Company Name: Konica Minolta Holdings, Inc.
Representative: Fumio Iwai, President and CEO
Stock Exchange Listings: Tokyo, Osaka (First Sections)
Local Securities Code Number: 4902
Contact: Yuki Kobayashi, General Manager, Corporate Communications & Advertising Division
Tel: (81) 3-6250-2100

Revisions of Operating Performance and Dividend Forecasts for Fiscal Year Ending March 31, 2006

Tokyo (November 4, 2005) – Konica Minolta Holdings, Inc. today announced revisions of interim and full-year operating performance and dividend forecasts for fiscal year ending March 31, 2006.

1. Revision of the interim operating performance forecast for fiscal year ending March 31, 2006

(1) Consolidated operating performance forecast: (Millions of yen)

		Net Sales	Recurring Profit	Net Income
Original Forecast	(A)	530,000	29,000	7,000
Revised Forecast	(B)	517,598	35,245	(3,482)
Increase(Decrease)	(B - A)	(12,402)	6,245	(10,482)
Percent Change	(%)	(2.3%)	21.5%	---
(Reference) Results for the six months ended September 30, 2004		535,115	28,166	8,200

(2) Non-consolidated operating performance forecast: (Millions of yen)

		Operating Revenue	Recurring Profit	Net Income
Original Forecast	(A)	21,000	7,000	6,000
Revised Forecast	(B)	22,423	8,636	(5,872)
Increase(Decrease)	(B - A)	1,423	1,636	(11,872)
Percent Change	(%)	6.8%	23.4%	---
(Reference) Results for the six months ended September 30, 2004		25,041	12,176	12,924

2. Revisions of the full-year operating performance forecast for fiscal year ending March 31, 2006:

(1) Consolidated operating performance forecast: (Millions of yen)

		Net Sales	Recurring Profit	Net Income
Original Forecast	(A)	1,130,000	80,000	23,000
Revised Forecast	(B)	1,050,000	60,000	(47,000)
Increase(Decrease)	(B - A)	(80,000)	(20,000)	(70,000)
Percent Change	(%)	(7.1%)	(25.0%)	---
(Reference) Results for fiscal year ended March 31, 2005		1,067,447	53,617	7,524

(2) Non-consolidated operating performance forecast: (Millions of yen)

		Operating Revenue	Recurring Profit	Net Income
Original Forecast	(A)	40,000	13,000	13,000
Revised Forecast	(B)	56,000	27,000	(45,000)
Increase(Decrease)	(B - A)	16,000	14,000	(58,000)
Percent Change	(%)	40.0%	107.7%	---
(Reference) Results for fiscal year ended March 31, 2005		41,014	15,050	(15,596)

3. Reasons for the revision of the consolidated operating performance forecast

(1) Consolidated Operating Performance Forecast
Photo Imaging business* has wide coverage of imaging from input to output. However, it became necessary to change its structure due to shrinking market for photographic business, as represented by photo-sensitive materials, such as color film and color paper, and accelerating price deterioration for camera business.
In the photographic business, we have made efforts in cutting costs including fixed costs, as represented in scaling back domestic photofinishing business. And we have been adjusting business size to an efficient level by specifying unprofitable businesses and accounts. At the same time, we have pursued a new profit source in new business, such as digital printing, and made efforts in its expansion.
For the camera business, we have eagerly shifted our expansion strategy to concentrate on high-value-added products, while severely cutting costs including fixed cost.

(*Photo Imaging business: Combination of photographic business and camera business to manufacture and sale of camera, photo-sensitive materials, related equipment)

In Konica Minolta's medium-term business plan (V-5), we have schemed extraordinary losses of 34 billion yen over the four years from fiscal 2005 to 2008 mainly for scaling back production facility in order to restructure photographic business.
However, market demand rapidly and dramatically decreased with the surge of digitization, which was much faster than our forecast, and we expect this trend will further accelerate in the future. We, therefore, decided to revise our plan and expedite the schedule to scale back photographic business, to drastically restructure not only production but also development as well as sales operations. For this purpose, we forecast expense of approximately 90 billion yen.
In this relation, we forecast net loss of 47 billion for the full-year ending March 31, 2006.
As a part of the restructuring, we have posted 22.8 billion yen for impairment loss on fixed assets, with view to scale back Photo Imaging business. Net income for this interim period, therefore, will be substantially below the original forecast and posted net loss of 3.5 billion yen.

- Outline of the Business Restructuring

1) In order to effectively adjust to the demand, we will restructure all of its operations from development, production to sales.
   Development: Allocation and restructuring of some functions in the photographic business to other Group companies, involved in optics device, medical and graphic business and so on.
   Production: Adjusting to shrinking market, promotion of efficiency while scaling back ahead of schedule, maintenance of cost competitiveness, specifying product lines, and promotion of collaborations.
   Sales: Reorganization of unprofitable fields and simplification of sales organization.

2) We will aggressively shift management resources to the other Konica Minolta Group companies to promote new businesses within the Group such as in the field of display materials and health science, and to strengthen conventional businesses.

3) The restructuring expenses will be 27 billion yen for "impairment loss incurred from production facilities", and for "restructuring of production sites" and 63 billion yen for "restructuring of sales operations" and "reduction of employees."

Through these actions, as a whole Konica Minolta Group, we plan to reduce slightly over ten percent employees from the current 33,000 employees worldwide.

(2) Non-Consolidated Operating Performance Forecast:
For this interim period, by such factor as impairment loss on fixed asset in the Photo Imaging business as stated in the above (1), net assets of the Konica Minolta Photo Imaging, Inc. will be significantly impaired. In this relation, it became necessary to reserve the provision for possible loan-loss to Konica Minolta Photo Imaging, Inc., so that the interim net loss will be 5.9 billion yen, which is far below the original net income forecast.

For the full-year, operating revenue will increase due to dividend income from the subsidiaries. However, through the restructuring as stated above (1), it is assumed that net assets of the Konica Minolta Photo Imaging, Inc. would be worsened, and we are expecting to increase loan-loss reserves to Konica Minolta Photo Imaging, Inc.
In this relation, we forecast net loss of 45 billion for the full-year ending March 31, 2006.

4. Revision of the Dividend Forecast
(1) The reasons for the revision of the dividend forecast
The full-year dividend for fiscal year ending March 31, 2006 was initially planned to be ten (10) yen (interim: 5 yen, year-end: 5 yen). However, due to the above factors, we regrettably decided to suspend payment of interim and year-end dividends for fiscal year ending March 31, 2006 at the board of directors meeting held on November 4, 2006.

We will steadily restructure photographic business as announced today and to make utmost efforts to quickly recover earnings. We sincerely request our shareholders to understand our situation.

(2)

	Interim	Year-end	Full-year
Original forecast(May, 12, 2005)	5 yen	5 yen	10 yen
Revised forecast	0 yen	0 yen	0 yen
(Reference) Dividend for the previous year	5 yen	5 yen	10 yen

Our management takes this situation very seriously and will reduce compensations for directors.

Ever since our management integration in August, 2003, Konica Minolta posted implementation of business portfolio management as its basic strategy, which is based on strengthening of the conventional businesses by further selection and concentration, nurturing of new businesses, and business expansions through alliances and M&A.

In fiscal 2004, as a platform building period, we have focused on the strengthening of management infrastructure and foundation such as IT and personnel management systems, which proceeded largely as planned.

This year, we are focusing our management resources on non-consumer businesses such as our core business -- Business Technologies, our strategic business -- Optics, and our growth business -- Medical Imaging, and fortifying competitiveness of these businesses.
Although we have decided to significantly scaling back Photo Imaging business, we will, while decrease its share within our Group, accelerate shifting our management resources to the growth businesses, and thus to further enhance corporate value.

For fiscal 2006 onward, Konica Minolta Group as a whole will make every effort to considerably recover earnings.

Cautionary statement:
The above operating performance forecasts are forward-looking statements involving risks and uncertainties.　It should be noted that actual results may differ significantly from these forecasts due to various important factors.