

Konica Minolta Group

2nd Quarter/March 2012 Consolidated Financial Results

Three months: July 1, 2011- September 30, 2011

Six months: April 1, 2011 – September 30, 2011

- Announced on October 28, 2011 -

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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.

My Message for Today



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■ 1H/March 2012 Results (comparison with Announced Forecasts)

- Operating income was ¥15.6 billion, 30% more than the previously announced forecast, for the first half of the fiscal year under review, driven by a substantial recovery in the Business Technologies Business in the second quarter.

Income at all other levels exceeded the forecasts previously announced.

- Operating income for the second quarter stood at ¥ 12.3 billion, roughly on a par with the year-ago level, despite a strong yen.
- Problems in procuring materials caused by the earthquake in the Business Technologies Business were mostly resolved. High value-added color products performed better than expected both in the office and production print fields. VA-TAC films performed well in the Optics Business.

■ Full-year Forecasts

- The assumed exchange rates have been revised to ¥78 against the US dollar, and ¥105 against the euro, taking into account current appreciation of the yen.
- Sales and operating income forecasts for the full year have been revised to ¥780.0 billion and ¥40.0 billion, respectively, in consideration of risks, such as translation adjustments reflecting a strong yen and falling demand associated with declining macroeconomic performance.
- The interim dividend, which has not been to be determined, will be ¥7.5. The annual dividend, including the year-end dividend, will be ¥15, unchanged from the previous forecast.

1H/March 2012 financial results - Group



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[Billions of yen]

	Mar12 1H	Mar11 1H	YoY	Forecast 1H	Mar12		
					1Q	2Q	QoQ
Net sales	378.3	391.8	△ 13.5	386.0	186.2	192.1	5.9
Operating income	15.6	22.6	△ 7.0	12.0	3.3	12.3	9.1
<i>Operating income ratio</i>	<i>4.1%</i>	<i>5.8%</i>		<i>3.1%</i>	<i>1.8%</i>	<i>6.4%</i>	
Goodwill amortization	4.4	4.3	0.1	4.0	2.2	2.2	△ 0.0
Operating income before amortization of Goodwill(b)	20.0	26.9	△ 6.9	16.0	5.5	14.5	9.0
<i>(b)/(a)</i>	<i>5.3%</i>	<i>6.9%</i>		<i>4.1%</i>	<i>3.0%</i>	<i>7.6%</i>	
Net income	3.8	8.6	△ 4.9	3.0	△ 0.1	3.9	4.0
<i>Net income ratio</i>	<i>1.0%</i>	<i>2.2%</i>		<i>0.8%</i>	<i>-0.1%</i>	<i>2.0%</i>	
FOREX [Yen] USD	79.80	88.94	△ 9.14	80.00	81.74	77.86	△ 3.88
Euro	113.78	113.83	△ 0.05	115.00	117.40	110.15	△ 7.25

1H/March 2012 financial results - Group



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■ 1H/March 2012 results (YoY)

- Net sales : $\Delta 3\%$ (w/o forex: Flat)
- Operating income : $\Delta 31\%$ (w/o forex: $\Delta 22\%$)

The results for the second quarter were strong, exceeding the forecast, but could not offset a decline in income in the first quarter.

- ▶ Business Technologies: Operating income fell, reflecting the effect of the earthquake and an increase in expenses in the first quarter .
- ▶ Optics: Sales of TAC films remained steady, however, sales of pickup lenses for optical disks and lens units sluggish.
- ▶ Healthcare: Operating income decreased, attributable to the sluggish performance of films and rising silver prices.

■ 2Q/March 2012 results (QoQ)

- Net sales : +3% (w/o forex: +7%)
- Operating income : +275% (w/o forex: +345%)

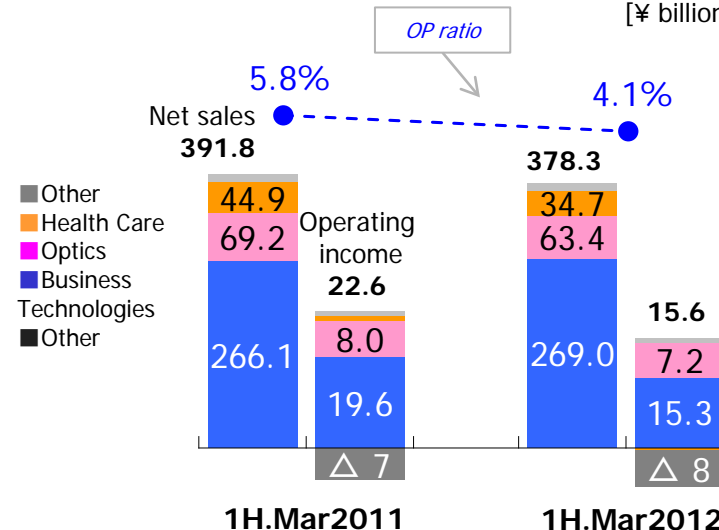
Strong performance in Business Technologies worked as a driver for consolidated results.

- ▶ Business Technologies: Operating income rose, on the back of higher unit sales of profitable products.
- ▶ Optics: Sales and operating income rose, given a steady sales volume of TAC films and glass substrates for HDDs.
- ▶ Healthcare: Net sales and operating income increased, thanks to expand sales of new equipments.

Giving Shape to Ideas

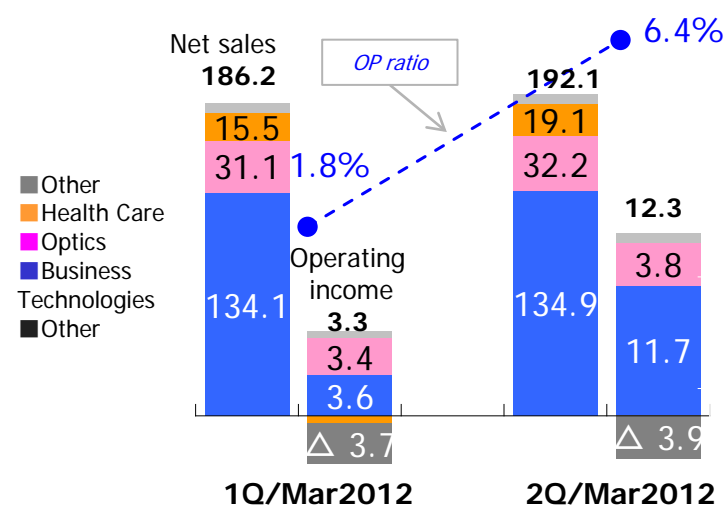
◆ Net sales / Operating income (YoY)

[¥ billions]



◆ Net sales / Operating income (QoQ)

[¥ billions]



1H/March 2012 financial results– Segments



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[Billions of yen]

Net Sales	Mar12	Mar11	YoY	Forecast	Mar12		
	1H	1H		1H	1Q	2Q	QoQ
Business Technologies	269.0	266.1	2.9	273.0	134.1	134.9	0.8
Optics	63.4	69.2	△ 5.8	64.0	31.1	32.2	1.1
Health care	34.7	44.9	△ 10.3	38.0	15.5	19.1	3.6
Other businesses	7.9	8.0	△ 0.0	8.0	4.0	4.0	0.0
Corporate and eliminations	3.4	3.7	△ 0.3	3.0	1.5	1.9	0.3
Group total	378.3	391.8	△ 13.5	386.0	186.2	192.1	5.9

Operating income	Mar12	Mar11	YoY	Forecast	Mar12		
	1H	1H		1H	1Q	2Q	QoQ
Business Technologies	15.3	19.6	△ 4.3	11.0	3.6	11.7	8.0
Optics	7.2	8.0	△ 0.8	7.5	3.4	3.8	0.4
Health care	△ 0.4	0.6	△ 1.0	0.5	△ 0.5	0.1	0.6
Other businesses	1.2	1.1	0.1	1.0	0.5	0.7	0.2
Corporate and eliminations	△ 7.7	△ 6.7	△ 1.0	△ 8.0	△ 3.7	△ 3.9	△ 0.2
Group total	15.6	22.6	△ 7.0	12.0	3.3	12.3	9.1

※The results of the graphic imaging section were included in this segment from 1H/Mar 2011.

(from 3Q/Mar 2011 it was integrated into the Business Technologies Business)

Business Technologies - Overview



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■ 1H/March 2012 results (YoY)

- Net sales : +1% (w/o forex: +5%)
- Operating income : Δ22% (w/o forex: Δ21%)

Net sales rose, reflecting a rise in the production print field.

- ▶ Office: Net sales and profits fell because of the effect of the earthquake in the first quarter.
- ▶ Production: Net sales and profits rose, given sales expansion of new color products.

■ 2Q/March 2012 results (QoQ)

- Net sales : +1% (w/o forex: +5%)
- Operating income : +221% (w/o forex: +275%)

Operating income rose sharply as a result of an increase in unit sales and an improvement of profitability.

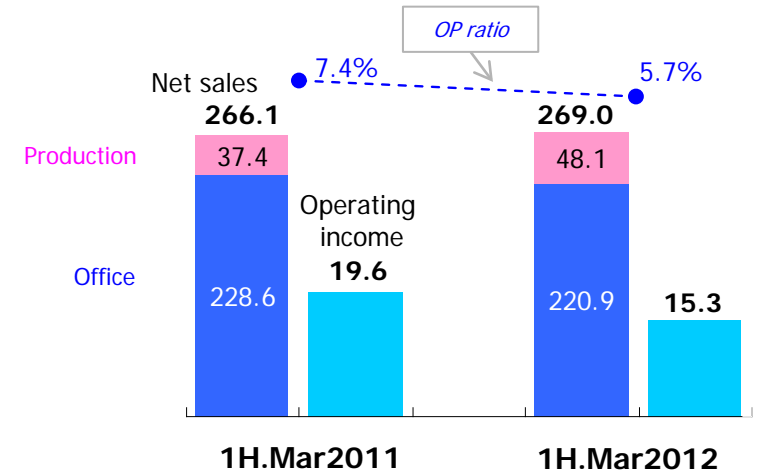
- ▶ With the normalization of production, the mismatch of supply and demand in the first quarter was almost corrected.
- ▶ The profitability improved in association with increased sales of high value-added color products.
- ▶ With the normalization of procurement, procurement costs declined, and the manufacturing profit and loss improved.

◆ Change from the previous forecast:

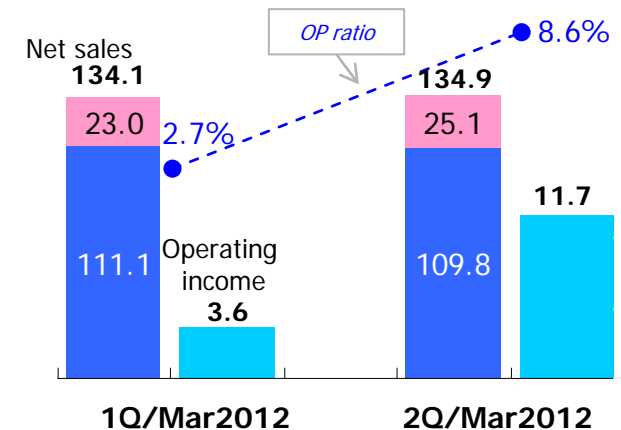
Sales of color products increased more than expected both in the office and production print fields.

Giving Shape to Ideas

◆ Net sales / Operating income (YoY) [¥ billions]



◆ Net sales / Operating income (QoQ) [¥ billions]



Business Technologies – Sales performance



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■ 1H/March 2012 results (YoY)

- Office MFP unit sales: +2%
- Production Print unit sales: +25%
- ▶ Unit sales of color products were strong in both office and production print fields.
- ▶ Non-hardware sales rose a solid 4%, excluded the effect of exchange rates.

<Growth rate of color units by regions>

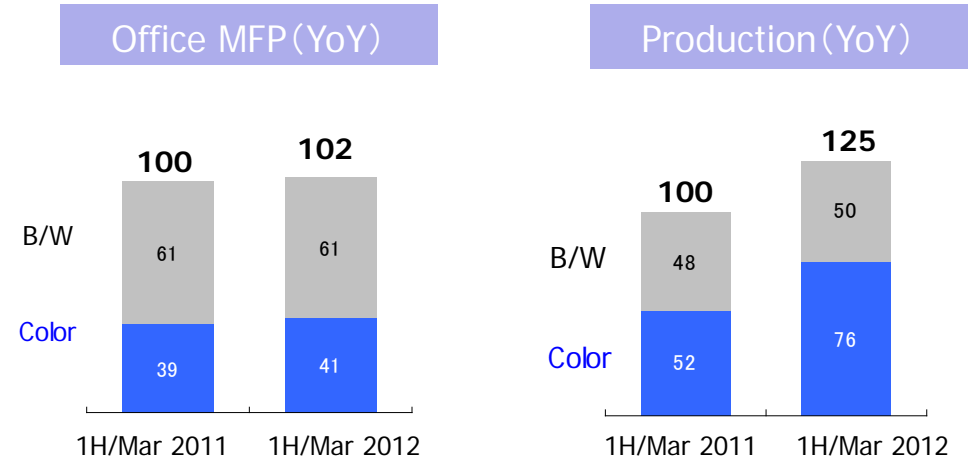
	Japan	U.S.	Europe	Others
Office:	+4%	+10%	+7%	+2%
PP:	+98%	+35%	+77%	+14%

■ 2Q/March 2012 results (QoQ)

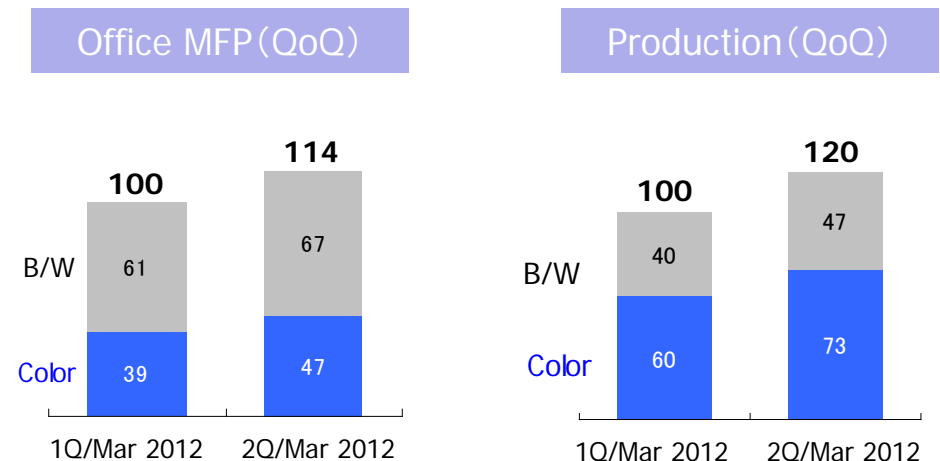
- Office MFP unit sales: +14%
- Production Print unit sales: +20%
- ▶ Office MFP: Color MFPs: up 19%; monochrome MFPs: up 11%; both color and monochrome MFPs rose double digits.
- ▶ Production print systems: Unit sales of color systems remained strong and rose 24%, driven by sales of new products. Sales of monochrome systems climbed 17%.

Giving Shape to Ideas

Sales units *Base index : "1H/Mar 2011" = 100



Sales units *Base index : "1Q/Mar 2012" = 100



Business Technologies – Operating income analysis (QoQ)

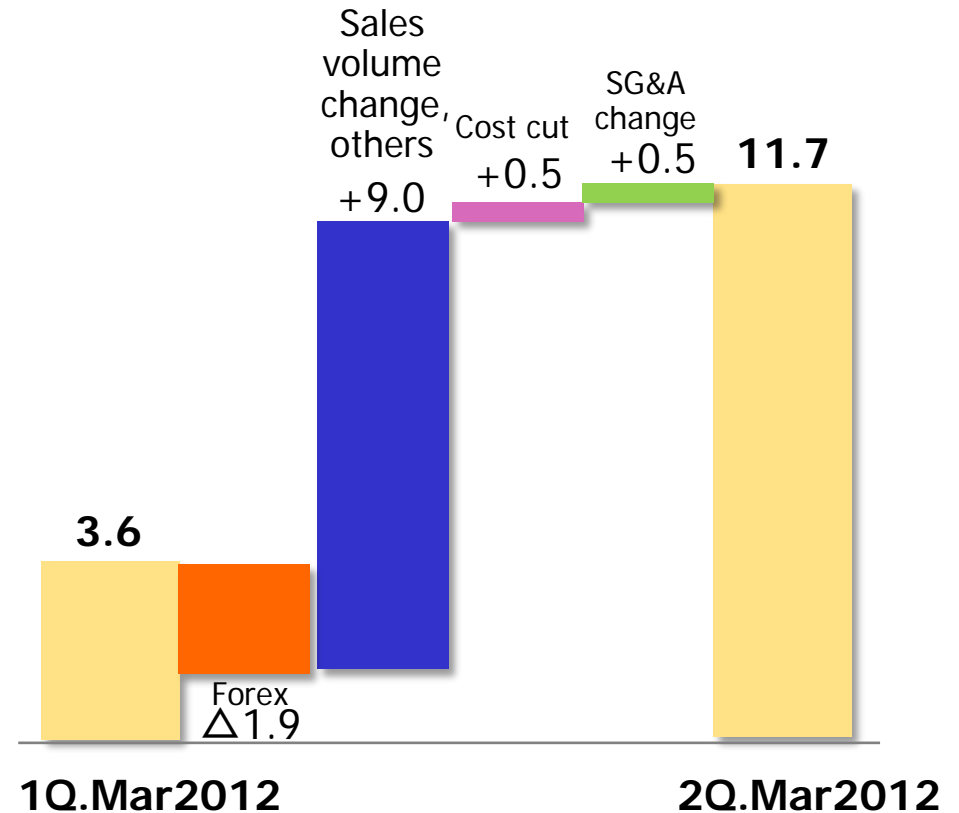


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[¥ Billions]

■ Main factors

- ▶ **Forex:** Greatly affected by a weak euro (¥1.3 billion)
- ▶ **Sales volume change, others:**
Unit sales increased, mainly high profitable color products, in both the office and production print fields.
- ▶ **Cost:** With the recovery of supply chains, cost-cutting activities resumed. Increase in production volume also contributed.
- ▶ **SG&A:** Variable expenses climbed due to an increase in sales, but other expenses were curbed through comprehensive cost control.



Production Print - Sales performance



■ Trends of color products sales

- ▶ Sales have remained strong in both the United States and Europe since the launch of new color products.
- ▶ With a stronger dedicated sales network, pipelines increased, and sales continued to expand steadily.
- ▶ Market share is expected to increase in the second quarter.

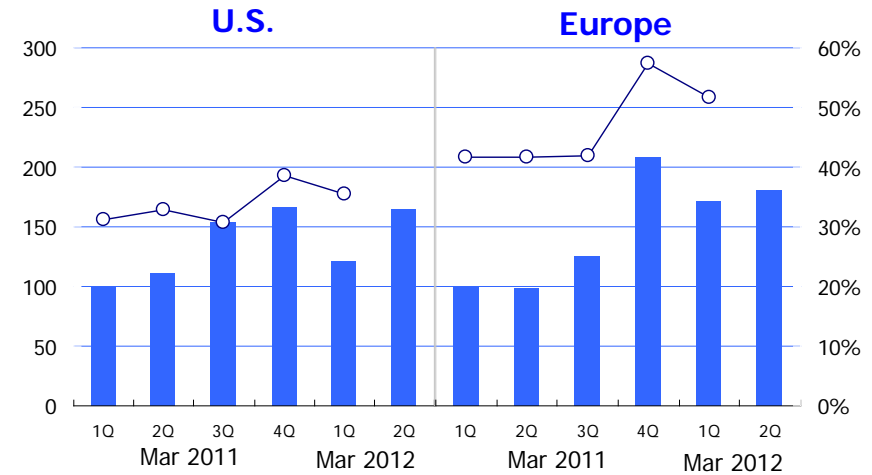
■ Sales trends in emerging countries

- ▶ Unit sales of production print products in emerging countries exceeded those in Japan. The ratio of color products in those countries was almost on a par with that in advanced countries.
- Sales in these countries grew to the same level as domestic sales.

◆ Color unit sales & Share (U.S. and Europe)

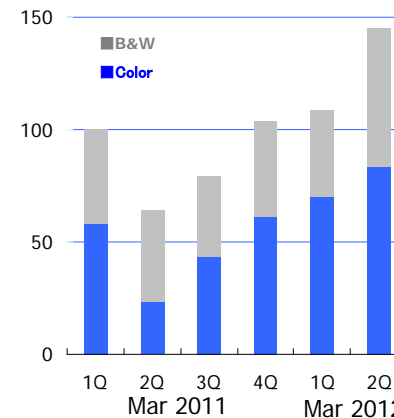
*Base index : "1Q/Mar 2011" = 100

*bar graph: Unit sales, line chart: Share(Based on company estimated)



◆ Unit sales in emerging countries

*Base index : "1Q/Mar 2011" = 100



Optics - Overview



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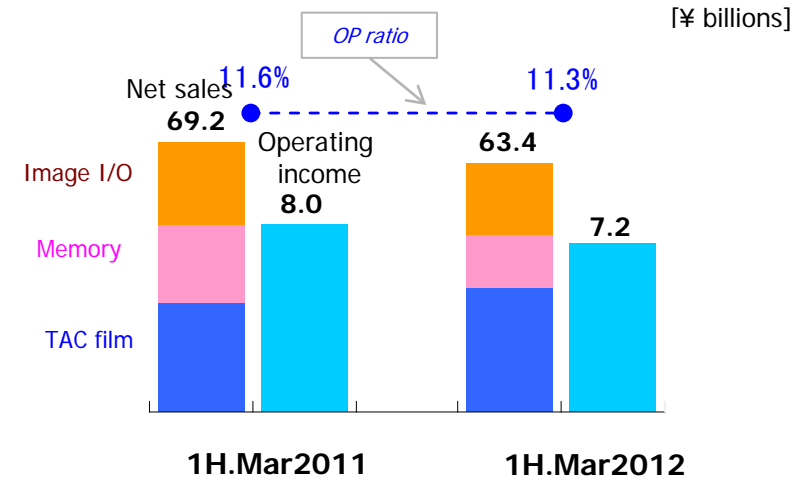
■ 1H/March 2012 results (YoY)

- Net sales : $\Delta 8\%$
- Operating income : $\Delta 10\%$
- ▶ TAC films: Net Sales rose, driven by VA-TAC films.
- ▶ Glass substrates for HDDs: Orders recovered from the middle of the first half, but net sales declined because of the effect of foreign exchange rates.
- ▶ Optical pickup lens: Net sales dropped, reflecting the weak Blu-ray Disc and DVD markets.

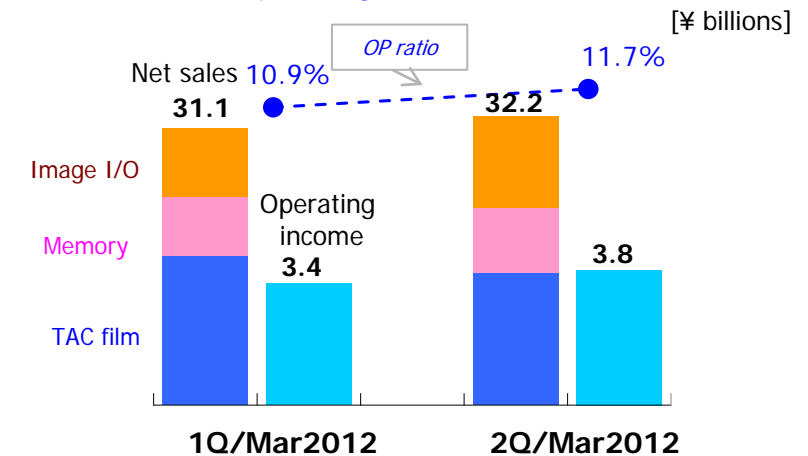
■ 2Q/March 2012 results (QoQ)

- Net sales : $+3\%$
- Operating income : $+11\%$
- ▶ TAC films: Customers' production adjustments started in the second quarter. However, the performance of VA-TAC films was solid, and the effect of the adjustments was minimal.
- ▶ Glass substrates for HDDs: Orders recovered from the second half of the first quarter.
- ▶ Optical pickup lenses: Sales of Blu-ray Disc were sluggish.
- ▶ Lens units : Net sales rose with increased orders for smartphones and digital still cameras.

◆ Net sales / Operating income (YoY)



◆ Net sales / Operating income (QoQ)



Optics – Sales performance

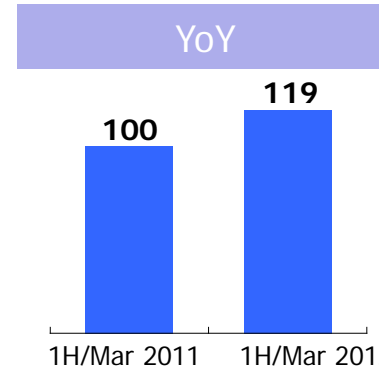


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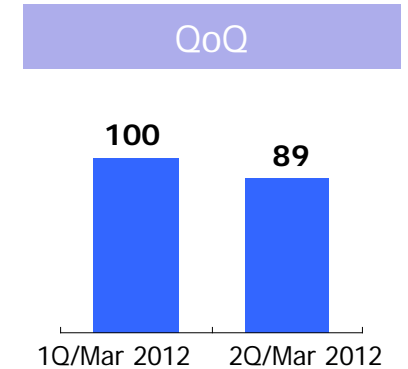
■ TAC films (Sales volumes)

- ▶ YoY: Sales volume of VA-TAC films, performed well.
- ▶ QoQ: Overall sales volume of TAC films declined due to production adjustments, but sales volume of VA-TAC films were on a par with the level in the first quarter.

*Base index : "1H/Mar 2011" = 100

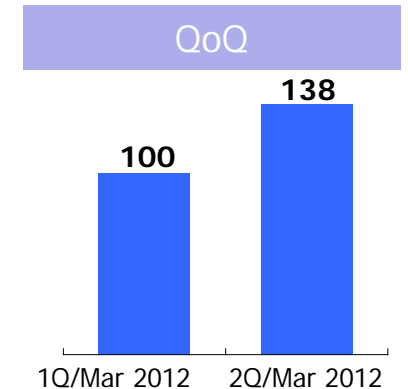
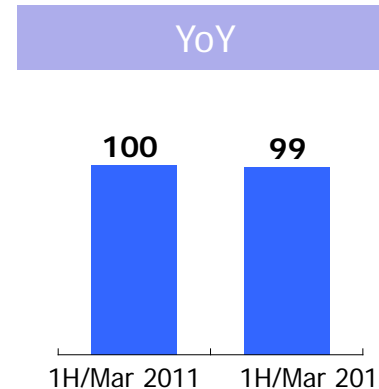


*Base index : "1Q/Mar 2012" = 100



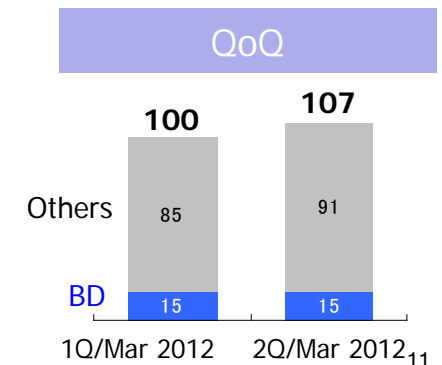
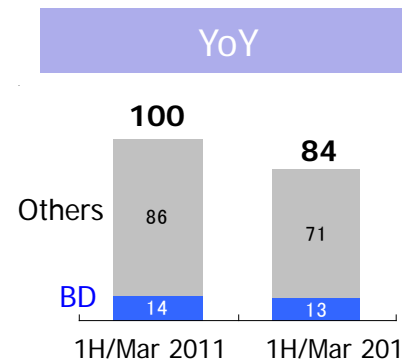
■ Glass substrates for HDDs (Unit sales)

- ▶ YoY: Orders recovered, and unit sales were on a par with the year-ago level.
- ▶ QoQ: Unit sales exceeded the initial plan.



■ Optical pickup lenses (Unit sales)

- ▶ YoY: Unit sales of both Blu-ray Disc and DVD were sluggish.
- ▶ QoQ: Sales were sluggish, especially Blu-ray Disc, reflecting the weak markets.



Healthcare - Overview

■ 1H/March 2012 results (YoY)

- Net sales : Δ 8%
- Operating income : ¥-0.4billion
- ▶ Unit sales of digital input/output equipment rose, driven by new products.
- ▶ Both net sales and operating income declined, given more-than-expected declines in film sales in Japan and other advanced countries.
- ▶ The results were affected by foreign exchange rates and rising silver prices.

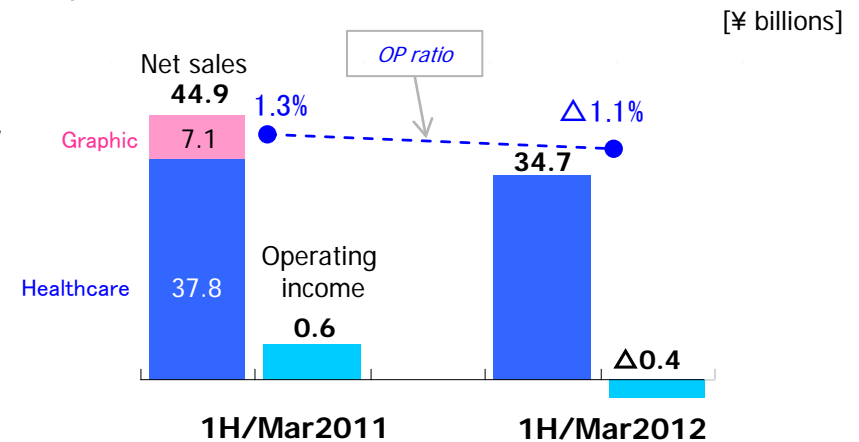
■ 2Q/March 2012 results (QoQ)

- Net sales : +23%
- Operating income : +¥0.6 billion improved
- ▶ Net sales rose sharply, given an increase in sales of new CR and DR.
Earnings moved into the black.

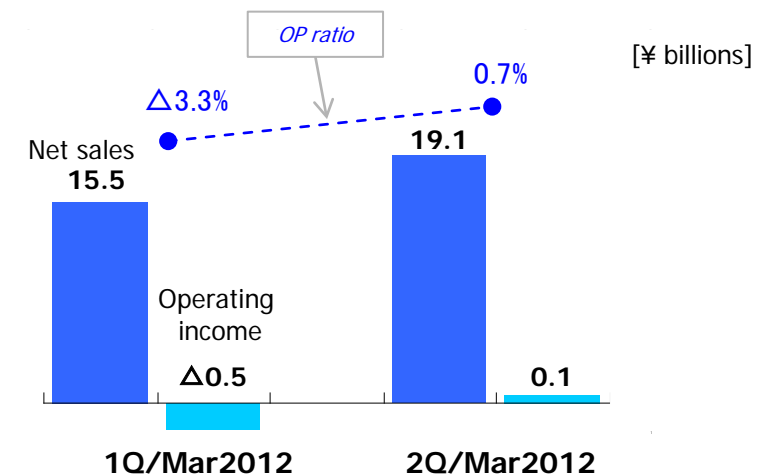
◆ Change from the previous forecast:

Unit sales both of digital input equipment and films were below the plan. Earnings were affected by rising silver prices.

◆ Net sales / Operating income (YoY)



◆ Net sales / Operating income (QoQ)



Healthcare – Sales performance

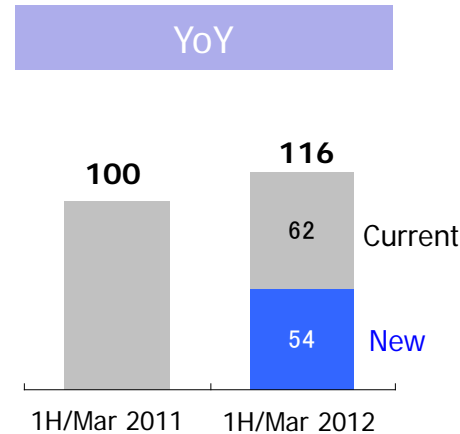


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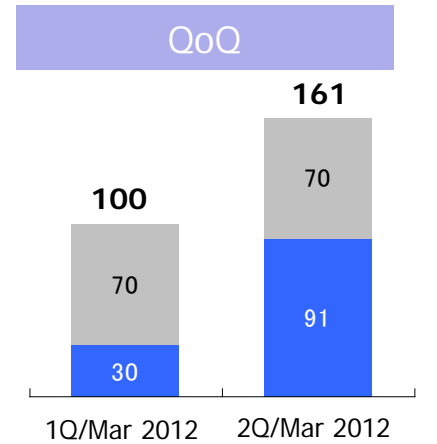
■ Digital X-ray diagnostic imaging systems (CR · DR)

- ▶ YoY: Unit sales rose 16%, driven by new products.
- ▶ QoQ: Unit sales of new products increased sharply especially in Japan in the second quarter, starting in full swing contribution by new products.

*Base index : "1H/Mar 2011" = 100

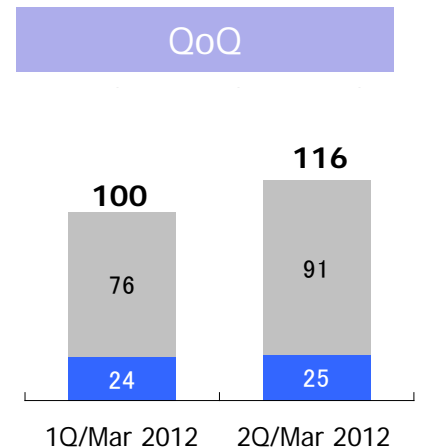


*Base index : "1Q/Mar 2012" = 100



■ Dry films

- ▶ YoY: An increase in unit sales in emerging countries, especially in China, was offset by a decline in Japan and other advanced countries. Overall unit sales were on a par with the year-ago level.
- ▶ QoQ: Unit sales in emerging countries expanded.



Forecasts: March 2012 - Group



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[Billions of yen]

	FY/Mar12 Forecast			FY Mar11	Mar12 by half period			
	Current	Previous	Change	Results	1H Results	2H Forecast	HoH	
Net sales(a)	780.0	810.0	△ 30.0	778.0	378.3	401.7	23.4	
Operating income	40.0	42.0	△ 2.0	40.0	15.6	24.4	8.8	
<i>Operating income ratio</i>	<i>5.1%</i>	<i>5.2%</i>		<i>5.1%</i>	<i>4.1%</i>	<i>6.1%</i>		
Goodwill amortization	9.0	8.0	1.0	8.4	4.4	4.6	0.1	
Operating income before amortization of Goodwill(b)	49.0	50.0	△ 1.0	48.4	20.0	29.0	8.9	
(b)/(a)	<i>6.3%</i>	<i>6.2%</i>		<i>6.2%</i>	<i>5.3%</i>	<i>7.2%</i>	<i>1.9%</i>	
Ordinary income	35.0	39.0	△ 4.0	33.2	11.6	23.4	11.8	
Net income	19.0	20.0	△ 1.0	25.9	3.8	15.2	11.5	
<i>Net income ratio</i>	<i>2.4%</i>	<i>2.5%</i>		<i>3.3%</i>	<i>1.0%</i>	<i>3.8%</i>		
<Reference>	Forex sensitivity (Annual)			Net sales	Operating income			
				US\$	2.9	0.4		
				Euro	1.4	0.8		
FOREX [Yen]	USD	85.00	80.00	-2.00	85.71	79.80	78.00	-1.80
	Euro	105.00	115.00	-10.00	113.11	113.78	105.00	-8.78
CAPEX		50.0	50.0		43.0	13.8	36.2	
Depreciation		65.0	65.0		55.1	23.6	41.4	
R&D expenses		78.0	80.0		72.6	36.8	41.2	
FCF		8.0	8.0		23.2	16.0	△ 8.0	

Forecasts: March 2012 - Segments



[Billions of yen]

Net Sales	FY/Mar12 Forecast			FY Mar11	Mar12 by half period		
	Current	Previous	Change	Results	1H Results	2H Forecast	HoH
Business Technologies	550.0	566.0	-16.0	539.6	269.0	281.0	12.0
Optics	126.0	135.0	-9.0	129.8	63.4	62.6	-0.7
Health care	79.0	85.0	-6.0	85.0	34.7	44.3	9.7
Other businesses	17.0	17.0	0.0	15.7	7.9	9.1	1.2
Corporate and eliminations	8.0	7.0	1.0	7.8	3.4	4.6	1.2
Group total	780.0	810.0	-30.0	778.0	378.3	401.7	23.4

Operating income	FY/Mar12 Forecast			FY Mar11	Mar12 by half period		
	Current	Previous	Change	Results	1H Results	2H Forecast	HoH
Business Technologies	37.8	38.0	-0.2	37.5	15.3	22.5	7.2
Optics	14.2	16.5	-2.3	12.8	7.2	7.0	-0.2
Health care	0.6	2.0	-1.4	0.2	-0.4	1.0	1.4
Other businesses	2.6	2.5	0.1	2.2	1.2	1.5	0.3
Corporate and eliminations	-15.3	-17.0	1.7	-12.7	-7.7	-7.6	0.0
Group total	40.0	42.0	-2.0	40.0	15.6	24.4	8.8

Revision to forecasts for 2H- Changes from previous forecasts



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Net sales

The effect of a very strong yen and declining demand associated with concerns over an economic slowdown is expected.

■ Previous forecasts	¥ 424.0 billion	The assumed exchange rates : US\$1= ¥80, €= ¥115
Impact of forex	¥ -10.0 billion	The Revised assumed exchange rates: US\$1= ¥78, €= ¥105
Decrease in sales	¥ -12.3 billion	Business Technologies: Demand will slow in Europe. <Approx. ¥-3.0 billion> Optics: The market conditions for major products, including liquid crystal panels, BD and DVD, will worsen. <Approx. ¥-8.0 billion> Healthcare: Declines in demand for films will accelerate. <Approx. ¥-2.5 billion>
■ Change	¥ -22.3 billion	
■ Revised forecasts	¥401.7 billion	

Operating income

The effects of adverse effects and initiatives for improving profits are taken into consideration.

■ Previous forecasts	¥ 30.0 billion	The assumed exchange rates : US\$1= ¥80, €= ¥115
Impact of forex	¥ -5.4 billion	The Revised assumed exchange rates: US\$1= ¥78, €= ¥105
Decrease in sales	¥ -5.6 billion	A decline in profits associated with the decrease in unit sales described above is expected.
Profit recovery	¥ 5.4 billion	Costs will improve, reflecting radical cost cuts and improving productivity. Fixed costs will be reduced as a result of the restructuring of production organization and the acceleration of overseas transfer. Fixed costs will be cut with the restructuring of the domestic sales organization.
■ Change	¥ -5.6 billion	
■ Revised forecasts	¥ 24.4 billion	

*The effect of the flooding in Thailand is not taken into account at this moment.



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Business Technologies – Forecasts for 2H



■ Full year (YoY)

- Net sales : +3% (w/o forex: +6%)
- Operating income : +26% (w/o forex: +71%)

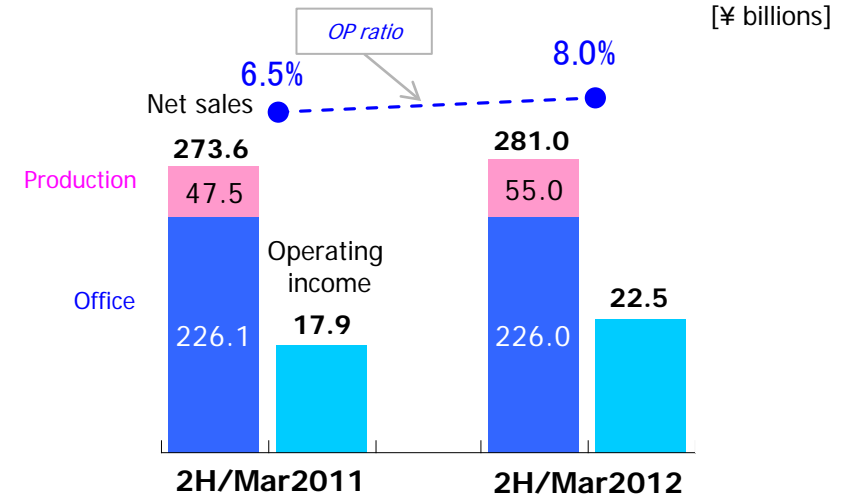
■ 1H (HoH)

- Net sales : +4% % (w/o forex: +7%)
- Operating income : +47 % (w/o forex: +76%)
- ▶ Office: Both sales and operating income will rise, given by new color products.
- ▶ Production Print: : The momentum of strong performance in the first half will be maintained, which will drive higher sales and profits.
- ▶ Improvements to production efficiency, cost cutting, and expense control will be made.
- ▶ Gross profit control will be made by headquarters and subsidiaries comprehensively.

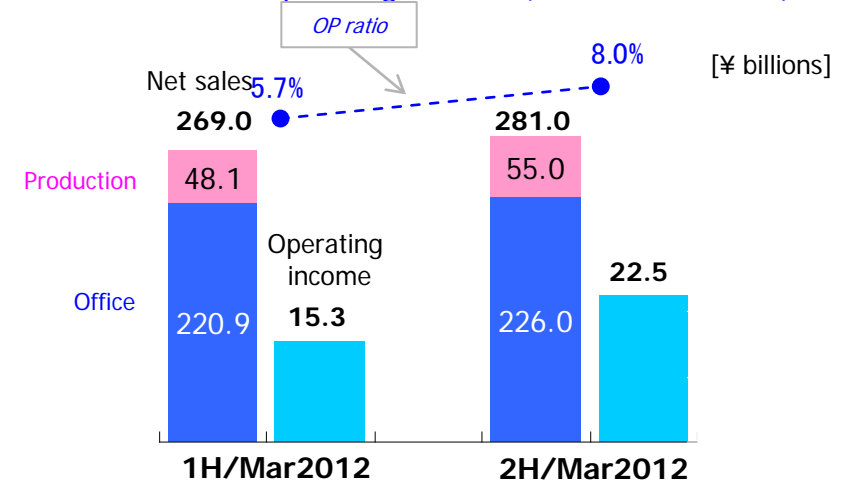
◆ Change from the previous forecast:

Unit sales, mainly of Europe, will be revised, taking into consideration decline in demand for office MFPs, associated with concern over an economic slowdown.

◆ Net sales / Operating income (YoY)



◆ Net sales / Operating income (2H Forecast; HoH)



Business Technologies – Sales unit forecasts for 2H



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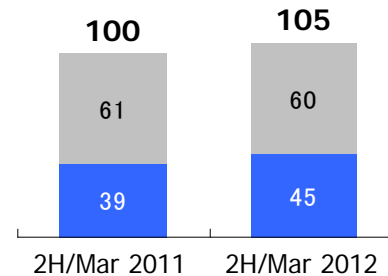
■ Full year (YoY)

- Office MFP unit sales: +5%
- Production Print unit sales: +30%

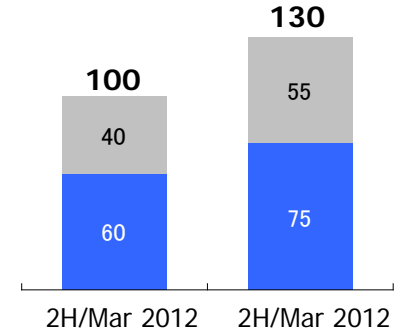
YoY

*Base index : "2H/Mar 2011" = 100

Office MFP unit sales



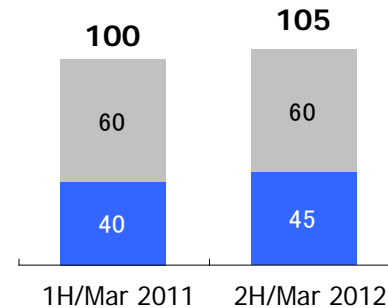
Production Print unit sales



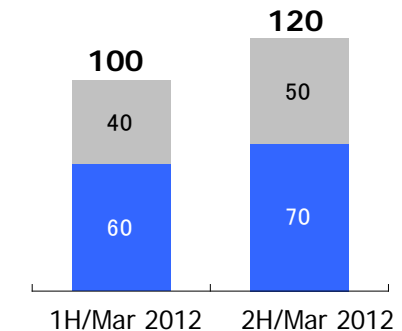
HoH

*Base index : "1H/Mar 2012" = 100

Office MFP unit sales



Production Print unit sales



■ 1H (HoH)

- Office MFP unit sales: +5%
- Production Print unit sales: +20%
- ▶ Office: Peruse to increase sales of color MFPs.
- ▶ Production Print: : Aim to increase sales in all regions, maintaining the momentum of strong sales.

Optics – Forecasts for 2H



KONICA MINOLTA

■ Full year (YoY)

- Net sales : +3%
- Operating income : +46%

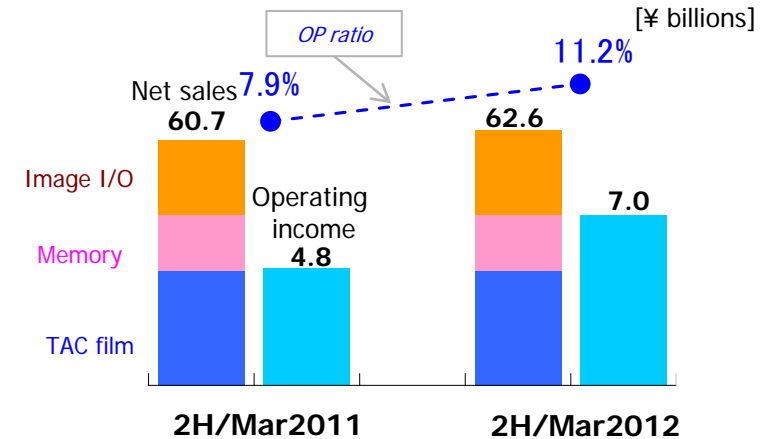
■ 1H (HoH)

- Both net sales and operating income will remain almost at the same level as those for the first half.
- ▶ Demand for TAC films is expected to decline about 10% from the first half. Focus on sales of VA-TAC films and thin TAC films, which have a competitive edge.
- ▶ Demand for glass substrates for HDDs and optical pickup lenses is expected to be on a par with the level in the first half.
- ▶ Focus on expanding orders for lens units and camera modules for mobile phones in growth fields, such as smartphones.

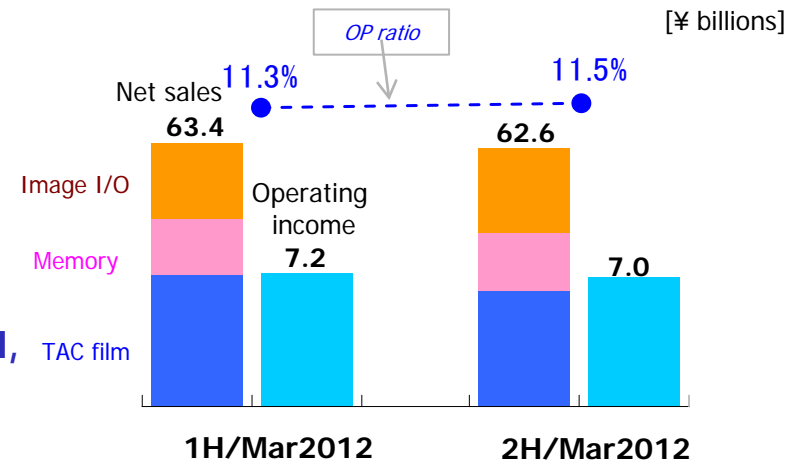
◆ Change from the previous forecast:

Sales volume of TAC films and pickup lenses will be revised, taking into consideration worsening market conditions associated with concern over an economic slowdown.

◆ Net sales / Operating income (YoY)



◆ Net sales / Operating income (2H Forecast; HoH)



Optics – Sales unit forecasts for 2H



KONICA MINOLTA

■ TAC films (Sales volumes)

- YoY: +10%
- HoH: Δ 10%
- ▶ Expand sales, especially of thin TAC films, which have a competitive edge.

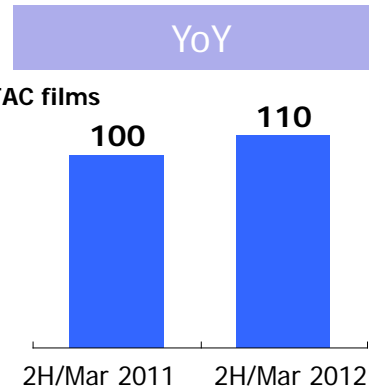
■ Glass substrates for HDDs (Unit Sales)

- YoY: +20%
- HoH: Unchanged from 1H
- ▶ Demand will be adversely affected by production adjustments, but unit sales will remain unchanged from the first half with the percentage of glass ratio rising.

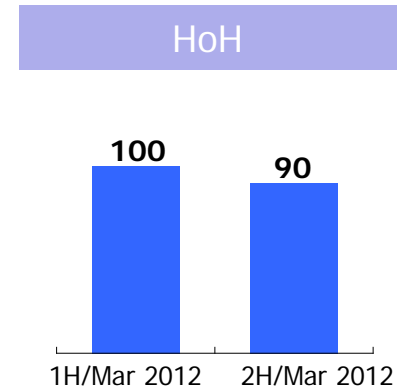
■ Optical pickup lenses (Unit Sales)

- YoY: +20%
- HoH: Unchanged from 1H
- ▶ Demand for Blu-Ray discs and DVDs is expected to be weak.

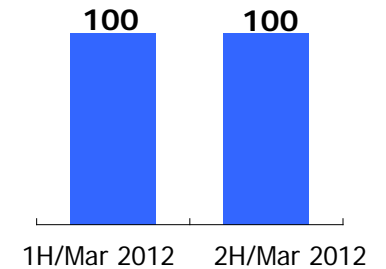
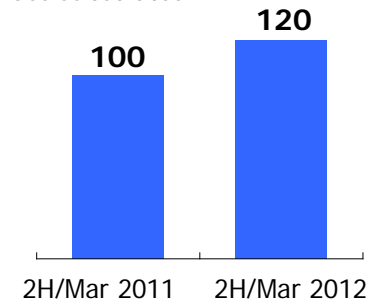
*Base index : "2H/Mar 2011" = 100



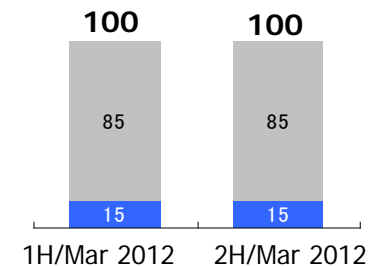
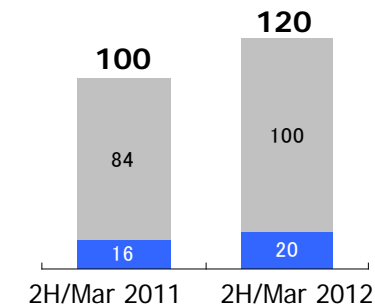
*Base index : "1H/Mar 2012" = 100



Glass substrates



Optical pickup lenses



Healthcare – Forecasts for 2H



KONICA MINOLTA

■ Full year (YoY)

- Net sales : +10%
- Operating income : Improve ¥1.4billion

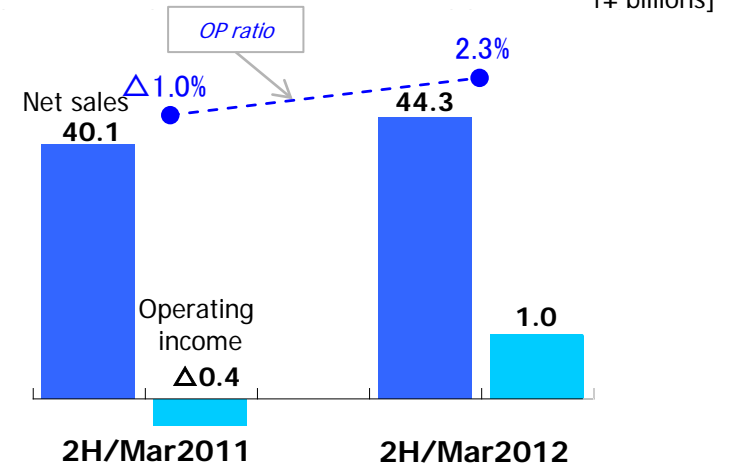
■ 1H (HoH)

- Net sales : +28%
- Operating income : Improve ¥1.4billion
- ▶ Respond to a wide range of needs from hospitals and clinics by expanding the lineup of digital systems.
- ▶ Pursue cost cutting in the production of CR.
- ▶ Expand maintenance and IT services, which will bolster profits.

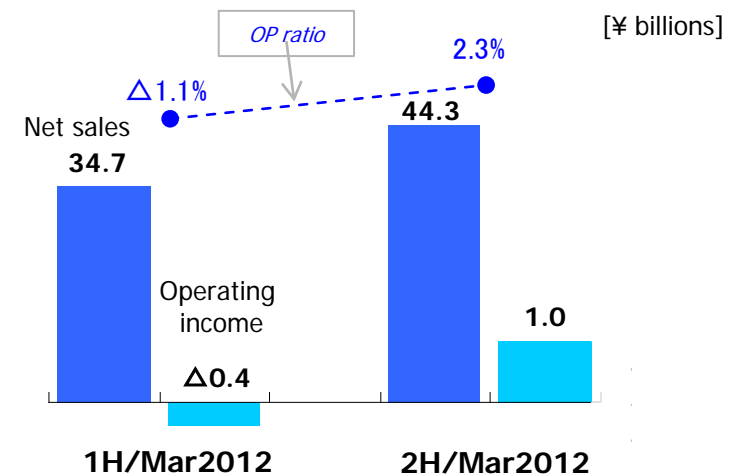
◆ Change from the previous forecast:

Accelerating decline in demand in advanced countries and emerging countries and impact of rising silver prices are taken into consideration.

◆ Net sales / Operating income (YoY)



◆ Net sales / Operating income (2H Forecast; HoH)



Healthcare – Sales unit forecasts for 2H



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■ Digital X-ray diagnostic imaging systems

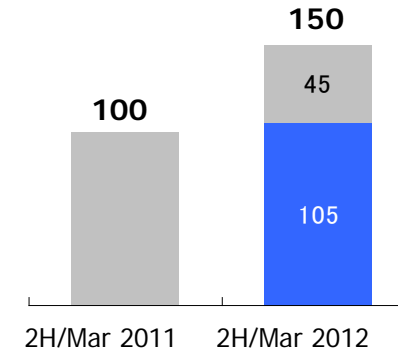
(CR · DR)

- YoY: +50%
- HoH: +45%
- ▶ Expand sales of new CR, especially in overseas markets.
- ▶ Boost sales of new DR both in Japan and overseas.

*Base index : "2H/Mar 2011" = 100

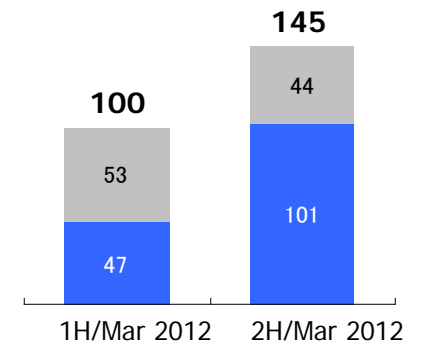
YoY

CR/DR



*Base index : "1H/Mar 2012" = 100

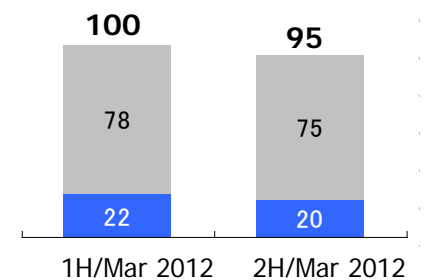
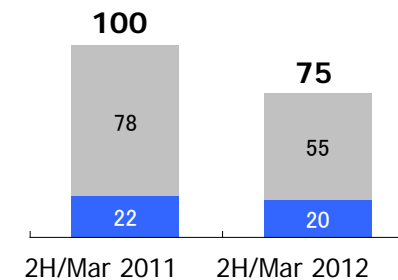
HoH



■ Radiographic films

- YoY: Δ 25%
- HoH: Δ 5%
- ▶ Demand will be adversely affected by production adjustments, but unit sales will remain unchanged from the first half with the percentage of glass content rising.

Dry films



Progress of Growth Drivers in G PLAN 2013



Business Technologies

- **Production Print**
 - Strong sales momentum was maintained during the first half, driven by new color products of the bizhub PRESS series.
 - Growth rate of color unit sales(YoY): 1Q: +33%, 2Q: +58%
- **China, Asia, Emerging countries**
 - Net sales (1H results, w/o forex): China: +19%, other Asian countries: +18%
- **OPS/ GMA**
 - To strengthen its IT services capability of OPS, the Company acquired IT vendors in US and Europe.
 - 1H results: 5 IT vendors, including Koneo, Techcare, LAN Associates.
 - Received orders from new GMA. Sales in the first half doubled year on year.
 - 1H results: Received multi-year agreements from 9 GMA, including BMW, DB Schenker and NASA.

Optics

- **Thin TAC films**
 - Maintained or improved the positions of VA-TAC films and thin plain TAC films at major customers in South Korea and Taiwan.
 - Received orders for TAC films for IPS panels based on the advantage of thin films.
- **Optical units**
 - Focused on expanding sales of interchangeable lenses for digital single-lens reflex cameras. Will seek to expand sales of products for mirrorless cameras in the second half.
- **LED lighting**
 - Started to mass-produce light units for show cases, combining LED light sources and flat light guide panel.

Healthcare

- **Digital equipments**
 - The launches of new items, AeroDR and Regius Σ, bolstered the product lineup. Will expand sales of the new items in earnest from the second half.
 - Growth rate (YoY): 1Q: Δ5%, 2Q: +10%



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Supplementary Information
2Q/March 2012 Financial Results

Results: 1H/March 2012



	1H Mar 2012	1H Mar 2011	[Billions of yen] YoY
Net sales	378.3	391.8	-13.5
Gross income	173.6	180.9	-7.3
<i>Gross income ratio</i>	45.9%	46.2%	-
Operating income	15.6	22.6	-7.0
<i>Operating income ratio</i>	4.1%	5.8%	-
Ordinary income	11.6	17.9	-6.3
Net income before taxes	8.4	11.6	-3.2
Net income	3.8	8.6	-4.9
<i>Net income ratio</i>	1.0%	2.2%	-
EPS [Yen]	7.08	16.29	-
CAPEX	13.8	24.6	-10.9
Depreciation	23.6	27.5	-3.8
R&D expenses	36.8	35.3	1.4
FCF	16.0	12.6	3.4
Foreign exchange rate [Yen] USD	79.80	88.94	-9.14
Euro	113.78	113.83	-0.05

Results: 1H/March 2012 - Segments

[Billions of yen]

Net sales

	1H Mar 2012	1H Mar 2011	YoY
Business Technologies	269.0	266.1	2.9
Optics	63.4	69.2	-5.8
Healthcare	34.7	44.9	-10.3
Other businesses	7.9	8.0	0.0
Corporate and eliminations	3.4	3.7	-0.3
Group total	378.3	391.8	-13.5

Operating income

	1H Mar 2012	1H Mar 2011	YoY
Business Technologies	15.3	19.6	-4.3
<i>Operating income ratio</i>	<i>5.7%</i>	<i>7.4%</i>	-
Optics	7.2	8.0	-0.8
<i>Operating income ratio</i>	<i>11.4%</i>	<i>11.6%</i>	-
Healthcare	-0.4	0.6	-1.0
<i>Operating income ratio</i>	<i>-1.1%</i>	<i>1.3%</i>	-
Other businesses	1.2	1.1	0.1
Corporate and eliminations	-7.7	-6.7	-1.0
Group total	15.6	22.6	-7.0
<i>Operating income ratio</i>	<i>4.1%</i>	<i>5.8%</i>	-

* Other businesses: Sensing and Industrial Inkjet businesses

Results: 2Q/March 2012



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	2Q	2Q	YoY	1Q	
	Mar 2012	Mar 2011		Mar 2012	QoQ
	[Billions of yen]				
Net sales	192.1	197.2	-5.1	186.2	5.9
Gross income	90.0	92.5	-2.4	83.6	6.4
<i>Gross income ratio</i>	46.9%	46.9%	-	44.9%	-
Operating income	12.3	12.8	-0.4	3.3	9.1
<i>Operating income ratio</i>	6.4%	6.5%	-	1.8%	-
Ordinary income	9.1	11.5	-2.4	2.6	6.5
Net income before taxes	8.0	9.4	-1.4	0.4	7.7
Net income	3.9	5.1	-1.3	-0.1	4.0
<i>Net income ratio</i>	2.0%	2.6%	-	-0.1%	-
EPS [Yen]	7.28	9.70	-	-0.21	-
CAPEX	8.9	13.5	-4.7	4.9	4.0
Depreciation	11.9	13.6	-1.7	11.7	0.2
R&D expenses	17.8	18.2	-0.5	19.0	-1.3
FCF	15.4	13.9	1.5	0.6	14.8
Foreign exchange rate [Yen] USD	77.86	85.87	-8.01	81.74	-3.88
Euro	110.15	110.66	-0.51	117.40	-7.25



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Results: 2Q/March 2012 - Segments

[Billions of yen]

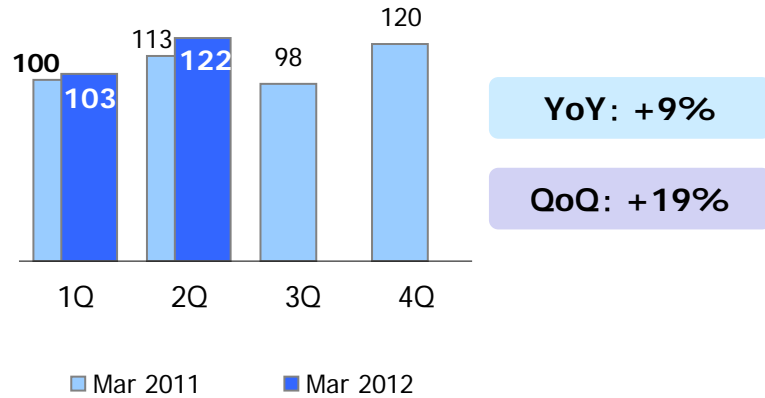
	2Q		YoY	1Q	
	Mar 2012	Mar 2011		Mar 2012	QoQ
Net sales					
Business Technologies	134.9	133.3	1.6	134.1	0.8
Optics	32.2	34.0	-1.8	31.1	1.1
Healthcare	19.1	23.9	-4.7	15.5	3.6
Other businesses	4.0	4.0	-0.1	4.0	0.0
Corporate and eliminations	1.9	2.0	-0.1	1.5	0.3
Group total	192.1	197.2	-5.1	186.2	5.9

	2Q		YoY	1Q	
	Mar 2012	Mar 2011		Mar 2012	QoQ
Operating income					
Business Technologies	11.7	11.9	-0.3	3.6	8.0
<i>Operating income ratio</i>	<i>8.6%</i>	<i>9.0%</i>	-	<i>2.7%</i>	-
Optics	3.8	2.9	0.9	3.4	0.4
<i>Operating income ratio</i>	<i>11.8%</i>	<i>8.5%</i>	-	<i>10.9%</i>	-
Healthcare	0.1	0.7	-0.5	-0.5	0.6
<i>Operating income ratio</i>	<i>0.7%</i>	<i>2.8%</i>	-	<i>-3.3%</i>	-
Other businesses	0.7	0.6	0.1	0.5	0.2
Corporate and eliminations	-3.9	-3.4	-0.6	-3.7	-0.2
Group total	12.3	12.8	-0.4	3.3	9.1
<i>Operating income ratio</i>	<i>6.4%</i>	<i>6.5%</i>	-	<i>1.8%</i>	-

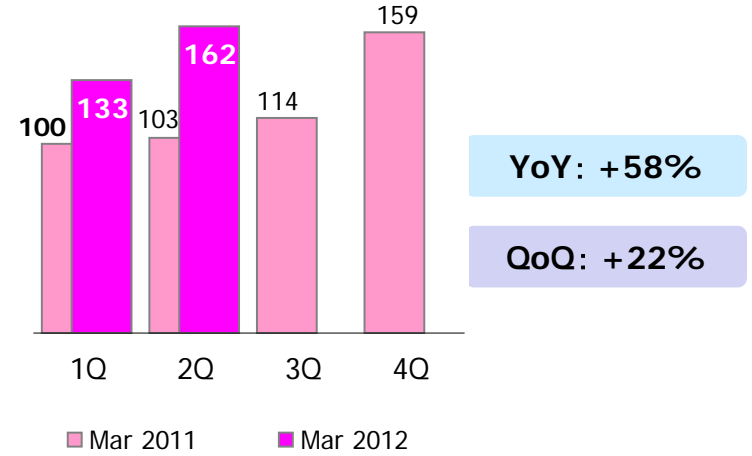


Unit sales trend: Business Technologies

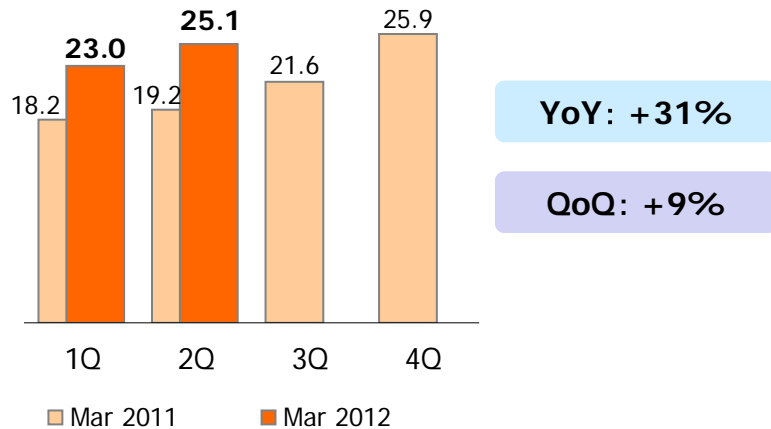
A3 color MFP- Units



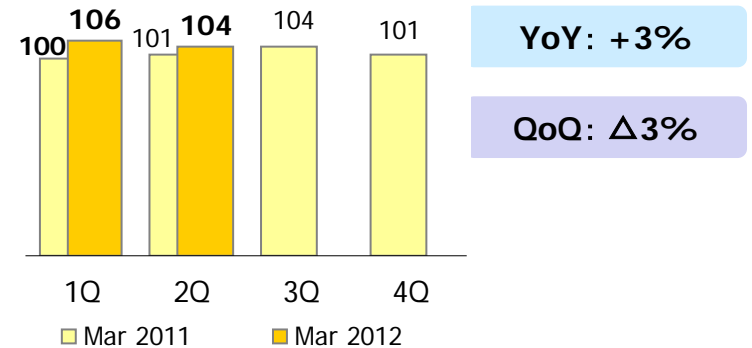
Color Production Print- Units



Production printing – Value [¥ billions]



MFP non-hardware * w/o forex effects

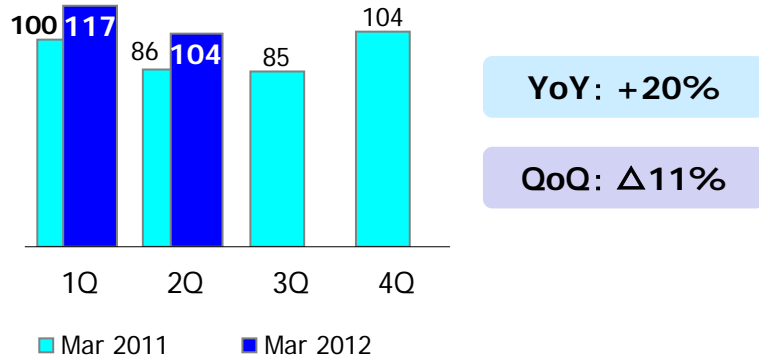


* Base index : "1Q Mar2011" = 100

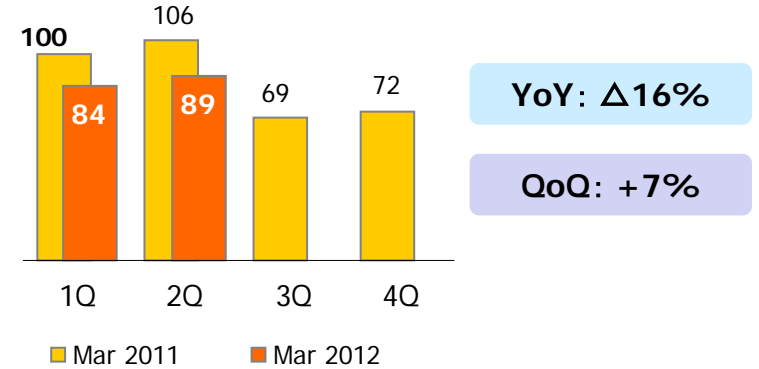


Unit sales trend: Optics

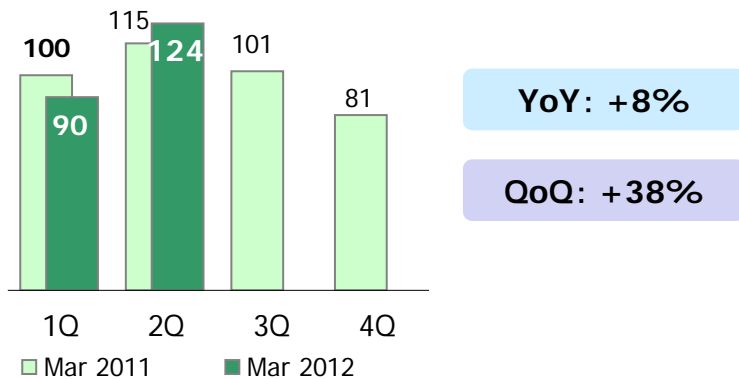
TAC film – Units



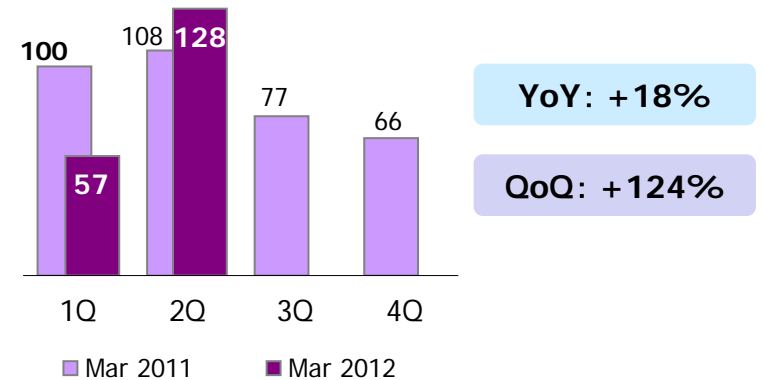
Optical pickup lenses - Units



Glass HD substrates - Units



Mobile phone components – Units



* Base index : "1Q Mar2011" = 100

Operating profit analysis



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[Billions of yen]

1H/Mar 2012 vs. 1H/Mar2 011

[Factors]

	Business Technologies	Optics	Other	Total
Forex impact	-0.2	-1.1	-0.7	-1.9
Prince change	-4.8	-4.7	-0.3	-9.9
Sales volume change, and other, net	6.5	1.0	-1.9	5.6
Cost down	-0.9	1.7	0.2	1.0
SG&A change, net	-5.0	2.4	0.9	-1.7
[Operating income]				
Change, YoY	-4.3	-0.8	-1.9	-7.0

2Q/Mar 2012 vs. 2Q/Mar 2011

[Factors]

	Business Technologies	Optics	Other	Total
Forex impact	-0.2	-0.6	-0.3	-1.1
Prince change	-2.6	-2.5	0.0	-5.2
Sales volume change, and other, net	3.3	1.5	-0.9	3.9
Cost down	0.2	1.0	0.1	1.3
SG&A change, net	-1.1	1.6	0.1	0.6
[Operating income]				
Change, YoY	-0.3	0.9	-1.0	-0.4

SGA, non-operating and extraordinary income/loss



KONICA MINOLTA

[Billions of yen]

SG&A:	1H	1H	YoY	2Q	2Q	YoY
	Mar 2012	Mar 2011		Mar 2012	Mar 2011	
Selling expenses - variable	21.5	23.1	-1.6	11.0	12.6	-1.6
R&D expenses	36.8	35.3	1.4	17.8	18.2	-0.5
Labor costs	59.1	57.4	1.8	28.9	28.0	0.9
Other	40.7	42.5	-1.9	20.1	20.9	-0.8
SGA total*	158.0	158.3	-0.3	77.7	79.7	-2.0

* *Forex impact: -¥3.1 bn. (Actual: ¥2.8 bn.)*

-¥1.5 bn. (Actual: ¥0.5 bn.)

Non-operating income/loss:

Interest and dividend income/loss, net	-0.5	-0.7	0.1	-0.4	-0.4	-0.1
Foreign exchange gain, net	-3.5	-3.3	-0.2	-2.8	-0.7	-2.1
Other	0.0	-0.7	0.7	0.0	-0.2	0.2
Non-operating income/loss, net	-4.0	-4.7	0.7	-3.3	-1.3	-2.0

Extraordinary income/loss:

Sales of noncurrent assets, net	-0.7	-0.8	0.1	-0.5	-0.6	0.1
Sales of investment securities, and sales of subsidiaries and affiliates' stocks, net	-2.4	-1.6	-0.8	-0.6	-0.6	0.0
Business structure improvement expenses	-	-3.4	3.4	-	-1.0	1.0
Other	-0.1	-0.5	0.4	0.1	0.1	-0.1
Extraordinary income/loss, net	-3.2	-6.3	3.1	-1.0	-2.1	1.1



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B/S

	Sep 2011	Mar 2011	[Billions of yen] Change
Assets:			
Cash and short-term investment securities	183.2	175.1	8.1
Notes and A/R-trade	152.1	163.4	-11.3
Inventories	97.8	100.2	-2.5
Other	58.3	63.1	-4.9
Total current assets	491.3	501.9	-10.6
Tangible assets	178.2	190.7	-12.5
Intangible assets	87.7	88.4	-0.7
Investments and other assets	64.1	64.5	-0.4
Total noncurrent assets	330.0	343.6	-13.6
Total assets	821.3	845.5	-24.1
Liabilities and Net Assets:			
Notes and A/P-trade	75.2	74.6	0.5
Interest bearing debts	185.2	192.6	-7.4
Other liabilities	144.8	149.3	-4.5
Total liabilities	405.2	416.5	-11.3
Total shareholders' equity*	414.8	427.6	-12.9
Other	1.4	1.3	0.0
Total net assets	416.2	429.0	-12.8
Total liabilities and net assets	821.3	845.5	-24.1

*Equity = Shareholder's equity +

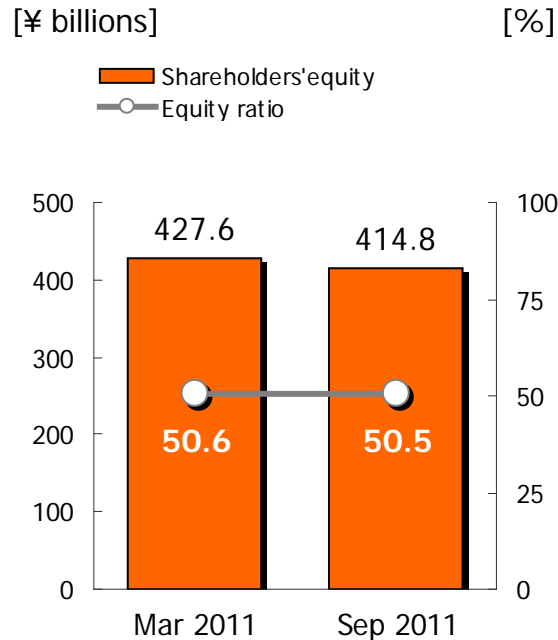
Accumulated other comprehensive income

	Sep 2011	Mar 2011	[yen] YoY
US\$	76.65	83.15	△ 6.50
Giving Shape to Ideas Euro	104.11	117.57	△ 13.46

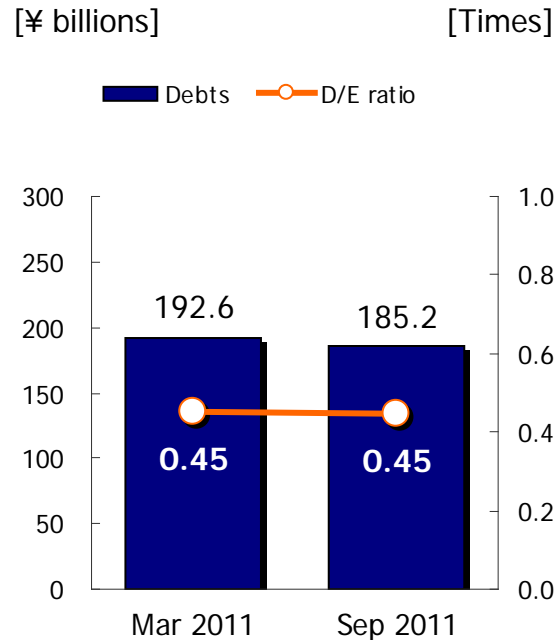


B/S – Main indicators

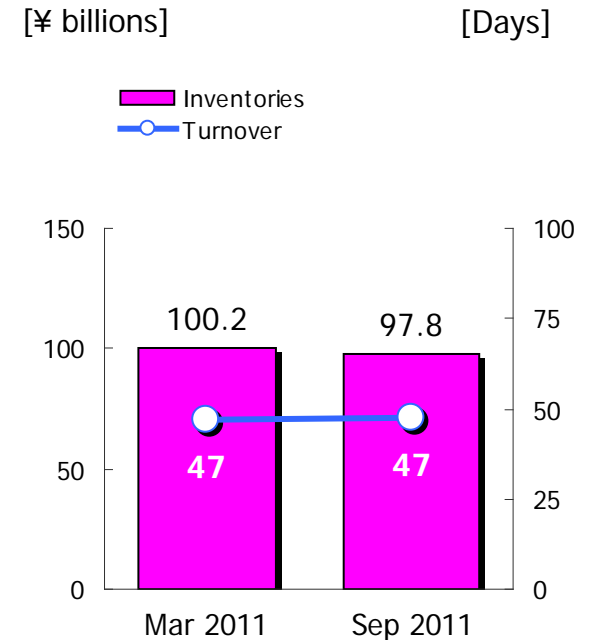
Equity ratio



Interest-bearing debts



Inventories and inventory turnover



D/E ratio =

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

Inventory turnover (days) =

Inventories at period-end / Average
sales per day

*Equity = Shareholder's equity + Accumulated other comprehensive income

Cash flows

[Billions of yen]

	1H Mar 2012	1H Mar 2011	YoY	2Q Mar 2012	2Q Mar 2011	YoY
Income before income taxes and minority interests	8.4	11.6	-3.2	8.0	9.4	-1.4
Depreciation and amortization	23.6	27.5	-3.8	11.9	13.6	-1.7
Income taxes paid	-1.1	-3.1	2.0	2.2	-1.7	3.9
Change in working capital	7.2	-4.1	11.3	3.9	3.1	0.9
I. Net cash provided by operating activities	38.1	31.8	6.3	26.1	24.4	1.8
II. Net cash used in investing activities	-22.2	-19.2	-2.9	-10.8	-10.5	-0.3
I.+ II. Free cash flow	16.0	12.6	3.4	15.4	13.9	1.5
Change in debts and bonds	-3.6	-3.1	-0.5	-6.4	-4.5	-1.9
Cash dividends paid	-4.0	-4.0	0.0	-0.1	-0.1	0.0
Other	-0.8	-0.7	-0.1	-0.4	-0.4	0.0
III. Net cash used in financing activities	-8.4	-7.8	-0.6	-6.9	-5.0	-2.0