Konica Minolta Group
March 2009 Consolidated Financial Results

May 14, 2009
Konica Minolta Holdings, Inc.

Cautionary Statement:
The forecasts mentioned in this material are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from those forecasts due to various factors.
Remarks: Yen amounts are rounded to the nearest 100 million.

Review of FY/Mar09 Financial Results
April 1, 2008 – March 31, 2009

Yasuo Matsumoto
Senior Executive Officer
Konica Minolta Holdings, Inc.

May 14, 2009

FY/Mar09 financial results

[Billions of yen]

	FY/Mar09	FY/Mar08	YoY(%)	FY/Mar09 Forecast*	Difference
Net sales	947.8	1,071.6	-12%	955.0	-7.2
Gross income	427.6	531.3	-20%	--	
Gross income ratio	*45.1%*	*49.6%*		*--*	
Operating income	56.3	119.6	-53%	65.0	-8.7
Operating income ratio	*5.9%*	*11.2%*		*6.8%*	
Ordinary income	45.4	104.2	-56%	51.0	-5.6
Net income before taxes	33.2	99.0	-66%	38.0	-4.8
Net income	15.2	68.8	-78%	17.0	-1.8
Net income ratio	*1.6%*	*6.4%*		*1.8%*	
EPS [Yen]	28.62	129.71			
ROE [full year]	3.7%	17.5%			
FOREX [P/L] [Yen] USD	100.54	114.28	-13.74		
Euro	143.48	161.53	-18.05		

*FY/Mar09 Forecast: Announcement on Jan. 29, 2009

With the financial crisis sparked by problems with sub-prime loans in the United States escalating into a worldwide recession, the Group’s core businesses were hit hard during the year ended March 2009 as the real economy slumped.

The situation was compounded by the rapid appreciation of the yen from the third quarter onwards.

As you will see from the detailed year-on-year data that follows, the Group’s results were seriously affected by deteriorating market conditions in all sectors from the third quarter onwards.

Year-on-year figures for the fourth quarter (please refer to supplementary slides: p. 30 and 31) show that net sales were down 27% to ¥201.2 billion, with operating income slipping to an operating loss of ¥7.1 billion, a fall of ¥37.2 billion.

FY/Mar09 financial results

KONICA MINOLTA

- **Net sales**
  Forex impact due to yen appreciation against mainly USD and Euro: -81.4 billion yen
  FY/Mar08 vs. FY/Mar09: -42.3 billion yen, -4%)
- **Operating profit**
  Effect of accounting method change: -12.8 billion yen
  Forex impact due to yen appreciation against USD and Euro: -21.0 billion yen
  FY/Mar08 vs. FY/Mar09: -29.6 billion yen, -25%)
- **Non-operating expenses**
  Foreign exchange loss due to yen appreciation: -7.3 billion yen
- **Extraordinary gain**
  Gain on the sale of Medical & Graphic business's subsidiary and related businesses: 5.9 billion yen
- **Extraordinary loss**
  Loss on valuation of investment securities: -3.8 billion yen
  Restructuring expenses: -10.1 billion yen
- **Tax expenses**
  Retained profit of overseas subsidiaries owing to tax system reforms: 3.4 billion yen

Net sales were seriously impacted by external factors in the form of foreign exchange rates (forex), which saw the yen appreciating against both the US dollar and the Euro, resulting in a decline of ¥81.4 billion. Sales were also seriously affected by the fact that the yen alone continued to appreciate against the majority of other currencies, including the British Pound and the Australian dollar. Excluding the foreign exchange impact, net sales were down by 4% year on year.

Operating profit meanwhile fell by ¥12.8 billion due to factors such as a reduced depreciation period and the adoption of lower cost accounting standards for the purposes of inventory valuation. Excluding such factors, operating income fell by 42%. Leaving aside forex impact as well, which effectively reduced operating income by ¥21.0 billion, operating income was actually down by 25% year on year.

Non-operating expenses were also hit hard by the appreciation of the yen, with a foreign exchange loss of ¥7.3 billion.

In spite of proceeds totaling ¥5.9 billion from the sale of a subsidiary and related business assets in the Medical & Graphic business in April last year, extraordinary gains were outstripped by extraordinary losses, which came to ¥12.1 billion due to restructuring expenses totaling ¥10.1 billion coupled with a ¥3.8 billion loss on valuation of investment securities due to a downturn in the stock market.

Tax expenses meanwhile saw an improvement of ¥3.4 billion thanks to retained profit from overseas subsidiaries due to tax system reforms.

FY/Mar09 consolidated results – Segment

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Net sales

[Billions of yen]

	FY/Mar09	FY/Mar08	YoY(%)	FY/Mar09 Forecast*	Difference
Business Technologies	623.7	701.0	-11%	630.0	-1%
Optics	173.4	182.3	-5%	170.0	2%
Medical & Graphic	125.9	161.1	-22%	130.0	-3%
Other businesses	15.5	16.8	-8%	15.0	3%
HD and eliminations	9.4	10.4	-10%	10.0	-6%
Group total	947.8	1,071.6	-12%	955.0	-1%

Operating income

[Billions of yen]

	FY/Mar09	FY/Mar08	YoY(%)	FY/Mar09 Forecast*	Difference
Business Technologies	52.6	90.1	-42%	56.0	-6%
Operating income ratio	*8.4%*	*12.9%*		*8.9%*	
Optics	12.5	31.3	-60%	14.5	-14%
Operating income ratio	*7.2%*	*17.1%*		*8.5%*	
Medical & Graphic	3.1	7.8	-60%	5.0	-38%
Operating income ratio	*2.4%*	*4.8%*		*3.8%*	
Other businesses	1.1	2.1	-46%	1.5	-25%
HD and eliminations	-13.0	-11.6	--	-12.0	
Group total	56.3	119.6	-53%	65.0	-13%
Operating income ratio	*5.9%*	*11.2%*		*6.8%*	

*FY/Mar09 Forecast: Announcement on Jan. 29, 2009

Please see next page.

FY/Mar09 consolidated results

Business Technologies

MFP sales slowed in 2H:

Companies, predominantly those in developed countries, cut capital spending and faced credit contractions. Moreover, with the significant appreciation of the yen in the second half of the term. (Excluding the impact of foreign exchange: Maintained the same level YoY)

Optics

TAC film and optical pickup lenses fell sharply in 2H:

A record profit was posted in the first half of the term. However, given the impact of the substantial production adjustment made by digital electric appliances manufacturers, demand for TAC film and optical pickup lenses, the main earnings sources, fell sharply from the second half of the term.

Medical & Graphic

Demand for film products slumped further in both the domestic and overseas markets. Although sales of digital equipment for practitioners and clinics were strong, overall sales fell YoY, reflecting some transfers of business.

Net sales in the Business Technologies business were down by 11% year on year. These figures are on a par with last year however if excluding forex impact due to the appreciation of the yen, which reduced sales by a substantial ¥71.8 billion.

Despite a strong showing in the Optics business during the first half of the year, net sales fell by 5% year on year due to a rapid slowdown in demand from the third quarter onwards.

Figures for the Medical & Graphic business were affected by reduced demand for film products due to the increasing popularity of digital technology and the aforementioned sale of operations.

Operating profit analysis – Business Technologies

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[Billions of yen]

	1Q	2Q	3Q	4Q	Total
[Operating income]					
FY/Mar09	17.1	15.2	15.4	4.8	52.6
FY/Mar08	21.4	23.3	22.4	23.0	90.1
YoY	-4.3	-8.1	-7.0	-18.2	-37.5
[Factors]					
Forex impact	0.5	-0.5	-8.8	-8.3	-17.1
Accounting method change	-0.7	-0.7	-0.8	-1.2	-3.5
Depreciation of goodwill related to newly consolidated subsidiaries, and	-0.3	-1.2	-1.1	-1.2	-3.8
Factors not related to opeation	-0.5	-2.4	-10.7	-10.7	-24.4
Prince change	-3.2	-4.2	-2.0	-4.4	-13.8
Sales volume change, and other	2.7	0.2	-0.5	-9.9	-7.4
Cost down, net	0.7	0.9	1.3	1.1	4.0
SG&A change, net (*1)	-4.0	-2.5	4.9	5.7	4.1
Factors related to operation	-3.8	-5.6	3.7	-7.5	-13.1

For 4Q

Adoption of lower cost basis accounting standard

DANKA: ¥1.0 b

Cost down: ¥2.0 b
Cost up: -¥1.0 b

Operating income in the Business Technologies business was down ¥37.5 billion year on year, with a fall of ¥18.2 billion during the fourth quarter alone.

Figures were affected to roughly the same extent by external factors during the fourth quarter as during the third quarter, including forex impact, the adoption of lower cost accounting standards and depreciation of goodwill in relation to newly consolidated subsidiaries.

Taking a look at the factors responsible for year on year changes in each business, it is evident that falling prices had an impact throughout last year, in the absence of any new high-speed color office multi-function peripherals (MFP). Increased competition meanwhile had a similar impact on both hardware and non-hardware operations. Reduced volumes of hardware sales compared to the fourth quarter of the previous year, especially color MFP, also had a major impact. In spite of efforts to reduce manufacturing costs and cut overheads, the effects of which started to show through from the third quarter onwards, operating income unfortunately fell by ¥7.5 billion year on year.

Sales trends in Business Technologies

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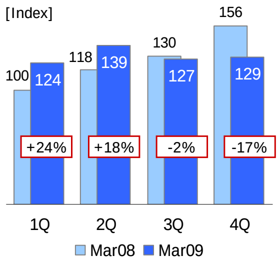
- Color MFP – Unit sales

Mar08 vs. Mar09: +3%

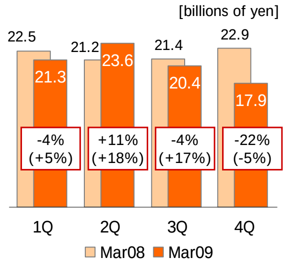


* Base index : "1Q Mar08 "= 100

- Production printing –Net sales

Mar08 vs. Mar09: -6% (+8%)

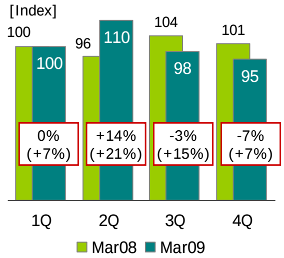
(%) = Excluding FOREX effects



- MFP non-hardware – Net sales (Color + B/W)

Mar08 vs. Mar09: 1% (+12%)

(%) = Excluding FOREX effects



*Base index : "1Q Mar08 "= 100

*Sum of 5 major sales companies: Japan, US, UK, Germany, France

- **Color MFP ➔** Full-year sales of color MFPs rose YoY. Growth in terms of sales volume slowed from the second half of the term, reflecting lackluster market conditions, mainly in the United States and Europe.
- **Production printing ➔** Sales rose 8% excluding the impact of exchange rate fluctuations, given strong sales of non-hard products.
- **MFP non-hard➔** Sales rose steadily YoY through the term excluding the impact of exchange rate fluctuations.

In spite of a sustained year-on-year increase in full-year sales of color MFP, there was a considerable 17% decline in sales during the fourth quarter, primarily in the US. Similarly, production printing sales rose by 8% on a full-year basis, not taking into account forex impact, but fell by 5% during the fourth quarter due to deteriorating market conditions in the US. MFP non-hardware sales meanwhile continued to experience double-digit growth on a full-year basis, not taking into account forex impact. Compared to the third quarter however, the rate of sales growth fell slightly during the fourth quarter, slipping to 7%.

Operating profit analysis – Optics

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[Billions of yen]

	1Q	2Q	3Q	4Q	Total
[Operating income]					
FY/Mar09	8.8	10.1	0.5	-6.9	12.5
FY/Mar08	4.7	8.3	11.1	7.1	31.3
YoY	4.1	1.8	-10.7	-14.0	-18.7
[Factors]					
Forex impact	-0.4	-0.3	-0.2	-0.1	-1.0
Accounting method change	-1.3	-2.4	-1.6	-2.7	-8.1
Factors not related to opeation	-1.8	-2.7	-1.8	-2.8	-9.1
Prince change	-2.3	-3.4	-2.8	-1.4	-9.9
Sales volume change, and other	11.0	9.1	-5.2	-11.7	3.2
Cost down, net	1.1	0.6	1.1	1.3	4.1
SG&A change, net (*1)	-3.9	-1.8	-2.0	0.7	-7.0
Factors related to operation	5.9	4.5	-8.9	-11.2	-9.6

Operating income in the Optics sector fell significantly year-on-year during the fourth quarter.

The main reason for this was a sudden decline in sales volumes. Although operating income increased steadily on the back of increasing sales volumes up until the end of the second quarter, the company was inevitably exposed to the general slump in digital home appliances and related products from the middle of the third quarter onwards. Nonetheless, having brought forward efforts to streamline personnel at domestic and overseas bases in line with reduced demand however, the effects had already started to show through by the fourth quarter in the form of reduced overheads.

Sales trends in Optics

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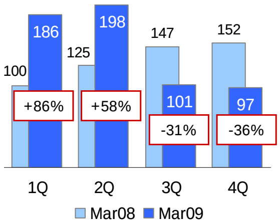
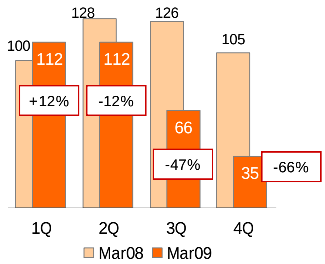
- TAC film – Unit sales

Mar08 vs. Mar09
Quantity : +11%, Value: +2%



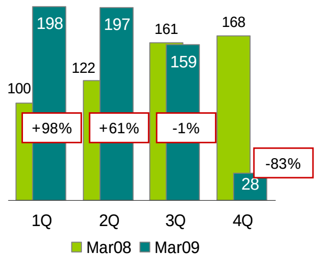
- Optical pickup lenses – Unit sales

Mar08 vs. Mar09
Quantity : -29%, Value: -23%



- Glass HD substrates – Unit sales

Mar08 vs. Mar09
Quantity : +6%, Value: +5%



*Base index : "1Q Mar08 "= 100

- **TAC film ➔** Full-year sales increased YoY in terms of both value and volume. Sales dropped in 2H, given a sharp decline in orders.
- **Optical pickup lenses ➔** Full-year sales fell YoY, reflecting lower orders for both BD and conventional formats in 2H.
- **Glass substrates for HD ➔** Full-year sales rose YoY, although orders dropped sharply in 4Q.
- Given the sharp fall in orders, all businesses experienced lower capacity utilization rates in 4Q, resulting in lower production profit.

Following on from the third quarter, the volume of TAC films and pickup lenses sold fell even further during the fourth quarter. Reduced production amongst client companies also had a major impact on sales of glass substrates for hard disks. Although sales of core products fell significantly across the board year on year, this can be entirely attributed to deteriorating market conditions rather than a loss of market share to other companies. What is more, sales of TAC film and optical pickup lenses for Blu-ray players have started to show signs of a recovery since the end of the fourth quarter, suggesting that the decline in sales has bottomed out.

Progress of restructuring

1. Reduce fixed production costs

The Company began optimizing the production structure and workforce of the Optics Business, both in Japan and overseas.

Labor costs reduction 3Q vs. 4Q: Approximately -25%

2. Reduce SG&A

The Company began streamlining the overseas sales divisions of the Business Technologies Business.

3. Sort out non-profitable and low-margin operations

The Company terminated the production and sale of printing films.

4. Review sale prices

The Company raised local sale prices in the European market, commencing from February 2009. (April 2009 in the US)

Steps to reduce fixed production costs as part of structural reforms, consisting primarily of measures aimed at optimizing production structure and streamlining personnel at both domestic and overseas locations of the Optics business, were completed during the fourth quarter for the most part. Labor costs within the same business were also reduced by approximately 25% compared to the third quarter.

In terms of efforts to reduce selling, general and administrative (SG&A) expenses, steps to increase the efficiency of indirect and administrative departments within overseas sales divisions in the Business Technologies business got underway during the fourth quarter and have already made good progress, achieving a reduction of roughly 5% compared to the third quarter, primarily in the United States.

In an effort to sort out non-profitable operations, production of printing films in the Medical & Graphics business was discontinued as of the end of March this year.

As the yen alone continues to appreciate, efforts have also got underway to increase local sales prices for MFP, chiefly in the US and European markets.

MANAGEMENT POLICY <09-10>

Masatoshi Matsuzaki
President and CEO
Konica Minolta Holdings, Inc.

May 14, 2009

Agenda

1. **Review of FORWARD 08, the Medium-Term Business Plan**
   (Three years from Apr. 2006 to Mar. 2009)

2. **Outline of MANAGEMENT POLICY <09-10>**

   2-1. Execute structural reforms: survival and innovation

   2-2. Achieve strong growth: strengthen existing businesses

   2-3. Achieve strong growth: develop new businesses

3. **March 2010 Forecasts**

4. **Earnings growth from a medium-to long-term perspective**

Review of FORWARD 08

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■ FORWARD 08 basic concept

Further increase the added value in operations and maximize corporate value through the Group's growth

1. Promote growth by leveraging collective Group resources
2. Build a new corporate image
3. Promote world-class CSR management

■ Main operational achievements

1. Focus on growth businesses and the progressive implementation of the "genre-top" strategy
   - Business Technologies: color MFPs for office use and color high-speed MFPs for light production printing
   - Optics: VA-TAC film and pickup lenses for Blu-ray format
2. M&A and business alliance to accelerate the "genre-top" strategy
   - Establish a strategic alliance with Oce (the Netherlands) in office printing and production printing fields (April 2008).
   - Acquire Danka, a leading independent office equipment dealer in the United States (June 2008).
3. Narrow the focus, and concentrate management resources on growth businesses associated with B2B.
   - Exit photo-related businesses (photographic film, photosensitive paper, mini-labs and cameras). (March 2007)
   - Exit the printing film business. (March 2009)

The essentials of imaging

The aim of FORWARD 08, the three-year medium term business plan implemented by the Group from April 2006 to March 2009, was to "further increase the added value in operations and maximize corporate value through the Group's growth."

As indicated in IR materials, the plan's three main achievements from a business standpoint were to "focus on growth businesses and the progressive implementation of the 'genre-top' strategy," "M&A and business alliances to accelerate the 'genre-top' strategy" and to "thorough implementation of the select and concentrate policy."

Review of FORWARD 08

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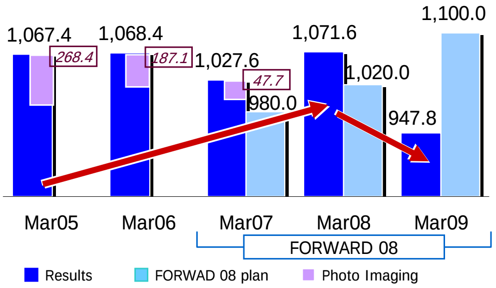
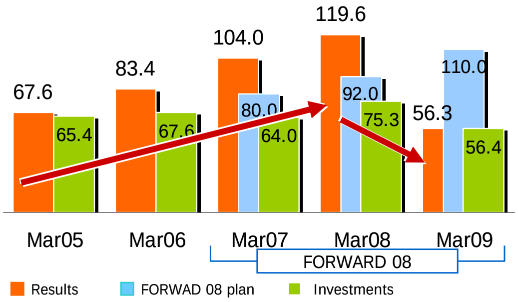
Business progress (earnings targets and results)

- Net sales



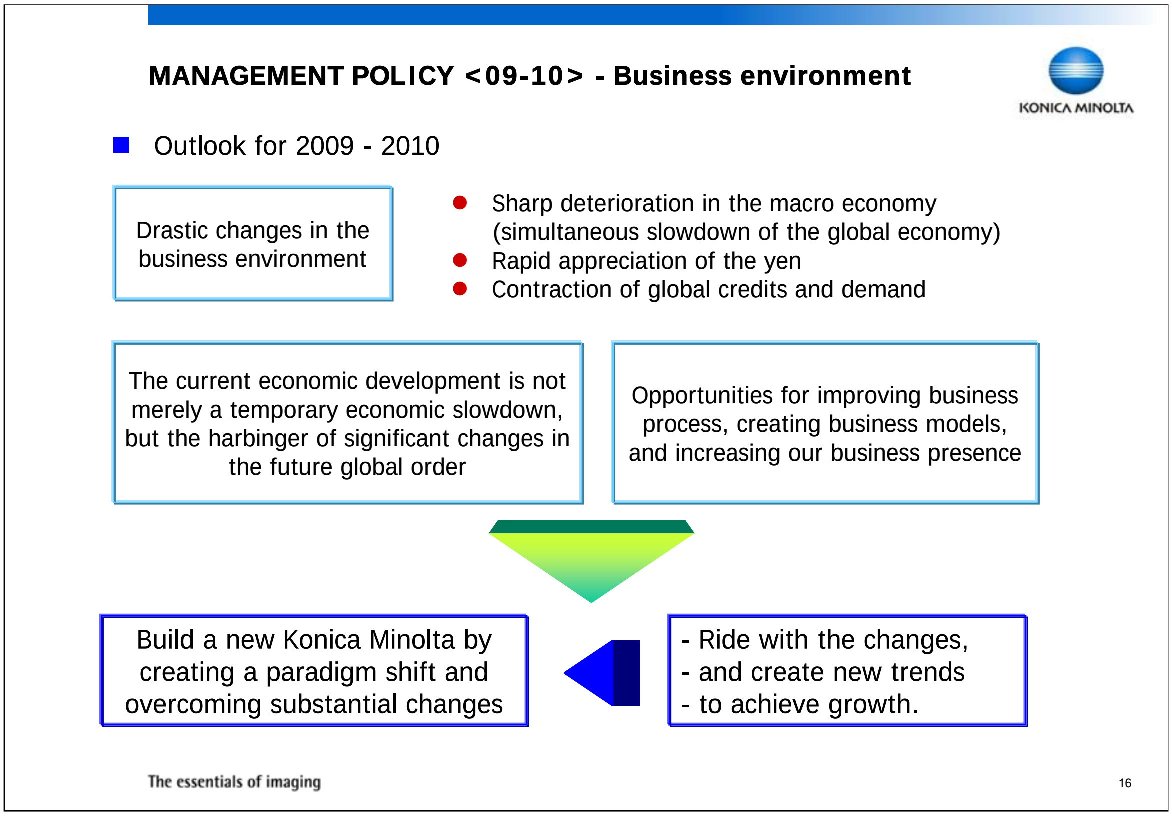
- Operating profit

[Billions of yen]



1. In line with the "genre-top" strategy, investments were accelerated in the key growth businesses of office color, light production and optics.
2. The operating profit target set in the FORWARD 08 was achieved in FY/Mar08, a year ahead of schedule.
3. The targets for FY/Mar09 could not be met, given the slowdown of the global economy and sharp appreciation of the yen. Measures to strengthen and reform the Group business structure have been initiated to secure earnings for FY/Mar10.

Net sales (left-hand graph) experienced steady growth during the years ended March 2007 and 2008. Having discontinued photo imaging operations, sales were supplemented by growth from other ongoing lines of business. Operating profit (right-hand graph) also increased year on year during the years ended March 2007 and 2008 thanks to sales growth and active capital investment. Drastic changes in the business environment during the year ended March 2009 however, including a worldwide recession and the rapid appreciation of the yen, unfortunately got in the way of achieving projected figures. With a genuine sense of urgency given the current situation, measures have been initiated to strengthen and reform the Group's operating structure in an effort to secure a profit for the year ending March 2010.



Looking ahead to the years ending March 2010 and March 2011, the current sweeping changes in the business environment are thought to be indicative of major changes in the world as a whole rather than merely a temporary trend. The very fact that the world is changing however is likely to present the Group with opportunities to improve its position.

By riding with the changes, Konica Minolta intends to create a paradigm shift and usher in new trends in order to achieve growth in the future and establish a new identity for itself.

MANAGEMENT POLICY <09-10> - Basic policies

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1. Enhance Corporate Capabilities

Survival : Select & concentrate, and streamline rapidly
Innovation: Innovative thinking and actions

2. Achieve Strong Growth

Strengthen and expand existing businesses
Develop new businesses

3. Reform the Corporate Culture

"simply BOLD" – Challenges born of courage and daring ideas

Three basic policies have been set out as part of the Management Policy <09-10> in an effort to overcome the sweeping changes currently facing the Group. The first basic policy is to "enhance corporate capabilities." The second is to "achieve strong growth" and the third to "reform the corporate culture." The Group intends to implement all three basic policies progressively and simultaneously.

Enhance corporate capabilities: Survival

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Rapidly streamline and practice “select & concentrate” to remain competitive in the drastic change of business environment

Reduce fixed costs

Targets for March 2010:
Cut at least ¥30 billion vs. FY/Mar09

- Reduction in production fixed costs and selling fixed costs
- Cut in R&D expenses
- Reduction in bonuses (Bonuses linked to the company's performance)

Slim down balance sheets and generate free cash flow (FCF)

Targets for March 2010:
Create FCF of at least ¥30 billion

- Inventory reduction: Aim to achieve an inventory turnover period of 40 days.
- Improve accounts receivable/payable terms
- Cut investments: Capital spending < Depreciation

Assess existing businesses and concentrate on key businesses

Review loss-making and unprofitable businesses, and shift and concentrate management resources on key businesses.

- Printer business: Focus on A4 color multi-function printers
- Lens unit business: focus on industry standard modules
- Graphics business: terminate production and sales of films

In order to “ enhance corporate capabilities,” the Group has set out three priority measures aimed at restructuring operations so as to ensure survival.

The first priority measure is to “reduce fixed costs.” The aim is to achieve a reduction of at least ¥30 billion during the year ending March 2010. As such, efforts to reduce fixed costs in production and sales divisions, cut other expenses and reduce bonuses have already got underway.

The second priority measure is to “slim down balance sheets and generate free cash flows (FCF).” The aim is to generate FCF of at least ¥30 billion during the year ending March 2010. Initiatives will include inventory reduction measures and improvements to accounts receivable/payable terms.

The third priority measure is to reinforce efforts to “assess existing businesses and concentrate on key businesses.” Initiatives will include reviewing loss-making and unprofitable businesses and shifting management resources to key businesses.

Enhance corporate capabilities: Innovation

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Aim to become a strong corporate group that initiates innovative thinking and business activities with a clear vision in the future and create ideas from the customer's standpoint in all aspects.

■ Improve business process

Increase productivity through the entire business process including R&D, manufacturing, sales, and administration.

- Strengthen management systems that promote corporate strategies focusing on the future
- Establish quality operations by thorough assessment of the business process
- Sophisticated utilization of IT

■ Create innovative business models

Strengthen marketing capabilities and establish new business models from the customer's standpoint

- Introduce products and services that contribute to customers
- Create new earnings models in service
- Develop standard modules that initiate the industry

■ Strengthen environmental management

Aim to establish a corporate group by considering the environment as the focal point of competitiveness for corporate growth.

- MFPs and printers: top-level energy-saving functions
- New businesses：new large-scale businesses related to the environment and energy
- Comprehensive environment conservation programs: Aim to become an industry leader in every aspect of environmental activities.

The main aim of innovation to "enhance corporate capabilities" is to transform the Group into a strong corporate group that continually initiates innovative thinking and actions in all of its business activities.

The first initiative is to improve business processes, which means changing the way in which the Group does business.

The second initiative is to set about urgently changing business models for existing lines of business as they mature.

The third initiative is to strengthen environmental management. Rather than merely complying with environmental restrictions however, the environment will be positioned as the focal point of the Group's competitiveness in the interests of growth.

Achieve strong growth: Strengthen existing businesses

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Strive to strengthen competitiveness by further focusing on the "genre-top" strategy in existing businesses and establish the unchallenged position in the market

Business Technologies

Office MFPs

Maintain the leading position in the US and EU markets by further focusing on the color "genre-top".

- Introduce a series of new color MFPs in FY/March 2010

Production Printing

Expand operations to the medium/heavy segments and commercial printing field.

- Introduce new color and black & white products in higher segments

Optics

TAC Film

Maintain the current position of existing businesses, and fully enter into new areas

- Develop next generation VA-TAC products and expand operations by entering new areas

Optical Pickup Lenses

Maintain the overwhelming position by strengthening cost competitiveness.

- Strengthen overseas production structures

The essentials of imaging

In order to strengthen existing businesses, the Group intends to push ahead with its "genre-top" strategy in both the Business Technologies and Optics businesses, which have been the driving forces behind growth under the FORWARD 08 plan to date, and establish a powerful position within the market.

There are plans to launch new medium- to high-speed office MFP and reconfigure the Group's product lineup during the year ending March 2010. New products will help customers cut their costs and will be promoted in line with current trends in areas such as energy saving design and security.

In production printing, maintaining Konica Minolta's strengths in the field of light production printing, the Group plans to expand into other areas such as high volume and high resolution technology in the future. A number of new core products are scheduled to be launched during the years ending March 2010 and 2011.

In terms of TAC film, the Group intends to maintain the position of existing businesses, such as VA-TAC, while also expanding operations into new areas.

Building on its superior technical capabilities, the Group plans to strengthen the cost competitiveness of its optical pickup lenses and maintain its overwhelming position within the market.

Achieve strong growth: Expand existing businesses

KONICA MINOLTA

Expand existing businesses and create new customer value by utilize our strong core technologies in a innovative way

Production Printing

Step up full efforts to the introduction of the core next-generation products by leveraging the sophisticated product development know-how developed through light production and the industry-leading polymerized toner. Expand operations to the medium/heavy segments and commercial printing field.

Establish the “genre-top” position in the digital color printing field by taking advantage of our color management capabilities and unique concept in the production printing work-flow.

Optics Devices

Integrate our core technologies such as optics, image processing and sensing, and expand the area of application. Enter into new areas besides the information appliances segment

The steps taken to ensure growth in three years’ time will be crucial in terms of expanding the Group’s existing businesses. As such, the Group intends to focus more deliberately on achieving growth in the production printing and optical device areas.

In the production printing area, the Group plans to build on its achievements in the field of light technology in order to expand into medium and heavy printing fields, manufacturing products that offer advanced levels of cost performance exclusive to Konica Minolta and setting out new business models.

In the optical device area meanwhile, the Group intends to integrate existing technologies from its Optics business with other core Group technologies to broaden the scope of potential applications and expand its business into new areas beyond information appliances.

Achieve strong growth: develop new businesses

KONICA MINOLTA

Contribute to society in the areas of the "environment and energy", and "health, security and safety", and establish a new business structure besides the business equipment and information appliances fields.

■ Environment and Energy

Create unique, distinctive materials businesses that contribute to the environment and energy in the living space by further improving material, coating and thin-film technologies enhanced in photosensitive materials and display materials.

OLED lighting

- Aim to achieve a leading position in the next generation lighting field.
  – Develop commercial products in FY/Mar11 through collaboration with GE

Also, aim to commercialize energy-saving high-function films in the area of thin film.

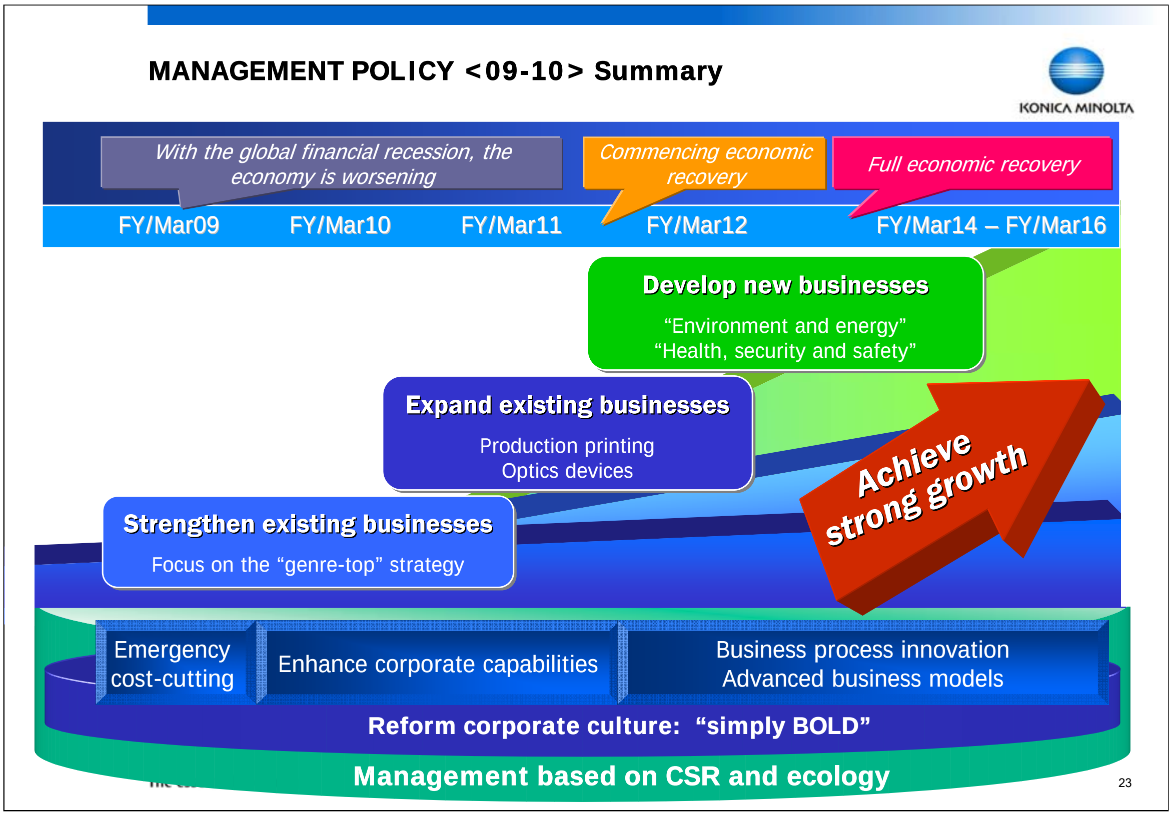
■ Health, Security and Safety

Provide new value for health, security and safety in the medical diagnostics and industrial processing sectors by creating equipment and modules using the company's unique optical sensing technologies.

New businesses are the foundations that will underpin the sustained growth of the Group as a whole over the next five to ten years and beyond. Focusing on needs from a long-term perspective, the Group plans to establish operations in two new fields, namely " environment and energy" and "health, security and safety," in an effort to contribute to society. The commercialization of some products is due to get underway in the near future.

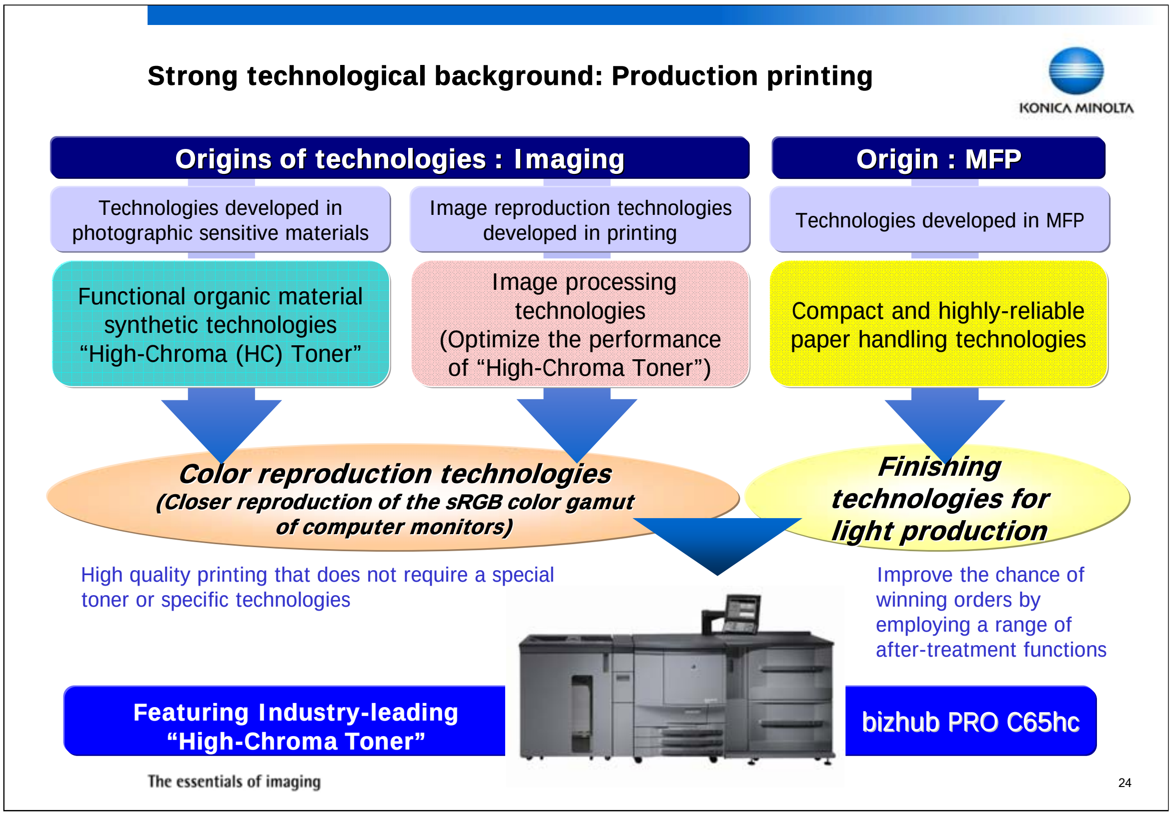
In the environment and energy field, the Group is working on the commercialization of organic EL (OLED) lighting with the aim of achieving the cost to bring it into widespread use as part of everyday life, based on Konica Minolta's unique coating and roll-to-roll technologies.

In the health, security and safety field, the Group intends to combine its unique optical and optical measurement technology to develop ground-breaking devices and modules in an effort to provide exclusive new value in areas such as early diagnosis and industrial processes.

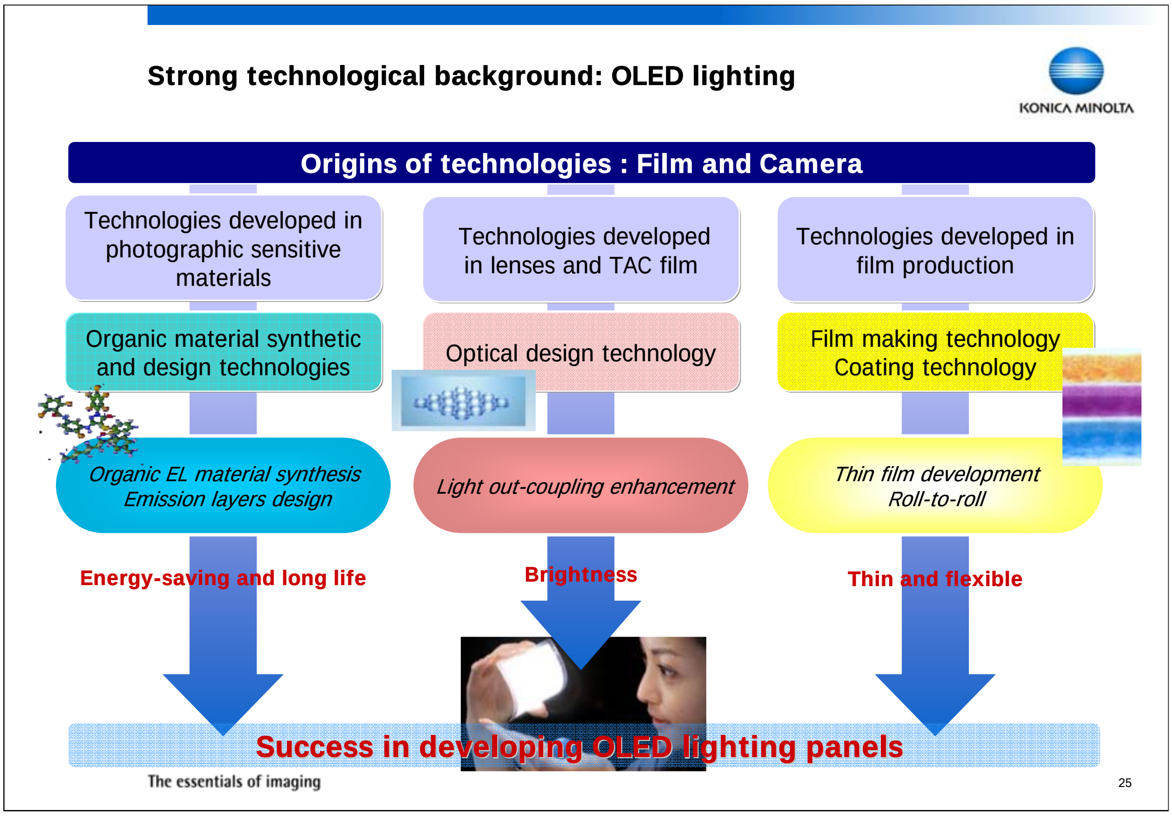


This diagram summarizes everything that has been discussed so far.

Considering CSR management as the Group's fundamentals, Konica Minolta is working to reform its corporate culture based on CSR management and intends to enhance its corporate capabilities in order to create a robust company whilst also focusing on business process innovation and advanced business models. From an operational standpoint, the Group intends to strengthen its existing businesses over the coming two years and set about consciously expanding its business activities in roughly three years' time. From a longer-term perspective, over the next five to ten years, the aim is to develop new businesses in the interests of continued strong growth. Initiatives such as these will in turn help to enhance corporate value.



As one of Konica Minolta’s core technologies, polymerized toner technology is set to underpin the expansion of business in the production printing business. In addition to excelling as consumable goods, Konica Minolta’s polymerized toner also increases cost efficiency, especially in the case of engine design, meaning that it offers the advantage of total cost competitiveness. The Group has recently managed to successfully develop “high-chroma toner,” which caters to a wider range of colors than conventional toners, thanks in part to its extensive library of color materials developed based on photographic technology.



Konica Minolta's strengths in the field of organic EL (OLED) lighting once again stem from organic material synthetic and design technologies developed based on photographic technology and the company's coating and roll-to-roll technologies. Konica Minolta and GE are confident that they are leading the field with regard to the utilization of coating technologies for OLED lighting production, which is thought to be the ultimate solution in terms of cost competitiveness.

Forecasts FY/Mar2010

	FORCAST FY/Mar10	RESULT FY/Mar09	YoY	%
			[Billions of yen]	
Net sales	880.0	947.8	-67.8	-7%
Operating income	45.0	56.3	-11.3	-20%
Operating income ratio	*5.1%*	*5.9%*		
Ordinary income	38.0	45.4	-7.4	-16%
Net income before taxes	30.0	33.2	-3.2	-10%
Net income	17.0	15.2	1.8	12%
Net income ratio	*1.9%*	*1.6%*		
FOREX [P/L] [Yen] USD	95.00	100.54		
Euro	125.00	143.48		
R&D expenses	75.0	81.8		
Investments	50.0	61.2		
Depreciation	70.0	70.2		
FCF	30.0	17.4		
Deividends [Yen]	15.00	20.00		

[Notes] Impact of exchange rate fluctuation to FY/Mar09 operating income if given ¥1 change (full-year base)

USD ➔ ¥50 million Euro ➔ ¥850 million

Maintaining a realistic outlook with regard to current business conditions, the Group’s sales forecast for the year ending March 2010 is relatively conservative. The Group nonetheless intends to focus on enhancing corporate capabilities in an effort to achieve its profit projections, while also executing investment and R&D spending by carefully determining the priority and necessity.

In line with its dividend policy, the Group plans to pay out dividends for the year ending March 2010 at the rate of ¥15 per share, a reduction of ¥5 per share.

Forecasts FY/Mar2010 - segment

KONICA MINOLTA

Net sales

[Billions of yen]

	FORCAST FY/Mar10	RESULT FY/Mar09	YoY	%
Business Technologies	590.0	623.7	-33.7	-5%
Optics	155.0	173.4	-18.4	-11%
Medical & Graphic	110.0	125.9	-15.9	-13%
Other businesses	15.0	15.5	-0.5	-3%
HD and eliminations	10.0	9.4	0.6	6%
Group total	880.0	947.8	-67.8	-7%

Operating income

[Billions of yen]

	FORCAST FY/Mar10	RESULT FY/Mar09	YoY	%
Business Technologies	41.0	52.6	-11.6	-22%
Operating income ratio	*6.9%*	*8.4%*		
Optics	17.0	12.5	4.5	36%
Operating income ratio	*11.0%*	*7.2%*		
Medical & Graphic	2.0	3.1	-1.1	-35%
Operating income ratio	*1.8%*	*2.4%*		
Other businesses	1.0	1.1	-0.1	-11%
HD and eliminations	-16.0	-13.0	-3.0	
Group total	45.0	56.3	-11.3	-20%
Operating income ratio	*5.1%*	*5.9%*		

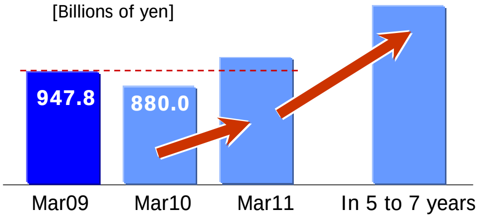
This slide shows a breakdown of net sales and operating income of each business.

Earnings growth from a medium-to long-term perspective

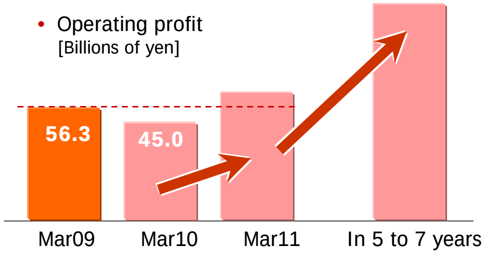
KONICA MINOLTA

Forecasts for March 2010 and beyond

- Net sales
  [Billions of yen]



- Operating profit
  [Billions of yen]



Management mission

FY/March 2010
By executing structural reforms, prevent a further downturn in results, even in the severe business environment, and strive to meet all annual targets.

FY/March 2011
Establish a foundation for achieving strong growth by surpassing the earnings level of FY/March 2009 with higher sales and profits.

In 5 to 7 years' time
Achieve strong growth by strengthening existing businesses and creating new businesses, the key growth drivers.

Although it is extremely difficult to precisely foresee the future given the rapidly shifting business environment at present, this slide shows the Group's predicted earnings growth over the medium to long term, as mapped out in its Management Policy <09-10>.

The Group will make every effort to reliably achieve its published forecasts for the year ending March 2010.

The aim for the following year, ending March 2011, is to restore underlying growth in both sales and profit and bring about a recovery to levels achieved during the year ended March 2009.

In terms of the envisioned scale of earnings in five to seven years' time, the Group intends to achieve strong growth based on the initiatives set out under its Management Policy <09-10>.

Supplementary Information

4Q/Mar09 financial results

KONICA MINOLTA

[Billions of yen]

	Jan-Mar Mar09	Jan-Mar Mar08	YoY	Previous forecast*	Difference
Net sales	201.2	276.6	-75.4	208.4	-7.2
Gross income	80.6	132.5	-51.8	--	
Gross income ratio	*40.1%*	*47.9%*		--	
Operating income	-7.1	30.0	-37.2	1.6	-8.7
Operating income ratio	*-3.5%*	*10.9%*		*0.8%*	
Ordinary income	-8.7	17.8	-26.5	-3.1	-5.6
Net income before taxes	-17.4	13.7	-31.1	-12.6	-4.8
Net income	-12.2	13.1	-25.3	-10.3	-1.9
Net income ratio	*-6.0%*	*4.7%*		*-5.0%*	
FOREX [P/L] [Yen] USD	93.61	105.29	-11.68		
Euro	121.81	157.65	-35.84		

*FY/Mar09 Forecast: Announcement on Jan. 29, 2009

4Q/Mar09 financial results - segment

KONICA MINOLTA

[Billions of yen]

Net sales

	Jan-Mar Mar09	Jan-Mar Mar08	YoY	Previous forecasts*	Difference
Business Technologies	137.4	178.9	-41.4	143.8	-6.3
Optics	26.9	48.2	-21.3	23.5	3.4
Medical & Graphic	31.3	43.5	-12.2	35.4	-4.1
Other businesses	3.2	4.5	-1.3	2.7	0.5
HD and eliminations	2.4	1.5	0.9	3.0	-0.5
Group total	201.2	276.6	-75.4	208.3	-7.1

Operating income

	Jan-Mar Mar09	Jan-Mar Mar08	YoY	Previous forecast*	Difference
Business Technologies	4.8	23.0	-18.2	8.3	-3.5
Operating income ratio	*3.5%*	*12.9%*		*5.8%*	
Optics	-6.9	7.1	-14.0	-4.9	-2.0
Operating income ratio	*-25.6%*	*14.6%*		*-20.9%*	
Medical & Graphic	-1.1	1.9	-3.0	0.8	-1.9
Operating income ratio	*-3.5%*	*4.3%*		*2.3%*	
Other businesses	-0.0	0.5	-0.5	0.4	-0.4
HD and eliminations	-4.0	-2.5	-1.5	-3.0	-1.0
Group total	-7.1	30.0	-37.2	1.6	-8.7
Operating income ratio	*-3.5%*	*10.9%*		*0.8%*	

*FY/Mar09 Forecast: Announcement on Jan. 29, 2009

Forecasts 1H and 2H/Mar2010

KONICA MINOLTA

[Billions of yen]

	FORCAST FY/Mar10			RESULT FY/Mar09			YoY		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Net sales	404.0	476.0	880.0	533.0	414.9	947.8	-129.0	61.1	-67.8
Operating income	16.0	29.0	45.0	48.7	7.6	56.3	-32.7	21.4	-11.3
OP ratio	*4.0%*	*6.1%*	*5.1%*	*9.1%*	*1.8%*	*5.9%*			
Ordinary income	12.0	26.0	38.0	47.9	-2.5	45.4	-35.9	28.5	-7.4
Net income before taxes	6.0	24.0	30.0	49.9	-16.6	33.2	-43.9	40.6	-3.2
Net income	3.5	13.5	17.0	29.3	-14.1	15.2	-25.8	27.6	1.8
Net income ratio	*0.9%*	*2.8%*	*1.9%*	*5.5%*	*-3.4%*	*1.6%*			
FOREX [P/L] [Yen] USD			95.00	106.11	94.97	100.54			
Euro			125.00	162.68	124.28	143.48			

Forecasts 1H and 2H / Mar2010 - segment

KONICA MINOLTA

[Billions of yen]

Net sales

	FORECAST FY/Mar10			RESULT FY/Mar09			YoY		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Business Technologies	275.0	315.0	590.0	343.8	279.9	623.7	-68.8	35.1	-33.7
Optics	65.0	90.0	155.0	109.4	64.0	173.4	-44.4	26.0	-18.4
Medical & Graphic	52.0	58.0	110.0	66.2	59.7	125.9	-14.2	-1.7	-15.9
Other businesses	7.0	8.0	15.0	8.6	6.8	15.5	-1.6	1.2	-0.5
HD and eliminations	5.0	5.0	10.0	4.9	4.5	9.4	0.1	0.5	0.6
Group total	404.0	476.0	880.0	533.0	414.9	947.8	-129.0	61.1	-67.8

Operating income

	FORECAST FY/Mar10			RESULT FY/Mar09			YoY		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Business Technologies	19.5	21.5	41.0	32.3	20.2	52.6	-12.8	1.3	-11.6
Operating income ratio	*7.1%*	*6.8%*	*6.9%*	*9.4%*	*7.2%*	*8.4%*			
Optics	2.5	14.5	17.0	19.0	-6.4	12.5	-16.5	20.9	4.5
Operating income ratio	*3.8%*	*16.1%*	*11.0%*	*17.3%*	*-10.0%*	*7.2%*			
Medical & Graphic	0.5	1.5	2.0	2.9	0.2	3.1	-2.4	1.3	-1.1
Operating income ratio	*1.0%*	*2.6%*	*1.8%*	*4.3%*	*0.4%*	*2.4%*			
Other businesses	0.5	0.5	1.0	1.0	0.2	1.1	-0.5	0.3	-0.1
HD and eliminations	-7.0	-9.0	-16.0	-6.4	-6.6	-13.0	-0.6	-2.4	-3.0
Group total	16.0	29.0	45.0	48.7	7.6	56.3	-32.7	21.4	-11.3
Operating income ratio	*4.0%*	*6.1%*	*5.1%*	*9.1%*	*1.8%*	*5.9%*			

Non-operating and extraordinary income / loss

[Billions of yen]

	FY			Jan - Mar		
Non-operating income/loss:	Mar09	Mar08	YoY	Mar09	Mar08	YoY
Interest and dividend income, net	-2.7	-1.8	-0.9	-0.7	-0.5	-0.2
Foreign exchange gain, net	-7.3	-7.6	0.4	0.4	-7.6	8.1
Other	-0.9	-5.9	5.0	-1.3	-4.0	2.7
Non-operating income, net	-10.9	-15.4	4.5	-1.6	-12.2	10.7
Extraordinary income/loss:						
Gain on sales of noncurrent assets, net	-2.9	-3.2	0.4	-1.4	-2.8	1.3
Gain on sales of investment securities, net	-1.0	-0.3	-0.7	0.1	-0.3	0.4
Impairment loss	-1.2	-5.7	4.5	-0.9	-5.2	4.3
Business structure improvement expenses	-10.1	0.0	-10.1	-7.6	0.0	-7.6
Other	3.0	4.0	-1.0	1.2	4.3	-3.1
Extraordinary income, net	-12.2	-5.2	-6.9	-8.7	-4.0	-4.6

B/S

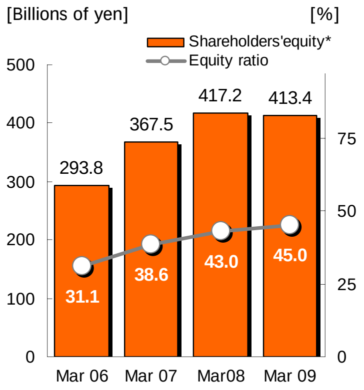
March 31 [Yen]	Mar2009	Mar 2008	YoY
US$	98.23	100.19	-1.96
Euro	129.84	158.19	-28.35

[Billions of yen]

	Mar 2009	Mar 2008	YoY
Assets:			
Cash and short-term investment securities	133.7	122.2	11.5
Notes and A/R	171.8	234.9	-63.0
Inventories	129.2	132.9	-3.8
Other	70.2	67.1	3.1
Total current assets	504.9	557.1	-52.2
Tangible fixed assets	227.9	246.0	-18.1
Intangible fixed assets	111.6	93.8	17.8
Investments and others	73.7	73.6	0.1
Fixed assets	413.1	413.4	-0.3
Total assets	918.1	970.5	-52.5
Liabilities and Net Assets:			
Notes and A/P	87.1	109.4	-22.3
Interest bearing debts	230.4	226.0	4.4
Other current liabilities	186.3	216.8	-30.5
Total liabilities	503.8	552.2	-48.5
Total net assets	414.3	418.3	-4.0
Total liabilities and net assets	918.1	970.5	-52.5

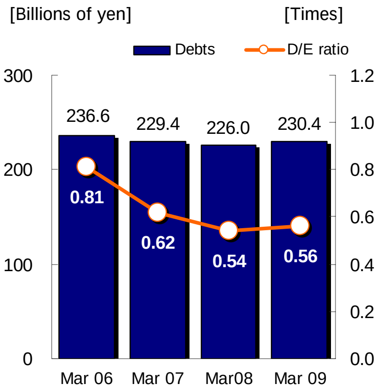
B/S – main indicators

■ **Equity ratio**



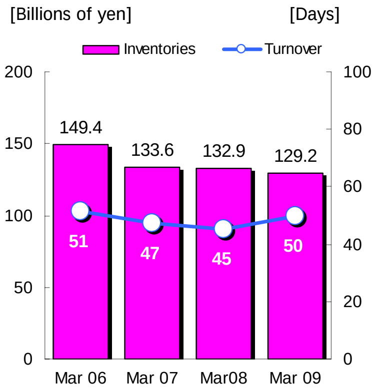
Equity ratio = Equity / Total assets
Equity = Shareholder's equity + Total revaluation and translation adjustments

■ **Interest-bearing debts**



D/E ratio = Interest-bearing debts at year-end / Shareholders' equity at year-end

■ **Inventories and inventory turnover**



Inventory turnover (days) = Inventories at year-end / Average sales per day

Cash flows

KONICA MINOLTA

[Billions of yen]

	FY			Jan - Mar		
	Mar09	Mar08	YoY	Mar09	Mar08	YoY
Income before income taxes and minority interests	33.2	99.0	-65.8	-17.4	13.7	-31.1
Depreciation and amortization	70.2	60.4	9.7	18.5	15.9	2.6
Increase (decrease) in provision for loss on business liquidation (Photo Imaging Business)	-4.5	-16.4	11.9	-1.6	-4.8	3.2
Change in working capital	8.6	-20.1	28.7	25.5	24.3	1.2
I. Net cash provided by operating activities	107.6	123.0	-15.5	25.0	49.1	-24.1
II. Net cash provided by investing activities	-90.2	-76.8	-13.4	-14.0	-21.3	7.4
I.+ II. Free cash flow	17.4	46.2	-28.8	11.0	27.8	-16.8
Change in debts and bonds	16.9	-0.9	17.8	23.7	2.7	21.0
Cash dividends paid	-9.3	-9.3	-0.0	-0.1	-0.1	-0.0
Other	-2.7	-0.4	-2.3	-0.3	-0.3	-0.3
III. Net cash provided by financing activities	5.0	-10.5	15.5	23.2	2.6	20.7