Konica Minolta Group
2nd Quarter/March 2011 Consolidated Financial Results

Three months: July 1, 2010 – September 30, 2010
Six months: April 1, 2010 – September 30, 2010

October 28, 2010

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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.

1H/March 2011 financial results – Overview (vs. forecasts)

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- **1H/March 2011 results**

✓ **Business Technologies Business:** Sales remained firm throughout 1H driven by new MFPs. Lost earnings attributed to the shortage of parts in Q1 were generally offset in Q2. While net sales fell slightly short of the forecast due to the effect of the stronger yen, operating income exceeded the forecast.

✓ **Optics Business:** Net sales were generally sluggish in major products in Q2, influenced by production adjustment at customers.

✓ **Consolidated basis:** The negative effects of lower-than-expected sales in Optics and the appreciation of the yen were offset by Business Technologies' robust sales and other businesses as well as by cost cutting. While net sales were slightly lower than the forecast, operating income and net income exceeded the forecasts.

- **Forecasts for FY/March 2011**

✓ **Forex assumptions from Q3 onward:** USD = ¥85 (5 yen appreciation of the yen) , Euro = ¥110.

✓ **Net sales:** Revised downward by 30 billion yen from the previous forecast, factoring in risk factors such as a decline in the yen-converted revenues due to the appreciation of the yen and the effect of production adjustment in the Optics Business.

✓ **Profits:** Both operating income and net income remain unchanged from the previous forecast based on our expectation that an increase in profits in Business Technologies driven by strong sales of the new MFPs and other businesses and the Company-wide cost cutting efforts will offset the negative effects.

To summarize the Konica Minolta Group's results for the first half of the fiscal year ending March 2011, in the mainstay Business Technologies Business, the Group experienced some opportunity losses mainly due to difficulties in procuring certain components in the first quarter. However, while net sales remained slightly below the forecast level announced, affected by the appreciation of the yen, operating income exceeded the forecast, given strong sales of new profitable MFPs in the second quarter. In the Optics Business, both net sales and operating income fell short of the announced forecasts, reflecting the fact that all mainstay products of the segment faced an adjustment phase from the second quarter of the fiscal year under review.

As a result, although the Group's overall net sales remaining slightly below the forecast level, both operating income and net income exceeded the announced forecasts, given the strong results from the Other businesses, including the Sensing Business and the Industrial Inkjet Business, as well as the effects of company-wide cost-cutting initiatives.

Forecasts for fiscal year ending March 2011:

We have set out assumed exchange rates of 85 yen against the U.S. dollar and 110 yen against the Euro for the second half of the fiscal year under review. Taking into account the negative impact of the appreciation of the yen, and the effects of the adjustment of mainstay products in the Optics Business, we have revised full-year forecast of only net sales downward by 30 billion yen from the previous forecast. We have kept the forecasts of operating income and net income unchanged, as we believed that the growing impact of new profitable products in the Business Technologies Business and the strong income contribution from the robust Other businesses would be able to offset the effects of the adjustment of mainstay products in the Optics Business.

1H/Mar2011 financial results - Overview

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[Billions of yen]

	Results 1H Mar11	Results 1H Mar10	[%] YoY	Forecast 1H Mar11	Results 1Q Mar11	Results 2Q Mar11	[%] QoQ
Net sales (a)	391.8	393.3	0%	400.0	194.7	197.2	1%
Operating income	22.6	9.2	147%	21.0	9.8	12.8	30%
Operating income ratio	*5.8%*	*2.3%*		*5.3%*	*5.1%*	*6.5%*	
Goodwill amortization	4.3	4.8	-10%	4.5	2.2	2.1	-4%
Operating income before amortization.of goodwill (b)	26.9	13.9	93%	25.5	12.0	14.9	23%
(b)/(a)	*6.9%*	*3.5%*	*3%*	*6.4%*	*6.2%*	*7.5%*	
Net income	8.6	3.5	144%	8.0	3.5	5.1	47%
Net income ratio	*2.2%*	*0.9%*	0%	*2.0%*	*1.8%*	*2.6%*	
FOREX [Yen] USD	88.94	95.49	-6.55	* 90.00	92.01	85.87	-6.14
Euro	113.83	133.16	-19.33	110.00	116.99	110.66	-6.33

* Forex of 2Q onward

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Results in comparison with the announced forecast are as described above. Meanwhile, on a year-on-year basis, net sales declined slightly from the previous fiscal year, but the Group achieved significantly higher income with operating income rising by approximately 2.5 times and net income by approximately 2.4 times.

1H/March 2011 financial results - Group

■ **1H/March 2011 results (YoY)**

Net sales: -0% (w/o forex: +6%)

Operating income: +147% (w/o forex: +273%)

OP ratio: +3.5 percentage points

- Unit sales of main products increased in both Business Technologies and Optics.
- Net sales remained unchanged from a year ago, given the effect of the stronger yen. Operating income increased substantially, particularly in Business Technologies.

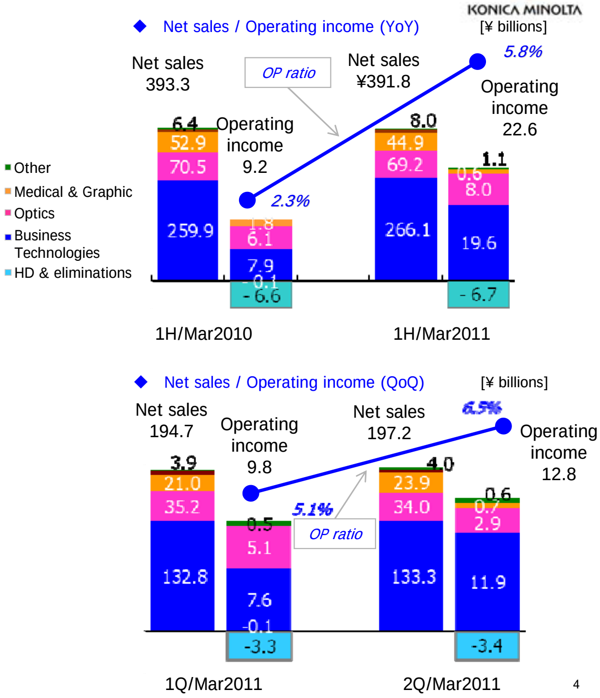
■ **2Q/March 2011 results (QoQ)**

Net sales: +1% (w/o forex: +5%)

Operating income: +30% (w/o forex: +56%)

OP ratio: +1.4 percentage points

- Net sales grew at a sluggish pace in Optics in Q2 influenced by production adjustment, but the momentum generally remained firm in other businesses.
- Business Technologies maintained an increase in sales and profits despite the stronger yen, and this worked as a driver for consolidated results in Q2.



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Please look at the slide. The chart above shows operating results on a year-on-year basis, and the chart below describes those on a quarter-on-quarter basis. Although sales of our main products in volume terms on a year-on-year basis rose steadily in the Business Technologies Business and the Optics Business, net sales remained almost unchanged, reflecting the impact of the appreciation of the yen. In contrast, operating income rose significantly, particularly in the Business Technologies Business. On a quarter-on-quarter basis, net sales in the Optics Business remained stagnant, given the effects of the inventory adjustment by customers. The Business Technologies Business also posted strong income growth, despite the appreciation of the yen.

1H/Mar2011 financial results – Segments

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[Billions of yen]

Net sales	Results 1H Mar11	Results 1H Mar10	Results [%] YoY	Forecast 1H Mar11	Results 1Q Mar11	Results 2Q Mar11	Results [%] QoQ
Business Technologies	266.1	259.9	2%	269.0	132.8	133.3	0%
Optics	69.2	70.5	-2%	71.0	35.2	34.0	-3%
Medical & Graphic	44.9	52.9	-15%	49.0	21.0	23.9	14%
Other businesses	8.0	6.4	24%	8.0	3.9	4.0	3%
HD and eliminations	3.7	3.6	4%	3.0	1.8	2.0	13%
Group total	391.8	393.3	0%	400.0	194.7	197.2	1%

Operating income	Results 1H Mar11	Results 1H Mar10	Results [%] YoY	Forecast 1H Mar11	Results 1Q Mar11	Results 2Q Mar11	Results [%] QoQ
Business Technologies	19.6	7.9	148%	19.0	7.6	11.9	56%
Operating income ratio	*7.4%*	*3.0%*		*7.1%*	*5.8%*	*9.0%*	
Optics	8.0	6.1	31%	9.0	5.1	2.9	-43%
Operating income ratio	*11.6%*	*8.7%*		*12.7%*	*14.5%*	*8.5%*	
Medical & Graphic	0.6	1.8	-68%	0.5	-0.1	0.7	turn black
Operating income ratio	*1.3%*	*3.4%*		*1.0%*	*-0.4%*	*2.8%*	
Other businesses	1.1	-0.1	turn black	0.5	0.5	0.6	23%
HD and eliminations	-6.7	-6.6	-	-8.0	-3.3	-3.4	-
Group total	22.6	9.2	147%	21.0	9.8	12.8	30%
Operating income ratio	*5.8%*	*2.3%*		*5.3%*	*5.1%*	*6.5%*	

(None)

Business Technologies - Overview

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- **1H/March 2011 results (YoY)**

  Net sales: +2% (w/o forex: +11%)

  Operating income: +148% (w/o forex: +267%)

  OP ratio: +4.4 percentage points

- MFP unit sales continued to recover in Japan and overseas. Net sales rose, driven by Office MFPs, despite the appreciation of the yen. Operating income rose significantly.
- The product mix improved driven with sales of profitable new color MFPs and B/W MFPs. Margins recovered sharply accordingly.

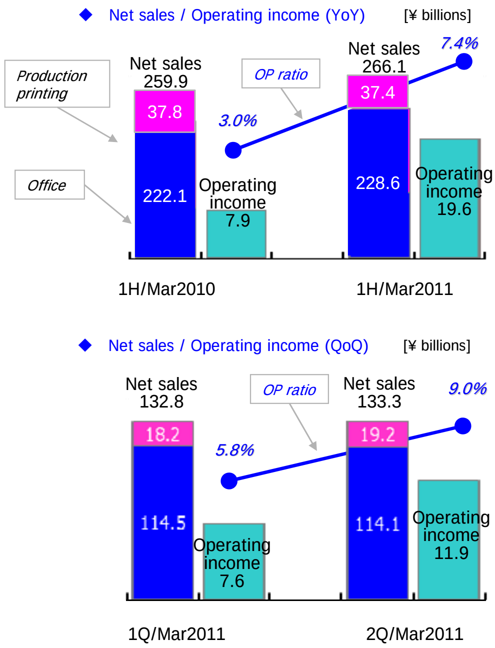
- **2Q/March 2011 results (QoQ)**

  Net sales: +0% (w/o forex: +5%)

  Operating income: +56% (w/o forex: +79%)

  OP ratio: +3.2 percentage points

- As the parts shortage was solved, a slow start in Q1 was offset by strong momentum in Q2.
- Sales and profits increased on both QoQ and YoY bases, despite the further appreciation of the yen. The momentum of recovering revenues was maintained throughout the first half.



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In the Business Technologies Business, MFP unit sales continued to recover in Japan and overseas on a year-on-year basis, and net sales for the first half increased, particularly in the Office MFPs field. On the income front, the new profitable color and B/W MFPs contributed significantly to higher income.

Operating income on a quarter-on-quarter basis also rose noticeably, reflecting higher sales in the second quarter, despite the slow production level in the first quarter, due to difficulties in the procurement of certain components, and the challenging exchange environment of the stronger yen.

Business Technologies – Sales performance 1H/March 2011

■ 1H/March 2011 results (YoY)

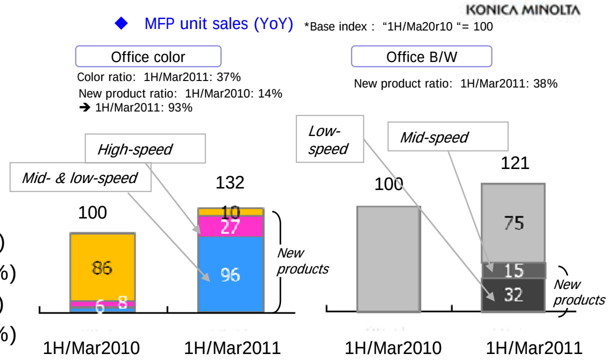
Office MFP unit sales: +25%

Non-hardware (w/o forex): +4%

- Double-digit growth was maintained in overseas markets due to the increased new product ratio.

[Unit sales by region, YoY]

North America:	+10% (Color +27%, B/W +0%)
Europe:	+24% (Color +29%, B/W +20%)
Japan:	+4% (Color +17%, B/W -10%)
Other:	+37% (Color +53%, B/W +34%)

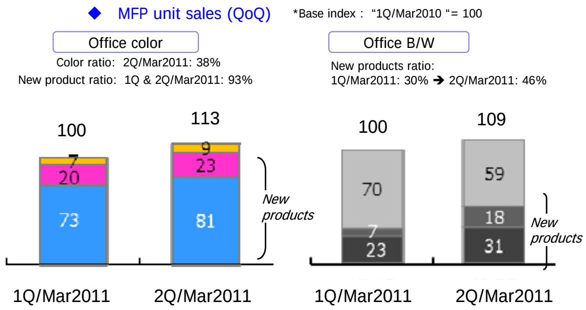


■ 2Q/March 2011 results (QoQ)

Office MFP unit sales: +10%

Non-hardware (w/o forex): +1%

- Both color MFPs and B/W MFPs maintained the growth momentum on a QoQ basis.
- The new product ratio of B/W MFPs increased in Q2.



*New products: MFPs launched between April 2009 and September 2011

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Sales volumes of MFPs rose 25% year on year, and sales of non-hardware, such as supplies, also steadily increased 4% on a local currency basis. The composition of unit sales of new MFP products in overall products was 93% for the color MFPs and 38% for B/W MFPs. These new MFPs drove overall sales of MFPs.

Unit sales of both color and B/W MFPs on a quarter-on-quarter basis also rose strongly. The main factor that particularly contributed to higher income was a rise in the composition of new products (the mid-speed range, in particular) in B/W MFPs.

A3 color MFP

The MFPs on the top left are color products, which were launched in the second half of the previous year. Their sales remained strong in the second quarter under review.

A3 B/W MFP

The MFP on the top right is new B/W products that have overcome the issue of the firmware uniformity, a weakness of the Company’s B/W MFPs. As described above, their sales have been strong since the second quarter.

A3 B/W MFP for emerging markets

The MFP on the bottom left is a model, which were B/W MFPs, introduced specifically to expand our business in emerging markets. These MFPs have become a driver in the expansion of sales volumes of B/W MFPs. Given strong sales of these products, the Company’s share in the Chinese market for the period of April 2010 through June 2010 rose three percentage points quarter on quarter.

A4 Color MFP

The MFP on the bottom right is a new entry in the A4 color MFP lineup, which enjoy strong demand for office use. We will aim to bolster sales of this new product from the second half of the fiscal year under review.

Business Technologies – Operating income transition

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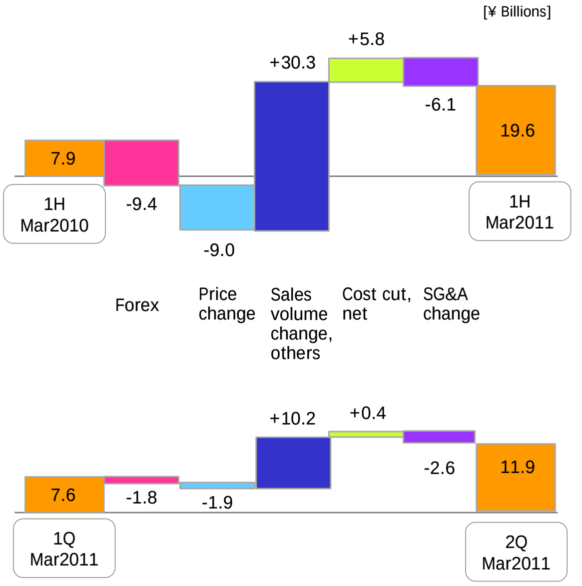
1H/March 2010 vs. 1H/March 2011:

- Costs declined mainly through the standardization of electric parts and procurement efforts.
- Expenses increased primarily attributable to variable selling and other related expenses such as distribution expenses associated with increased quantity.

1Q/March 2011 vs. 2Q/March 2011:

- In terms of quantity, the product mix improved due to the launch of new products and the shift to the higher speed segment.
- Expenses increased, mainly because of a rise in variable selling expenses associated with increased quantity and R&D expenses.



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Year-on-year changes:

An increase in sales volumes, an improvement in the product mix, and cost cutting (variable costs) offset the impact of exchange rates and lower product prices, reflecting the appreciation of the yen. As a result, operating income rose significantly, despite higher expenses, reflecting an increase in sales volumes.

Quarter-on-quarter changes:

In the same manner as year-on-year changes, operating income rose significantly, reflecting an increase in sales volumes by encouraging sales of new products, and an improvement in the product mix, offsetting the impact of the exchange rates and lower product prices, reflecting the appreciation of the yen.

Optics - Overview

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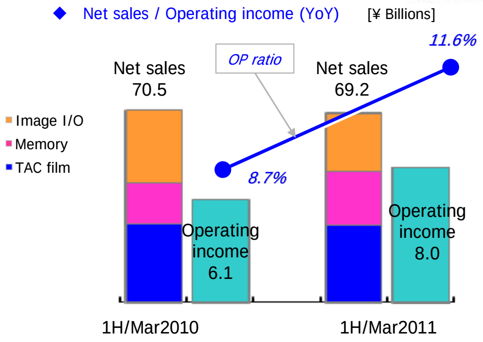
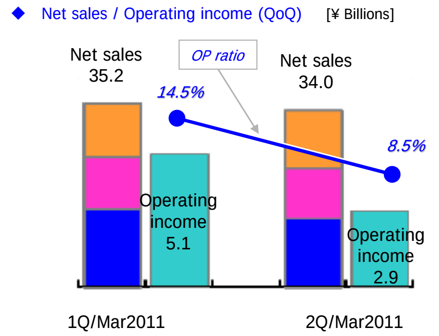
- **1H/March 2011 results (YoY)**
  - Net sales: -2%
  - Operating income: +31%
  - OP ratio: +2.9 percentage points
- While sales of glass HD substrates increased, lens unit-related sales declined. Net sales remained unchanged from a year ago partly due to the effect of customers' production adjustment of TAC film.
- An increase in profits associated with higher sales of glass HD substrates was a driver for higher segment profit.



- **2Q/March 2011 results (QoQ)**
  - Net sales: -3%
  - Operating income: -43%
  - OP ratio: -6.0 percentage points
- Trend differed dramatically between Q1 and Q2 as customers commenced production adjustment from summer in digital home appliances across the board.
- Generally, both sales and profits declined in main products, such as TAC film, glass HD substrates and pickup lenses in Q2.



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Looking at net sales in the Optics Business in the first half of 2010, sales of glass HD substrates rose year on year. However, following the adaptation of strategies from the previous fiscal year that focused on profitability, instead of chasing volumes, the lens units business downsized, while customers initiated inventory adjustment particularly in TAC films from the second quarter. As a consequence, net sales remained almost unchanged from the previous fiscal year. Operating income, meanwhile, was higher, reflecting the contribution of glass HD substrates to earnings.

Net sales of all main products on a quarter-on-quarter basis were strong until the first quarter, but profitability fell as customers in the home electrical appliance sector began scaling back production from the summer.

Optics – Sales performance 1H/March 2011

[¥ Billions]

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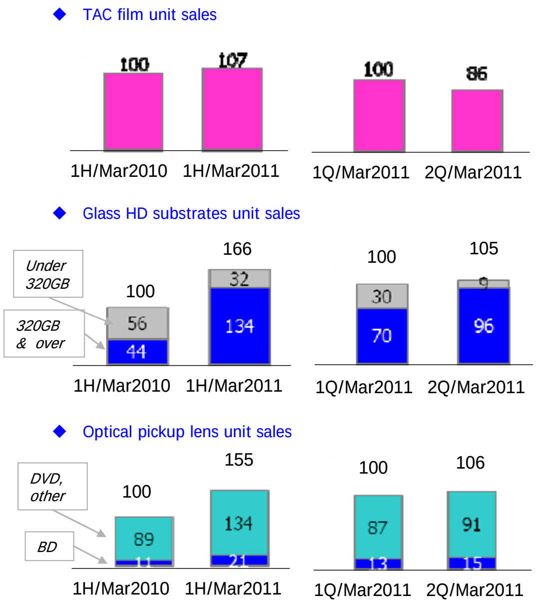
*Base index : "1H/Mar2010" and "1Q/Mar2011"= 100

- **TAC film**
  - ✓ In first half (YoY), overall unit sales increased 7% driven by thin film and wide film, although unit sales of VA-TAC film declined.
  - ✓ In Q2 (QoQ), VA-TAC film maintained its Q1 level, while overall unit sales declined as a result of production adjustment.
- **Glass HD substrates**
  - ✓ In first half (YoY), unit sales increased significantly, driven by glass HD substrates for 320GB memory density.
  - ✓ In Q2 (QoQ), overall units sales grew at a sluggish pace due to production adjustment, although unit sales of glass HD substrates for 320GB increased.
- **Optical pickup lenses**
  - ✓ In first half (YoY), unit sales of pickup lenses for both Blu-ray (BD) and DVD increased. However, revenues declined as the average unit price fell with the expansion of plastic lenses for BD.
  - ✓ In Q2 (QoQ), growth slowed with production adjustment in products for all applications.



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TAC film

Year-on-year changes: Overall sales volume of TAC films increased 7%, driven by thin and wide plain TAC, although unit sales of VA-TAC film declined.

Quarter-on-quarter changes: Contrary to year-on-year changes, sales of VA-TAC remained unchanged, but overall sales volumes fell, given the production adjustment of thin and wide plain TAC.

Glass HD substrates

Year-on-year changes: Unit sales increased significantly, particularly driven by glass HD substrates for 320GB memory density, and contributed to higher income.

Quarter-on-quarter changes: Despite an increase in sales volumes, given the effects of production adjustment, the growth rate slowed.

Optical pickup lenses

Year-on-year changes: Unit sales of pickup lenses for both Blu-ray (BD) and DVD increased. However, growth in income was limited, given a decline in average unit prices, reflecting a shift in Blu-ray disc (BD) lenses from glass to plastic.

Quarter-on-quarter changes: Growth in unit sales slowed, given the effects of production adjustment.

Optics- Operating income analysis

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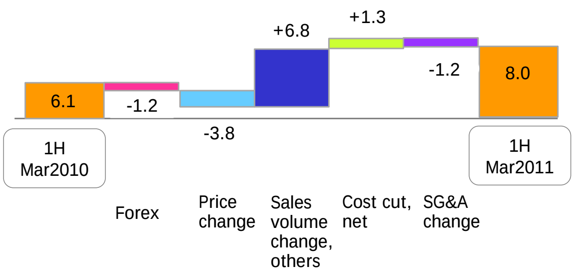
[¥ Billions]

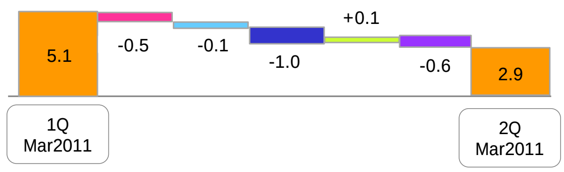
1H/March 2010 vs. 1H/March 2011:

- Forex effect emerged mainly in glass HD substrates.
- Price decline occurred in lens units and TAC film.
- The effect of sales volume increase was generated by glass HD substrates, TAC film, and optical pickup lenses in order.
- Expenses increased due to the posting of depreciation expenses for the 7th plant of TAC film.



1Q/March 2011 vs. 2Q/March 2011:

- Quantity declined due to the customers' production adjustment of TAC film, although glass HD substrates increased.
- Expenses increased because of higher R&D expenses in new business areas.



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Year-on-year changes:

Exchange fluctuations mainly impacted glass HD substrates. Price declines occurred in lens units for digital camera and mobile phones with cameras, as well as in TAC film. The burden of depreciation of a new TAC film plant resulted in an increase in expenses. Despite these factors, operating income rose, primarily driven by an increase in sales volumes of glass HD substrates.

Quarter-on-quarter changes:

Operating income unfortunately declined, because of the appreciation of the yen and a decline in sales of TAC films, as well as an increase in R&D expenses to develop new businesses, such as LED related lenses.

Transformation for growth: Major initiatives and achievements 1H/March 2011

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- **Sales expansion in Asian markets**

✓ **Business Technologies Business:** The market share increased in China, by increasing sales of specialized products for emerging markets. The business operation capability was strengthened in India with the establishment of an MFP sales company in July.

✓ **Medical Business:** The sales and service network was bolstered in India with the establishment of a medical equipment sales company in June.

✓ **Other businesses:** The Sensing Business gained new customers, automakers, in China. The Industrial Inkjet Business sharply expanded its sales in Asian markets.

- **Global undertaking of OPS**

✓ The global framework was established to increase business opportunities by providing new value through the Optimized Printing Service (OPS) approach, taking advantage of a strong point of contact with leading midsized customers we have built through the "Genre-top Strategy." At the same time, a dedicated organization for GMA was established.

- **Sales expansion of production printing**

✓ The printing division of Medial & Graphic Business was merged with the production printing division of Business Technologies Business. We embarked on the development of the digital commercial printing market by integrating the Groupwide knowledge, product quality and business knowhow.

✓ Along with these initiatives, the CTP business in the United States was sold as part of a policy of "selection and concentration."

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Although we are facing an uncertain operating environment, we regard fiscal year 2010 as a return to growth, and as such we have introduced a number of initiatives. I will now explain activities begun in the first half of the fiscal year under review and their outcomes.

Sales expansion in Asian markets:

By expanding sales of products specially designed for emerging markets, we managed to increase our share in China. In the Indian market, the Business Technologies Business and the Healthcare Business set up local sales companies. Based on these initiatives, we aim to establish and strengthen the sales and service structures.

Global undertaking of OPS:

The Company will pursue initiatives to expand sales in earnest from the second half by adopting the optimized print service (OPS: the services for managing customers' print and document environments to reduce costs and drive office efficiencies) approach. To achieve this, we have established a worldwide standard framework and service menu. In addition, to focus on capturing Global Major Accounts, we have created an organization that specializes in achieving such targets.

Sales expansion of production printing:

In October, we integrated the printing division of the Medical & Graphic Imaging Business into the production printing division of the Business Technologies Business. Based on this initiative, by tapping the expertise and the customer base of the printing division, we will aim to expand our operations in the growing digital commercial printing field. In line with this restructuring, we sold the CTP business in the United States.

Forecasts FY/March 2011 - Group

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[Billions of yen]

	FY/Mar 2011						FY/Mar 2010
	FY		[%] Change	1H	2H	[%] HoH	FY
	Current Forecast	Previous Forecast		Results	Forcast		Results
Net sales (a)	800.0	830.0	-4%	391.8	408.2	4%	804.5
Operating income	50.0	50.0	0%	22.6	27.4	21%	44.0
Operating income ratio	6.3%	6.0%		5.8%	6.7%		5.5%
Goodwill amortization	8.5	9.0	-6%	4.3	4.2	-2%	9.2
Operating income before amortization.of goodwill (b)	58.5	59.0	-1%	26.9	31.6	17%	53.2
(b)/(a)	7.3%	7.1%		6.9%	7.7%		6.6%
Ordibary income	43.0	46.0	-7%	17.9	25.1	40%	40.8
Net income	20.0	20.0	0%	8.6	11.4	33%	16.9
Net income ratio	2.5%	2.4%		2.2%	2.8%		2.1%
FOREX [Yen] USD	86.97	* 90.00		88.94	85.00	-3.94	92.85
Euro	111.92	110.00		113.83	110.00	-3.83	131.15
	*Forex of 2Q onward						
CAPEX	50.0	55.0	-5.0	24.6	25.4	0.8	36.9
Depreciation	63.0	65.0	-2.0	27.5	35.5	8.0	61.2
R&D expenses	78.0	80.0	-2.0	35.3	42.7	7.4	68.5
FCF	25.0	20.0	5.0	12.5	12.5	0.0	72.9

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With that discussion of our earnings outlook, I will explain now other items.

Although undisclosed in the first half results, capital expenditure, depreciation and amortization, and R&D expenses were all below the original forecasts. Our outlook for these expenses for the second half, however, has been kept unchanged from the original plan.

We have revised forecast free cash flow upward from our original forecast of 20 billion yen, to 25 billion yen. This reflects an increase in inventories in the Business Technologies Business at the end of September, in an anticipation of the expansion of sales of new products. At the end of the fiscal year under review, we expect to scale back inventories through the expansion of sales, and bolster the efficiency of working capital.

Forecasts FY / March 2011 - Segments

[Billions of yen]

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Net sales

	FY/Mar 2011 FY Current Forecast	FY/Mar 2011 FY Previous Forecast	[%] Change	1H Results	2H Forcast	[%] HoH	FY/Mar 2010 FY Results
Business Technologies	549.0	560.0	-2%	266.1	282.9	6%	540.8
Optics	137.0	144.0	-5%	69.2	67.8	-2%	136.7
Medical & Graphic	89.0	102.0	-13%	44.9	44.1	-2%	104.4
Other businesses	17.0	17.0	0%	8.0	9.0	13%	14.5
HD and eliminations	8.0	7.0	14%	3.7	4.3	16%	8.1
Group total	800.0	830.0	-4%	391.8	408.2	4%	804.5

Operating income

	FY/Mar 2011 FY Current Forecast	FY/Mar 2011 FY Previous Forecast	[%] Change	1H Results	2H Forcast	[%] HoH	FY/Mar 2010 FY Results
Business Technologies	45.6	44.0	4%	19.6	26.0	33%	39.0
Operating income ratio	8.3%	7.9%		7.4%	9.2%		7.2%
Optics	15.0	20.5	-27%	8.0	7.0	-12%	14.4
Operating income ratio	10.9%	14.2%		11.6%	10.3%		10.5%
Medical & Graphic	1.6	2.0	-20%	0.6	1.0	72%	1.5
Operating income ratio	1.8%	2.0%		1.3%	2.3%		1.4%
Other businesses	2.5	1.5	67%	1.1	1.4	27%	1.1
HD and eliminations	-14.7	-18.0	-	-6.7	-8.0	-	-11.9
Group total	50.0	50.0	0%	22.6	27.4	21%	44.0

(None)

Business Technologies - Outlook 2H/March

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Office MFPs

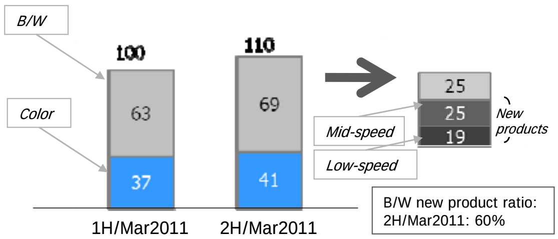
Office MFP unit sales: +10% (HoH)

Non-hardware (w/o forex): +2 to +3% (YoY)

[Major efforts]

- Add to sales of new color and B/W MFPs in Japan, the United States and Europe
- Increase sales in China and India
- Accelerate OPS and increase GMA customers

◆ Office MFP unit sales (HoH) *Base index : "1H/Mar2011"= 100



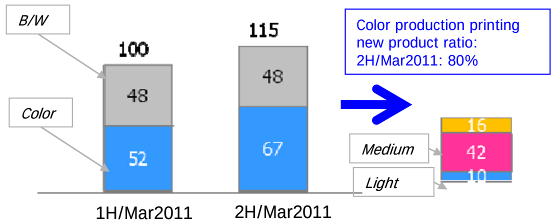
Production printing (PP)

PP unit sales: +15% (HoH)

[Major efforts]

- Introduce three new color products
- Accelerate operations in the digital commercial printing field
- Quickly derive synergies from the integrated printing division

◆ Production printing unit sales (HoH) *Base index : "1H/Mar2011"= 100



The essentials of imaging

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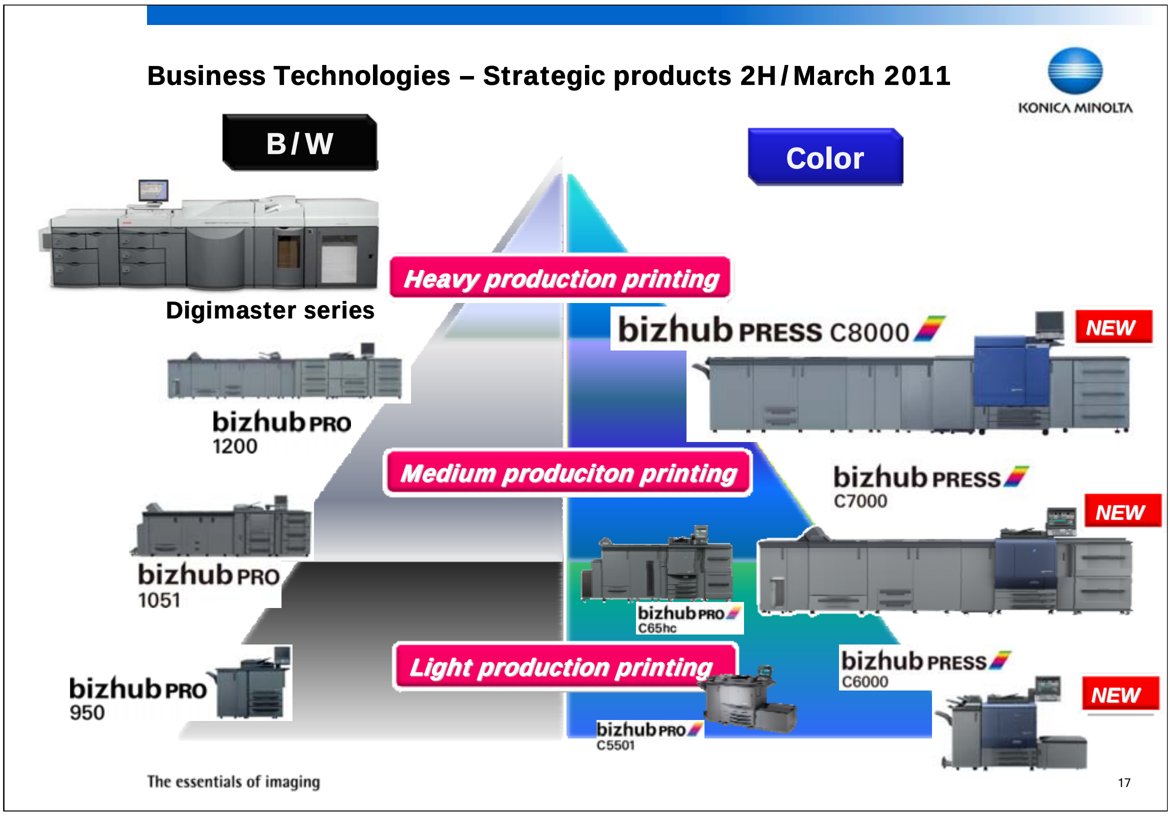
In the office MFPs field, we aim to bolster income by expanding sales of new MFPs. We will also focus on accelerating the development of OPS and capturing Global Major Accounts.

In the production printing field, we seek to significantly expand our operations by offering a full range of new color products. We will also accelerate our expansion in the digital commercial printing field from the second half by extracting synergies from the integration of the printing division of the Medical & Graphic Imaging Business.



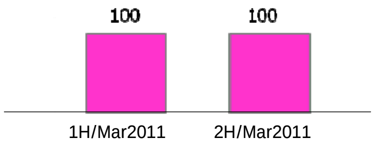
With the introduction of three new products from the second half, the lineup of the Company's products in the production printing field is now significantly stronger. In particular, with the launch of bizhub PRESS C8000, the top-of-the-range color model developed for the digital commercial printing market, the growth field, we will strive to improve our product lineup going forward.

Optics - Outlook 2H/March 2011

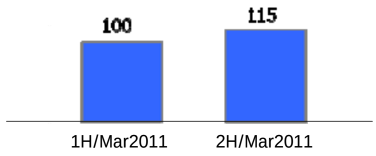
- **TAC film**
  - ✓ Unit sales: +0% (HoH)
  - ✓ Work to recover the market share with new products in mainstay VA-TAC film, although the overall unit sales will decline from the initial forecast with the effect of continued production adjustment at customers.
- **Glass HD substrates**
  - ✓ Unit sales: +15% (HoH)
  - ✓ Accelerate the production shift to Malaysia, using the production adjustment as an opportunity, and prepare for a mass-production of substrates for 500GB.
- **Optical pickup lenses**
  - ✓ Unit sales: -10% (HoH)
  - ✓ Continue to boost cost competitiveness to increase market share and profitability, using the production adjustment and the weaker market conditions as an opportunity

*Base index : "1H/Mar2011" = 100

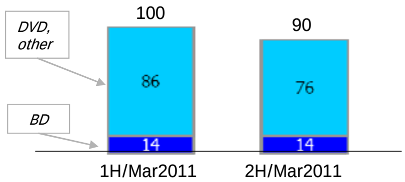
◆ TAC film unit sales (HoH)



◆ Glass HD substrates unit sales (HoH)



◆ Optical pickup lens unit sales (HoH)



Sales volumes of main products for the second half are likely to continue to consolidate, given the effects of production adjustment that started from the second quarter by our customers.

TAC film

While production adjustment will influence thin and wide TAC films, sales volumes of VA-TAC are expected to rise from those for the first half. Consequently, overall sales volumes of TAC are likely to be on a par with the results of the first half.

Glass HD substrates

Although sales volumes of products with high memory densities, in particular, are likely to increase, we have lowered out forecast slightly from the original prediction, reflecting the effects of production adjustment.

Optical pickup lenses

In light of the effects of production adjustment carried out by our customers, as well as the fact that the second half falls in a period when demand is usually sluggish, we will focus for now on strengthening our capabilities through our own initiatives, such as cost cutting.

To achieve forecasts for FY/March 2011

- **Business Technologies Business**

  Focus on expanding sales of highly profitable new MFPs and work to maximize gross profit, although there will be an erosion of income with the currency translation in the environment of the strong yen.

- **Optics Business**

  Further strengthen its earning profile, although the business environment will be difficult because of prolonged production adjustment at customers.

- **Other businesses**

  Maintain the strong momentum.

- **Expenses**

  Ensure the necessary investment for future growth.

In the Business Technologies Business, which is expected to enjoy continued sales momentum, we aim to maximize gross profit by focusing on the expansion of sales of highly profitable new MFPs and new production printing systems. In contrast, the Optics Business is likely to face a prolonged market adjustment. We will seek to use this as an opportunity to enhance its business capabilities.

With respect to expenses, we will not reduce R&D expenses or other outlays necessary for the development of future businesses. However, we will carefully examine non-essential expenses.

Supplementary Information
2Q/Mar2011 Financial Results

Results: 1H/March 2011

KONICA MINOLTA

[Billions of yen]

	1H Mar11	1H Mar10	YoY
Net sales	391.8	393.3	-1.5
Gross income	180.9	168.9	12.0
Gross income ratio	*46.2%*	*42.9%*	
Operating income	22.6	9.2	13.4
Operating income ratio	*5.8%*	*2.3%*	
Ordinary income	17.9	8.7	9.2
Net income before taxes	11.6	6.9	4.7
Net income	8.6	3.5	5.1
Net income ratio	*2.2%*	*0.9%*	
EPS [Yen]	16.29	6.67	
CAPEX	24.6	17.4	7.2
Depreciation	27.5	30.9	-3.4
R&D expenses	35.3	35.3	0.0
FCF	12.6	32.1	-19.5
FOREX [Yen] USD	88.94	95.49	-6.55
Euro	113.83	133.16	-19.33

Results: 1H/March 2011 - Segments

[Billions of yen]

Net sales	1H Mar11	1H Mar10	YoY
Business Technologies	266.1	259.9	6.1
Optics	69.2	70.5	-1.3
Medical & Graphic	44.9	52.9	-8.0
Other businesses	8.0	6.4	1.5
HD and eliminations	3.7	3.6	0.2
Group total	391.8	393.3	-1.5

Operating income	1H Mar11	1H Mar10	YoY
Business Technologies	19.6	7.9	11.7
Operating income ratio	*7.4%*	*3.0%*	
Optics	8.0	6.1	1.9
Operating income ratio	*11.6%*	*8.7%*	
Medical & Graphic	0.6	1.8	-1.2
Operating income ratio	*1.3%*	*3.4%*	
Other businesses	1.1	-0.1	1.2
HD and eliminations	-6.7	-6.6	-0.1
Group total	22.6	9.2	13.4
Operating income ratio	*5.8%*	*2.3%*	

* Other businesses: Sensing and Industrial Inkjet businesses

Results: 2Q/March 2011

[Billions of yen]

	2Q Mar11	2Q Mar10	YoY	1Q Mar11	QoQ
Net sales	197.2	203.9	-6.7	194.7	2.5
Gross income	92.5	89.2	3.3	88.4	4.0
Gross income ratio	*46.9%*	*43.7%*		*45.4%*	
Operating income	12.8	9.7	3.0	9.8	2.9
Operating income ratio	*6.5%*	*4.8%*		*5.1%*	
Ordinary income	11.5	8.1	3.4	6.4	5.1
Net income before taxes	9.4	6.5	2.9	2.2	7.2
Net income	5.1	3.2	1.9	3.5	1.7
Net income ratio	*2.6%*	*1.6%*		*1.8%*	
EPS [Yen]	9.70	6.10		6.58	
CAPEX	13.5	10.0	3.6	11.1	2.4
Depreciation	13.6	15.5	-2.0	13.9	-0.3
R&D expenses	18.2	17.6	-0.5	17.1	1.1
FCF	13.9	26.9	-13.1	-1.3	15.2
FOREX [Yen] USD	85.87	93.65	-7.78	92.01	-6.14
Euro	110.66	133.74	-23.08	116.99	-6.33

Results: 2Q/March 2011 - Segments

[Billions of yen]

KONICA MINOLTA

Net sales	2Q Mar11	2Q Mar10	YoY	1Q Mar11	QoQ
Business Technologies	133.3	132.7	0.5	132.8	0.5
Optics	34.0	36.5	-2.5	35.2	-1.2
Medical & Graphic	23.9	29.2	-5.3	21.0	2.9
Other businesses	4.0	3.6	0.4	3.9	0.1
HD and eliminations	2.0	1.9	0.1	1.8	0.2
Group total	197.2	203.9	5.2	194.7	2.5

Operating income	2Q Mar11	2Q Mar10	YoY	1Q Mar11	QoQ
Business Technologies	11.9	7.6	4.3	7.6	4.3
Operating income ratio	*9.0%*	*5.8%*		*5.8%*	
Optics	2.9	4.5	-1.6	5.1	-2.2
Operating income ratio	*8.5%*	*12.2%*		*14.5%*	
Medical & Graphic	0.7	1.0	-0.3	-0.1	0.8
Operating income ratio	*2.8%*	*3.3%*		*-0.4%*	
Other businesses	0.6	0.1	0.5	0.5	0.1
HD and eliminations	-3.4	-3.4	0.1	-3.3	-0.0
Group total	12.8	9.7	3.0	9.8	2.9
Operating income ratio	*6.5%*	*4.8%*		*5.1%*	

* Other businesses: Sensing and Industrial Inkjet businesses

Forecasts: FY/March 2011

[Billions of yen]

	FORCAST FY/Mar 2011			Results FY/Mar 2010	
	1H (Act)	2H	FY	FY	YoY
Net sales	391.8	408.2	800.0	804.5	-4.5
Operating income	22.6	27.4	50.0	44.0	6.0
OP ratio	*5.8%*	*6.7%*	*6.3%*	*5.5%*	
Ordinary income	17.9	25.1	43.0	40.8	2.2
Net income	8.6	11.4	20.0	16.9	3.1
Net income ratio	*2.2%*	*2.8%*	*2.5%*	*2.1%*	
EPS [yen]	16.26	21.43	37.72	31.93	
CAPEX	24.6	25.4	50.0	36.9	13.1
Depreciation	27.5	35.5	63.0	61.2	1.8
R&D expenses	35.3	42.7	78.0	68.5	9.5
FCF	12.6	12.4	25.0	72.9	-47.9
FOREX [P/L] [Yen] USD	88.94	85.00	86.97	92.85	-5.88
Euro	113.83	110.00	111.92	131.15	-19.24

Foreign exchange impact (Annual):	USD	Euro
Net sales:	¥2.5 bn.	¥1.3 bn.
Operating income:	¥0.3 bn.	¥0.7 bn.

Forecasts: FY/March 2011 - Segments

KONICA MINOLTA

[Billions of yen]

Net sales

	FORCAST FY/Mar 2011			Results FY/Mar 2010	
	1H (Act)	2H	FY	FY	YoY
Business Technologies	266.1	282.9	549.0	540.8	8.2
Optics	69.2	67.8	137.0	136.7	0.3
Medical & Graphic	44.9	44.1	89.0	104.4	-15.4
Other businesses	8.0	9.0	17.0	14.5	2.5
HD and eliminations	3.7	4.3	8.0	8.1	-0.1
Group total	391.8	408.2	800.0	804.5	-4.5

[Billions of yen]

Operating income

	FORCAST FY/Mar 2011			Results FY/Mar 2010	
	1H (Act)	2H	FY	FY	YoY
Business Technologies	19.6	26.0	45.6	39.0	6.6
Operating income ratio	*7.4%*	*9.2%*	*8.3%*	*7.2%*	
Optics	8.0	7.0	15.0	14.4	0.6
Operating income ratio	*11.6%*	*10.3%*	*10.9%*	*10.5%*	
Medical & Graphic	0.6	1.0	1.6	1.5	0.1
Operating income ratio	*1.3%*	*2.3%*	*1.8%*	*1.4%*	
Other businesses	1.1	1.4	2.5	1.1	1.4
HD and eliminations	-6.7	-8.0	-14.7	-11.9	-2.8
Group total	22.6	27.4	50.0	44.0	6.0
Operating income ratio	*5.8%*	*6.7%*	*6.3%*	*5.5%*	

Unit sales: Business Technologies

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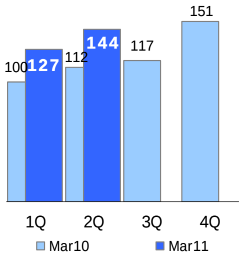
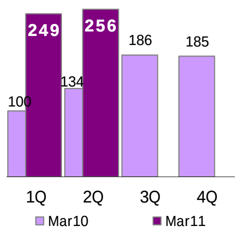
■ A3 color MFP– Units



YoY: +32%

QoQ: +13%

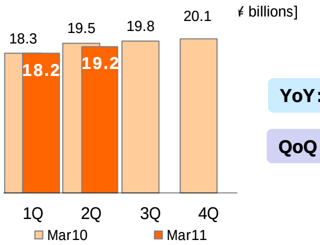
■ A4 color MFP – Units



YoY: +91%

QoQ: +3%

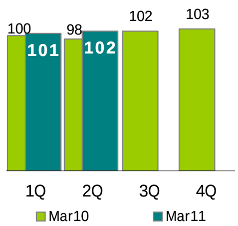
■ Production printing – Value



YoY: △2%

QoQ: +5%

■ MFP non-hardware * w/o forex effects



YoY: +4%

QoQ: +1%

* Base index : "1Q Mar2010 "= 100

Unit Sales: Optics

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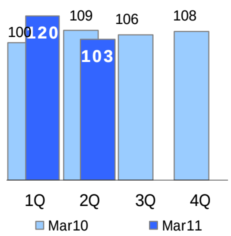
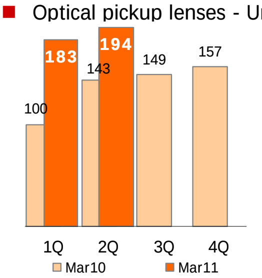
■ TAC film – Units



YoY: △5%

QoQ: △14%

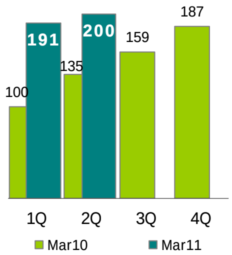
■ Optical pickup lenses - Units



YoY: +36%

QoQ: +6%

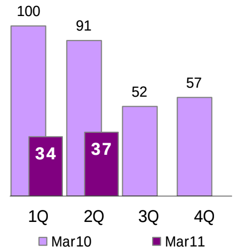
■ Glass HD substrates - Units



YoY: +48%

QoQ: +5%

■ Mobile phone components – Units



YoY: △59%

QoQ: +8%

*Base index : "1Q Mar2011 "= 100

Operating profit analysis

[Billions of yen]

1H/Mar11 vs. 1H/Mar10

	Business Technologies	Optics	Other	Total
[Factors]				
Forex impact	-9.4	-1.2	-0.9	-11.5
Prince change	-9.0	-3.8	0.0	-12.7
Sales volume change, and other, net	30.3	6.8	-3.0	34.1
Cost down	5.8	1.3	0.2	7.3
SG&A change, net	-6.1	-1.2	3.5	-3.7
[Operating income]				
Change, YoY	11.7	1.9	-0.1	13.4

2Q/Mar11 vs. 2Q/Mar10

	Business Technologies	Optics	Other	Total
[Factors]				
Forex impact	-6.0	-0.8	-0.6	-7.4
Prince change	-4.4	-1.8	0.0	-6.2
Sales volume change, and other, net	16.5	1.5	-0.8	17.2
Cost down	2.7	0.5	-0.2	3.0
SG&A change, net	-4.4	-1.0	1.9	-3.6
[Operating income]				
Change, YoY	4.3	-1.6	0.3	3.0

SGA, non-operating and extraordinary income / loss

KONICA MINOLTA

[Billions of yen]

	1H Mar11	1H Mar10	YoY	2Q Mar11	2Q Mar10	YoY
SG&A:						
Selling expenses - variable	23.1	19.8	3.3	12.6	10.8	1.8
R&D expenses	35.3	35.3	0.0	18.2	17.6	0.6
Labor costs	57.4	60.3	-2.9	28.0	29.3	-1.3
Other	42.5	44.4	-1.8	20.9	21.7	-0.8
SGA total*	158.3	159.7	-1.4	79.7	79.5	0.2
** Forex impact:*	*¥6.6 bn. (Actual: ¥5.2 bn.)*			*-¥4.0 bn. (Actual: ¥4.3 bn.)*		
Non-operating income/loss:						
Interest and dividend income/loss, net	-0.7	-0.9	0.2	-0.4	-0.5	0.1
Foreign exchange gain, net	-3.3	0.2	-3.5	-0.7	-1.2	0.5
Other	-0.7	0.2	-1.0	-0.2	0.0	-0.2
Non-operating income/loss, net	-4.7	-0.4	-4.3	-1.3	-1.6	0.3
Extraordinary income/loss:						
Sales of noncurrent assets, net	-0.8	-1.5	0.6	-0.6	-1.3	0.7
Sales of investment securities, and sales of subsidiaries and affiliates' stocks, net	-1.6	-0.2	-1.3	-0.6	-0.0	-0.6
Imperament gain/loss	-0.1	-0.2	0.1	-0.1	-0.2	0.1
Business structure improvement expenses	-3.4	-1.2	-2.2	-1.0	-0.4	-0.7
Other	-0.4	1.3	-1.7	0.2	0.2	-0.1
Extraordinary income/loss, net	-6.3	-1.8	-4.5	-2.1	-1.6	-0.5

B/S

[Billions of yen]

Assets:	Sep 10	Mar 10	Change
Cash and short-term investment securities	169.5	164.1	5.3
Notes and A/R-trade	160.7	177.7	-17.0
Inventories	105.8	98.3	7.5
Other	56.1	49.1	7.0
Total current assets	492.0	489.3	2.8
Tangible assets	198.4	205.1	-6.6
Intangible assets	91.0	99.1	-8.1
Investments and other assets	69.1	72.4	-3.3
Total noncurrent assets	358.5	376.5	-18.1
Total assets	850.5	865.8	-15.3

Liabilities and Net Assets:			
Notes and A/P-trade	85.3	83.1	2.2
Interest bearing debts	190.9	197.4	-6.4
Other liabilities	160.4	164.5	-4.1
Total liabilities	436.6	445.0	-8.4
Total shareholders' equity*	412.6	419.5	-6.9
Other	1.2	1.2	0.0
Total net assets	413.9	420.8	-6.9
Total liabilities and net assets	850.5	865.8	-15.3

** Shareholders' equity + valuation and translation adjustments*

[yen]

	Sep 10	Mar 10	YoY
US$	83.82	93.04	-9.22
Euro	114.24	124.92	-10.68

B/S – Main indicators

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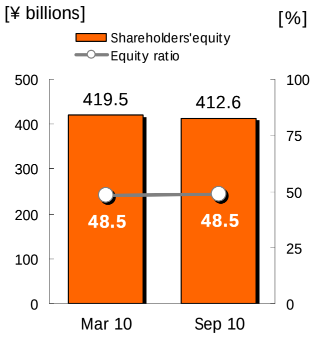
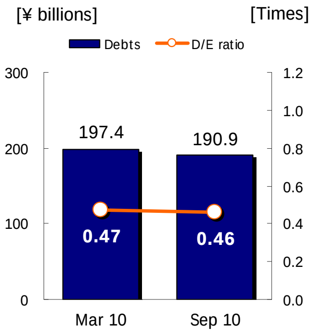
Equity ratio



Equity ratio = Equity / Total assets

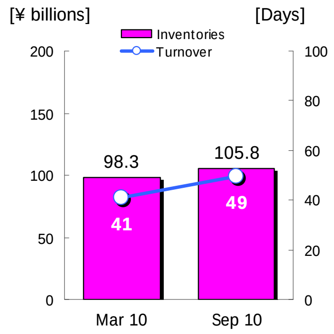
Interest-bearing debts



D/E ratio =

Interest-bearing debts at year-end / Shareholders' equity at year-end

Inventories and inventory turnover



Inventory turnover (days) =

Inventories at period-end / Average sales per day

*Equity = Shareholder's equity + Total revaluation and translation adjustments

Cash flows

KONICA MINOLTA

[Billions of yen]

	1H Mar11	1H Mar10	YoY	2Q Mar11	2Q Mar10	YoY
Income before income taxes and minority	11.6	6.9	4.7	9.4	6.5	2.9
Depreciation and amortization	27.5	30.9	-3.4	13.6	15.5	-2.0
Income taxes paid	-3.1	6.2	-9.3	-1.7	7.1	-8.8
Change in working capital	-4.1	10.1	-14.2	3.1	10.7	-7.6
I. Net cash provided by operating activities	31.8	54.1	-22.3	24.4	39.8	-15.4
II. Net cash used in investing activities	-19.2	-22.0	2.8	-10.5	-12.9	2.4
I.+ II. Free cash flow	12.6	32.1	-19.5	13.9	26.9	-13.1
Change in debts and bonds	-3.1	13.7	-16.7	-4.5	-7.5	3.1
Cash dividends paid	-4.0	-5.3	1.3	-0.1	-0.0	-0.1
Other	-0.7	-1.0	0.3	-0.4	-0.5	0.1
III. Net cash used in financing activities	-7.8	7.4	-15.1	-5.0	-8.0	3.1