

## KONICA MINOLTA GROUP

### Q&A from March 2009 Consolidated Financial Results Briefing Session

Date: Thursday, May 14, 2009 17:00 - 18:15 JST  
Place: Sapia Hall, Tokyo Station Conference (Tokyo, Japan)  
Speakers: Masatoshi Matsuzaki, President & CEO  
Shoei Yamana, Senior Executive Officer  
Yasuo Matsumoto, Senior Executive Officer

#### Cautionary Statement

*This material was prepared for those who were unable to attend the financial results briefing in person and is intended only for reference purposes. The reader is asked to acknowledge in advance that the text is not a verbatim account of everything that was said at the briefing but a basic summary whose content was determined by the judgment of Konica Minolta.*

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#### ■ Business Technologies

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Q: What were MFP (multi-function peripherals) sales conditions like for each region in the fourth quarter of FY/Mar2009?

A: If we ignore the issue of the exchange rate, non-hard product year-over-year sales showed a 7% increase, with 2% growth recorded for Japan, 12% for the US - owing to contributions from our investment in Danka last year, and 4% for Europe. On the other hand, hardware sales in each market were equally affected by the worsening economic climate, with the Japanese market decreasing by 19%, the US market by 20%, and the European market by 17%. Further, sales in the US and other regions fell well short of forecasted targets, particularly in the US where although monochrome MFP sales performed strongly, color MFP sales were severely affected by worsening market conditions.

Q: What are your market forecasts and predicted sales for FY/Mar2010?

A: Forecasts for market conditions this fiscal year, MFP unit sales are expected to fall between 10% and 15% compared with the previous year. Given this harsh business environment, we will not only be introducing new color MFP products designed for office use, but will also be proposing business models to consumers based on a market-in concept as part of our growing production printing operations. We hope to make effective use of sales channels made available through the acquisition of Danka in order to keep our unit sales figures on par with those for the previous year. If we exclude the effects of the exchange rate, we can expect sales to remain at about the same level as the previous year.

Q: To what extent did Danka contribute to sales earnings in FY/Mar2010?

A: In line with current structural reforms to our overseas sales framework, the acquisition of Danka has helped to accelerate our integration with US sales companies beginning in April this year. With this framework in place, we will now be concentrating on restructuring our direct sales framework in other regions. Consequently, there is presently no information we can disclose in relation to sales and earnings for Danka for FY09.

## ■ Optics

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Q: It appears that your competitors and other industry related companies are rapidly recovering their operating capacity for TAC (triacetyl cellulose) film (material used to protect polarizing plates for liquid crystal displays) compared to the first three months of Jan-Mar 2009. Where does Konica Minolta stand in this area? Could you also provide your outlook for TAC film prices and market share trends?

A: The Konica Minolta Group is also rapidly regaining operating capacity compared with the first three months. It is now important for us to carefully assess trends in market and demand in order to implement an appropriate course of action. There was a slight pause in market prices when we effected a reduction in production output, however we predict that product price competition will regain momentum in the face of renewed demand. As such, we are not particularly concerned about current changes in market share.

Q: It appears that low-priced products as opposed to competitive products are being placed on the market with regards to retardation film for VA mode LCD TVs. What is your medium-to long-term strategy?

A: We are aware of the low-priced products available for VA mode retardation film. We believe that although a market for these products will exist, it will be limited and that it is not representative of the majority of the market. We do not currently face any technological difficulties which will make market entry relatively easy however it will be necessary to implement strategies that achieve maximum profit performance. We will also be looking at entering markets for other non-VA mode products.

## ■ MANAGEMENT POLICY <09-10>

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Q: We have already discussed a variety of topics today, but could you briefly describe where you think Konica Minolta's core competence lies in the medium-to long-term and how this can be strengthened?

A: The presentation material explains our intention of utilizing technological assets. We possess superior technologies in both chemicals and mechanics, and products in our production printing segment and polymerized toners are testimony to what we are capable of. Recently, we have begun selling models that use toners with high color saturation properties, and would like to further develop this area in the future.

Q: Some time has passed since Konica Minolta announced its release of organic electroluminescent (EL) technology. What kind of progress have you made? Can you tell us about any technological hurdles that stand in the way?

A: At the moment, there is nothing we are particularly concerned about with regards to commercializing this technology by our FY/Mar2011 target. In terms of technological hurdles, we are yet to develop a coating technology with a luminescent efficiency ratio comparable to the one we achieved for the vapor deposition method. GE has many years experience in the production of coating technologies, and we have formed a partnership in order to shorten our own development periods.

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