November 1, 2007

Consolidated Financial Results
Interim Period Ended September 30, 2007

Konica Minolta Holdings, Inc.

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Stock Exchange Listings: Tokyo, Osaka (First Sections)
Local Securities Code Number: 4902

Scheduled Date for Submission of Interim Report: December 20, 2007

Date for Commencement of Dividend Payments: November 27, 2007

Note: Figures less than ¥1 million have been omitted.

1. CONSOLIDATED INTERIM FINANCIAL RESULTS
(From April 1, 2007 to September 30, 2007)

(1) Operating Results

Percentage figures for the interim period represent the change from the previous interim period.
[Millions of yen]

	Net sales		Operating income		Recurring profit	
Interim period ended September 30, 2007	524,958	6.3%	57,059	23.3%	54,670	21.9%
Interim period ended September 30, 2006	493,950	-4.6%	46,260	17.4%	44,854	27.3%
Fiscal year ended March 31, 2007	1,027,630		104,006		98,099	

	Net income		Net income per share		Net income per share (after full dilution)	
Interim period ended September 30, 2007	37,644	67.2%	70.93	(yen)	66.97	(yen)
Interim period ended September 30, 2006	22,508	—	42.40	(yen)	42.39	(yen)
Fiscal year ended March 31, 2007	72,542		136.67	(yen)	134.00	(yen)

Note: Equity method profit (loss) of unconsolidated subsidiaries and affiliates:
Interim period ended September 30, 2007: ¥ 135 million
Interim period ended September 30, 2006: ¥ 24 million
Fiscal year ended March 31, 2007: ¥ (160) million

(2) Financial Position

[Millions of yen]

	Total assets	Net assets	Equity ratio (%)	Net Assets per share (Yen)
Interim period ended September 30, 2007	962,151	402,891	41.7	756.20
Interim period ended September 30, 2006	925,180	318,335	34.2	595.25
Fiscal year ended March 31, 2007	951,052	368,624	38.6	692.39

Note: Equity:
September 30, 2007 (End of interim period): ¥401,291 million;
September 30, 2006 (End of interim period): ¥315,961 million;
March 31, 2007: ¥367,467 million

(3) Cash Flows

[Millions of yen]

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at end of period
Interim period ended September 30, 2007	50,264	(31,565)	(16,564)	89,539
Interim period ended September 30, 2006	26,898	(26,745)	(9,268)	72,222
Fiscal year ended March 31, 2007	66,712	(56,401)	(5,170)	86,587

2. DIVIDENDS

[yen]

	Dividends per share				
	1st Q	Interim	3rd Q	Year-end	Total annual
Fiscal year ended March 31, 2007	—	—	—	10.00	10.00
Interim period ended September 30, 2007	—	7.50			15.00
Fiscal year ending March 31, 2008 (forecast)			—	7.50	

3. CONSOLIDATED RESULTS FORECAST FOR FISCAL YEAR ENDING MARCH 31, 2008
(From April 1, 2007 to March 31, 2008)

Percentage figures represent the change from the previous fiscal year.

[Millions of yen]

	Net sales		Operating income		Recurring profit		Net income		Net income per share [yen]
Full-year	1,085,000	5.6%	116,000	11.5%	107,000	9.1%	66,000	-9.0%	124.36

4. OTHER

(1) Changes to principal subsidiaries during the period (status changes of specified subsidiaries due to changes in the scope of consolidation): Yes

Consolidated companies: (new): 1 (excluded): 10
Equity-method affiliates: (new): - (excluded): 1

(2) Changes to interim consolidated financial statement principles, preparation processes, disclosure methods, etc. (Description of changes to important items fundamental to financial statement preparation)

a. Changes accompanying amendment of accounting principles: Yes
b. Changes other than "a.": No

(3) Number of outstanding shares (common stock)

a. Outstanding shares at period-end (including treasury stock)

Interim period ended September 30, 2007: 531,664,337 shares
Interim period ended September 30, 2006: 531,664,337 shares
Fiscal year ended March31, 2007: 531,664,337 shares

b. Treasury stock at period-end

Interim period ended September 30, 2007: 996,873 shares
Interim period ended September 30, 2006: 875,128 shares
Fiscal year ended March31, 2007: 939,214 shares

UNONSOLIDATED FINANCIAL RESULTS (REFERENCE)

1. UNCONSOLIDATED FINANCIAL RESULTS (From April 1, 2007 to September 30, 2007)

(1) Operating Result

Percentage figures for the interim period represent the change from the previous interim period.

[Millions of yen]

	Net sales		Operating income		Recurring profit	
Interim period ended September 30, 2007	40,258	-19.6%	24,707	-29.8%	25,684	-28.5%
Interim period ended September 30, 2006	50,077	123.3%	35,193	331.9%	35,904	315.7%
Fiscal year ended March 31, 2007	58,201	-	29,693	-	30,999	-

	Net income		Net income per share [yen]
Interim period ended September 30, 2007	29,895	-24.5%	56.33
Interim period ended September 30, 2006	39,620	-	74.64
Fiscal year ended March 31, 2007	40,984	-	77.22

(2) Financial Position

[Millions of yen]

	Total assets	Net assets	Equity ratio	Net Assets Per share [yen]
Interim period ended September 30, 2007	452,997	252,691	55.7%	475.83
Interim period ended September 30, 2006	428,442	228,117	53.2%	429.74
Fiscal year ended March 31, 2007	448,372	229,372	51.1%	431.98

Notes: Equity:

Interim period ended September 30, 2007: ¥252,506 million
Interim period ended September 30, 2006: ¥228,102 million
Fiscal year ended March 31, 2007: ¥229,264 million

2. UNCONSOLIDATED RESULTS FORECAST FOR FISCAL YEAR ENDING MARCH 31, 2008
(From April 1, 2007 to March 31, 2008)

Percentage figures represent the change from the previous fiscal year.

[Millions of yen]

	Net sales		Operating income		Recurring profit		Net income		Net income per share [yen]
Full-year	65,000	11.7%	33,500	12.8%	35,000	12.9%	40,000	-2.4%	75.37

** The above performance projections were made based on assumptions, forecasts, and plans that were current at the time of the business report and are subject to change due to various potential risks and uncertainties. Depending on economic conditions, market trends, exchange rate trends, and diverse other factors, actual performance may be considerably different from projected performance.*

For more information on the assumptions used as premises for performance forecasts and cautionary notes, etc., regarding the use of the forecasts, please see the "(1) Summary of the interim period" portion of the "Operating Results" section on page 5 of this report.

1. OPERATING RESULTS

(1) Summary of the interim period

[Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Increase (Decrease)	Change [%]
Sales	524,958	493,950	31,007	6.3
Gross profit	259,682	237,819	21,862	9.2
Operating Income	57,059	46,260	10,799	23.3
Recurring profit	54,670	44,854	9,816	21.9
Net income before income taxes and minority interests	53,853	47,880	5,972	12.5
Net income	37,664	22,508	15,136	67.2
Net income per share [yen]	70.93	42.40	28.53	67.3
Capital expenditure	33,634	33,761	(127)	-0.4
Depreciation	28,550	24,618	3,931	16.0
R&D expenses	38,406	34,826	3,931	10.3
Exchange rates [yen]				
US dollar	119.33	115.38	3.95	3.4
Euro	162.30	145.97	16.33	11.2

During the interim term under review, trends in the world economy were as follows. In the U.S. economy, which had been on an expansionary trend, growth began to decelerate due to a number of factors, including especially the decline in growth of private residential investment as a result of the effects of the credit crunch set off by the subprime loan issue (which arose because of defaults on mortgage loans to lower-income households), In the European economies, uncertainty regarding credit risk mounted as a result of the sparks set off by the subprime loan issue in the United States, but, overall, the gradual expansionary trend continued supported by firmness in corporate exports and capital investment. In Asia also, economic conditions remained firm as the Chinese economy continued to experience high rates of growth. In the Japanese economy, although there were some concerns regarding the effects of a possible loss of momentum in the U.S. economy and the run-up in prices of crude oil and other raw materials, corporate performance improved substantially owing particularly to the positive effects of the rise in the value of the euro and weakening of the yen on the export manufacturing sector. As a result, economic conditions in Japan remained generally firm.

Amid this operating environment, under our FORWARD 08 Medium-Term Business Plan, which we issued in May 2006, we continued to place priority on our Business Technologies and Optics businesses and effectively implemented our “genre-top strategy,” which calls for concentrating management resources in specified business fields and markets to establish the top position in those fields and markets. The objective of these initiatives is to maximize the growth and corporate value of the Group.

Net sales for the interim period under review rose 6.3%, or ¥31.0 billion year on year, to ¥524.9 billion. Since the management integration, we have placed priority on expanding sales and income in our Business Technologies and Optics businesses. On the other hand, the Group as a whole has experienced a shrinkage in sales because of the sharp drop in sales of the Photo Imaging Business as a result of the process of shrinking and exiting this business. During the interim period, we reported a decline in sales of ¥29.9 billion accompanying the full termination of this business; however, sales expansion in growth businesses, including especially new MFP (multifunctional peripheral) products, and continued growth in demand for TAC film (protective film for polarizing plates) resulted in the first rise in overall Group sales in three interim periods. Note that a comparison of sales after excluding sales of the Photo Imaging Business shows relatively high growth of 13.1%, or ¥60.9 billion, year on year.

Gross profit for the interim term rose 9.2%, or ¥21.8 billion year on year, to ¥259.6 billion. We were able to absorb the effects of declines in product prices owing to more intense competition and the rise in raw material prices through implementing Groupwide activities to cut costs, expanding the sales volume of new, high-value-added products, and other initiatives. Our efforts were also assisted by the positive impact of the decline in the value of the yen, and, as a result of these various factors, the gross profit ratio rose 1.4 percentage points, from 48.1% to 49.5%.

Selling, general and administrative (SG&A) expenses rose 5.8%, or ¥11.0 billion year on year, in part because we continued to make proactive investments in R&D (amounting to ¥3.5 billion) in areas of focus, with the aim of accelerating growth of the Group. However, since we worked to increase operating efficiency and exercise selectivity and concentration in the management of corporate resources, the ratio of SG&A expenses to net sales was 38.6% for the interim term, approximately the same as during the same period of the previous fiscal year. As a consequence, operating income rose 23.3%, or ¥10.7 billion year on year, to ¥57.0 billion, and the ratio of operating income to net sales increased 1.5 percentage points, from 9.4% to 10.9%.

Among non-operating income and expenses, non-operating expenses declined ¥1.9 billion year on year owing to lower interest paid and other factors. Non-operating income declined ¥2.9 billion because of a drop in foreign exchange gains and other factors. As a result, net non-operating income was down ¥0.9 billion. Recurring profit expanded 21.9%, or ¥9.8 billion, to ¥54.6 billion

Income before income taxes and minority interests rose 12.5%, or ¥5.9 billion year on year, to ¥53.8 billion. As a result of the absence of a gain on the sale of investment securities that was reported for the interim period of the previous fiscal year, extraordinary profit was ¥2.8 billion lower year on year. However, extraordinary losses rose ¥0.9 billion, thus resulting in an overall deterioration in net extraordinary profit of ¥3.8 billion.

Regarding corporate income taxes, a number of special factors reduced tax payments to a lower level than usual, and the effective income tax rate for the interim period under review was 29.9%. One of the principal factors accounting for this was the confirmation that a portion of losses on exit from the Photo Imaging business, which were entered in the accounts for the year ended March 31, 2006, would be recognized for tax purposes as the Company approached the completion of its exit from this business. As a result of this and other factors, net income jumped a sharp 67.2%, or ¥15.1 billion, to ¥37.6 billion.

Please note that operating income and recurring profit have been at record high levels for the three consecutive interim periods since the management integration and that interim net income has been at record high level for two consecutive periods.

Capital expenditures during the interim period amounted to ¥33.6 billion, approximately the same as for the interim period of the previous fiscal year, as the Company continued to make active investment in growth areas. These included increased expenditures for metal molds in connection with the introduction of new products in the Business Technologies Business and construction of a new plant and an R&D facility for TAC film and glass hard disks in the Optics business. Also, depreciation for the interim period under review rose ¥3.9 billion, to ¥28.5 billion, reflecting in part the higher depreciation burden owing to investments made thus far in the expansion of capacity. Please note that ¥1.3 billion of the total increase in depreciation was due to changes in the accounting methods for depreciation following the revision of tax regulations.

(2) Segment Information

1. Business Technologies Business
[Multifunctional peripherals (MFPs), laser printers (LBPs), etc.]

[Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Increase (Decrease)	Change
(1) External sales	346,901	309,539	37,361	12.1 %
(2) Intersegment sales	2,883	1,767	1,115	63.1 %
Total sales	349,785	311,307	38,477	12.4 %
Operating expenses	305,069	277,210	27,858	10.0 %
Operating income	44,716	34,097	10,618	31.1 %

In the Business Technologies business, we are focusing sharply on implementing our “genre-top strategy” and are concentrating on expanding the Group’s business base in the color MFP field, which is a growth area in Japan and overseas markets, and in the production printer field.

In the MFP field, we renewed our lineup of products through the introduction of five new models for the business market, all during the interim period. These were the “bizhub C451” (introduced in May 2007), the “bizhub C650” (introduced in July), and the “bizhub C203/253/353” (introduced in September). These product introductions have substantially strengthened the competitiveness of our product lineup, which now includes units with output capabilities for color printing ranging from 20 ppm to 50 ppm. All of these units are highly competitive productwise and feature high image quality achieved through the use of our newly developed polymerized toner and imaging technology as well as high productivity and high reliability through the incorporation of tandem engines, along with the latest network functions and leading-edge security capabilities. During the interim period under review, sales of color MFPs, especially the newly introduced models, were favorable in Japan and overseas markets. In addition, for the internal printing departments of large corporations, large franchise print shops, and production printing establishments that have commercial printing and other companies as customers, we began sales of our new “bizhub PRO C5500” high-speed color MFPs in September this year. Also, we have a wide lineup of products for professionals, including the three “bizhub PRO C6500/5500/500” color models and the two “bizhub PRO 1050e/920” monochrome models featuring high image quality that approaches the quality of offset printing through the use of our competitive polymerized toner, highly accurate image alignment, a wide range of binding options, and other advantages. As a consequence of our accurate response to the needs of professionals in Japan and overseas, sales of these units expanded substantially during the interim period under review. Also, in addition to these initiatives in our priority product fields, we sustained the expansion in the number of monochrome MFP units sold, principally through sales in Asia and elsewhere.

In the LBP field, we are continuing to work to strengthen sales of medium- to high-speed tandem color LBPs with emphasis on sales of our “magicolor 5700” series, “magicolor 7400” series, and other models for the general-office market where large printing volume can be forecast.

As a result of these various activities, sales of this business to outside customers expanded 12.1%, to ¥346.9 billion, and operating income rose 31.1%, to ¥44.7 billion.

2. Optics Business
[Optical devices, electronic materials, etc.]

[Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Increase (Decrease)	Change
(1) External sales	83,315	67,675	15,640	23.1 %
(2) Intersegment sales	529	769	(240)	-31.2 %
Total sales	83,844	68,444	15,399	22.5 %
Operating expenses	70,784	57,779	13,004	22.5 %
Operating income	13,059	10,664	2,394	22.5 %

In the Optics Business, to take the initiative in expanding its operations, the Group works to offer products that anticipate market trends, customer needs, and technological trends by drawing on its technological strength in coating, materials, nano fabrication, and other areas.

Regarding display materials, although growth in demand slowed somewhat because of the effect of adjustments among customers during the first half of the interim period, it recovered at a fast pace in the second half. Sales of regular TAC film and viewing angle expansion film, principally for use in large LCD televisions, held strong. Especially for viewing angle expansion film, which we switched over to a new product in January 2007, customers have acclaimed its cost/performance characteristics, and the number of manufacturers adopting it is expanding.

Turning to memory-related products, unit sales of optical pickup lenses continued on a downward trend because of the decline in demand for their use in CD players. However, there is a trend toward an increase in anticipation of expansion during the year-end selling season in the next-generation DVD market, including Blueray Disks (BD) and HD-DVDs. Sales for next-generation DVD usage held firm and contributed to expansion in Optics Business sales during the interim period. On the other hand, although there is a steady trend toward use of vertical magnetic recording formats in the glass hard disk substrate field, unit sales volume during the interim period remained at approximately the same level as in the previous year as a result of inventory adjustments among customers.

In the image input/output component field, we reported a marked increase in unit sales, principally of micro camera modules for camera-equipped mobile phones, during the interim period as a result of our response to a wide range of demand requirements, extending from VGA-class to 3.2 megabit units. In addition, we also reported a marked increase in unit sales of high-magnification zoom lens units for digital cameras, which incorporate the Group’s strengths in optical technology.

As a consequence of these developments, sales of this business to outside customers rose 23.1%, to ¥83.3 billion, and operating income increased 22.5%, to ¥13.0 billion.

3. Medical and Graphic Imaging Business [Medical and graphic products, etc.]

[Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Increase (Decrease)	Change
(1) External sales	80,616	76,046	4,569	6.0 %
(2) Intersegment sales	1,739	8,441	(6,701)	-79.4 %
Total sales	82,355	84,487	(2,131)	-2.5 %
Operating expenses	78,349	79,317	(967)	-1.2 %
Operating income	4,005	5,170	(1,164)	-22.5 %

In the medical segment, we focused on expanding sales of digital input/output equipment, including the REGIUS series of digital radiography image inputting systems and the DRYPRO series of imaging output equipment, in response to trends toward digitalization and network connectivity in medical facilities in Japan and overseas. During the interim period under review, we targeted sales to smaller medical establishments, such as general clinics, and began to give priority from June 2007 onward to REGIUS 110, a newly introduced product that was developed based on the design concept of “offering a compact and simple operating environment.” In part as a result of the trend away from the use of X-ray film in Japan and overseas, sales of this product were lackluster, but sales of digital input/output equipment, particularly newly introduced products, held firm.

Turning to the graphic (printing) segment, the trend toward filmless imaging, in step with the shift to digital printing processes, is accelerating, but during the interim period sales of film in overseas markets were strong, enabling us to report unit sales at about the same level as in the previous fiscal year. In addition, sales of digital equipment in Japan and overseas held strong supported by sales of “Pagemaster Pro,” an on-demand printing system incorporating our exclusive RIP technology.

As a result, external sales of this business to outside customers expanded 6.0%, to ¥80.6 billion. On the other hand, operating income declined 22.5%, to ¥4.0 billion, as a consequence of the effect of increases in the price of silver, which is a raw material for film; higher R&D expenditures for stepping up development of digital equipment; and other factors.

4. Others Business

■ ***Sensing Business [Colorimeters, 3-D digitizers, etc.]***

This segment draws on Konica Minolta’s exclusive light-measurement technologies to provide domestic and overseas customers with a diversity of unique measurement instruments, including those for measuring colorimetric levels, gloss levels, illumination levels, blood oxygen levels, jaundice levels, and three-dimensional shapes. During the interim period, as a result of strong sales of colorimetric equipment, including“ CM Series,” colorimeters in Europe and China, sales of this business to outside customers rose 9.0%, to ¥4.9 billion, and operating income expanded 12.3%, to ¥0.79 billion.

■ ***Industrial Inkjet Printer Business [Industrial inkjet printer heads, textile printers, etc.]***

Utilizing Konica Minolta’s proprietary inkjet technologies and unique chemical and ink technologies, this segment markets high-definition printer heads to major printer manufacturers and large inkjet printers for textile use. During the interim period, sales to outside customers grew 15.4%, to ¥3.3 billion, as a result of our aggressive development of new customers in China, South Korea, and other countries in Asia. On the other hand, operating income decreased 20.3%, to ¥0.51 billion, owing in part to higher expenditures on R&D.

Outlook for the fiscal year ending March 31, 2008

Concern regarding a downturn in the U.S. economy, which has been a driving force in the world economy, arising as a result of the subprime loan issue, has not been dispelled, and this has caused uncertainty regarding the outlook for economic trends in Japan and the rest of the world economy, which has been on a gradual expansionary trend. Because of these conditions and such circumstances as significantly more intense price competition in digital products, increases in the price of crude oil and other raw materials, trends in the value of the U.S. dollar, euro, and Chinese yuan, we believe conditions in the business environment will continue to require careful monitoring.

Our views of operating conditions in principal markets are as follows. In the Business Technologies Business, we believe demand will continue to be strong for high-function, high-performance color MFPs and color LBPs that respond to the needs of office environments characterized by accelerating trends toward the use of color copying/printing and requirements for network connectivity. Turning to the Optics Business, we anticipate that the expansion in demand for LCD materials, including TAC film, will continue and that the market environment for optical devices and components finding application in digital appliances will remain generally favorable along with growth in the market for next-generation DVD products and the increasingly widespread usage of high-resolution type camera phones in overseas markets. However, in addition to the recent severe conditions created by the weakening of final product prices and pressures on manufacturers of components for price cuts, pressures to further reduce prices may emerge if manufacturers move toward inventory adjustments made necessary by the results of the year-end selling season.

As mentioned previously, our performance has been favorable as sales of principal, high-value-added products, including high-speed color MFPs in the Business Technologies Business as well as viewing angle expansion film for LCD panels and optical pickup lenses for next-generation DVD units in the Optics Business have expanded according to plan. In addition to these favorable circumstances, the yen has weakened more than we assumed initially, and, as a result, net sales, operating income, recurring income, and net income for the interim period under review have exceeded our targets. In view of these developments, we have reviewed the outlook for each of our businesses and made revisions as noted below.

<Consolidated basis> [Billions of yen]

	Current Performance Forecast	Previous Performance Forecast Announced May 10, 2007	Increase (Decrease)
Net sales	1,085.0	1,045.0	40.0
Operating income	116.0	105.0	11.0
Recurring profit	107.0	93.0	14.0
Net income	66.0	47.5	18.5

<Non-consolidated basis> [Billions of yen]

	Current Performance Forecast	Previous Performance Forecast Announced May 10, 2007	Increase (Decrease)
Net sales	65.0	55.5	9.5
Operating income	33.5	24.0	9.5
Recurring profit	35.0	26.0	9.0
Net income	40.0	28.5	11.5

Please note that the following foreign currency exchange rates have been assumed in this outlook:

US dollar: ¥115 (Previous performance forecast ¥115)
Euro: ¥150 (Previous performance forecast ¥150)

**The above performance projections were made based on assumptions, forecasts, and plans that were current at the time of the business report and are subject to change due to various potential risks and uncertainties. Depending on economic conditions, market trends, exchange rate trends, and diverse other factors, actual performance may be considerably different from projected performance.*

(2) Financial Position

I. Interim Period ended September 30, 2007

Overview [Millions of yen]

		As of September 30, 2007	As of March 31,2007	Increase (Decrease)
Total assets	[millions of yen]	962,151	951,052	11,099
Net assets	[millions of yen]	402,891	368,624	34,267
Net assets per share	[yen]	756.20	692.39	63.81
Equity ratio	[%]	41.7	38.6	3.1

Total assets rose ¥11.0 billion in comparison with the end of the previous fiscal year, to ¥962.1 billion. Accompanying the expansion in scale of the Company's business activities, increases were recorded principally in inventories and tangible fixed assets. Inventories rose ¥12.7 billion from the end of the previous fiscal year, to ¥146.3 billion. Also, as a consequence of measures to reduce interest-bearing debt, such debt declined ¥10.2 billion, to ¥219.1 billion.

Net assets rose to ¥402.8 billion as a result of an increase in earned surplus owing to the reporting of ¥37.6 billion in net income for the interim period. Net assets per share amounted to ¥756.20 (¥63.81 higher than at the end of the previous fiscal year), and the equity ratio rose 3.1 percentage points, to 41.7%.

Cash Flows [Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Increase (Decrease)
Cash flows from operating activities	50,264	26,898	23,366
Cash flows from investing activities	(31,565)	(26,745)	(4,819)
Total (Free cash flow)	18,699	152	18,547
Cash flows from financing activities	(16,564)	(9,268)	(7,295)

Cash flows from operating activities

Net cash flow from operations amounted to ¥50.2 billion (representing an increase of ¥23.3 billion from the same period of the previous fiscal year). Although the Company reported income before income taxes and minority interests of ¥53.8 billion, depreciation of ¥28.5 billion, and a decline of ¥20.0 billion in accounts receivable, these inflows were offset by an increase in inventories, a decline in obligations for items procurement, a reversal of the reserve for losses in connection with exiting the Photo Imaging business, income taxes paid, and other factors.

Cash flows from investing activities

Net cash flow used in investing activities amounted to an outflow of ¥31.5 billion (representing an increase in cash outflow of ¥4.8 billion from the same period of the previous fiscal year). This was mainly due to expenditures of ¥28.8 billion for the acquisition of tangible fixed assets, which included principally investments in metal molds for new products and expenditures for the construction of new plants to increase production capacity for TAC film and glass hard disk substrates and expenditures on the construction of new R&D facilities.

As a result, free cash flow (the sum of operating and investing cash flows) rose ¥18.5 billion from the same period of the previous fiscal year, to ¥18.6 billion.

Cash flows from financing activities

Net cash used in financing activities amounted to a net outflow of ¥16.5 billion (representing an increase in cash outflow of ¥7.2 billion from the same period of the previous fiscal year). This was due mainly to the use of cash to reduce interest-bearing debt and to pay dividends.

As a result of the previously mentioned factors and after taking into account the effect of exchange rate changes on cash and cash equivalents of ¥0.7 million, cash and cash equivalents rose ¥2.8 billion. Also, after taking account of an increase of ¥0.1 billion due to the consolidation of an additional subsidiary, the balance of total cash and cash equivalents amounted to ¥89.5 billion.

Cash Flow Indicators [Millions of yen]

	FY ended March 31, 2004	FY ended March 31, 2005	FY ended March 31, 2006	FY ended March 31, 2007	Six months ended September 30, 2007
Equity ratio (%)	34.6	35.6	31.1	38.6	41.7
Market price-based equity ratio (%)	81.5	60.2	84.5	86.4	107.4
Debt redemption period (years)	3.1	4.4	3.0	3.4	2.2
Interest coverage ratio	11.1	10.1	14.4	12.8	21.9

Notes:

Equity ratio: (Net assets – subscription warrants – minority interest) / Total assets

Market price-base equity ratio: Market capitalization divided by total assets

Years of debt redemption: Interest-bearing debt divided by cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities divided by interest payments

1. Each of these indicators is calculated based on consolidated financial data.
2. Market capitalization is calculated as the share price at period-end multiplied by the number of shares outstanding at period-end (excluding treasury stock).
3. Net cash flows from operating activities are those stated in the consolidated statements of cash flows for the interim period. Interest-bearing debt is all liabilities reflected on the consolidated balance sheets for the interim period that are subject to interest payments. Interest payments are those stated in the consolidated statements of cash flows for the interim period. Please note that the interim cash flow from operating activities has been defined for computational purposes as the interim cash flow times two.

II. Cash Flow Outlook for the Fiscal Year Ending March 31, 2008

The company projects that free cash flow, the net of cash flows from operating and investing activities, will amount to an inflow of approximately ¥20 billion.

*Figures given in the text as billions of yen have been rounded off to the nearest hundred million.

(3) Basic Policy Regarding Profit Distribution and Dividends for the Fiscal Year under Review

[1] Basic policy regarding profit distribution

Regarding the retained earnings distribution policies determined by the Company’s board of directors, in accordance with the FORWARD 08 medium-term management plan objectives of increasing the new added value by the Group’s operations and pursuing the Group’s growth as well as maximizing the Group’s corporate value, during the period of the plan, priority will be given to accumulating internal reserves, proactively working to promote strategic investments in growth fields, and proactively strengthening the Company’s financial position while also striving to distribute profit to shareholders.

With respect to its basic policy of paying stable dividends from retained earnings, the Company has chosen ¥10 per share as a benchmark dividend level. Moreover, in view of its goal of increasing dividends, the Company has set the objective of maintaining a dividend payout ratio of 15% or more on a consolidated basis and aims to the extent possible increase dividends in line with changes in Group performance.

Regarding retained earnings, the Company intends to employ retained earnings to fund such projects as R&D and capital investments in current and future growth fields while also appropriately taking such measures as those to distribute retained earnings.

With respect to the acquisition of treasury stock, the Company does not currently intend to acquire treasury stock but intends to make appropriate decisions regarding treasury stock acquisition as a means of profit distribution while giving due attention to such factors as the Company’s financial condition and stock price trends.

[2] Dividends for the fiscal year under review

In setting dividends for the fiscal year ending March 31, 2008, we have followed the basic policy outlined above and have placed priority on maintaining stable dividends. Our original plan was to pay a cash dividend of ¥5 per common share as the interim and the year-end payments, to an annual payment of ¥10. However, performance during the interim period was more favorable than initially anticipated, and we have revised our outlook for the full fiscal year upward. In view of these developments, we have decided to increase the interim dividend payment by ¥2.5 per common share, to ¥7.5 per share. In addition, at this time, we are scheduling the payment of a cash dividend of an equal amount per share for the year-end payment. As a result, the annual dividend payment is scheduled to rise to ¥15 per share, which will represent an increase of ¥5 from the previous fiscal year, and will reflect our desire to respond proactively to the ongoing support of our shareholders.

2. GROUP OVERVIEW

The Group comprises the parent company, 111 consolidated subsidiaries, 24 non-consolidated subsidiaries, and 7 affiliates.
A chart detailing the business structure follows.

Konica Minolta Holdings, Inc

Business Technologies Business: 79
(Consolidated Subsidiaries: 58, Unconsolidated Subsidiaries: 17, Affiliates: 4

Production: 9
Konica Minolta Supplies Manufacturing Co., Ltd.
Toyohashi Precision Products Co., Ltd.
Konica Minolta Business Technologies Manufacturing (H.K.) Ltd. (Hong Kong)
Konica Minolta Business Technologies (WUXI) Co., Ltd. (China)

Other Companies: 5

↓
Konica Minolta Business Technologies, Inc.
↓

Sales: 69
Konica Minolta Business Solutions Japan Co., Ltd.
Konica Minolta Business Solutions U.S.A., Inc. (U.S.A)
Konica Minolta Business Solutions Europe GmbH (Germany)
Konica Minolta Business Solutions Deutschland GmbH (Germany)
Konica Minolta Business Solutions (UK) Ltd. (U. K.)
Konica Minolta Business Solutions France S.A.S. (France)
Konica Minolta Business Solutions Australia Pty. Ltd. (Australia)
Other Companies: 62

Sensing Business: 4
(Consolidated Subsidiaries: 4)

Konica Minolta Sensing, Inc.
Sales: 3
Konica Minolta Sensing Europe B.V. (Netherlands)
Konica Minolta Sensing Americas, Inc. (U.S.A)
Konica Minolta Sensing Singapore, Pte.Ltd. (Singapore)

Optics Business: 9
(Consolidated Subsidiaries: 9)

Production: 7
Konica Minolta Opto Products Co., Ltd.
Konica Minolta Opto (DALIAN) Co., Ltd. (China)
Konica Minolta Optical Products (SHANGHAI) Co., Ltd. (China)
Konica Minolta Glass Tech Malaysia Sdn. Bhd. (Malaysia)
Other Companies: 3

↓
Konica Minolta Opto, Inc.
↓

Sales: 1
Konica Minolta Opto (SHANGHAI) Co., Ltd. (China)

Medical and Graphic Imaging Business: 18
(Consolidated Subsidiaries: 13, Unconsolidated Subsidiaries: 3, Affiliates: 2)

Production: 3
Konica Minolta Technoproducts Co., Ltd.
Konica Minolta Repro Co., Ltd.

Other Companies: 1

↓
Konica Minolta Medical & Graphic , Inc.
↓

Sales: 14
Konica Minolta Health Care Co., Ltd.
Konica Minolta ID System Co., Ltd.
Konica Minolta Medical Imaging U.S.A., Inc. (U.S.A.)
Konica Minolta Graphic Imaging Japan Co., Ltd.
Konica Minolta Graphic Imaging U.S.A., Inc. (U.S.A.)

Other Companies: 9

Other Businesses: 15
(Consolidated Subsidiaries: 12, Unconsolidated Subsidiaries: 4, Affiliates: 1)

Konica Minolta Photo Imaging, Inc.
Konica Minolta IJ Technologies, Inc.
Konica Minolta Business Expert, Inc.
Konica Minolta Technology Center, Inc.
Konica Minolta Logistics Co., Ltd.
Konica Minolta Sogo Service Co., Ltd.
Konica Minolta Engineering Co., Ltd.
Konica Minolta Information System Co., Ltd.
Konica Minolta Technosearch Co., Ltd.
Konica Minolta Planetarium Co., Ltd.

Other Companies: 22

Notes:
*1: Organization chart is as September 30, 2007. Only major consolidated subsidiaries are shown.
*2: As previously announced on January 19, 2006, as a result of the Company's decision to exit the Photo Imaging business, which was formerly reported as a separate business segment, the importance of this business for the Company's operations has declined, and, beginning with the interim period under review, it has been omitted from the business segment classification.
*3 On April 1, 2007, Konica Minolta Medical Co., Ltd., and Konica Minolta MG Techno Support Co., Ltd., merged, and the medical product sales functions of Konica Minolta Medical & Graphic, Inc., were integrated into the newly merged company, which was then renamed Konica Heal Care Co., Ltd.

3. MANAGEMENT POLICY

(1) Basic Management Policy

With its sights set on becoming an innovative corporate group that creates inspiring products and services in the field of imaging input/output, the Konica Minolta Group is developing its business globally under the business philosophy “The creation of new value.”

Management philosophy:	“The creation of new value”
Management visions:	“An Innovative corporation that continues to create inspiring products and services in the field of imaging”
	“A global corporation that leads the market by advanced technologies and reliability.”
Corporate message:	“The essentials of imaging”

(2) Medium-to Long-Term Management Strategies and Pending Issues

Medium-Term Business Plan “FORWARD 08”

In line with its “Creation of new value” management philosophy, the Konica Minolta Group is leveraging its advanced technologies and reputation for reliability to expand its global business while aiming to be an innovative corporate group that creates inspiring products and services in the imaging field. Based on consideration of strategies for Group development after exciting the Photo Imaging Business, in May 2006, the Konica Minolta Group drafted “FORWARD 08,” a new medium-term business plan that covers the three-year period from April 2006 through March 2009. This plan outlines the growth strategies the Group is implementing to further increase the added value of its operations and maximize the Group’s growth and corporate value.

Basic Strategies and Numerical Targets of the Medium-Term Business Plan “FORWARD 08”

- Basic Strategies
  1. Promote growth by leveraging collective Group resources
  2. Build a new corporate image
  3. Promote world-class corporate social responsibility (CSR) management
- Numerical targets (for Fiscal year ending March 31, 2009)
  1. Consolidated net sales: ¥1,100 billion
  2. Consolidated operating income: ¥110 billion
     (consolidated operating profit margin: 10%)
  3. Consolidated net income: ¥57 billion

To improve our growth potential, we consider it crucial to pursue inter-business synergies beyond the Group’s current framework and increase the added value of our businesses. We will accelerate Group growth in the equipment and services business group, which includes MFPs, LBPs and digital printing, and medical imaging businesses as well as in the component business group, which focuses on business related to optical components and display materials.

We are intent on attaining a sophisticated integration of the Group’s core technologies—namely, optical, image processing, materials, and nano fabrication technologies—and providing innovative high-quality products and professional services that anticipate customers’ needs. To demonstrate that the Group is a business partner that “leads its customers to success in their business activities” and is worthy of absolute confidence, we are working to further strengthen our capabilities for employing technologies and drafting proposals in line with customers’ perspectives.

Strong corporate social responsibility (CSR) performance is an increasingly important requirement for realizing sustained corporate growth. To accelerate the implementation of CSR management activities in line with global standards, Konica Minolta is dynamically implementing programs aimed at ensuring that it is consistently in the top class of companies regarding such fundamental manufacturing-related issues as environmental preservation and quality assurance matters. At the same time, the Group is progressively implementing a broad range of other CSR initiatives, including those aimed at augmenting its communications with all kinds of stakeholders—including shareholders as well as customers, transactional partners, residents of local communities, and employees—and stepping up its contribution to society at large as well as increasing the rigor of its internal control systems.

Progress of "FORWARD 08" Medium-Term Business Plan

As we reported in the section of this report on consolidated operating results for the interim period of fiscal year ending March 2008, which is the second year under our FORWARD 08 Medium-Term Business Plan, both sales and profits for the interim period were well above the levels for the interim period of the previous fiscal year. In addition, in view of our results for the interim period, we have revised our outlook for the full fiscal year upward. As these results suggest, we anticipate being able to meet the numerical goals in profits set under our Medium-Term Business Plan FORWARD 08 for the fiscal year ending March 2009 one year ahead of schedule. However, we do not intend to allow ourselves to be satisfied with these results and will continue to steadily implement the various measures and address the various issues outlined in the plan, with the objective of taking up the challenge of achieving further growth in our business activities.

The results of the various priority initiatives to strengthen our business position that we have implemented under our business plan, including establishing our "genre-top" position in the color MFP field in Europe and the United States and the launch of our next-generation DVD pickup ahead of other companies in the field, are contributing to raising the Group's corporate value, as is evident from our performance. However, to accelerate our progress under the plan this fiscal year and look toward continuing growth of the Group, we have made overall refinements to brush up the plan. In each of our business domains, we have focused on priority items and have already moved to implement action plans within a well-defined time frame. The following points summarize our progress to date.

1) Strengthen and Promote Core Businesses

To make sure we attain growth in fiscal years ending March 2008 and 2009, we believe it will be important to strengthen and promote existing core businesses. Accordingly, in our Business Technologies Business, we are taking initiatives to further consolidate our genre-top position in color MFPs, and, in our Optics Business, we are working to expand our business position in the LCD market based on our high-performance films.

- One example of progress during the interim period:

  In our Business Technologies business, we introduced five new color MFPs for general office use and renewed our lineup of products from low- and medium-speed units through high-speed units. In addition, in the production printing field we worked to strengthen the competitiveness of our product lineup, including the introduction of high-speed color MFPs that can output 55 pages a minute. In the Optics business, we are moving forward with the construction of a new plant to increase capacity for TAC film and glass hard disk substrate production.

2) Expand the Scope of Core Businesses into Peripheral Domains

We think the next necessary step toward further growth will be to draw on the business base and technological resources of our core businesses to expand the scope of operations into peripheral domains. We are therefore making preparations to start up activities in the Business Technologies Business that will make further advances beyond solutions for equipment sales and, in the medical field, to enter the image diagnostic support business using computer analysis.

- One example of progress during the interim period:

  In our Business Technologies business, as the production printing market expands, we want to work with our customers to help them address the issues they confront. To this end, we opened the KONICA MINOLTA Digital Imaging Square, a presentation show space targeted at the production print market, on October 1, 2007, which will provide a base for proposing new business models to our customers. Through this base, we will be offering high-value-added solutions, information, and services broadly to our customers in Japan and overseas.

3) Nurture the Businesses of the Future

Looking to continuing growth of the Group from a medium- to long-term perspective, we are also taking initiatives to develop the businesses of the future.

- One example of progress during the interim period:

  As we have already announced, is entry into the lighting business based on our original organic electroluminescence (EL) technology. We are looking to a start-up date of 2010 for this business, and we are working in partnership with General Electric Company, of the United States.

4) Strengthen Corporate Capabilities to Support Our Growth Strategy

To implement these plans, strengthening the corporate capabilities of the Group will be essential. We plan to focus on enhancing these capabilities from the following three perspectives.

1. Strengthen our business base through enhancement of development and production capabilities

- One example of progress during the interim period:

In June this year, we established a company to evaluate the quality of software installed on MFPs and printers in Dalian, China. In addition, in July, as a means for securing stable software development resources for these products, we concluded a partnership contract with HCL Technologies Ltd., a leading IT service provider in India (headquartered in Noida, India). We have begun initiatives to established an offshore development center and take other steps toward the development of a global software development system.

2. Rebuild our corporate culture, strengthen human resources, and business base to support growth

- One example of progress during the interim period:

We realigned and integrated our printer sales companies into MFP sales companies in the United States in July and then took similar measures in Europe in August. By conducting sales development activities aimed at the general-office market for MFPs and printers through a fully coordinated sales organization, we aim to realize substantially greater synergies in these activities. In addition, in September, we acquired a leading MFP dealer in Germany, which is the largest market in Europe, with the objective of further consolidating our position as a genre-top company in the German market.

3. Establish a strong financial position

- One example of progress during the interim period:

To win out in the increasingly competitive corporate environment, we believe it is essential for us to establish a stronger financial position and are therefore working to reduce interest-bearing debt and increase our shareholders' equity. As mentioned, during the interim period under review, we cut interest-bearing debt by ¥10.2 billion, to ¥219.1 billion. Moreover, we increased shareholders' equity by ¥33.8 billion, to ¥401.2 billion. As a result, the Group's equity ratio at the end of the interim period rose to 41.7%, compared with 38.6% at the end of the previous fiscal year on March 31, 2007, and the debt/equity ratio improved to 0.55 compared with 0.62 as of March 31, 2007.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Statements of Income

[Millions of yen]

	Six months ended September 30, 2007		Six months ended September 30, 2006		Fiscal year ended March 31, 2007	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Net sales	524,956	100.0	493,950	100.0	1,027,630	100.0
Cost of sales	265,275	50.5	256,130	51.9	532,714	51.8
Gross profit	259,682	49.5	237,819	48.1	494,916	48.2
Selling, general and administrative expenses	202,623	38.6	191,559	38.7	390,909	38.1
Operating income	57,059	10.9	46,260	9.4	104,006	10.1
Non-operating income	[5,710]	1.1	[8,675]	1.8	[14,653]	1.4
Interest income	1,090		794		1,789	
Dividends income	250		281		527	
Equity method profits of affiliated companies	135		24		-	
Gain on foreign exchange	504		1,666		3,432	
Other	3,729		5,907		8,904	
Non-operating expenses	[8,098]	1.6	[10,081]	2.1	[20,559]	2.0
Interest expense	2,241		2,697		5,088	
Disposal/valuation losses of inventories	2,446		2.634		7,054	
Equity method loss of affiliated companies	-		-		160	
Other	3,410		4,748		8,255	
Recurring profits	54,670	10.4	44,854	9.1	98,099	9.5
Extraordinary profits	[1,352]	0.3	[4,244]	0.9	[11,848]	1.2
Gain on sales of fixed assets	1,131		758		7,275	
Gain on sales of investment securities	0		1,575		2,788	
Gain on sale of shares in affiliates	47		1,200		1,200	
Gain on sale of investment	-		-		54	
Reversal of allowance for doubtful receivables	-		-		529	
Reversal of allowance for loss on withdrawal from operation	172		710		-	
Extraordinary losses	[2,169]	0.4	[1,218]	0.3	[5,058]	0.5
Loss on disposal and sale of fixed assets	957		1,174		2,791	
Loss on sale of investment in affiliates	-		-		619	
Loss on sale of investment securities	0		44		44	
Loss on valuation of investment securities in affiliates	14		-		-	
Write-down on investment securities	2		-		26	
Loss on impairment of fixed assets	441		-		640	
Loss on withdrawal from operations	-		-		935	
Other extraordinary loss	752		-		-	
Income before income taxes and minority interests	53,853	10.3	47,880	9.7	104,890	10.2
Income taxes	22,156	4.2	13,976	2.8	27,307	2.6
Deferred income taxes	(6,028)	(1.1)	11,023	2.3	4,827	0.5
Minority interests in earnings of consolidated subsidiaries	81	0.0	372	0.0	213	0.0
Net Income	37,644	7.2	22,508	4.6	72,542	7.1

(2) Consolidated Balance Sheets

[Millions of yen]

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	% of total
Assets						
Cash and deposits	90,430		72,222		85,677	
Trade notes and accounts receivable	239,784		237,318		257,380	
Marketable securities	-		-		909	
Inventories	146,325		143,676		133,550	
Deferred tax assets	43,947		35,165		41,336	
Other accounts receivable	8,816		12,540		10,999	
Other current assets	23,698		26,572		19,489	
Allowance for doubtful accounts	(5,108)		(6,855)		(5,106)	
Current assets	547,894	56.9	520,639	56.3	544,237	57.2
Buildings and structures	67,194		65,421		65,368	
Machinery and vehicles	79,736		66,447		69,264	
Tools and equipment	29,312		27,177		28,643	
Land	32,860		35,160		33,065	
Construction in progress	9,054		12,508		12,406	
Rental business-use assets	20,750		21,298		21,346	
Tangible fixed assets	238,908	24.8	228,014	24.7	230,094	24.2
Goodwill	79,309		84,966		82,074	
Other intangible fixed assets	16,345		15,339		15,897	
Intangible fixed assets	95,654	10.0	100,305	10.8	97,971	10.3
Investment securities	32,189		33,263		33,948	
Long-term loans	554		893		614	
Long-term prepaid expenses	4,318		4,197		4,393	
Deferred tax assets	30,287		26,130		27,306	
Other investments	12,846		12,781		13,037	
Allowance for doubtful accounts	(503)		(1,045)		(552)	
Investments and others	79,693	8.3	76,221	8.2	78,748	8.3
Fixed assets	414,256	43.1	404,541	43.7	406,814	42.8
Total assets	962,151	100.0	925,180	100.0	951,052	100.0

[Millions of yen]

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	% of total
Liabilities						
Notes and account payable - trade	114,888		121,626		121,707	
Short-term loans	81,044		138,404		79,927	
Long-term loans due within one year	10,065		16,082		17,075	
Bonds due within one year	5,000		8,027		29	
Account payable - other	45,666		50,129		44,230	
Accrued expenses	34,418		37,049		36,799	
Accrued income taxes	19,893		8,397		14,171	
Allowance for bonus	13,760		12,639		13,485	
Allowance for director's bonus	122		-		278	
Allowance for product warranty	5,115		5,068		4,994	
Allowance for loss on withdrawal from operation	17,651		43,556		28,097	
Notes payable-equipment	3,700		5,565		5,082	
Other current liabilities	12,232		14,062		11,188	
Current liabilities	363,560	37.8	460,610	49.8	377,069	39.6
Bonds	70,216		5,000		75,266	
Long-term loans	52,802		62,978		57,065	
Deferred tax assets on land revaluation	4,028		4,042		4,028	
Reserve for retirement benefits and pension plans	59,041		61,013		57,947	
Reserve for directors' retirement benefits	473		412		459	
Other long-term liabilities	9,136		12,787		10,590	
Long-term liabilities	195,699	20.3	146,234	15.8	205,358	21.6
Total liabilities	559,259	58.1	606,845	65.6	582,427	61.2

[Millions of yen]

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	% of total
Net assets						
Capital stock	37,519	3.9	37,519	4.1	37,519	3.9
Additional paid-in capital	204,140	21.2	204,142	22.1	204,143	21.5
Retained earnings	148,011	15.4	65,052	7.0	115,704	12.2
Treasury stock	(1,221)	(0.1)	(990)	(0.1)	(1,097)	(0.1)
Shareholder's equity	388,450	40.4	305,723	33.1	356,269	37.5
Unrealized gain on securities	6,038	0.6	8,092	0.9	7,454	0.8
Gain (loss) on deferred hedges	(194)	(0.0)	156	0.0	(90)	(0.0)
Translation adjustment	6,998	0.7	1,979	0.2	3,834	0.4
Revaluation and translation adjustment	12,841	1.3	10,227	1.1	11,198	1.2
Subscription warrant	184	0.0	15	0.0	108	0.0
Minority interests	1,415	0.2	2,368	0.2	1,048	0.1
Net assets	402,891	41.9	318,335	34.4	368,624	38.8
Total liabilities and net assets	962,151	100.0	925,180	100.0	951,052	100.0

Notes:	As of September 30, 2007	As of September 30, 2006	As of March 31, 2007
1. Accumulated depreciation on tangible fixed assets [millions of yen]	407,004	465,660	411,965
2. Number of shares of treasury stock [shares]	996,873	875,128	939,214

(3) Consolidated Statements of Changes in Shareholders' Equity

Interim period ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

[Millions of yen]

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earning	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	37,519	204,143	115,704	(1,097)	356,269
Changes during the period					
Dividend of retained earnings			(5,307)		(5,307)
Net income for the period			37,644		37,644
Purchases of treasury stock				(161)	(161)
Disposal of treasury stock		(2)	(31)	37	4
Changes, net, in items other than shareholders' equity					-
Total changes during the period	-	(2)	32,306	(123)	32,181
Balance at September 30, 2007	37,519	204,140	148,011	(1,221)	388,450

[Millions of yen]

	Revaluation and Translation Adjustments				Subscription Warrants	Minority interests	Total net assets
	Unrealized gains on securities	Gain (loss) on deferred hedges	Translation adjustments	Total revaluations and translation adjustments			
Balance at March 31, 2007	7,454	(90)	3,834	11,198	108	1,048	368,624
Changes during the period							(5,307)
Dividend of retained earnings							
Net income for the period							37,644
Purchases of treasury stock							(161)
Disposal of treasury stock							4
Changes, net, in items other than shareholders' equity	(1,416)	(104)	3,163	1,642	76	367	2,086
Total changes during the period	(1,416)	(104)	3,163	1,642	76	367	34,267
Balance at September 30, 2007	6,038	(194)	6,998	12,841	184	1,415	402,891

Interim period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

[Millions of yen]

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earning	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	37,519	226,069	20,088	(915)	282,761
Changes during the period					
Net income for the period			22,508		22,508
Changes in the scope of consolidation			527		527
Deficit coverage transfer from capital surplus to retained earnings		(21,928)	21,928		-
Purchases of treasury stock				(80)	(80)
Disposal of treasury stock		1		5	7
Changes, net, in items other than shareholders' equity					
Total changes during the period	-	(21,926)	44,964	(75)	22,962
Balance at September 30, 2006	37,519	204,142	65,052	(990)	305,723

[Millions of yen]

	Revaluation and Translation Adjustments				Subscript-ion Warrants	Minority interests	Total net assets
	Unrealized gains on securities	Gain (loss) on deferred hedges	Translation adjustments	Total revalua-tions and transla-tion adjust-ments			
Balance at March 31, 2006	10,180	-	875	11,055	-	2,753	296,571
Changes during the period							
Net income for the period							22,508
Changes in the scope of consolidation							527
Deficit coverage transfer from capital surplus to retained earnings							-
Purchases of treasury stock							(80)
Disposal of treasury stock							7
Changes, net, in items other than shareholders' equity	(2,087)	156	1,103	(828)	15	(385)	(1,198)
Total changes during the period	(2,087)	156	1,103	(828)	15	(385)	21,764
Balance at September 30, 2006	8,092	156	1,979	10,227	15	2,368	318,335

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	Shareholder's Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Sub total shareholder's equity
Balance at March 31, 2006	37,519	226,069	20,088	(915)	282,761
Changes during the period					
Net income for the period			72,542		72,542
Changes in the scope of consolidation			527		527
Deficit coverage transfer from capital surplus to retained earnings		(21,928)	21,928		-
Purchase of treasury stock				(190)	(190)
Disposal treasury stock		2		7	9
Provision for payment of retirement allowance debt of overseas subsidiaries			618		618
Changes, net, in items other than shareholder's equity					
Total changes during the period	-	(21,926)	95,616	(182)	73,508
Balance at March 31,2007	37,519	204,143	115,704	(1,097)	356,269

	Revaluation and Translation Adjustments				Subscription warrant	Minority interests	Total net assets
	Unrealized gains on securities	Gain (loss) on deferred hedges	Translation adjustments	Total evaluation and transition adjustment			
Balance at March 31, 2006	10,180	-	875	11,055	-	2,753	296,571
Changes during the period							
Net income for the period							72,542
Changes in the scope of consolidation							527
Deficit coverage transfer from capital surplus to retained earnings							-
Purchase of treasury stock							(190)
Disposal treasury stock							9
Provision for payment of retirement allowance debt of overseas subsidiaries							618
Changes, net, in items other than shareholders' equity	(2,725)	(90)	2,958	142	108	(1,705)	(1,455)
Total changes during the period	(2,725)	(90)	2,958	142	108	(1,705)	72,053
Balance at March 31, 2007	7,454	(90)	3,834	11,198	108	1,048	368,624

(4) Consolidated Statement of Cash Flows

[Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Fiscal year ended March 31, 2007
I. Cash flows from operating activities			
Net income before income taxes and minority interests	53,853	47,880	104,890
Depreciation and amortization	28,550	24,618	52,692
Impairment loss	441	-	640
Amortization of goodwill	3,372	2,868	6,476
Increase (decrease) in allowance for doubtful accounts	(88)	(2,863)	(4,378)
Increase (decrease) in reserve for employees' retirement benefits	1,216	(3,901)	(8,383)
Increase (decrease) in reserve for business withdrawal losses	(10,418)	(16,036)	(29,980)
Interest and dividend income	(1,341)	(1,076)	(2,316)
Interest expense	2,241	2,697	5,088
Loss (gain) on disposals and sale of tangible fixed assets	(173)	415	(4,484)
Losses (gains) on valuation and sales of investment securities	2	(1,531)	(2,717)
Losses (gains) on valuation and sales of stock of affiliated companies	(33)	(1,200)	(580)
Restructuring expenses	-	-	935
(Increase) decrease in trade notes and accounts receivable	20,006	15,732	(976)
(Increase) decrease in inventories	(11,863)	7,115	19,262
Increase (decrease) in trade notes and accounts payable	(9,230)	(832)	(5,064)
Increase (decrease) in accrued consumption tax payable	199	(1,619)	(1,969)
Reversal of reserve for impairment of lease Assets	(12)	-	(3,129)
Increase (decrease) due to the transfer of lease assets for business use	(5,170)	(4,676)	(10,168)
Other	(2,527)	(15,186)	(17,700)
Subtotal	69,027	52,403	98,137
Interest and dividends received	1,440	1,356	2,473
Interest paid	(2,235)	(2,748)	(5,220)
Additional amount of special retirement allowance	-	(6,484)	(6,484)
Income taxes paid	(17,967)	(17,629)	(22,193)
Net cash provided by operating activities	50,264	26,898	66,712
II . Cash flows from investing activities			
Payment for acquisition of tangible fixed assets	(28,820)	(29,695)	(62,517)
Proceeds from sale of tangible fixed assets	1,822	2,127	12,064
Payment for acquisition of intangible fixed assets	(3,569)	(2,410)	(6,703)
Income from the sale of subsidiaries due to changes in the scope of consolidation	-	2,331	1,744
Payment for the purchase of additional stock of consolidated subsidiaries	(182)	(1,444)	(2,744)
Payment for loans receivable	(29)	(623)	(891)
Proceeds from return of loan receivable	76	461	1,142
Payment for acquisition of investment securities	(511)	(401)	(1,411)
Proceeds from sale of investment securities	3	2,616	3,461
Payment for other investments	(1,547)	(924)	(2,129)
Other	1,193	1,217	1,585
Net cash used in investing activities	(31,565)	(26,745)	(56,401)

[Millions of yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Fiscal year ended March 31, 2007
III . Cash flows from financing activities			
Net (decrease) increase in short-term loans payable	239	523	(53,125)
Repayment of long-term loans payable	(11,283)	(3,229)	(8,079)
Proceeds from issuing of bonds	-	-	70,300
Redemption of bonds	(29)	(6,411)	(14,002)
Proceeds from sale of Company's stock	4	7	9
Payment to execute buyback of Company's stock	(161)	(80)	(190)
Dividend payments	(5,296)	(7)	(12)
Dividend payments to minority shareholders	(37)	(70)	(70)
Net Cash used in financing activities	(16,564)	(9, 268)	(5,170)
IV. Effect of exchange rate changes on cash and cash equivalents	715	221	322
V. Increase (decrease) in cash and cash equivalents	2,850	(8,894)	5,463
VI. Cash and cash equivalents at beginning of the period	86,587	80,878	80,878
VII. Increase in cash and cash equivalents due to newly consolidated subsidiaries and others	101	238	245
VIII. Cash and cash equivalents at end of the period	89,539	72,222	86,587

BASIS OF PRESENTING INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

Number of consolidated subsidiaries: 111

Principal consolidated subsidiaries:

Konica Minolta Business Technologies, Inc.
Konica Minolta Opto, Inc.
Konica Minolta Medical & Graphic , Inc.
Konica Minolta Sensing, Inc.
Konica Minolta Technology Center, Inc.
Konica Minolta Business Expert, Inc.
Konica Minolta Business Solutions Japan Co., Ltd.
Konica Minolta Health Co., Ltd.
Konica Minolta Supplies Manufacturing Co., Ltd.
Konica Minolta Business Solutions U.S.A., Inc.
Konica Minolta Business Solutions Europe GmbH
Konica Minolta Business Technologies Manufacturing (HK) Ltd.

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

2. Scope of the Use of Equity Accounting

Number of unconsolidated subsidiaries accounted for by the equity method: 9

Principal unconsolidated subsidiaries: ECS Burero-und Datensysteme GmbH

Number of affiliates accounted for by the equity method: 3

The total net income and retained earnings of equity-method non-consolidated subsidiaries and affiliates were of small scale and had negligible effect on interim consolidated financial statements. Therefore they have been excluded from the scope of the equity method

3. Accounting Standards and Methods

(1) Asset valuation

1. Securities

Other securities

Securities with fair market value are stated using the mark-to-market method based on the market price at the balance sheet date. (Total net unrealized gains or losses after tax effect adjustments are directly recorded in equity, and the cost of securities sold is computed based on the moving-average method.) Other securities that do not have fair market values are primarily stated at cost using the moving value average.

2. Derivatives

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

3. Inventories

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

(2) Depreciation and amortization of major depreciable assets

1. Tangible fixed assets

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

Changes in Accounting Policy

Accompanying revisions in Japan's Corporate Tax Law (as contained in the Law Revising a Portion of the Income Tax Law, March 30, 2007, Law No. 6, and the Ordinance Revising a Portion of the Enforcement Regulations for the Income Tax Law, March 30, 2007, Ordinance No. 83), beginning with the interim period under review, the method of depreciation for tangible fixed assets purchased on or after April 1, 2007, has been changed to the method prescribed by the revised Income Tax Law. As a result of this change, compared with the previous method employed for the interim period of the previous fiscal year, operating income and recurring profit were each ¥745 million lower than under the previous method of calculating depreciation, and income before income taxes and minority interests was ¥742 million lower than these indicators would have been under the previous method. Please note that the impact of this accounting change by business and geographic segment is shown in the respective segment information sections.

Additional Information

Accompanying the change in Japan's Corporate Tax Law, the Company and its consolidated subsidiaries have adopted the following method of depreciation for assets acquired on or before March 31, 2007. For those assets that have been depreciated to 5% of their acquisition value using the previous method of calculating depreciation, the difference between the remaining 5% of the acquisition cost and a memorandum price will be written off in equal amounts over the five-year period beginning with the year following the year when the book value is depreciated to 5% of the acquisition cost. As a result of this change in accounting method, for the interim period, operating income and recurring profit were each ¥581 million lower, and income before income taxes and minority interests was ¥570 million lower than these indicators would have been under the previous method for calculating depreciation. Please note that the impact of this accounting change by business and geographic segment is shown in the respective segment information sections.

2. Intangible fixed 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) Reserves

1. Allowance for doubtful receivables

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

2. Reserves for Bonuses

To prepare for the payment of employee bonuses, an amount corresponding to the current interim portion of estimated bonus payments to employees is recorded.

3. Reserves 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.

4. Provision for loss on discontinued operations

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

5. Reserves for retirement benefits

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

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

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

6*. Allowance for Directors' Retirement Benefits*

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

(4) Lease transactions

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

(5) Principal accounting methods for hedge transactions

1. Hedge accounting methods

The deferred hedge method is used. Special accounting methods are used for interest rate swaps.

2. Hedge methods and hedge targets

The hedge methods are forward exchange contracts, and interest rate swaps.

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

3. Hedge policy

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

In addition, the Company and consolidated subsidiaries enter into interest rate swaps to make interest rates on bonds and borrowings stable or reduce costs fluctuations for future capital procurement, both as hedging instruments only, not for speculation purpose, within the limit of actual financial or operating transactions.

4. Methods for evaluating the effectiveness of hedges

Verification is made to ascertain a high correlation between value fluctuations of hedged items and cash flows and hedging instruments.

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

1. Consumption tax

National and local consumption taxes are accounted for by the tax excluded method.

2. Consolidated tax payment system

From the fiscal year under review, the consolidated tax payment system was applied.

4. Range of cash in consolidated interim cash flow statements

Cash (cash and cash equivalents) in the interim consolidated cash flow statements comprises cash on hand, deposits that can be withdrawn on demand, and short-term investments that will mature in three months or less and can easily be converted into cash with little risk of a change in value.

5. SEGMENT INFORMATION

(1) Information by Business Segment

Interim period ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

[Millions of yen]

	Business Technologies	Optics	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales								
Outside customers	346,901	83,315	80,616	4,945	9,179	524,958	-	524,958
Intersegment sales/transfers	2,883	529	1,739	371	27,513	33,037	[33,037]	-
Total	349,785	83,844	82,355	5,317	36,693	557,996	[33,037]	524,958
Operating expenses	305,069	70,784	78,349	4,518	35,087	493,809	[25,910]	467,899
Operating income	44,716	13,059	4,005	798	1,606	64,186	[7,127]	57,059

Notes:

1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Medical and Graphic, Sensing, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 15,366 million.
3. Change in Presentation of Business Segments: The Company previously presented the Photo Imaging business as a separate operating segment; however, following the decision to exit from this business, which we announced on January 19, 2006, and the completion of this termination, the importance of this segment has declined, and, beginning with the interim period under review, it has been eliminated from the presentation of business segments. As a result of this accounting change, operating expenses for other businesses were ¥195 million higher, and operating income in the same category was lower by an equal amount.
4. Change in Method for Calculation of Depreciation of Tangible Fixed Assets: Beginning with the interim period under review, the Company and its domestic consolidated subsidiaries have changed their methods for the calculation of depreciation for tangible fixed assets purchased on or after April 1, 2007, in accordance with revisions in Japan's Corporation Tax Law. In addition, for assets purchased on or before March 31, 2007, which have been depreciated to the permissible limit, the remaining value of the assets on the Company's books will be depreciated in equal amounts over the five-year period beginning with the year following the completion of depreciation to the permissible limit. As a result of these accounting changes, operating expenses were higher for each business segment as follows: for the Business Technologies business, ¥567 million; Optics business, ¥372 million; Medical and Graphic Imaging business, ¥229 million; Sensing business, ¥7 million; other businesses, ¥61 million, and Corporate, ¥88 million. Operating incomes for these businesses were lower by the respective amounts.

Interim period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales									
Outside customers	309,539	67,675	29,901	76,046	4,538	6,250	493,950	-	493,950
Intersegment sales/transfers	1,767	769	8,913	8,441	501	31,377	51,772	[51,772]	-
Total	311,307	68,444	38,814	84,487	5,039	37,628	545,722	[51,772]	493,950
Operating expenses	277,210	57,779	39,501	79,317	4,328	31,893	490,031	[42,341]	447,690
Operating income (loss)	34,097	10,664	(686)	5,170	710	5,734	55,691	[9,430]	46,260

Notes:

1. Business classification is based on similarity of product type and market. Konica Minolta's operations are classified into the segments of Business Technologies, Optics, Photo Imaging, Medical and Graphic Imaging, Sensing, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 9,585 million.

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	Business Technologies	Optics	Photo Imaging	Medical and Graphic	Sensing	Other	Total	Elimination & corporate	Consoli-dation
Sales									
Outside customers	658,693	138,960	47,752	158,705	10,003	13,516	1,027,630	-	1,027,630
Intersegment sales/transfers	3,955	1,396	9,700	12,249	859	58,313	86,476	[86,476]	-
Total	662,648	140,356	57,453	170,955	10,863	71,830	1,114,106	[86,476]	1,027,630
Operating expenses	582,666	119,355	58,278	162,074	9,213	60,164	991,753	[68,129]	923,624
Operating income (loss)	79,982	21,000	(825)	8,880	1,649	11,665	122,353	[18,346]	104,006

Notes:
1. Business classification is based on similarity of product type and market. our operations are classified into the segments of Business Technologies, Optics, Photo Imaging, Medical and Graphic, Sensing, and other businesses.
2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 119,391 million.

(2) Information by Geographical Area

Interim Period ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	229,357	122,784	139,489	33,326	524,958	-	524,958
Intersegment sales/transfers	179,838	491	372	105,771	286,474	[286,474]	-
Total	409,196	123,275	139,861	139,098	811,432	[286,474]	524,958
Operating expenses	343,665	120,976	135,505	136,257	736,404	[268,504]	467,899
Operating income	65,531	2,299	4,356	2,841	75,028	[17,969]	57,059

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
   (1) North America: United States and Canada
   (2) Europe: Germany, France, and United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 15,366 million.
4. Change in Method for Calculation of Depreciation of Tangible Fixed Assets: Beginning with the interim period under review, the Company and its domestic consolidated subsidiaries have changed their methods for the calculation of the depreciation for tangible fixed assets purchased on or after April 1, 2007, in accordance with revisions in Japan's Corporation Tax Law. In addition, for assets purchased on or before March 31, 2007, which have been depreciated to the permissible limit, the remaining value of the assets on the Company's books will be depreciated in equal amounts over the five-year period beginning with the year following the completion of depreciation to the permissible limit. As a result of these accounting changes, operating expenses in Japan and corporate were ¥1,238 million and ¥88 million respectively higher than they would have been under the previous accounting method, and operating incomes were lower by the respective amounts.

Interim period ended September 30, 2006 (from April 1, 2006, to September 30, 2006)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	224,238	120,284	118,740	30,686	493,950	-	493,950
Intersegment sales/transfers	136,133	1,566	492	86,794	224,985	[224,985]	-
Total	360,371	121,850	119,232	117,481	718,936	[224,985]	493,950
Operating expenses	307,113	119,413	116,219	117,245	659,991	[212,301]	447,690
Operating income	53,258	2,436	3,013	235	58,944	[12,684]	46,260

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
   (1) North America: United States, and Canada
   (2) Europe: Germany, France, and United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 9,585 million.

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporation	Consolidation
Sales							
Outside customers	460,196	246,786	263,702	56,945	1,027,630	-	1,027,630
Intersegment sales/transfers	292,774	2,247	969	183,885	479,877	[479,877]	-
Total	752,970	249,033	264,672	240,830	1,507,507	[479,877]	1,027,630
Operating expenses	639,740	244,932	254,632	239,016	1,378,321	[454,697]	923,624
Operating income	113,230	4,100	10,040	1,814	129,186	[25,179]	104,006

Notes:
1. Countries and territories are classified based on geographical proximity.
2. Principal country markets in the above areas, excluding Japan, are as follows:
   (1) North America: United States, Canada
   (2) Europe: Germany, France, and United Kingdom
   (3) Asia excluding Japan, Others: Australia, China, and Singapore
3. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the Company and expenses associated with head office functions. This amount was ¥ 19,391 million.

(3) Overseas Sales

Interim Period ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	128,857	144,318	113,783	386,959
Consolidated sales	-	-	-	524,958
Overseas sales as a percentage of consolidated sales	24.5%	27.5%	21.7%	73.7%

Interim Period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	125,692	129,989	103,715	359,396
Consolidated sales	-	-	-	493,950
Overseas sales as a percentage of consolidated sales	25.4%	26.3%	21.0%	72.8%

Fiscal year ended March 31, 2007 (from April 1, 2006 to March 31, 2007)

[Millions of yen]

	North America	Europe	Asia excluding Japan and Other Countries	Total
Overseas sales	257,160	279,324	204,023	741,109
Consolidated sales	-	-	-	1,027,630
Overseas sales as a percentage of consolidated sales	25.0%	27.2%	19.9%	72.1%

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

6. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET.

7. MARKETABLE SECURITIES

(1) Other marketable securities with market values

[Millions of yen]

	As of September 30, 2007			As of September 30, 2006			As of March 31, 2007		
	Acquisition cost	Total amount on interim consolidated balance sheets	Difference	Acquisition cost	Total amount on interim consolidated balance sheets	Difference	Acquisition cost	Total amount on interim consolidated balance sheets	Difference
Stocks	17,744	27,931	10,186	16,040	29,361	13,321	17,335	29,893	12,557
Bonds	23	23	-	28	32	3	24	24	-
Other	1	1	-	112	112	-	214	214	-
Total	17,770	27,957	10,186	16,182	29,507	13,325	17,575	30,132	12,557

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

[Millions of yen]

	As of September 30, 2007	As of September 30, 2006	As of March 31, 2007
	Interim consolidated balance sheet total amount	Interim consolidated balance sheet total amount	Consolidated balance sheet total amount
Other marketable securities			
Unlisted stocks (does not include shares traded over-the-counter)	697	429	378
Foreign investment fund	-	-	909

8. DERIVATIVES

Notation has been omitted due to disclosure through EDINET.

9. PRODUCTION AND ORDERS

(1) Production Results

[Millions of yen]

Business Segments	Six months ended September 30, 2007	Six months ended September 30, 2006	Fiscal year ended March 31, 2007
Business Technologies	203,438	176,955	341,443
Optics	81,252	62,270	134,303
Medical and Graphic	46,306	45,930	98,763
Sensing	3,935	3,956	7,746
Photo Imaging	-	20,173	20,894
Other	1,848	1,228	3,376
Total	336,781	310,514	606,527

Notes: 1. Amounts are based on manufacturers' sales prices.
2. The above amounts do not include consumption and other taxes.

(2) Orders

Konica Minolta does not conduct order production.

10. PER SHARE INFORMATION

[Yen]

	Six months ended September 30, 2007	Six months ended September 30, 2006	Fiscal year ended March 31, 2007
Net assets per share	756.20	595.25	692.39
Interim net income per share	70.93	42.40	136.67
Interim net income per share assuming full dilution	66.97	42.39	134.00

Note: Basis for this calculation

1. Net assets per share

	Six months ended September 30, 2007	Six months ended September 30, 2006	Fiscal year ended March 31, 2007
[A] Total amount of net assets as presented in the interim consolidated balance sheets [¥ million]	402,891	318,335	368,624
[B] Amount of net assets applicable to common shares [¥ million]	401,291	315,951	367,467
Principal items accounting for the difference between [A] and [B] [¥ million]			
Rights to purchase new shares	184	15	108
Minority interests portion	1,415	2,368	1,048
Number of common shares issued [1,000 shares]	531,664	531,664	531,664
Common shares held as treasury stock [1,000 shares]	996	875	939
Number of common shares used in calculation of net assets per common share [1,000 shares]	530,667	530,789	530,725

2. Interim net income per share and net income per share assuming full dilution

	Six months ended September 30, 2007	Six months ended September 30, 2006	Fiscal year ended March 31, 2007
Interim net income [¥ million]	37,644	22,508	72,542
Amount not applicable to holders of common shares [¥ million]	-	-	-
Net income applicable to holders of common shares [¥ million]	37,644	22,508	72,542
Average number of common shares outstanding during the period [1,000 shares]	530,696	530,812	530,778
Principal items accounting for the adjustment in the amount of net income used for calculation of net income assuming full dilution [¥ million]			
Interest received (after deduction of applicable taxes)	-36	-	-24
Adjustment in the amount of net income [¥ million]	-36	-	-24
Principal items accounting for the adjustment in the number of common shares used for calculation of increase in common shares assuming full dilution [1,000 shares]			
Convertible bonds	30,578	-	10,137
Rights to purchase new shares	308	210	253
Increase in common shares [1,000 shares]	30,887	210	10,390

11. NONCONSOLIDATED FINANCIAL STATEMENTS

(1) Statements of Income

[Millions of yen]

	Six months ended September 30, 2007		Six months ended September 30, 2006		Fiscal year ended March 31, 2007	
	Amount	% of operating revenue	Amount	% of operating revenue	Amount	% of operating revenue
Operating revenue	40,258	100.0	50,077	100.0	58,201	100.0
Operating expenses	15,550	38.6	14,884	29.7	28,507	49.0
Operating income	24,707	61.4	35,193	70.3	29,693	51.0
Non-operating income	[1,865]	4.6	[1,959]	3.9	[3,630]	6.3
Interest income	1,483		1,441		2,990	
Dividends earned	194		171		247	
Other	187		347		392	
Non-operating expenses	[888]	2.2	[1,249]	2.5	[2,325]	4.0
Interest expense	647		730		1,378	
Cooperate bond interest	71		145		233	
Other	170		373		713	
Recurring profit	25,684	63.8	35,904	71.7	30,999	53.3
Extraordinary profit	[2,261]	5.6	[2,335]	4.6	[8,908]	15.3
Gain on sales of fixed assets	123		63		4,096	
Gain on sales of investment securities	-		742		965	
Gain on reversal of allowance for doubtful receivables	2,137		159		2,477	
Gain on reversal of allowance for loss on exit from operation	-		1,370		1,370	
Extraordinary losses	[387]	0.9	[456]	0.9	[1,257]	2.2
Loss on disposal and sale of fixed assets	290		456		997	
Loss due to impairment	-		-		9	
Loss on abandonment of bonds of affiliates	97		-		250	
Income before income taxes	27,558	68.5	37,782	75.4	38,650	66.4
Income taxes	(2,187)		(2,211)		(3,317)	
Deferred income taxes	(149)		373		983	
Net income	29,895	74.3	39,620	79.1	40,984	70.4

Notes:

Actual depreciation and amortization amount		As of September 30, 2007	As of September 30, 2006	As of March 31, 2007
Tangible fixed assets	[millions of yen]	1,865	1,823	3,660
Intangible fixed assets	[millions of yen]	535	702	1,381

(2) Balance Sheets

[Millions of yen]

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	% of total
Current assets	[221,117]	[48.8]	[182,409]	[42.6]	[215,768]	[48.1]
Cash and deposits	38,736		13,077		32,186	
Accrued revenue	1,588		1,597		1,457	
Prepaid expenses	1,184		1,327		353	
Deferred tax assets	320		391		290	
Short-term loans	217,331		210,688		212,756	
Other receivables	17,361		12,292		26,943	
Tax receivable	-		3,235		-	
Other current assets	1,214		714		538	
Allowance for doubtful accounts	(56,619)		(60,915)		(58,757)	
Fixed assets	[231,879]	[51.2]	[246,032]	[57.4]	[232,603]	[51.9]
Tangible fixed assets	[72,239]	16.0	[72,707]	17.0	[71,136]	15.9
Buildings	38,616		37,260		36,923	
Structures	2,954		2,996		2,770	
Machinery and Equipments	1,238		1,087		1,180	
Vehicles	0		0		0	
Equipment	481		531		487	
Land	28,872		30,818		28,926	
Construction in progress	75		11		847	
Intangible fixed assets	[2,339]	0.5	[3,053]	0.7	[2,404]	0.5
Software	1,932		2,729		2,229	
Other intangible fixed assets	407		323		175	
Investments and others	[157,301]	34.7	[170,272]	39.7	[159,063]	35.5
Investment securities	24,582		23,276		26,187	
Shares in affiliates	126,632		126,632		126,632	
Company concerned investment	3,794		3,794		3,794	
Long-term loan to employees	2		-		-	
Company concerned long-term loans	-		14,100		-	
Long-term prepaid expenses	626		671		785	
Other investments	1,749		1,885		1,750	
Allowance for doubtful accounts	(86)		(86)		(86)	
Total assets	452,997	100.0	428,442	100.0	448,372	100.0

[Millions of yen]

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	% of total
Current liabilities	[62,160]	13.7	[118,002]	27.6	[71,896]	16.0
Trade notes payable	80		127		61	
Short-term loans	30,665		85,305		33,772	
Long-term loans due within one year	10,062		15,763		16,763	
Bonds due within one year	5,000		5,000		-	
Account payable - other	8,921		8,552		18,476	
Accrued expenses	1,008		2,990		967	
Accrued income taxes	6,026		63		1,468	
Advanced received	-		6		2	
Allowance for bonus	277		157		194	
Allowance for directors'' bonuses	65		-		144	
Other current liabilities	52		34		44	
Long-term liabilities	[138,145]	30.5	[82,322]	19.2	[147,103]	32.8
Bonds	70,216		5,000		75,266	
Long-term loans	52,800		62,863		56,981	
Deferred tax liabilities	797		1,265		1,732	
Deferred tax liabilities related to revaluation	5,567		5,591		5,567	
Reserve for retirement benefits and pension plans	8,338		7,111		7,118	
Other long-term liabilities	425		490		436	
Total liabilities	200,306	[44.2]	200,324	[46.8]	218,999	[48.8]

	As of September 30, 2007		As of September 30, 2006		As of March 31, 2007	
	Amount	% of total	Amount	% of total	Amount	% of total
Shareholder's equity	[237,467]	[52.4]	[211,743]	[49.4]	[213,036]	[47.5]
Capital stock	37,519	8.3	37,519	8.8	37,519	8.3
Additional paid-in capital	[135,592]	29.9	[135,594]	31.6	[135,594]	30.2
Capital reserve	135,592		135,592		135,592	
Other additional paid-in capital	-		1		2	
Retained earnings	[65,576]	14.5	[39,620]	9.2	[41,019]	9.2
Other retained earnings	[65,576]		[39,620]		[41,019]	
Advanced depreciation reserve	33		-		33	
Retained earnings carried forward	65,542		39,620		40,985	
Treasury stock	(1,221)	(0.3)	(990)	(0.2)	(1,097)	(0.2)
Revaluation and translation adjustment	[15,039]	[3.3]	[16,358]	[3.8]	[16,228]	[3.7]
Unrealized gain on securities	7,177	1.6	8,463	2.0	8,366	1.9
Gain (loss) on deferred hedges	-	-	(1)	(0.0)	-	-
Unrealized gain on land	7,861	1.7	7,896	1.8	7,861	1.8
Share warrant	184	0.1	15	0.0	108	0.0
Net assets	252,691	[55.8]	228,117	[53.2]	229,372	[51.2]
Total liabilities and net assets	452,997	100.0	428,442	100.0	448,372	100.0

Note:	As of September 30,2007	As of September 30, 2006	As of March 31, 2007
1. Accumulated depreciation on tangible fixed assets [millions of yen]	70,511	75,324	69,362
2. Balance of guaranteed obligations <including guarantee> [millions of yen]	2,821 < - >	10,100 <3,000>	10,660 < - >

Joint liability between the Company and its affiliates included ¥1,386 million for interim period ended September 30, 2007, ¥989 million for interim period ended September 30, 2006, and ¥566 million for fiscal year ended March 31, 2007. In the event that the Company fulfills those obligations, it retains the right to recover payment in full from its affiliates.

(3) Statements of Changes in Shareholders' Equity

Interim period ended September 30, 2007 (from April 1, 2007 to September 30, 2007)

[Millions of yen]

	Shareholder's equity			
	Capital stock	Additional paid-in capital		
		Capital surplus	Other capital surplus	Total
Balance at March 31, 2007	37,519	135,592	2	135,594
Changes during the period				
Dividend on retained earnings				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			(2)	(2)
Changes, net, in items other than shareholders' equity				
Total changes during the period	-	-	(2)	(2)
Balance at September 30, 2007	37,519	135,592	-	135,592

	Shareholder's equity				
	Retained earnings			Treasury stock	Total
	Other retained earnings		Total		
	Advanced depreciation reserve	Increase in retained earnings			
Balance at March 31, 2007	33	40,985	41,019	(1,097)	213,036
Changes during the period					
Dividend on retained earnings		(5,307)	(5,307)		(5,307)
Net income		29,895	29,895		29,895
Purchase of treasury stock				(161)	(161)
Disposal of treasury stock		(31)	(31)	37	4
Changes, net, in items other than shareholders' equity					
Total changes during the period	-	24,556	24,556	(123)	24,431
Balance at September 30, 2007	33	65,542	65,576	(1,221)	237,467

	Revaluation and translation adjustments			Subscription warrant	Total net assets
	Unrealized gains on securities	Change in land value	Total		
Balance at March 31, 2007	8,366	7,861	16,228	108	229,372
Changes during the period					
Dividend on retained earnings					(5,307)
Net income					29,895
Purchase of treasury stock					(161)
Disposal of treasury stock					4
Changes, net, in items other than shareholders' equity	(1,189)	-	(1,189)	76	(1,112)
Total changes during the period	(1,189)	-	(1,189)	76	23,318
Balance at September 30, 2007	7,177	7,861	15,039	184	252,691

Interim period ended September 30, 2006 (from April 1, 2006 to September 30, 2006)

[Millions of yen]

	Shareholders' Equity								
		Additional paid-in capital			Retained earning				
	Capital stock	Capital reserve	Other addition-al paid-in capital	Total	Profit reserve	Other retained earnings Retained earnings carried forward	Total	Treasury stock	Total
Balance at March 31, 2006	37,519	157,501	19	157,521	7,760	(29,688)	(21,928)	(915)	172,196
Changes during the period									
Reversal of other additional paid-in capital (to compensate for losses)			(19)	(19)		19	19		-
Reversal of profit reserve (to compensate for losses)					(7,760)	7,760	-		-
Reversal of capital reserve (to compensate for losses)		(21,,908)		(21,908)		21,908	21,908		-
Net income for the period						39,620	39,620		39,620
Purchases of treasury stock								(80)	(80)
Disposal of treasury stock			1	1				5	7
Changes, net, in items other than shareholders' equity									
Total changes during the period	-	(21,908)	(18)	(21,926)	(7,760)	69,309	61,549	(75)	39,547
Balance at September 30, 2006	37,519	135,592	1	135,594	-	39,620	39,620	(990)	211,743

	Revaluation and Translation Adjustments				Share Warrants	Total net assets
	Unrealized gains on securities	Gain (loss) on deferred hedges	Unrealized gain on land	Total		
Balance at March 31, 2006	9,636	-	7,896	17,532	-	189,729
Changes during the period						
Reversal of other additional paid-in capital (to compensate for losses)						-
Reversal of profit reserve (to compensate for losses)						-
Reversal of capital reserve (to compensate for losses)						-
Net income for the period						39,620
Purchases of treasury stock						(80)
Disposal of treasury stock						7
Changes, net, in items other than shareholders' equity	(1,173)	(1)	-	(1,174)	15	(1,159)
Total changes during the period	(1,173)	(1)	-	(1,174)	15	38,387
Balance at September 30, 2006	8,463	(1)	7,896	16,358	15	228,117

Fiscal year ended September 30, 2006 (from April 1, 2006 to December 31, 2006)

[Million of yen]

	Shareholder's equity			
	Capital stock	Additional paid-in capital		
		Capital surplus	Other capital surplus	Total
Balance at March 31, 2006	37,519	157,501	19	157,521
Changes during the period				
Reversal of other capital surplus (deficit coverage)			(19)	(19)
Reversal of earned reserve (deficit coverage)				
Reversal of legal capital surplus (deficit coverage)		(21,908)		(21,908)
Provision for reserve for advanced depreciation (period under review)				
Reversal of reserve for advanced depreciation (period under review)				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			2	2
Reversal of change in land value				
Changes, net, in items other than shareholders' equity				
Total changes during the period	—	(21,908)	(17)	(21,926)
Balance at March 31, 2007	37,519	135,592	2	135,594

	Shareholder's equity					
	Retained earnings				Treasury stock	Total
	Legal earned reserve	Other retained earnings		Total		
		Advanced depreciation reserve	Increase in retained earnings			
Balance at March 31, 2006	7,760	—	(29,688)	(21,928)	(915)	172,196
Changes during the period						
Reversal of other capital surplus (deficit coverage)			19	19		—
Reversal of earned reserve (deficit coverage)	(7,760)		7,760	—		—
Reversal of legal capital surplus (deficit coverage)			21,908	21,908		—
Provision for reserve for advanced depreciation (period under review)		38	(38)	—		—
Reversal of reserve for advanced depreciation (period under review)		(4)	4	—		—
Net income			40,984	40,984		40,984
Purchase of treasury stock					(190)	(190)
Disposal of treasury stock					7	9
Reversal of change in land value			35	35		35
Changes, net, in items other than shareholders' equity						
Total changes during the period	(7,760)	33	70,674	62,948	(182)	40,839
Balance at March 31, 2007	—	33	40,985	41,019	(1,097)	213,036

	Revaluation and translation adjustments			Subscription warrant	Total net assets
	Unrealized gains on securities	Change in land value	Total		
Balance at March 31, 2006	9,636	7,896	17,532	―	189,729
Changes during the period					
Reversal of other capital surplus (deficit coverage)					―
Reversal of earned reserve (deficit coverage)					―
Reversal of legal capital surplus (deficit coverage)					―
Provision for reserve for advanced depreciation (period under review)					―
Reversal of reserve for advanced depreciation (period under review)					―
Net income					40,984
Purchase of treasury stock					(190)
Disposal of treasury stock					9
Reversal of change in land value		(35)	(35)		―
Changes, net, in items other than shareholders' equity	(1,269)		(1,269)	108	(1,161)
Total changes during the period	(1,269)	(35)	(1,304)	108	39,642
Balance at March 31, 2007	8,366	7,861	16,228	108	229,372

BASIS OF PRESENTING INTERIM FINANCIAL STATEMENTS

1. Asset Valuation

(1) Marketable Securities

Shares of subsidiaries and affiliates:

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

Other securities:

Securities with fair market value are stated using the mark-to-market method based on the market price at the interim settlement date. (Total net unrealized gains or losses after tax effect adjustment are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.) Other securities that do not have fair market value are primarily stated at cost using the moving-average method.

(2) Derivatives

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

2. Depreciation and amortization of depreciable assets

(1) Tangible fixed assets

The declining-balance method is used. However, the straight-line method is used for buildings (excluding annexed structures) acquired since April 1, 1998.

Change in Accounting Methods

Accompanying revisions in the corporate tax laws in Japan (as embodied in the Law Revising a Portion of the Corporation Tax Law, Etc., Law No. 6 of March 30, 2007, and the Government Ordinance Revising a Portion of Implementation Regulations for the Corporation Tax Law, Government Ordinance No. 83 of March 31, 2007), the Company has changed its methods for the calculation of the depreciation for tangible fixed assets acquired on or after April 1, 2007, in accordance with the revised corporate income tax regulations.

Accompanying this change, operating income, recurring profit, and income before income taxes for the interim period under review were each ¥16 million lower than they would have been under the accounting methods employed previously.

Supplementary Information

Accompanying the change in Japan’s Corporate Tax Law, the Company has adopted the following method of depreciation for assets acquired on or before March 31, 2007. For those assets that have been depreciated to 5% of their acquisition value using the previous method of calculating depreciation, the difference between the remaining 5% of the acquisition cost and a memorandum price will be written off in equal amounts over the five-year period beginning with the year following the year when the book value is depreciated to 5% of the acquisition cost.

Accompanying this change, operating income for the interim period was ¥69 million lower that it would have been under the accounting methods employed previously, and recurring profit and income before income taxes for the interim period were each ¥70 million lower.

(2) Intangible fixed 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. Reserves

(1) Allowance for Doubtful Receivables

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

(2) Reserves for Bonus

To prepare for the payment of employee bonuses, an amount corresponding to the current interim portion of estimated bonus payments to employees is recorded.

(3) Reserve for Directors' Bonuses

To prepare for the payment of bonuses to directors, an amount corresponding to the current interim portion of estimated bonus payments to directors is recorded.

(4) Reserve for Retirement Benefits

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

For treatment of expenses related to prior service obligations, we apply the straight-line method based on a fixed number of years (10) within the average remaining service period of the employee at the time of occurrence.

Regarding actuarial loss/gain, expenses are treated from the following fiscal year of business, based on the straight-line method based on a fixed number of years (10) within the average remaining service period of the employee at the time of occurrence.

4. Lease Transactions

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

5. Principal Accounting Methods for Hedge Transactions

(1) Hedge accounting methods

The deferred hedge method is used. Special accounting methods are used for interest rate swaps that meet certain conditions.

(2) Hedging methods and hedge targets

The interest rate swaps are used as the hedge method.

The hedge targets are scheduled corporate bonds and borrowings.

(3) Hedge policy

The Company enter into interest rate swaps to make interest rates on bonds and borrowings stable or reduce the risk of costs fluctuations for future capital procurement, 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 among value fluctuations of hedged items and cash flows and hedging instruments.

6. Other important items regarding the preparation of consolidated financial statements

(1) Consumption tax

National and local consumption taxes are accounted for by the tax excluded method.

In addition, of consumption tax excluding the asset-related exempt portion, the deferred consumption tax value etc., stipulated by the tax law is accounted for as a long-term prepaid expense and amortized over five years based on the straight-line method.

(2) Consolidated tax payment system

Consolidated tax payment system is adopted

12. LEASE TRANSACTIONS

Notation has been omitted due to disclosure through EDINET.

13. MARKETABLE SECURITIES

In the current interim period under review as well as in the previous interim period and the previous full fiscal year, none of the Company's subsidiary or affiliate had listed shares.