal year"), personal consumption was strong in the United States on the back of an upturn in the employment environment and high stock prices, which drove momentum in the world economy. Uncertainty persisted in Europe mainly due to continued concerns over the Greek financial crisis and the drawn-out Ukraine crisis. The economic growth rate slowed in China while the speed of growth tapered off in emerging countries, notably in Asia and Latin America. In Japan, corporate results took a favorable turn, particularly in the export-related sector, on account of the cheaper yen and stronger dollar. At the same time, the economy seesawed as domestic demand retracted following the rush witnessed prior to the consumption tax rate increase in April last year.

Under this business environment, consolidated net sales for the fiscal year amounted to ¥1,011.7 billion, an increase of 7.2% year on year. In the Business Technologies Business, the effect of M&As made a contribution along with Konica Minolta Group's ("the Group's") unique sales strategy leveraging exceptional direct sales capabilities and proposal-making capabilities to customers, which resulted in sales growth of more than 10% year on year, thereby driving Group-wide results. The effect of the weak yen also contributed to the sales growth.

Operating income was ¥66.2 billion, an increase of 13.9% year on year. Although selling, general and administrative expenses increased, including advance investment to transform the business portfolio, the impact of the weak yen coupled with an increase in gross profit in the Business Technologies Business and the effect of structural reform in the Industrial Business were the key contributors to the growth in operating income.

Ordinary income was ¥59.8 billion, up 9.6% year on year, due to the increase in operating income.

Income before income taxes and minority interests was ¥55.2 billion, an increase of 135.0% year on year. Extraordinary income and losses improved significantly due primarily to the recording of proceeds from sales of investment securities and non-current assets following further streamlining of the balance sheet in the fiscal year despite the recording of loss on withdrawal of the glass substrates for HDDs business in the previous fiscal year in the amount of ¥16.1 billion.

Net income totaled ¥32.7 billion, an increase of 49.6% year on year. Although the Group recorded ¥9.2 billion in tax effects resulting from a review of deferred tax assets in line with reorganization of the Group's management system in the previous fiscal year, tax expenses increased by ¥7.9 billion in the fiscal year due to reversal of deferred tax assets in line with the tax reform.

Net income per share was ¥64.73, marking a year-on-year increase of more than 1.5 times.

Return on equity (ROE) for the fiscal year was 6.7%, a significant improvement from 4.6% in the previous fiscal year, after successfully making improvements on the balance sheet primarily through increasing net income and acquisition of Konica Minolta Inc.("the Company")'s own shares.

Fiscal year ended March 31 [Billions of yen]

	2015	Increase (yoy)
Net sales	1,011.7	7.2%
Operating income	66.2	13.9%
Ordinary income	59.8	9.6%
Net income	32.7	49.6%

The Group began implementing a new Medium Term Business Plan, “TRANSFORM 2016,” this fiscal year and pushed ahead with initiatives to promote a shift in business model while remaining close to the customer and to enhance high added value in business.

In R&D divisions, we commenced operation of a new R&D center, “Konica Minolta Hachioji SKT,” which integrates development functions for digital printing systems, a growth driver of our mainstay Business Technologies Business. It also started activities as a place to promote internal and external open innovation aimed at “The Creation of New Value,” our Philosophy.

In production divisions, we established a state-of-the-art production site for the Business Technologies Business in Malaysia. This site integrates our know-how in such areas as advanced ICT (Information Communication Technology), automated production technology and production processes based on the concept of “digital manufacturing” and started initiatives to realize maximum efficiency and productivity.

In sales divisions, we accelerated global development of MCS (Managed Content Services), which entails entering into a customer’s business process and optimizing the company’s content management within the office services field of the Business Technologies Business. We also worked to strengthen our ability to provide MPM (Marketing Print Management) services, which support the optimization of printing material costs and the improvement of business processes in a company’s marketing department, and endeavored to promote the global development of MPM within the commercial and industrial printing field.

In addition, we commenced full-scale planning and development of innovative service business originating from customer needs at our Business Innovation Centers established in five major regions around the world (North America, Europe, Asia/Pacific, China and Japan).

The Group has positioned corporate social responsibility (CSR) activities as key to management and aims to be a global company that is vital to society by undertaking a broad array of initiatives in such areas as the environment, human rights, labor and governance.

In recognition of these activities, the Company has been selected for the top-level Gold Class by RobecoSAM, an investment specialist focused exclusively on Sustainability Investing. In Japan, the Company was awarded the overall top position in the eighth Quality Management Level Research conducted by the Union of Japanese Scientists and Engineers and ranked first place in the overall manufacturing sector at the 18th Environmental Management Survey conducted by Nikkei Inc. In terms of investment indices, the Company was named to the Dow Jones Sustainability World Index of the United States, a globally prestigious SRI index, for the third year in a row. In Japan, the Company was selected for the JPX-Nikkei Index 400 for the second consecutive year and was also chosen as one of the “Brand of Companies Enhancing Corporate Value through Health and Productivity Management” jointly undertaken by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in its first fiscal year.

These results show that a solid start has been made in the first fiscal year of our Medium Term Business Plan, “TRANSFORM 2016.”

Furthermore, we executed a treasury shares acquisition (13,130,000 shares) and retired treasury shares (20,000,000 shares) in an effort to enhance shareholders' return.

Regarding the payment of dividends from retained earnings at the end of the fiscal period under review, we will pay ¥10 per share as planned. Including the dividend distributed on September 30, 2014, we will pay a full-year dividend of ¥20 per share.

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

Fiscal year ended March 31 [Billions of yen]

	2015	2014	Increase (Decrease)	
Business Technologies Business				
Net sales - external	817.2	739.9	77.3	10.5%
Operating income	71.8	66.6	5.1	7.7%
Healthcare Business				
Net sales - external	78.5	82.3	(3.8)	-4.6%
Operating income	2.7	4.5	(1.7)	-39.2%
Industrial Business				
Net sales - external	112.7	116.1	(3.3)	-2.9%
Operating income	19.4	15.1	4.2	28.2%

Note: The reporting classification for the Industrial Inkjet Business has been changed from the Other segment to the Business Technologies Business segment from the first quarter of the current fiscal year. In line with this change, segment information for the previous fiscal year has been disclosed in accordance with the new reporting classification.

Business Technologies Business

In the office services field, results for mainstay A3 color MFPs (Multi-functional peripherals) remained solid, with sales volume expanding in all regions relative to the previous fiscal year. The number of contracts and sales steadily increased for OPS (Optimized Print Services) as well, which optimize a customer's output environment, following efforts to strengthen the sales and support system for major customers globally. Sales volume of A4 color MFPs also increased as a result of these conditions. For small- and medium-sized customers, the Group further evolved its hybrid-type sales that combine IT services with equipment, an initiative being developed primarily in the European and U.S. markets, and started MCS (Managed Content Services), which entails entering into a customer's business process and optimizing content management. We have been building up results in MCS, especially in North America. Going forward, this will assist us in securing new customers and expanding print volume.

In the commercial and industrial printing field, results were solid throughout the year mainly in new products such as "bizhub PRESS C1100" and "bizhub PRESS C1085" digital printing systems, and as a result, sales volume of color units exceeded that of the previous year. In MPM (Marketing Print Management) services, which support the optimization of printing material costs and the improvement of business processes in a company's marketing department, we established a subsidiary of Charterhouse PM Limited (headquartered in the UK) in the United States and a subsidiary of Ergo Asia Pty Limited (headquartered in Australia) in Japan. By doing so, we completed the creation of a global service provision framework that covers Europe, Asia/Pacific, the United States and Japan. In the industrial inkjet business, we expanded sales from the previous year by boosting sales of both components and textile printers.

As a result, net sales of the Business Technologies Business to external customers stood at ¥817.2 billion, up 10.5% year on year, and operating income was ¥71.8 billion, up 7.7% year on year. An increase in gross profit in line with an increase in sales of color units centering on service provision capabilities coupled with growth in sales of digital printing systems and the impact of the weak yen contributed to higher sales and profit in this segment.

Business Details
The Business Technologies Business consists of multi-functional peripherals (MFP) and other devices, the provision of IT services in the office services field, digital printing equipment, various printing services and industrial inkjet business in the commercial and industrial printing field.

【Office services】
In light of digitalization and networking in industry and society, this business provides total and optimized solutions for customer office environments through the combination of advanced ICT services and a diverse array of product lines including color MFPs.

【Commercial and industrial printing】
Amid the growing need for coordination with digital media and the diversification of corporate printed materials, this business supports optimal printing through the provision of various printing systems and services, including high-performance medium- and high-speed digital printing equipment. It is also expanding the scope of industrial inkjet utilization making full use of advanced inkjet technology.

Healthcare Business

Although results were strong overseas, particularly in North America, China and India, difficult conditions persisted in Japan primarily due to a decrease in sales of purchased goods in line with a cooling off in market conditions.

In contrast, sales of the Company's core products expanded year on year in Japan and overseas. Sales volume of the mainstay cassette-type digital X-ray system "AeroDR" increased. In diagnostic ultrasound systems business, which is being nurtured as a new field, we commenced sales of "SONIMAGE HS1," a new product developed in-house. HS1 has been highly acclaimed for its product capabilities and the number of contracts for this product has increased since the closing stages of the fiscal year. In film products, sales in emerging countries were strong and we achieved sales volume roughly on par with the previous year. Sales of purchased goods decreased due to the impact of a cooling down in Japanese market conditions.

As a result of these factors, net sales of the Healthcare Business to external customers amounted to ¥78.5 billion, a decrease of 4.6% year on year. Operating income was ¥2.7 billion, down 39.2% year on year, due to a decrease in gross profit in line with a decline in sales of purchased goods in Japan and significant advance expenses related to the launch of the diagnostic ultrasound systems business.

Business Details

The Healthcare Business manufactures and sells medical diagnostic imaging systems incorporating cutting-edge image processing technologies, as well as develops maintenance and service businesses.

As a pioneer of x-ray film in Japan, this business contributes to the realization of faster, more reliable diagnostic services through the provision of devices, systems and services contributing to medical digitalization and networking with medical diagnostic imaging technologies at the core.

Industrial Business

In the field of optical systems for industrial use, mainstay products were strong, particularly spectrophotometers for displays in the measuring instruments field and lenses for industrial and professional use in the optics field. In the performance materials field, market conditions for large panels and small- and medium-size panels were strong, supported by steady demand for large LCD TVs, increasing screen size and strong sales of smartphones. As a result, sales volume of thin plain TAC films increased year on year, particularly VA-TAC films for increasing viewing angle, which is an area of comparative strength for the Group.

Net sales decreased despite an increase in sales in the performance materials field compared with the previous year due to falling demand in lenses for compact cameras, downsizing of the lens business for mobile phone cameras and withdrawal of the glass substrates for HDDs business in the field of optical systems for industrial use. Meanwhile, an increase in sales in the performance materials field and measuring instruments field coupled with the effect of a series of structural reforms implemented in the previous fiscal year in the field of optical systems for industrial use contributed to an increase in profit.

As a result, net sales of the Industrial Business to external customers stood at ¥112.7 billion, down 2.9% year on year, and operating income was ¥19.4 billion, up 28.2% year on year.

In Organic Light Emitting Diode (OLED) lighting, an area we are working on as a new business to lead future growth, we started operation of a mass-production plant in autumn last year, which is a world first for plastic substrate flexible OLED lighting panels. The Company's OLED lighting panels have provided new value not seen in traditional light sources in terms of being thin, light and flexible, and applications include use in outdoor illumination at a well-known theme park in Japan.

Business Details

The Industrial Business consists of the optical systems for industrial use field, comprised of measuring instruments and lenses for industrial and professional use, and the performance materials field, comprised of TAC film used for liquid crystal displays, functional films and OLED lighting, a growing field.

【Optical systems for industrial use】

Contributing to the creation of better social infrastructure through the provision of products bringing innovation to various industries using the world's leading light technologies.

【Performance materials】

Contributing to the creation of an abundant society through the creation of value-added materials having the functions demanded by industry and society, including protection, thermal insulation, polarization and luminescence acquired through the use of material and film-making technologies.

(Company-business related glossary)

MFP: Multi-Functional Peripherals. Units that support a variety of functions otherwise handled by separate equipment, such as copiers, printers, scanners, and facsimiles.
We manufacture and sell color and monochrome MFPs under the "bizhub" brand.

MCS: Managed Content Services. An all-inclusive term for a service consisting of a mechanism for the integrated management and appropriate use, storage and disposal of business content including paper, electronic document data, email, forms and schematics.

MPM: Marketing Print Management. A service attempting to optimize the cost of fiduciary printed materials using our own supplier network. Konica Minolta acquired Charterhouse PM Limited (headquartered in the UK) and Ergo Asia Pty Limited (headquartered in Australia), both major print management service providers, to strengthen our global MPM business.

OPS: Optimized Managed Print Services. Comprehensive services for optimizing the office printing environment and reducing costs (MPS: Managed Print Services). We call it OPS and boost efficiency and reduce costs through optimization of the customer's print environment (output and document management environment).

DR: Digital Radiography. A technique that detects the intensity distribution of the X-rays that pass through the body when an X-ray is taken, and then converts the data to a digital signal, which is processed by computer. Also refers to systems that perform this function. We provide the cassette-type digital X-ray system “AeroDR” as DR.

OLED: Organic Light Emitting Diode. Organic EL(electroluminescence) refers to the phenomenon of organic matter that emits light when a voltage is applied to it.Our plastic substrate flexible OLED lighting panels, which have been started to be mass-produced leading the world, have the characteristics not seen in traditional light sources which are thin, light, surface illuminant and flexible, with our original technology at the core. The panels are also superior in good environmental performance so that they have high energy performance, generate less heat, and do not need mercury.

TAC (Triacetylcellulose) film: General term for protective film for polarizers, composed primarily of cellulose acetate. It is mainly used as a protective film for polarizers, a component of LCDs. TAC was originally developed as a substrate for photographic film, but because of its superior flame resistance, transparency, surface appearance, and electric insulation characteristics, we are pursuing development of applications outside of photographic film.

VA (Vertical Alignment) -TAC film: VA is a type of LCD panel display widely used in TV applications. This thin film functions to extend the viewing angle of LCD screens through the uniform control of phase difference and wave dispersion properties.

(2) Financing, etc.

a. Financing

In the fiscal year that ended in March 2015, there were no sales of stock or bonds or other new fund procurement activities.

b. Capital expenditure

The capital expenditure of the Group during the fiscal year under review totaled ¥46.1 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 construction of research and development facilities and expansion of manufacturing facilities in the Business Technologies Business and the production facilities for functional film in the Industrial Business.

(3) Business results

		108th Term Fiscal Year Ended March 31, 2012	109th Term Fiscal Year Ended March 31, 2013	110th Term Fiscal Year Ended March 31, 2014	111th Term Fiscal Year Ended March 31, 2015 (Fiscal year under review)
Net sales	(Hundred millions of yen)	7,678	8,130	9,437	10,117
Operating income	(Hundred millions of yen)	403	406	581	662
Ordinary income	(Hundred millions of yen)	347	389	546	598
Net income	(Hundred millions of yen)	204	151	218	327
Net income per share	(yen)	38.52	28.52	41.38	64.73
Total assets	(Hundred millions of yen)	9,020	9,405	9,660	9,704
Net assets	(Hundred millions of yen)	4,349	4,664	4,800	5,016
Net assets per share	(yen)	817.81	876.65	929.04	995.48
Dividend per share [of which, interim dividend per share]	(yen)	15 [7.5]	15 [7.5]	17.5 [10]	20 [10]
ROE	(%)	4.7	3.4	4.6	6.7

(4) Issues to be handled

(a)Konica Minolta Philosophy

"TRANSFORM 2016," the Medium Term Management Plan, offers a path to realizing a global company that is vital to society and an innovative company that is robust and constantly evolving. Pressing ahead with the "One Konica Minolta" plan will require that each individual employee has the ability to put ideas into practice. We have therefore incorporated into the Konica Minolta Philosophy the management philosophy to which we have adhered, the values we have nurtured, and the vision of the kind of company we should be in order to enable all 40,000 of our employees around the world to hold the same values and to think and act decisively.

Konica Minolta will continue to develop into a company in which all of our employees can join together as one to consider customer needs and to help to solve the issues they face, using the Konica Minolta Philosophy as the basis for value.

Our Philosophy: The Creation of New Value
6 Values*: Open and honest
Customer-centric
Innovative
Passionate

Inclusive and collaborative
Accountable

* Our 6 Values are the essence of our innermost beliefs, our inherited DNA, and define how we go about our business and act towards all our partners. They articulate what we stand for and direct our decision making.

Our Vision: A global company that is vital to society
An innovative company that is robust and constantly evolving

Brand Proposition: Giving Shape to Ideas*

* It is our pledge to bring the ideas of customers and society to life through innovation and contribute to the creation of a high quality society.

Action slogan: simply BOLD

(b) Management Targets Aimed for

The Group has formulated a three-year Medium Term Business Plan, "TRANSFORM 2016," that runs from fiscal 2014 to fiscal 2016. We have set numerical targets with a view to the scale of enterprise we are aiming for by fiscal 2018, five years from the start of the plan, namely net sales of ¥1.3 trillion or more, operating income of ¥130 billion and an operating income ratio of 10%. As markers to help their realization, we are targeting net sales of ¥1.1 trillion or more, operating income of ¥90 billion, an operating income ratio of at least 8% and ROE of at least 10% in fiscal 2016, the final year of the plan.

All figures are based on International Financial Reporting Standards (IFRS)

	Medium-term management plan targets (FY2016)	Vision five years from now (FY2018)
Net sales	¥1.1 trillion or more	¥1.3 trillion or more
Operating income	¥90 billion	¥130 billion
Operating income ratio	8% or more	10%
Return on equity (ROE)	10% or more	—

Note) 1. Assumed exchange rates during the period of the plan (FY2014-FY2016): U.S. dollar = ¥100; euro = ¥135
2. The Company will voluntarily adopt International Financial Reporting Standards (IFRS) beginning with the securities report released in fiscal 2014 (year ending March 31, 2015).

(c) Medium- to Long-term Management Strategies and Pending Issues

Under the Medium Term Business Plan, "TRANSFORM 2016," we aim to fully understand our customers and become a partner that can provide them with high added value in order to outstrip global competition amid changes in the management environment surrounding the Group. We have decided on the following three items as basic policies of the Medium Term Business Plan in order to realize sustainable growth backed by business portfolio expansion as a corporation. We will achieve this by accelerating the transformation to a proposal-type business model supporting the resolution of customer issues through the addition of services to products while promoting manufacturing innovation as a manufacturing business.

1. Realize sustainable profit growth
2. Transform into a customer-centric company
3. Establish a strong corporate structure

As the intermediate fiscal year of the Medium Term Business Plan, "TRANSFORM 2016," in fiscal 2015 we will strive to build up new growth engines and enhance our earning power as a company in order to achieve the targets of the plan.

In order to realize sustainable profit growth, we will strive to maximize income in existing profit drivers, notably digital color printing systems in the Business Technologies Business and the performance materials field as well as expand sales and profit by strengthening regional strategies and alliance capabilities. We will accelerate the launch of new businesses in the performance materials field and concentrate management resources into businesses for industrial and professional use in the field of optical systems for industrial use. In addition, we will implement initiatives that include procurement based on cross-Group activities, promoting automation in manufacturing processes, and enhancing production efficiency through the use of ICT while also seeking to continue reducing manufacturing costs.

In order to transform into a customer-centric company, we will strive to fully understand customer needs and workflow and strengthen solutions and service business supporting the resolution of our customers' management issues. Further, leveraging our Business Innovation Centers established in five major regions around the world as bases, we will strive to achieve technological innovation and create a business model that is not constrained by existing industrial frameworks while using customer needs as the starting point. Within these activities, we will continue working to build up new growth drivers that can generate results by fiscal 2017-2018.

In order to establish a strong corporate structure, we will comprehensively pursue efforts to create sturdy production operations and optimize the Group's global business operations. At the same time, we will work to enhance productivity in operations in corporate divisions and to boldly implement functional reforms as a means to boost efficiency.

We aim to realize a global company that is vital to society by steadily executing the initiatives stated under the Medium Term Business Plan, "TRANSFORM 2016," and achieving sustainable growth by transforming our business portfolio.

(5) Network of Konica Minolta Group (as of fiscal year end)

a. Main business offices, plants, etc.

The Group consists of the Company, 140 subsidiaries and three affiliated companies. The Group has product and technology development, manufacturing, and sales bases worldwide.

(1) Main business offices in Japan

a) The Company

Head Office (Chiyoda-ku, Tokyo), Kansai Office (Osaka City, Osaka), other domestic offices (Hino City (Tokyo), Hachioji City (Tokyo), Chuo City (Yamanashi Prefecture), Toyokawa City (Aichi Prefecture), Sakai City (Osaka), Osakasayama City (Osaka), Kobe City (Hyogo Prefecture))

b) Subsidiaries

Konica Minolta Business Solutions Japan Co., Ltd. (Tokyo)
Konica Minolta Healthcare Co., Ltd. (Tokyo)
Konica Minolta Supplies Manufacturing Co., Ltd. (Yamanashi Prefecture)
Konica Minolta Technoproducts Co., Ltd. (Saitama Prefecture)

(2) Main business offices overseas

a) Subsidiaries

U.S.A.
Konica Minolta Business Solutions U.S.A., Inc.

Europe
Konica Minolta Business Solutions Europe GmbH (Germany)
Konica Minolta Business Solutions Deutschland GmbH (Germany)
Konica Minolta Business Solutions France S.A.S. (France)
Konica Minolta Business Solutions (UK) Ltd. (U.K.)
Charterhouse PM Limited (U.K.)

Asia, etc.
Konica Minolta Business Solutions (CHINA) Co., Ltd. (China)
Konica Minolta Business Technologies Manufacturing (HK) Ltd. (Hong Kong)
Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd. (China)
Konica Minolta Opto (DALIAN) Co., Ltd. (China)
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd. (Malaysia)
Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)
Ergo Asia Pty Limited (Australia)

b. Employees of the Group

Number of employees	Compared with end of previous fiscal year
41,598	Increase of 1,197

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

(6) Significant subsidiaries (as of the fiscal year end)

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Solutions Japan Co., Ltd.	Millions of yen 497	100%	Sale of multi-functional peripherals (MFPs), digital printing systems, printers and related supplies in Japan, and providing related solution services
Konica Minolta Healthcare Co., Ltd.	Millions of yen 397	100%	Sales, maintenance and after-sales service of medical diagnostic imaging systems in Japan
Konica Minolta Supplies Manufacturing Co., Ltd.	Millions of yen 1,500	100%	Manufacturing and sale of supplies for multi-functional peripherals (MFPs), digital printing systems and printers
Konica Minolta Technoproducts Co., Ltd.	Millions of yen 350	100%	Manufacturing and sale of equipment for medical system
Konica Minolta Business Solutions U.S.A., Inc.	Thousand US dollar 40,000	*100%	Sale of multi-functional peripherals (MFPs), digital printing systems, 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), digital printing systems, 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), digital printing systems, 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), digital printing systems, 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), digital printing systems, printers and related supplies in the U.K., and providing related solution services
Charterhouse PM Limited	Thousand British pound 440	*100%	Print management service providers in Europe
Konica Minolta Business Solutions (CHINA) Co., Ltd.	Thousand RMB 96,958	100%	Sale of multi-functional peripherals (MFPs), digital printing systems, 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

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

Company name	Capital	Ratio of voting rights held by the Company	Description of principal businesses
Konica Minolta Business Technologies (WUXI) Co., Ltd.	Thousand RMB 289,678	*100%	Manufacturing and sale of multi-functional peripherals (MFPs), digital printing systems, printers, and related supplies
Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	Thousand RMB 141,201	*100%	Manufacturing and sale of multi-functional peripherals (MFPs), digital printing systems, printers, and related supplies
Konica Minolta Opto (DALIAN) Co., Ltd.	Thousand RMB 190,644	100%	Manufacturing and sale of optical products (pickup lenses and lens units, etc.)
Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.	Thousand Malaysian ringgit 135,000	100%	Manufacturing and sale of multi-functional peripherals (MFPs), digital printing systems, printers, and related supplies
Konica Minolta Business Solutions Australia Pty. Ltd.	Thousand Australian dollar 24,950	100%	Sale of multi-functional peripherals (MFPs), digital printing systems, printers and related supplies in Australia, and providing related solution services
Ergo Asia Pty Limited	Australian dollar 2	100%	Print management service providers in Oceania and Asia

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

(7) Principal lenders and the amount of loans of the Group (as of the fiscal year end)

[Hundred millions of yen]

Lender	Outstanding amount of loan
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	247
Sumitomo Mitsui Banking Corporation	76
Nippon Life Insurance Company	90
Resona Bank, Limited.	80
Daido Life Insurance Company	50

(8) 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 Companies Act)

The policy regarding the payment of dividends from retained earnings, etc. calls for the basic approach of making a comprehensive evaluation of consolidated performance and funding requirements to promote strategic investments in growth fields while seeking to implement proactive shareholder returns. The Company strives to enhance shareholder returns through higher dividends as well as a flexible acquisition of the Company’s own shares.

(9) Other significant matters of the Group

No significant matters worth mentioning.

2. State of shares (as of the fiscal year end)

(1) Total number of shares authorized to be issued ······· 1,200,000,000 shares

(2) Total number of shares issued ···························· 511,664,337 shares

(of which, treasury shares 9,801,071 shares)

Note: 20,000,000 shares decreased from the end of the previous fiscal year, due to cancellation of treasury shares exercised on August 29, 2014.

(3) Number of shareholders ··································· 31,018

(4) Share unit number ··· 100 shares

Note: The Articles of Incorporation were changed on April 1, 2014, subsequently the share unit number was changed from 500 shares to 100 shares.

(5) 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)	27,846	5.5
The Master Trust Bank of Japan, Ltd. (Trust account)	24,702	4.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,945	2.7
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	2.3
Nippon Life Insurance Company	10,809	2.1
The Nomura Trust and Banking Co., Ltd. (Holder in Retirement Benefit Trust for the Bank of Tokyo-Mitsubishi UFJ, Ltd.)	10,801	2.1
JPMorgan Chase Bank 385632	10,480	2.0
Daido Life Insurance Company	9,040	1.8
Mellon Bank, N.A. as agent for its client Mellon Omnibus US Pension	8,190	1.6

Note:
1. The list of major shareholders does not include the 9,801,071 shares of treasury shares held by the Company.
2. Ratio of shares held is calculated by deducting treasury shares.

3. Stock acquisition rights, etc. of the Company

Summary of stock acquisition rights, etc., issued to/held by Directors and Officers of the Company as compensation for the execution of duties (as of 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 shares owned by the Company will be transferred.

<table>
<tr><th colspan="2"></th><th>First Series
Fiscal Year Ended
March 31, 2006</th><th>Second Series
Fiscal Year Ended
March 31, 2007</th><th>Third Series
Fiscal Year Ended
March 31, 2008</th></tr>
<tr><td colspan="2">Number of stock acquisition rights</td><td>389</td><td>211</td><td>226</td></tr>
<tr><td colspan="2">Type and number of shares under stock acquisition rights</td><td>Common shares
194,500 shares</td><td>Common shares
105,500 shares</td><td>Common shares
113,000 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></tr>
<tr><td colspan="2">Exercise period of stock acquisition rights</td><td>August 23, 2005 -
June 30, 2025</td><td>September 2, 2006 -
June 30, 2026</td><td>August 23, 2007 -
June 30, 2027</td></tr>
<tr><td colspan="2">Primary condition for exercise of stock acquisition rights</td><td colspan="3">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="3">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>4</td><td>4</td><td>5</td></tr>
<tr><td>Number of rights</td><td>47</td><td>38</td><td>45</td></tr>
<tr><td>Number of shares</td><td>23,500 shares</td><td>19,000 shares</td><td>22,500 shares</td></tr>
</table>

		Fourth Series Fiscal Year Ended March 31, 2009	Fifth Series Fiscal Year Ended March 31, 2010	Sixth Series Fiscal Year Ended March 31, 2011
Number of stock acquisition rights		256	399	376
Type and number of shares under stock acquisition rights		Common shares 128,000 shares	Common shares 199,500 shares	Common shares 188,000 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
Exercise period of stock acquisition rights		August 19, 2008 - June 30, 2028	August 20, 2009 - June 30, 2029	August 28, 2010 - June 30, 2030
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	6	7	9
	Number of rights	58	126	155
	Number of shares	29,000 shares	63,000 shares	77,500 shares

		Seventh Series Fiscal Year Ended March 31, 2012	Eighth Series Fiscal Year Ended March 31, 2013
Number of stock acquisition rights		479	571
Type and number of shares under stock acquisition rights		Common shares 239,500 shares	Common shares 285,500 shares
Amount to be paid upon exercise of the stock acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of stock acquisition rights		August 24, 2011 - June 30, 2031	August 23, 2012 - June 30, 2032
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	11	16
	Number of rights	230	352
	Number of shares	115,000 shares	176,000 shares

		Ninth Series Fiscal Year Ended March 31, 2014	Tenth Series Fiscal Year Ended March 31, 2015
Number of stock acquisition rights		515	1,596
Type and number of shares under stock acquisition rights		Common shares 257,500 shares	Common shares 159,600 shares
Amount to be paid upon exercise of the stock acquisition rights		One (1) yen per share	One (1) yen per share
Exercise period of stock acquisition rights		August 23, 2013 - June 30, 2043	September 12, 2014 - June 30, 2044
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 ten (10) 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	20	21
	Number of rights	363	1,596
	Number of shares	181,500 shares	159,600 shares

Note: The number of shares issued upon the exercise of each stock acquisition right was 500 from the first to the ninth series and is 100 for the tenth series.

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	Masatoshi Matsuzaki	Chairman of the Board Member of Nominating Committee	President of Japan Business Machine and Information System Industries Association
Director	Shoei Yamana	(President and CEO, and Representative Executive Officer)	
Outside Director	Shoji Kondo	Member of Nominating Committee (Chairman) Member of Audit Committee	Senior Corporate Advisor of Hino Motors, Ltd.
Outside Director	Hirokazu Yoshikawa	Member of Compensation Committee (Chairman) Member of Nominating Committee	Honorary Senior Corporate Advisor of DOWA HOLDINGS Co., Ltd.
Outside Director	Takashi Enomoto	Member of Audit Committee (Chairman) Member of Compensation Committee	Executive Advisor of NTT DATA Corporation
Outside Director	Kazuaki Kama	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	Chairman of the Board of IHI Corporation Outside Director of Kyokuto Boeki Kaisha, Ltd. Outside Director of NSK Ltd. Representative Director of Japanese Aero Engines Corporation President of Japan Ship Exporters' Association President of Financial Accounting Standards Foundation
Director	Akio Kitani	Member of Nominating Committee Member of Audit Committee Member of Compensation Committee	
Director	Yoshiaki Ando	Member of Audit Committee Member of Compensation Committee	
Director	Takashi Sugiyama	(Senior Managing Executive Officer)	
Director	Ken Osuga	(Senior Executive Officer)	
Director	Seiji Hatano	(Senior Executive Officer)	

Notes 1. The four Directors Mr. Shoji Kondo, Mr. Hirokazu Yoshikawa, Mr. Takashi Enomoto and Mr. Kazuaki Kama are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act and Independent Directors, as provided for under Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. At the 110th Ordinary General Meeting of Shareholders held on June 19, 2014, the terms of office of all eleven (11) Directors expired. The following eight Directors were reelected: Mr. Masatoshi Matsuzaki, Mr. Shoei Yamana, Mr. Shoji Kondo, Mr. Hirokazu Yoshikawa, Mr. Takashi Enomoto, Mr. Akio Kitani, Mr. Yoshiaki Ando and Mr. Mr. Takashi Sugiyama; and three Directors: Mr. Kazuaki Kama, Mr. Ken Osuga and Mr. Seiji Hatano were newly elected and assumed office the same day.

3. Upon the close of the 110th Ordinary General Meeting of Shareholders held on June 19, 2014, the term of office of Mr. Yoshikatsu Ota, Mr. Nobuhiko Ito and Mr. Yasuo Matsumoto expired and they retired from the office of Director.

4. Audit Committee member Mr. Yoshiaki Ando 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, and Representative Executive Officer	Shoei Yamana	
* Senior Managing Executive Officer	Takashi Sugiyama	In charge of Corporate R&D Headquarters, Corporate IT Planning Division and Corporate Production Operations General Manager, Business Technologies Business Development Headquarters
Senior Executive Officer	Nobuyasu Ieuji	In charge of Corporate Social Responsibility Operations, Corporate SCM Center and Business Technologies Business Quality Assurance Operations General Manager, Kansai Headquarters
Senior Executive Officer	Yoshitsugu Shiraki	Advanced Layers Company President
Senior Executive Officer	Jun Haraguchi	General Manager, Business Technologies Business Marketing Headquarters
Senior Executive Officer	Tsukasa Wakashima	General Manager, Corporate Human Resources Division
Senior Executive Officer	Kunihiro Koshizuka	General Manager, Corporate R&D Headquarters
* Senior Executive Officer	Ken Osuga	In charge of Corporate Business Management Division, Corporate Accounting Division, Corporate Finance Division and Risk Management and Business Technologies Business, Business Process Transformation Operations
* Senior Executive Officer	Seiji Hatano	General Manager, Corporate Strategy Division In charge of Corporate CSR & Communications & Branding Division
Executive Officer	Kazuyoshi Hata	Healthcare Company President
Executive Officer	Akiyoshi Ohno	General Manager, Inkjet Business Unit
Executive Officer	Shingo Asai	General Manager, Business Technologies Business Manufacturing Headquarters
Executive Officer	Ken Shiomi	Optics Company, In charge of Planning & Administration Operations
Executive Officer	Hiroyuki Suzuki	General Manager, Corporate Audit Division
Executive Officer	Tomio Nakamura	Optics Company President
Executive Officer	Toyotsugu Ito	General Manager, Corporate Production Operations
Executive Officer	Kenichi Sanada	In charge of Intellectual Property Center, Corporate Legal Affairs & General Affairs Division, Compliance and Crisis Management
Executive Officer	Akira Tai	General Manager, Corporate IT Planning Division
Executive Officer	Ikuo Nakagawa	President, Konica Minolta Business Solutions Europe GmbH

Notes 1. Executive officers marked with * hold concurrent Director positions.

2. The above Executive Officers were, after the close of the 110th Ordinary General Meeting of Shareholders held on June 19, 2014, elected at the meeting of the board of Directors held the same day.

3. Mr. Akiyoshi Ohno resigned as Executive Officers as of March 31, 2015.

4. Mr. Shingo Asai and Mr. Toyotsugu Ito were promoted to Senior Executive Officer and Mr. Yuji Ichimura, Mr. Noriyasu Kuzuhara, Mr. Toshimitsu Taiko and Mr. Atsuo Takemoto newly assumed Executive Officer posts as of April 1, 2015.
Executive officers and its responsibilities changed as of April 1, 2015 as follows.

Executive Officer as of April 1, 2015

Position	Name	Responsibilities, important positions concurrently held
President and CEO, and Representative Executive Officer	Shoei Yamana	
Senior Managing Executive Officer	Takashi Sugiyama	General Manager, Business Technologies Business R&D Headquarters
Senior Executive Officer	Nobuyasu Ieuji	In charge of Corporate Social Responsibility Operations, Corporate SCM Center and Business Technologies Business Quality Assurance Operations General Manager, Kansai Headquarters
Senior Executive Officer	Yoshitsugu Shiraki	General Manager, Advanced Layers Business Unit
Senior Executive Officer	Jun Haraguchi	General Manager, Business Technologies Business Marketing Headquarters In charge of Inkjet Business Unit
Senior Executive Officer	Tsukasa Wakashima	General Manager, Corporate Human Resources Division In charge of Corporate General Affairs Division
Senior Executive Officer	Kunihiro Koshizuka	General Manager, Business Development Headquarters In charge of Corporate R&D Headquarters
Senior Executive Officer	Ken Osuga	General Manager, Corporate Business Management Division In charge of Corporate Accounting Division, Corporate Finance Division, Corporate Business Process Transformation Division and Risk Management
Senior Executive Officer	Seiji Hatano	General Manager, Corporate Strategy Division In charge of Corporate CSR & Communications & Branding Division
Senior Executive Officer	Shingo Asai	General Manager, Business Technologies Business Manufacturing Headquarters
Senior Executive Officer	Toyotsugu Ito	General Manager, Corporate Production Operations In charge of Group Production Engineering
Executive Officer	Kazuyoshi Hata	General Manager of Healthcare Business Unit
Executive Officer	Ken Shiomi	In charge of Optics Business Unit, Planning & Administration Operations
Executive Officer	Hiroyuki Suzuki	General Manager, Corporate Audit Division
Executive Officer	Tomio Nakamura	General Manager of Optics Business Unit In charge of Sensing Business Unit
Executive Officer	Kenichi Sanada	In charge of Intellectual Property Center, Corporate Legal Division, Compliance and Crisis Management
Executive Officer	Akira Tai	General Manager, Corporate IT Planning Division
Executive Officer	Ikuo Nakagawa	President, Konica Minolta Business Solutions Europe GmbH
Executive Officer	Yuji Ichimura	Deputy General Manager of Business Technologies Business Marketing Headquarters, Deputy General Manager of Business Development Headquarters
Executive Officer	Noriyasu Kuzuhara	General Manager of Performance Materials Business Unit
Executive Officer	Toshimitsu Taiko	CEO, Konica Minolta Business Solutions U.S.A., Inc.
Executive Officer	Atsuo Takemoto	General Manager, Corporate Procurement Division Deputy General Manager of Business Technologies Business Manufacturing Headquarters

(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	45	5	45	-	-	-	-
	Inside	182	5	143	-	-	5	39
	Total	227	10	188	-	-	5	39
Executive Officers		801	19	448	19	233	18	119

Notes 1. At the end of the period (March 31, 2015), the Company has four (4) Outside Directors, three (3) Inside Directors (not concurrently holding Executive Officer posts) and nineteen (19) Executive Officers.

2. In addition to the five (5) 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 were recorded as expense in the period are stated.
4. Regarding the compensation-type stock options, the amounts which were 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 (excluding non-Japan residents) as part of their compensation are stated.
5. In addition to the compensation shown in this table, the following payments were made during the fiscal year that ended in March 2015 due to a resolution by the Compensation Committee based on the retirement payment system that was terminated in June 2005.

· Directors (two): 35 million yen (Retired on June 19, 2014)
· Executive Officers (two): 21 million yen (Retired on March 31, 2014)

(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 the Group performance in line with management policies to meet shareholder expectations, and to contribute to the optimization of the 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 150 % 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.

Name	Name of company, etc.	Position
Kazuaki Kama	IHI Corporation Japanese Aero Engines Corporation Japan Ship Exporters' Association Financial Accounting Standards Foundation	Chairman of the Board Representative Director President President

b. Persons serving as Outside Directors at the important positions of other companies, etc.

Name	Name of company, etc.	Position
Kazuaki Kama	Kyokuto Boeki Kaisha, Ltd. NSK Ltd.	Outside Director 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. Shoji Kondo

During the fiscal year that ended in March 2015, Mr. Kondo attended all 13 meetings of the Board of Directors, all seven meetings of the Nominating Committee, all 13 meetings of the Audit Committee. As a director, Mr. Kondo used his experience as a manager to provide supervision and advice concerning manufacturing and procurement strategy, sales strategy, human resources strategy and other subjects. In addition, as a member of the Audit Committee, Mr. Kondo used his experience and knowledge to make statements as needed.

b) Mr. Hirokazu Yoshikawa

During the fiscal year that ended in March 2015, Mr. Yoshikawa attended nine of the 13 meetings of the Board of Directors, five of the seven meetings of the Nominating Committee that were held after he was named to this committee in June 2014, all three meetings of the Audit Committee that were held when he was a committee member until June 2014, and four of the six meetings of the Compensation Committee. As a Director, Mr. Yoshikawa used his experience as a manager to provide supervision and advice concerning organizational and human resources strategies, business structural reform, risk management and other subjects. In addition, as chairman of the Audit Committee until June 2014, Mr. Yoshikawa used his experience and knowledge to make statements as needed.

c) Mr. Takashi Enomoto

During the fiscal year that ended in March 2015, Mr. Enomoto attended all 13 meetings of the Board of Directors, all 13 meetings of the Audit Committee meetings, and all six meetings of the Compensation Committee. As a Director, Mr. Enomoto used his experience as a manager to provide supervision and advice concerning M&A strategies, IT solution business, capital policy and other subjects. In addition, as chairman of the Audit Committee starting in June 2014, Mr. Enomoto used his experience and knowledge to make statements as needed.

d) Mr. Kazuaki Kama (elected at the Ordinary General Meeting of Shareholders held June 2014)

Mr. Kama attended all 10 Board of Directors meetings held after his appointment, all seven Nominating Committee meetings, all 10 Audit Committee meetings, and all five Compensation Committee meetings, which were respectively held during the fiscal year. As a Director, Mr. Kama used his experience as a manager to provide supervision and advice concerning financial strategies, business management, M&A strategies and other subjects. In addition, at the Audit Committee, Mr. Kama used his experience and knowledge to make statements as needed.

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 Companies Act, 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 Companies Act to the extent permitted by laws and regulations. Based on these stipulations, the four Outside Directors Mr. Shoji Kondo, Mr. Hirokazu Yoshikawa, Mr. Takashi Enomoto and Mr. Kazuaki Kama 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 Companies Act Enforcement Regulations multiplied by two (Article 425, Paragraph 1, Item 1 (c) of the Companies Act).

5. Status of Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Compensation to the Accounting Auditor

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

Compensation for audit certification in accordance with Article 2, Section 1 of the Certified Public Accountants Act	¥204 million
Compensation for services other than those stipulated in Article 2, Section 1 of the Certified Public Accountants Law	-
Total	¥204 million

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

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

¥285 million

(3) Policy regarding decisions to dismiss or deny reappointment to Accounting Auditor

The Audit Committee will examine dismissing or denying reappointment of the Accounting Auditor if the Accounting Auditor has committed a serious violation or infringement of the Companies Act, the Certified Public Accountants Act or other relevant laws or regulations, or if the Accounting 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 Accounting 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 Companies Act.

The Audit Committee also examines the status of the performance of the Accounting 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 Companies Act), 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 Companies Act). 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. Furthermore, this principle is to be clearly specified in Company rules and made common knowledge.
2. To ensure the independence of the above Audit Committee Office from Executive Officers and the effectiveness of instructions received from the Audit Committee, 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 Company's Executive Officers in charge of the Group's 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. The subsidiaries' internal audit division, risk management division, compliance division and auditors shall report on the status of operation to the Audit Committee without delay if requested to make a report by the Company's Audit Committee.
4. The Company will secure and manage a budget that is necessary and appropriate for paying expenses arising from the execution of work duties by the Audit Committee members.
5. The Company will provide opportunity for Audit Committee members elected by the Audit Committee to attend management council meetings and other important meetings. The Executive Officers in charge of internal control, including the Corporate Audit Division, Risk Management Committee and the Compliance Committee shall report without delay if requested to make investigations, reports, etc. by the Audit Committee members.

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

6. 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.
7. 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 risks and operational risks, 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 risks material to Group management, 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.

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 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. Make this system clear common knowledge in Company rules to halt unfair treatment through the reporting of infractions. Furthermore, the department in charge of the whistle blowing system will regularly inform the Audit Committee of report details and status.

11. 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. Furthermore, based on internal rules, etc. such as Authorization Regulations, the Company will make

subsidiaries regularly report and seek preapproval on matters concerning the execution of important work duties, accounting, financial execution, human resources and other important information pertaining to such subsidiaries through Management Consultation Committee and other meetings.

*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, 2015) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**594,271**	**Current liabilities**	**283,404**
Cash and deposits	95,444	Notes and account payable - trade	98,152
Notes and accounts receivable - trade	226,899	Short-term loans payable	25,844
Lease receivables and lease investment assets	23,010	Current portion of bonds	20,000
Securities	82,006	Current portion of long-term loans payable	5,001
Inventories	121,067	Accounts payable - other	39,202
Deferred tax assets	22,795	Accrued expenses	39,476
Accounts receivable - other	10,425	Income taxes payable	6,957
Other	18,680	Provision for bonuses	13,402
Allowance for doubtful accounts	(6,057)	Provision for Directors' bonuses	256
		Provision for product warranties	1,770
		Notes payable - facilities	1,451
		Asset retirement obligations	164
		Other	31,724
Non-current assets	**376,213**	**Non-current liabilities**	**185,395**
Property, plant and equipment	**175,100**	Bonds payable	50,000
Buildings and structures, net	67,919	Long-term loans payable	58,696
Machinery, equipment and vehicles, net	29,437	Deferred tax liabilities for land revaluation	2,907
Tools, furniture and fixtures, net	27,917	Provision for Directors' retirement benefits	139
Land	31,991	Net defined benefit liability	61,749
Lease assets, net	440	Asset retirement obligations	976
Construction in progress	4,153	Other	10,925
Assets for rent, net	13,240	**Total liabilities**	**468,800**
Intangible assets	**109,852**	**Net assets**	
Goodwill	61,563	**Shareholder's equity**	**469,490**
Other	48,289	Capital stock	37,519
Investments and other assets	**91,260**	Capital surplus	204,140
Investment securities	33,806	Retained earnings	238,558
Long-term loans receivable	74	Treasury shares	(10,727)
Long-term prepaid expenses	4,646	**Accumulated other comprehensive income**	**30,105**
Deferred tax assets	39,887	Valuation difference on available-for-sale securities	8,497
Other	13,699	Deferred gains or losses on hedges	40
Allowance for doubtful accounts	(853)	Foreign currency translation adjustment	30,303
		Remeasurements of defined benefit plans	(8,735)
		Subscription rights to shares	**1,016**
		Minority interests	**1,071**
		Total net assets	**501,684**
Total assets	**970,485**	**Total liabilities and net assets**	**970,485**

Consolidated Statement of Income

(From April 1, 2014 to March 31, 2015) [Millions of yen]

Item	Amount	
Net sales		**1,011,774**
Cost of sales		513,982
Gross profit		**497,791**
Selling, general and administrative expenses		431,591
Operating income		**66,200**
Non-operating income		
Interest and dividends income	2,533	
Share of profit of entities accounted for using equity method	35	
Other	3,340	5,910
Non-operating expenses		
Interest expenses	2,398	
Foreign exchange losses	449	
Loss on disposal of mass-produced trial products	1,646	
Other	7,749	12,243
Ordinary income		**59,867**
Extraordinary income		
Gain on sales of non-current assets	3,525	
Gain on sales of investment securities	1,065	4,590
Extraordinary loss		
Loss on sales and retirement of non-current assets	2,314	
Loss on sales of shares of subsidiaries and associates	1,064	
Loss on valuation of investment securities	0	
Impairment loss	3,789	
Business structure improvement expenses	2,067	9,236
Income before income taxes and minority interests		**55,221**
Income taxes-current	14,466	
Income taxes-deferred	8,012	22,479
Income before minority interests		**32,741**
Minority interests in income		35
Net income		**32,706**

Consolidated Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015) [Millions of yen]

	Shareholder's Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholder's equity
Balance at beginning of current period	**37,519**	**204,140**	**242,460**	**(17,322)**	**466,797**
Cumulative effects of changes in accounting policies			(7,052)		(7,052)
Restated balance	**37,519**	**204,140**	**235,407**	**(17,322)**	**459,745**
Changes of items during period					
Dividends of surplus			(8,902)		(8,902)
Net income			32,706		32,706
Change of scope of consolidation			124		124
Purchase of treasury shares				(14,236)	(14,236)
Disposal of treasury shares			(13)	66	53
Retirement of treasury shares			(20,765)	20,765	―
Net changes of items other than shareholders' equity					
Total changes of items during period	―	―	**3,150**	**6,595**	**9,745**
Balance at end of current period	**37,519**	**204,140**	**238,558**	**(10,727)**	**469,490**

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	**5,086**	**(38)**	**15,055**	**(8,497)**	**11,607**	**910**	**740**	**480,055**
Cumulative effects of changes in accounting policies								(7,052)
Restated balance	**5,086**	**(38)**	**15,055**	**(8,497)**	**11,607**	**910**	**740**	**473,003**
Changes of items during period								
Dividends of surplus								(8,902)
Net income								32,706
Change of scope of consolidation								124
Purchase of treasury shares								(14,236)
Disposal of treasury shares								53
Retirement of treasury shares								―
Net changes of items other than shareholders' equity	3,410	78	15,247	(237)	18,498	106	331	18,935
Total changes of items during period	**3,410**	**78**	**15,247**	**(237)**	**18,498**	**106**	**331**	**28,681**
Balance at end of current period	**8,497**	**40**	**30,303**	**(8,735)**	**30,105**	**1,016**	**1,071**	**501,684**

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: 129 companies

   Names of principal consolidated subsidiaries:

   Konica Minolta Business Solutions Japan Co., Ltd.
   Konica Minolta Healthcare Co., Ltd.
   Konica Minolta Supplies Manufacturing Co., Ltd.
   Konica Minolta Technoproducts Co., Ltd.
   Konica Minolta Business Solutions U.S.A., Inc.
   Konica Minolta Business Solutions Europe GmbH
   Konica Minolta Business Solutions Deutschland GmbH
   Konica Minolta Business Solutions France S.A.S.
   Konica Minolta Business Solutions (UK) Ltd.
   Charterhouse PM Limited
   Konica Minolta Business Solutions Australia Pty. Ltd.
   Ergo Asia Pty Limited
   Konica Minolta Business Solutions (CHINA) Co., Ltd.
   Konica Minolta Business Technologies Manufacturing (HK) Ltd.
   Konica Minolta Business Technologies (WUXI) Co., Ltd.
   Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.
   Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.
   Konica Minolta Opto (DALIAN) Co., Ltd.

   Changes in consolidated subsidiaries:

   (Increased due to significance)
   Konica Minolta Business Solutions Slovenia d.o.o.
   Konica Minolta Croatia-Business Solutions d.o.o.
   Konica Minolta Baltia UAB
   Konica Minolta Ukraine
   Konica Minolta BH - Poslovna Rjesenja d.o.o.

   (Increased due to acquisition of shares or equity interest)
   Ergo Asia Pty Limited and its 12 subsidiaries
   Indicia Group Limited and its seven subsidiaries
   Results Engineering LLC
   Konica Minolta IJ Textile Europe S.r.l.
   Konica Minolta Business Solutions do Sul Ltda

   (Increased due to new establishment)
   Konica Minolta Business Technologies (Malaysia) Sdn. Bhd.
   Konica Minolta Healthcare do Brasil Ltda.
   Charterhouse USA, Inc.

   (Decreased due to company liquidation)
   Konica Minolta Logistics Co., Ltd.

   (Decreased due to disposal)
   R+M Business Software GmbH
   Koneo AB

   (Decreased due to merger)
   KnowledgeCentrix Holdings, LLC
   DocuSource LLC
   Konica Minolta Medical & Graphic Imaging Europe GmbH
   Navigate System & Consulting GmbH
   GfWi GmbH
   360 Business Software + Systeme GmbH
   Repro Conseil S.A.S.
   Aisne Impressions S.A.S.
   Results Engineering LLC

2. Names of principal unconsolidated subsidiary

   Konica Minolta Business Solutions (Thailand) Co., Ltd.

   Unconsolidated subsidiaries have not been included in the scope of consolidation because they are relatively small and their assets, net sales, net income (loss), and retained earnings (in proportion to scale of equity ownership) do not have material influence on the consolidated financial statements.

II. Scope of the Use of Equity Accounting

1. Number of affiliated companies accounted for by the equity method and names of principal companies

   Number of companies accounted for by the equity method:
   1 company

   Major associate accounted for using equity method:
   Toho Chemical Laboratory Co., Ltd

   Associate excluded from the scope of application of the equity method:
   (Decreased due to company liquidation)
   Media Technology Corporation

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

   Konica Minolta Business Solutions (Thailand) Co., Ltd.

   Unconsolidated subsidiaries that are not accounted for by the equity method and affiliates that are not accounted for by the equity method are excluded from the scope of application of the equity method, because they have little impact on net income (loss) or retained earnings, and their significance as a whole is minor.

III. Fiscal year−end of consolidated subsidiaries

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 do Brazil Ltda.
Konica Minolta Business Solutions do Sul Ltda.
Konica Minolta Business Solutions de Mexico SA de CV.
Konica Minolta Medical Systems Russia LLC
Konica Minolta Healthcare do Brasil Ltda.

Of the consolidated subsidiaries, Konica Minolta Business Solutions Russia LLC had a fiscal year ending on December 31, and consolidated financial statements were previously prepared using the financial statements of the company as of that fiscal year-end date. Adjustments were made to consolidated accounts to account for important transactions involving this company that occurred between the end of its fiscal year-end date and the end of the consolidated fiscal year. However, in order to disclose consolidated financial information more appropriately, the fiscal year-end date of this company has been changed to March 31, the end of the consolidated fiscal year for the fiscal year and subsequent fiscal years. As a result, the fiscal year of this company is 15 months from January 1, 2014 to March 31, 2015.

IV. Accounting Standards and Methods

1. Valuation standard and method for assets

   (1) Securities

   Available-for-sale securities

   Securities with fair market value are recorded using the mark-to-market method based on the market price as of 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.)

   Securities that do not have fair market values are primarily recorded at cost using the moving-average method.

   (2) Derivatives

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

   (3) Inventories

   Inventories of the Company and its domestic consolidated subsidiaries are principally recorded at cost as determined by the periodic-average method (method of reducing book value when the contribution of inventories to profitability declines). Inventories of overseas consolidated subsidiaries are principally recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

2. Amortization method for Non-current assets

(1) Property, plant and equipment (excluding lease assets)

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

(2) Intangible assets (excluding lease assets)

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

(3) Lease assets

Lease assets arising from finance lease transactions that do not transfer 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 uncollectability. 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 for the fiscal year is recorded.

(3) Provision for Directors' bonuses

To prepare for the payment of Directors' bonuses, an amount corresponding to the current portion of estimated bonus payments to Directors for the fiscal year is recorded.

(4) Provision for product warranty

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

(5) Provision for Directors' retirement benefits

Consolidated subsidiaries, to provide for the payment of Directors' retirement benefits, record provision for benefits for retired Directors in an actual amount equal to the need at the end of the one-year period based on the Group's regulations.

4. Accounting method for retirement benefits

In order to provide for employee retirement benefits, net defined benefit liability is recorded at the amount of projected benefit obligations less plan assets at the end of the fiscal year. In determining retirement benefit obligations, the Group attributes the expected amount of retirement benefit to the period until this fiscal year-end based on the benefit formula.

Prior service cost is being amortized as incurred by the straight-line method over certain periods (principally 10 years), which are within the average remaining years of service of the employees at the time the service cost is generated.

Actuarial gains and losses are being amortized on a straight-line basis over certain periods (principally 10 years), which are within the average remaining years of service of the employees at the time the amounts are generated in each fiscal year, allocated proportionately starting from the year following the respective fiscal year of occurrence.

Unrecognized prior service costs and unrecognized actuarial gains or losses, net of tax effects, are recorded in accumulated other compressive income (remeasurements of defined benefit plans) under net assets.

5. Standard for translating significant assets and liabilities denominated in foreign currencies into Japanese yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen using the spot exchange rate at the end of the consolidated fiscal year, and foreign currency differences are recognized as gains or losses. The assets and liabilities of foreign subsidiaries are translated into Japanese yen using the spot exchange rates prevailing at the end of the consolidated fiscal year. Income and expense items are translated into Japanese yen using the average exchange rate for the fiscal year. Foreign currency differences are recorded in foreign currency translation adjustment and minority interests in net assets.

6. Principal accounting methods for hedge transactions

(1) Hedge accounting methods

The deferred hedge method is mainly used. Designated hedge accounting is applied to currency swaps that fulfill requirements for such accounting method and specified hedge accounting is applied to interest-rate swaps that fulfill requirements for such accounting method. Foreign currency differences arising from translation of a foreign currency denominated monetary asset or liability designated as a hedge of an investment in a foreign subsidiary are offset with foreign currency translation adjustment arising from the hedged investment.

(2) Hedge methods and hedge targets

Hedge methods:	Forward exchange contracts, currency option transactions, currency swap transactions, interest rate swap transactions, and foreign-currency-denominated borrowings
Hedge targets:	Scheduled foreign currency denominated transactions, borrowings, and equity investments in foreign subsidiaries.

(3) Hedge policy

The Group enters into forward exchange contracts and currency option transactions as hedging instruments only, not for trading purposes to make profits, within the limit of actual foreign transactions to reduce risk arising from future fluctuations of foreign exchange rates. In addition, the Group enters into currency swap transactions and interest rate swap transactions to stabilize interest rates on bonds and borrowings or reduce cost fluctuations for future capital procurement, both as hedging instruments only, not for speculation purposes, within the limit of actual financial or operating transactions. The Company uses foreign currency-denominated borrowings in order to reduce foreign currency exposures in equity investments in foreign subsidiaries.

(4) Methods for evaluating the effectiveness of hedges

The Company assesses hedge effectiveness by confirming that the hedging derivatives are highly correlated to changes in fair value or cash flows of hedged items.

7. Consumption tax

The tax-exclusion method is used to account for consumption taxes.
In addition, the non-deductible portion of consumption taxes related to assets that is classified as deferred consumption taxes under tax laws is recorded in long-term prepaid expenses and amortized on a straight-line basis over five years.

8. Consolidated tax payment system

The consolidated tax payment system is applied.

9. Methods and period for amortization of consolidation goodwill

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

<Note concerning changes in accounting policy>

(Application of accounting standards, etc. related to retirement benefits)

From the first quarter of the current consolidated fiscal year, the Company adopted Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 issued on May 17, 2012; hereinafter, the “Accounting Standard for Retirement Benefits”) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on March 26, 2015; hereinafter, the “Guidance on Accounting Standard for Retirement Benefits”) in accordance with the provisions of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. The Company revised the calculation method for retirement benefit obligations and service costs, adopted the method to attribute expected retirement benefits to the periods of services based on the benefit formula instead of on the straight-line basis, and changed the method of determining discount rates.
Adoption of the Accounting Standard for Retirement Benefits and Guidance was accounted for in accordance with the transitional treatment stipulated in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of change in the calculation method for retirement benefit obligations and service costs was added to or deducted from retained earnings as of the beginning of this consolidated fiscal year.
As a result, net defined benefit liability at the beginning of this fiscal year increased ¥10,957 million, and retained earnings decreased ¥7,052 million. Operating income, ordinary income and income before income taxes and minority interests for the fiscal year increased ¥317 million, respectively.
Information about the effect on per share data is provided in <Notes on Per-Share Information>.

<Notes to Consolidated Balance Sheet Items>

1. Accumulated depreciation on tangible non-current assets ¥481,826 million
2. Breakdown of inventories
   - Merchandise and Finished Goods ¥92,520 million
   - Work in Process ¥10,365 million
   - Raw Materials and Stores ¥18,181 million
3. Balance of guaranteed obligations
   - Guaranteed obligations ¥277 million
   - (The Group guarantees for bank loans and lease obligations, etc. of unconsolidated companies, etc.)

<Notes to Consolidated Statement of Changes in Net Assets>

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 20,000,000	shares 511,664,337

2. Treasury shares

Type of shares	End of previous fiscal year	Increase	Decrease	End of fiscal year under review
Common shares	shares 16,720,688	shares 13,143,715	shares 20,063,332	shares 9,801,071

(Summary of reasons for change)

The principal reasons for increase were as follows:

Increase in treasury shares based on Board of Directors resolution 13,135,900 shares

Increase related to requests to purchase shares less than full trading units: 7,815 shares

Note: On January 30, 2014 and July 30, 2014, the Board of Directors approved a resolution for the purchase of own shares in accordance with Article 156 of the Companies Act, which is applied pursuant to Article 165, Paragraph 3 of this act.

As of April 14, 2014 and October 16, 2014, the purchases of the Company's own shares have been completed based on the resolutions at the Board of Directors meetings.

The principal reasons for decrease were as follows:

Decrease related to retirement of treasury shares based on Board of Directors resolution 20,000,000 shares

Decrease related to exercise of stock acquisition rights: 63,000 shares

Decrease related to shareholders' buying to complete full trading units: 332 shares

Note: The Company dissolved retirement of its treasury shares at the Board of Directors meeting held on July 30, 2014 under the provision of Article 178 of the Companies Act and exercised the retirement on August 29, 2014.

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 9, 2014	Common shares	3,862	7.50	March 31, 2014	May 27, 2014
Board of Directors October 31, 2014	Common shares	5,039	10.00	September 30, 2014	November 27, 2014

(2) Dividends for the record date belonging to the current fiscal period but effective in the next fiscal period

Decision	Type of shares	Total dividend value (millions of yen)	Dividend source	Dividend per share (yen)	Record date	Effective date
Board of Directors May 13 ,2015	Common shares	5,018	Retained earnings	10.00	March 31, 2015	May 28, 2015

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	57,500 shares
Second issue of stock compensation-type stock options for 2006	Common shares	47,000 shares
Third issue of stock compensation-type stock options for 2007	Common shares	55,000 shares
Fourth issue of stock compensation-type stock options for 2008	Common shares	76,500 shares
Fifth issue of stock compensation-type stock options for 2009	Common shares	142,000 shares
Sixth issue of stock compensation-type stock options for 2010	Common shares	166,000 shares
Seventh issue of stock compensation-type stock options for 2011	Common shares	228,000 shares
Eighth issue of stock compensation-type stock options for 2012	Common shares	280,500shares
Ninth issue of stock compensation-type stock options for 2013	Common shares	248,000 shares
Tenth issue of stock compensation-type stock options for 2014	Common shares	159,600 shares
Total		1,460,100 shares

<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. The Company uses foreign currency-denominated borrowings in order to reduce foreign currency exposures in equity investments in foreign subsidiaries.

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, 2015 (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	95,444	95,444	—
(2) Notes and accounts receivable-trade	226,899	226,899	—
(3) Securities and investment securities			
Other securities	110,472	110,472	—
(4) Notes and accounts payable-trade	(98,152)	(98,152)	—
(5) Short-term loans payable	(25,844)	(25,844)	—
(6) Bonds payable（redemption in one year or less）	(20,000)	(20,062)	(62)
(7) Current portion of long-term loans payable	(5,001)	(5,033)	(32)
(8) Bonds payable	(50,000)	(50,825)	(825)
(9) Long-term loans payable	(58,696)	(58,284)	411
(10) Derivatives transactions	215	215	—

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.

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 exceeding the acquisition cost	Stocks	11,253	23,722	12,469
	Receivables	9,000	9,006	6
	Others	10	24	13
Consolidated balance sheet amount not exceeding the acquisition cost	Stocks	5,265	4,583	(682)
	Receivables	137	130	(6)
	Negotiable deposit	73,000	73,000	—
	Others	5	5	(0)
Total		98,672	110,472	11,799

(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) Current portion of bonds, and (8) Bonds payable

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

(7) Current portion of long-term loans payable, and (9) 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.

(10) 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.		Fair market value	Valuation gains or losses
			More than one year		
Transactions other than market transactions	Forward exchange contracts	22,690	－	879	879
	Currency swap transactions	11,430	－	(902)	(902)

(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 contracts	Accounts receivable - trade	7,536	－	238

(Note) The fair market values are calculated using forward exchange rates.

(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	
Specified hedge accounting of interest rate swap	Interest rate swap transactions	long-term loans payable	23,570	23,570	(*)

(*)

As interest rate swaps subject to the special treatment of interest rate swap are accounted for as a single item with underlying long-term loans, which are hedged items, their market values are included in those of long-term loans (see (9) above).

(Note 2)

As unlisted stocks (consolidated balance sheet amount of ¥ 1,635 million) and shares of affiliates (consolidated balance sheet amount ¥ 3,705 million) do not have market values, it is considered extremely difficult to calculate their fair market values. Therefore, they are not included in “(3)Other securities.”

(Note 3)

Foreign currency-denominated borrowings (consolidated balance sheet amount of \5,587 million) designated as the hedging instruments to hedge the fluctuation of foreign exchange rates in equity investments in foreign subsidiaries is included in “(9) Long-term loans payable.”

<Notes to Real Estates for Rent, etc.>

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

The Company and some consolidated 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
1,530	2,556

(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, if changes in a performance indicator that is believed to properly reflect the market price have been insignificant, such domestic real estate 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 ¥995.48
2. EPS ¥64.73

Note: As is explained in <Note concerning change in accounting method>, the retirement benefit accounting method is applied and the transitional treatment prescribed in paragraph 37 of the retirement benefit accounting standard is used. As a result of this change, net assets per share decreased ¥13.62 in the fiscal year and EPS increased ¥0.42 in the fiscal year.

<Significant Subsequent Events>

None

<Other Notes>

1. Impairment loss was primarily attributable to write - down of the book value of the following assets to their recoverable amount.
   - Goodwill related to a subsidiary disposed in the structural reform of sales sites in Europe for the Business Technologies Business
   - Manufacturing equipment of optical products and film manufacturing equipment located in Japan for the Industrial Business
   - Corporate idle assets that included lands
2. Business structure improvement expenses included expenses related to structural reform of sales sites in Europe for the Business Technologies Business, discontinuation of in - house silver nitrate manufacturing for the Healthcare Business, and improvement of the production system of optical products for the Industrial Business.
3. Revisions of deferred tax assets and liabilities due to change in corporate tax rates

   The “Law for Partial Revision of Income Tax Law” (Article 9, 2015) and the “Law for Partial Revision of Local Tax Law” (Article 2, 2015) were promulgated on March 31, 2015, resulting in a reduction in the corporate tax rates from fiscal years beginning on or after April 1, 2015. Accordingly, the effective statutory tax rate used to measure deferred tax assets and liabilities will be reduced from 35.64% to 33.10% for temporary differences expected to be realized in the fiscal year beginning on April 1, 2015, and to 32.34% for temporary differences expected to be realized in fiscal years beginning on or after April 1, 2016.

   As a result of these changes, deferred tax assets–net (net of deferred tax liabilities) decreased ¥4,259 million and valuation difference on available-for-sale securities increased ¥343 million as of the fiscal year-end, and income taxes-deferred recorded for the fiscal year under review increased ¥4,603 million.

   In addition, due to the revision of the deduction of loss carried-forward, the deduction will be limited to the amount equivalent to 65% of income before deduction of loss carried-forward for the fiscal years beginning on April 1, 2015 and 2016, and to 50% for the fiscal years beginning on or after April 1, 2017. Accordingly, deferred tax assets decreased by ¥3,330 million, and income taxes–deferred increased by the same amount.
4. Figures given in the text have been rounded down to the nearest million.

Independent Auditor's Report

May 12, 2015

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 net assets and the notes to consolidated financial statements of Konica Minolta, Inc. ("the Company") as at March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444 (4) of the Companies Act.

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 Act 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 Companies Act

Balance Sheet

(As of March 31, 2015) [Millions of yen]

Item	Amount	Item	Amount
Assets		**Liabilities**	
Current assets	**317,200**	**Current liabilities**	**173,693**
Cash and deposits	23,283	Notes payable	7,792
Notes receivable - trade	2,956	Accounts payable - trade	53,500
Accounts receivable - trade	100,095	Short-term loans payable	38,755
Securities	82,006	Current portion of bonds	20,000
Inventories	38,128	Current portion of long-term loans payable	5,000
Prepaid expenses	1,712	Lease obligations	300
Deferred tax assets	9,725	Accounts payable - other	24,644
Short-term loans receivable	61,206	Accrued expenses	10,917
Accounts receivable - other	5,590	Income taxes payable	3,217
Other	4,624	Advances received	300
Allowance for doubtful accounts	(12,128)	Provision for bonuses	6,618
		Provision for Directors' bonuses	209
Non-current assets	**356,639**	Provision for product warranties	686
Property, plant and equipment	**99,114**	Other	1,748
Buildings, net	40,688		
Structures, net	1,832	**Non-current liabilities**	**139,232**
Machinery and equipment, net	17,823	Bonds payable	50,000
Vehicles, net	28	Long-term loans payable	55,090
Tools, furniture and fixtures, net	8,096	Lease obligations	420
Land	28,382	Deferred tax liabilities for land revaluation	4,032
Lease assets, net	329	Provision for retirement benefits	28,333
Construction in progress	1,932	Asset retirement obligations	957
		Other	398
Intangible assets	**15,029**	**Total liabilities**	**312,925**
Software	10,655		
Other	4,374	**Net assets**	
		Shareholders' equity	**342,479**
		Capital stock	**37,519**
Investments and other assets	**242,495**	**Capital surplus**	**135,592**
Investment securities	28,532	Capital reserve	135,592
Stock of affiliated companies	107,243	**Retained earnings**	**180,095**
Investments-affiliated companies	75,456	Other retained earnings	180,095
Long-term prepaid expenses	3,909	Retained earnings carried forward	180,095
Deferred tax assets	23,827	**Treasury shares**	**(10,727)**
Other	3,573		
Allowance for doubtful accounts	(47)	**Valuation and translation adjustments**	**17,418**
		Valuation difference on available-for-sale securities	8,963
		Deferred gains or losses on hedges	28
		Land revaluation difference	8,426
		Subscription rights to shares	**1,016**
		Total net assets	**360,914**
Total assets	**673,840**	**Total liabilities and net assets**	**673,840**

Statement of Income

(From April 1, 2014 to March 31, 2015) [Millions of yen]

Item	Amount	
Net sales		**496,908**
Cost of sales		313,026
Gross profit		**183,881**
Selling, general and administrative expenses		152,347
Operating income		**31,533**
Non-operating income		
Interest and dividends income	4,927	
Miscellaneous income	1,508	6,435
Non-operating expenses		
Interest expenses	1,473	
Foreign exchange losses	314	
Loss on disposal of mass-produced trial products	1,646	
Miscellaneous expense	3,791	7,225
Ordinary income		**30,743**
Extraordinary income		
Gain on sales of non-current assets	1,929	
Gain on sales of investment securities	1,114	
Reversal of allowance for doubtful accounts	846	3,890
Extraordinary loss		
Loss on sales and retirement of non-current assets	1,681	
Loss on valuation of shares of subsidiaries and associates	246	
Loss on liquidation of subsidiaries and affiliates	74	
Impairment loss	1,488	
Business structure improvement expenses	703	4,195
Net income before taxes		**30,439**
Income taxes-current	3,211	
Income taxes-deferred	5,173	8,384
Net income		**22,054**

Statement of Changes in Net Assets

(From April 1, 2014 to March 31, 2015) [Millions of yen]

	Shareholder's equity							
	Capital stock	Additional paid-in capital			Retained earnings		Treasury shares	Total shareholder's equity
		Capital reserve	Other Capital surplus	Total Additional paid-in capital	Other retained earnings: Retained earnings carried forward	Total retained earnings		
Balance at beginning of current period	**37,519**	**135,592**	―	**135,592**	**193,641**	**193,641**	**(17,322)**	**349,430**
Cumulative effects of changes in accounting policies					(6,121)	(6,121)		(6,121)
Restated balance	**37,519**	**135,592**	―	**135,592**	**187,519**	**187,519**	**(17,322)**	**343,309**
Changes of items during period								
Dividends of surplus					(8,902)	(8,902)		(8,902)
Net income					22,054	22,054		22,054
Purchase of treasury shares							(14,236)	(14,236)
Disposal of treasury shares					(13)	(13)	66	53
Retirement of treasury shares					(20,765)	(20,765)	20,765	―
Reversal of revaluation reserve for land					201	201		201
Net changes of items other than shareholders' equity								
Total changes of items during period	―	―	―	―	**(7,424)**	**(7,424)**	**6,595**	**(829)**
Balance at end of current period	**37,519**	**135,592**	―	**135,592**	**180,095**	**180,095**	**(10,727)**	**342,479**

	Valuation and translation adjustments				Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation difference	Total valuation and translation adjustments		
Balance at beginning of current period	**5,654**	**(38)**	**8,216**	**13,832**	**910**	**364,173**
Cumulative effects of changes in accounting policies						(6,121)
Restated balance	**5,654**	**(38)**	**8,216**	**13,832**	**910**	**358,052**
Changes of items during period						
Dividends of surplus						(8,902)
Net income						22,054
Purchase of treasury shares						(14,236)
Disposal of treasury shares						53
Retirement of treasury shares						―
Reversal of revaluation reserve for land			(201)	(201)		―
Net changes of items other than shareholders' equity	3,309	66	411	3,787	106	3,893
Total changes of items during period	**3,309**	**66**	**209**	**3,585**	**106**	**2,862**
Balance at end of current period	**8,963**	**28**	**8,426**	**17,418**	**1,016**	**360,914**

Notes to Financial Statements

<NOTES TO BASIS OF SIGNIFICANT ACCOUNTING POLICIES>

1. Valuation Standards and Methods for Securities

(1) Shares of subsidiaries and affiliates

Shares of subsidiaries and affiliates are recorded at cost using the moving-average method.

(2) Other securities

Securities with fair market value are recorded using the mark-to-market method based on the market price as of 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 recorded at cost using the moving-average method.

2. Valuation Standards and Methods for Derivatives

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

3. Valuation Standards and Methods for Inventories

The value of inventories is determined by using the cost method based on the gross-average method (book values are reduced to reflect declines in profitability).

4. Amortization Method for Non-current Assets

(1) Property, plant and equipment (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 assets (excluding lease assets)

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

(3) Lease assets

Lease assets arising from finance lease transactions that do not transfer 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.

5. 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 uncollectability. 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 for the fiscal year is recorded.

(3) Provision for Directors' bonuses

To prepare for the payment of Directors' bonuses, an amount corresponding to the current portion of estimated bonus payments to Directors for the fiscal year is recorded.

(4) Provision for product warranty

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

(5) 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. In determining retirement benefit obligations, the Group attributes the expected amount of retirement benefit to the period until this fiscal year-end based on the benefit formula.

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.

The accounting method for undisposed unrecognized past service expenses and unrecognized actuarial gains and losses is different from the accounting method used for the consolidated financial statements.

6. Accounting methods for hedge transactions

(1) Hedge accounting methods

The deferred hedge method is mainly used. Deferral hedge accounting is used for currency swaps that meet the conditions, and special accounting methods are used for interest rate swaps that meet certain conditions, respectively.

(2) Hedging methods and hedging targets

The hedge methods are forward exchange contracts, currency option transactions, currency swaps and interest rate swaps are used as the hedge method.

The hedge targets are scheduled foreign currency denominated transactions, loans 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, 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.

7. Consumption tax

The tax-exclusion method is used to account for consumption taxes and local 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.

8. Consolidated tax payment system

Consolidated tax payment system is adopted.

<Note concerning changes in accounting policy>

(Application of accounting standards, etc. related to retirement benefits)

From the first quarter of the current consolidated fiscal year, the Company adopted Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 issued on May 17, 2012; hereinafter, the "Accounting Standard for Retirement Benefits") and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25 issued on March 26, 2015; hereinafter, the "Guidance on Accounting Standard for Retirement Benefits") in accordance with the provisions of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. The Company revised the calculation method for retirement benefit obligations and service costs, adopted the method to attribute expected retirement benefits to the periods of services based on the benefit formula instead of on the straight-line basis, and changed the method of determining discount rates.

Adoption of the Accounting Standard for Retirement Benefits and Guidance was accounted for in accordance with the transitional treatment stipulated in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of change in the calculation method for retirement benefit obligations and service costs was added to or deducted from retained earnings as of the beginning of this consolidated fiscal year.

As a result, provision for retirement benefits at the beginning of this fiscal year increased ¥9,511 million, and retained earnings decreased ¥6,121 million. Operating income, ordinary income and net income before taxes for the fiscal year increased ¥304 million, respectively.

<**Notes to Balance Sheet**>

1. Accumulated depreciation of tangible non-current assets ¥326,484 million

2. Receivables from affiliated companies and payables to affiliated companies

Short-term receivables	¥137,408 million
Short-term payables	¥79,252 million
Long-term payables	¥2 million

3. Comprehensive income attributable to inventories

Merchandise and finished goods	¥21,892 million
Work in process	¥10,787 million
Raw materials and supplies	¥5,448 million

4. Land revaluation

Land for industrial purposes that had been revaluated based on the Law Concerning Land Revaluation (Law No. 34 promulgated 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, promulgated on March 31, 1998) or the method for valuation of non-current assets provided for in Article 2−3 of the Enforcement Orders.

(2) Date of revaluation March 31, 2002

(3) The difference between the market value of the revalued land at the end of the fiscal year under review and the book value following revaluation ¥(7,870) million

5. Loan commitment

The Company has loan agreements with subsidiaries concerning financial matters for group companies and has established credit lines for 10 of these subsidiaries. The available loan balance at the end of the fiscal year under review under these agreements is as follows.

Total loan limit	¥91,419 million
Disbursed loan balance	¥61,206 million
Available loan balance	¥30,212 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	9,821	–	9,821
Defined benefit pension plan	29,313	10,801	18,511
Total	39,134	10,801	28,333

<Notes to Statement of Income>

Transactions with affiliated companies

Operating revenue	¥348,168 million
Operating expense	¥242,800 million
Other operating transactions	¥20,401 million
Other non-operating transactions	¥11,757 million

<Notes to Statement of Changes in Net Assets>

Type and number of treasury shares at end of period

Common shares	9,801,071 shares

(Additional information)

On January 30, 2014 and July 30, 2014, the Board of Directors approved resolutions for the repurchase of stock in accordance with Article 156 of the Companies Act, which is applied pursuant to Article 165, Paragraph 3 of this act.

As of April 14, 2014 and October 16, 2014, the acquisitions of the Company's own shares have completed based on the resolutions at the Board of Directors meetings.

The Company resolved retirement of its treasury shares at the Board of Directors meeting held on July 30, 2014 under the provision of Article 178 of the Companies Act and exercised the retirement on August 29, 2014.

For details, please refer to the Notes to Consolidated Financial Statements.

<Notes on Tax Effect Accounting>

1. Breakdown by cause of deferred tax assets and liabilities

Deferred tax assets	
Loss on valuation of shares of subsidiaries and associates	¥16,524 million
Net operating tax loss carried forward	¥15,331 million
Net defined benefit liability	¥14,719 million
Allowance for doubtful accounts	¥4,026 million
Provision for bonuses	¥2,190 million
Excess of depreciation and amortization over deductible limit	¥2,094 million
Loss on valuation	¥1,844 million
Other	¥4,910 million
Deferred tax assets subtotal	¥61,642 million
Valuation allowance	¥ (21,280) million
Total deferred tax assets	¥ 40,362 million
Deferred tax liabilities	
Revaluation difference of marketable securities	¥(3,586) million
Gain on establishment of employee pension trust	¥(1,761) million
Loss (gain) on transfer of business	¥(1,462) million
Total deferred tax liabilities	¥(6,810) million
Net deferred tax assets	¥33,552 million

2. Deferred tax liabilities related to revaluation

Deferred tax liabilities related to revaluation of land	¥(4,032) million

3. Revisions of deferred tax assets and liabilities due to change in corporate income tax rate, etc.

The “Law for Partial Revision of Income Tax Law” (Law No. 9, 2015) and the “Law for Partial Revision of Local Tax Law” (Law No. 2, 2015) were promulgated on March 31, 2015, resulting in a reduction in the corporate tax rates from fiscal years beginning on or after April 1, 2015. Accordingly, the effective statutory tax rate used to measure deferred tax assets and liabilities will be reduced from 35.64% to 33.10% for temporary differences expected to be realized in the fiscal year beginning on April 1, 2015, and to 32.34% for temporary differences expected to be realized in fiscal years beginning on or after April 1, 2016. As a result of these changes, deferred tax assets-net (net of deferred tax liabilities) and deferred tax liabilities ¥3,734 million and ¥411 million, respectively as of the fiscal year-end, and income taxes-deferred, valuation difference on available-for-sale securities, and land revaluation difference recorded for the current fiscal year increased ¥4,100 million, ¥366 million and ¥411 million, respectively.

In addition, due to the revision of the deduction of loss carried ‐ forward, the deduction will be limited to the amount equivalent to 65% of income before deduction of loss carried ‐ forward for the fiscal years beginning on April 1, 2015 and 2016, and to 50% for the fiscal year beginning on or after April 1, 2017. Accordingly, deferred tax assets decreased by ¥3,330 million, and income taxes–deferred increased by the same amount.

<Notes on Leased Non-current Assets>

In addition to the non-current assets recorded on the balance sheet, the Company has other significant non-current assets which it uses under lease contracts, notably computer equipment. Finance lease transactions not involving transfer of ownership commencing on or before March 31, 2008 are accounted for based on methods applicable to ordinary rental transactions.

<Notes on Related-Party Transactions>

Subsidiaries, etc.

[Millions of yen]

Attribute	Name of company, etc.	Equity ownership percentage	Relationship with the Company		Description of transactions	Transaction amount	Account item	Ending balance
			Executive posts concurrently held	Business relationship				
Subsidiary	Konica Minolta Holdings U. S. A., Inc.	(Ownership) Direct 100%	One Executive of the Company	U.S. holding company	Lending of funds (See Note 1.)	19,787	Short-term loans	21,630
Subsidiary	Konica Minolta Business Solutions, Inc.	(Ownership) Direct 100%	-	Sale of multi-functional peripherals (MFPs), digital printing system, printers and related supplies in Japan and providing related solution services	Sales of products (See Note 2)	32,792	Accounts receivable - trade	12,820
Subsidiary	Konica Minolta Business Solutions Europe GmbH	(Ownership) Direct 100%	One Executive of the Company	Sale of multi-functional peripherals (MFPs), digital printing system, printers and related supplies in Europe and providing related solution services	Lending of funds (See Note 1.)	29,763	Short-term loans	27,600
					Sales of products (See Note 2)	114,795	Accounts receivable - trade	16,747
Subsidiary	Konica Minolta Business Solutions U.S.A., Inc.	(Ownership) Indirect 100%	One Executive of the Company	Sale of multi-functional peripherals (MFPs), digital printing system, printers and related supplies in U.S.A. and providing related solution services	Sales of products (See Note 2)	92,665	Accounts receivable - trade	14,587
Subsidiary	Konica Minolta Business Technologies Manufacturing (HK) Ltd.	(Ownership) Direct 100%	-	Manufacturing and sale of multi-functional peripherals (MFPs), printers and related supplies	Purchases of products (See Note 2)	59,194	Accounts payable - trade	10,206
Subsidiary	Konica Minolta Business Technologies (WUXI) Co., Ltd.	(Ownership) Direct 15% Indirect 85%	-	Manufacturing and sale of multi-functional peripherals (MFPs), digital printing system, printers and related supplies	Purchases of products (See Note 2)	61,966	Accounts payable - trade	10,844
Subsidiary	Konica Minolta Business Technologies (DONGGUAN) Co., Ltd.	(Ownership) Indirect 100%	-	Manufacturing and sale of multi-functional peripherals (MFPs), digital printing system, printers and related supplies	Purchases of products (See Note 2)	62,987	Accounts payable - trade	10,761
Subsidiary	Konica Minolta Glass Tech Malaysia Sdn. Bhd.	(Ownership) Direct 100%	-	- (See Note 3)	Lending of funds (See Note 3)	11,443	Short-term loans	10,119

The transaction amount does not include consumptions tax. The ending-balance of the accounts receivable-trade and accounts payable-trade includes consumption tax.

(Notes) Transaction terms and policy for determining transaction terms

1. Regarding the lending of funds, the Company enters into loan agreements concerning group financing with subsidiaries, setting a limit. The interest rate is determined based on market rates.
   The transaction amount is the average loan balance over the period under review.
2. Terms for purchases and sales of products and other items are determined by price negotiations in each fiscal year that take into account market prices and the cost of sales.
3. In association with the shutdown of the HDD glass substrate business, Konica Minolta Glass Tech Malaysia Sdn. Bhd. will be dissolved and this company is no longer obligated to pay interest on loans. Furthermore, an addition of ¥10,062 million has been made to the allowance for doubtful accounts for the amount of Konica Minolta Glass Tech Malaysia receivables that the Company does not expect to collect.
   Transaction amount is the average balance during the period.

<Notes on Per Share Information>

Net assets per share	¥717.12
Net income per share	¥43.65

<Note concerning significant subsequent event >

None

<Other Notes>

1. Impairment loss was primarily attributable to write－down of the book value of the following assets to their recoverable amount.
   ･Manufacturing equipment of optical products and film manufacturing equipment located in Japan for the Industrial Business
   ･Corporate idle assets that included lands
2. Business structure improvement expenses included discontinuation of in－house silver nitrate manufacturing for the Healthcare Business.
3. Figures given in the text have been rounded down to the nearest million.

Independent Auditor's Report

May 12, 2015

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") as at March 31, 2015 and for the 111th business year from April 1, 2014 to March 31, 2015 in accordance with Article 436 (2) (i) of the Companies Act.

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.

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 Act 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 Companies Act.

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

AUDIT REPORT

We, the Audit Committee of Konica Minolta, Inc. ("the Company"), have audited the performance of duties by Directors and Executive Officers during the 111th business year from April 1, 2014 to March 31, 2015. 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 Companies Act, 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 13, 2015

Audit Committee of Konica Minolta, Inc.

Audit Committee Member	Takashi Enomoto	(Seal)
Audit Committee Member	Shoji Kondo	(Seal)
Audit Committee Member	Kazuaki Kama	(Seal)
Audit Committee Member	Akio Kitani	(Seal)
Audit Committee Member	Yoshiaki Ando	(Seal)

Note: Mr. Takashi Enomoto, Mr. Shoji Kondo and Mr. Kazuaki Kama are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.