February 12, 2004

Review of Fiscal 2004 3rd Quarter Performance (Consolidated)

Company Name: Konica Minolta Holdings, Inc.

Stock Exchange Listings: Tokyo, Osaka, Nagoya (First Sections)

Local Securities Code Number: 4902

(URL: http://konicaminolta.jp)

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1. Items Pertaining to the Compiling of the Overview of Quarterly Results

a) Discrepancies between methods recognized in the most recent consolidated fiscal accounting year and the accounting procedures for the quarter under review : none

b) Changes to the application of consolidated and equity methods : yes

Consolidated:	(new) 7 companies	(excluded) -
Equity:	(new) -	(excluded) -

2. Overview of Fiscal 2004 3rd Quarter Performance

a) Progress of business performance (consolidated)

(1) 3rd quarter of fiscal 2004 (October 1, 2003 to December 31, 2003)

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (yen)
3rd quarter of fiscal 2004	282,112	18,288	15,318	10,558	19.88
3rd quarter of fiscal 2003	—	—	—	—	—

Note: 1. Units of less than ¥1 million have been dropped.

2. As quarterly reporting was commenced by the Company during the current fiscal year, results for the previous year and comparisons to the such have not been made. Diluted net income per share for the quarter (the period under review) has also been omitted as there was no residual stock.

(2) Nine-month totals (April 1, 2003 to December 31, 2003)

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (yen)
3rd quarter of fiscal 2004	560,541	42,617	34,410	18,938	41.73
3rd quarter of fiscal 2003	—	—	—	—	—

On August 5, 2003, the Company became Konica Minolta Holdings, Inc., a newly integrated holding company formed by an exchange of shares between Konica Corporation and Minolta Co., Ltd. However, because, under standardized accounting, the merger is being handled as occurring at the end of the interim term, separate interim term income statements have been drawn up for Konica and Minolta. Hence, Minolta's interim term results have not been included in the above nine month totals. To accurately present the current state of the Konica Minolta Group, nine-month totals including Minolta's interim term results are as follows:

Reference: Nine-month totals (April 1, 2003 to December 31, 2003) including Minolta's interim term results

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income
3rd quarter of fiscal 2004	823,712	58,300	43,762	25,733

[Qualitative Information Related to the Progress in Business Performance (Consolidated)]

On August 5, 2003, the Company became Konica Minolta Holdings, Inc., a newly merged holding company created by an exchange of shares between Konica Corporation and Minolta Co., Ltd. In October, both companies' operations were further reorganized and integrated under the new holding company and reworked into a new corporate group comprising six business companies and two common function companies. This third quarter marks the first post-merger real settlement of accounts for the Konica Minolta Group.

The world economy made a steady recovery during the third quarter led by semiconductors, electronic components and devices, and other sectors of the IT industry. Despite uncertainty regarding the situation in Iraq, the situation was encouraged by the resilience of the U.S. economy, where tax cuts and low interest rate policies have proven effective. In Japan, the engine of growth was the digital appliances market, in which capital investment and exports were on the rise; and, as shown by stock prices and certain other economic indicators, the Japanese economy is also gradually showing signs of recovery. However, prospects for an upturn in consumer spending continued to be hindered by a weak job market and stagnating household income levels, which, in addition to the trend toward a stronger yen and weaker U.S. dollar in the latter half of the quarter, has made the Japan's economic future unpredictable.

Against this backdrop and with the new merger at its doorstep, the Konica Minolta Group worked swiftly to solidify its business foundation. At the same time, faced with the daily intensification of corporate competition at the global level, the Company pursued the thorough implementation of business portfolio management to capitalize on the advantages of the merger as quickly as possible. In particular, we worked to expand sales and secure and improve earnings in our core Business Technologies Business and our strategic Optics Business. As a result, consolidated net sales for the quarter amounted to ¥282.1 billion. On the profitability side, although measures to reduce costs and expenses had some effect, certain costs related to the merger exerted greater-than-expected downward pressure on income, and, consequently, the Company recorded operating income of ¥18.2 billion, recurring profit of ¥15.3 billion, and net income of ¥10.5 billion for the quarter.

Currency exchange rates for the third quarter were ¥109 to the U.S. dollar and ¥129 to the euro.

Overview by Segment

3rd quarter of fiscal 2004 (October 1, 2003 to December 31, 2003)

(Millions of yen)

	Business Technologies Business	Optics Business	Photo Imaging and Camera Business	Medical and Graphic Imaging Business	Industrial Instruments Business	Other	Consolidated
Net sales to outside customers	166,471	25,358	59,053	28,358	1,115	1,753	282,112
Intersegment sales	5,672	5,164	4,140	5,801	544	(21,324)	—
Sales	172,144	30,523	63,194	34,159	1,660	(19,570)	282,112
Operating expense	156,659	25,656	64,923	33,674	1,335	(18,426)	263,823
Operating income	15,485	4,866	(1,729)	484	325	(1,144)	18,288

Nine-month totals (April 1, 2003 to December 31, 2003)

(Millions of yen)

	Business Technologies Business	Optics Business	Photo Imaging and Camera Business	Medical and Graphic Imaging Business	Industrial Instruments Business	Other	Consolidated
Net sales to outside customers	270,116	55,450	142,689	87,109	1,115	4,059	560,541
Intersegment sales	17,019	14,133	11,690	18,289	544	(61,678)	—
Sales	287,136	69,583	154,380	105,399	1,660	(57,618)	560,541
Operating expense	258,550	57,320	153,081	100,240	1,335	(52,604)	517,923
Operating income	28,585	12,263	1,298	5,158	325	(5,013)	42,617

Reference: Nine-month totals including Minolta's interim term results. (April 1, 2003, to March 31, 2004)

(Millions of yen)

	Business Technologies Business	Optics Business	Photo Imaging and Camera Business	Medical and Graphic Imaging Business	Industrial Instruments Business	Other	Consolidated
Net sales to outside customers	464,751	64,564	196,420	87,109	6,488	4,376	823,712
Intersegment sales	17,105	14,355	11,916	18,289	659	(62,326)	—
Sales	481,857	78,919	208,337	105,399	7,148	(57,949)	823,712
Operating expense	436,823	67,543	208,310	100,240	5,850	(53,356)	765,411
Operating income	45,033	11,376	26	5,158	1,298	(4,592)	58,300

1. Business Technologies Business (MFPs, Printers, Etc.)

Sales to customers external to the Company were ¥166.4 billion, and operating income was ¥15.4 billion.

In multi-function peripherals (MFP) operations, the Company continued to work to increase sales of high-value-added medium- and high-speed copiers and color copiers while also taking measures to maintain and expand its market share in all regions. We also further sped up the augmentation of our polymerized toner compatible copiers, from monochrome models to full-color copiers. In October 2003, we also commenced shipments to Hewlett-Packard in the United States of two models of monochrome MFP high-speed copiers, which print out copies at the high rate of 55 and 65 pages per minute.

In printer operations, the Company continued to target the U.S. and European markets for increased sales of color copiers in the low-speed segment. We also began to concentrate in earnest on this segment of the Japanese market and introduced new products under our own brand.

2. Optics Business (Optical Devices, Electronic Materials, Etc.)

Sales to external customers were ¥25.3 billion, and operating income was ¥4.8 billion.

During the third quarter, optical pickup lenses, which is the main focus of the Optics Business and hold a dominant market position, maintained the strong performance achieved in the first half of the fiscal year. In addition, increases in sales on the strength of substantial end-product market growth were attained in the strategic segments of digital camera lens units and microlenses for camera-equipped mobile phones, which utilize the Company's advanced optical technologies.

We also worked to expand sales of high-value-added products in TAC film and other liquid crystal materials segments by capitalizing on the flourishing growth of digital appliances, including digital cameras, mobile phones, and liquid crystal display television sets.

3. Photo Imaging and Camera Business (Photo-sensitive Materials, Digital Cameras, Ink-jet Media, Etc.)

Sales to external customers were ¥59.0 billion, and operating loss was ¥1.7 billion.

Although sales and profit from color film operations stagnated due to the growing popularity of digital cameras and the resulting dramatic decline in demand in North America, Europe, and other major markets, healthy sales were achieved in photographic paper, with which the Company is targeting the shift toward digital prints, and also ink-jet media, which the Company is incubating as a new business.

Although substantial year-on-year growth in sales of digital cameras was attained in terms of both volume and value as the overall market continued to grow, earnings nevertheless eased off due to greater-than-expected price competition during the all-important year-end shopping season as well as the continuation of the sharp decline in the film camera market.

4. Medical and Graphic Imaging Business (Medical and Graphic Products, Etc.)

Sales to external customers were ¥28.3 billion, and operating income was ¥0.4 billion.

In the medical imaging segment, the Company continued to work to achieve stable growth regardless of fluctuation in the economy, and favorable sales were recorded in film, imaging agents, and equipment. Steady progress was also achieved in the shift to digitally compatible dry film.

At the same time, in the graphic imaging segment, which has become increasingly filmless especially in industrialized nations, the Company compensated for declines in the Japanese market with concentrated sales expansion in graphic printing film in Asia and other overseas markets. We also worked dynamically to expand sales of digital color proof systems and other equipment both in Japan and overseas.

5. Industrial Instruments Business (Color Measurement and 3-D Measurement Devices, Etc.)

Sales to external customers were ¥1.1 billion, and operating income was ¥0.3 billion.

The Measuring Equipment Business achieved strong sales in the primary segment of color measurement equipment, benefiting from the high-growth potential of wide-screen television sets and eager capital investment in the IT industry, which has become a driver of economic recovery. The Company also continued to organize its sales force and develop new products in 3-D measuring equipment, which the Company has positioned as a future core segment.

b) Quantitative Information Regarding the Changes in Financial Position (Consolidated)

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
3rd quarter of fiscal 2004	1,009,244	341,091	33.8	642.21
Reference: Interim Financial Results for FY2004	994,460	337,093	33.9	634.62

Consolidated Cash Flows

(Millions of yen)

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the 3rd quarter
3rd quarter of fiscal 2004 (Current Quarter)	12,388	(5,541)	(8,867)	87,652
3rd quarter of fiscal 2004 (9-month total)	20,553	(14,347)	(9,612)	87,652

[Quantitative Information Regarding Changes in Financial Position (Consolidated)]

Total assets were up ¥14.7 billion from the end of the first half, exceeding the ¥1 trillion mark and amounting to ¥1,009 billion. Accounts receivable climbed ¥11.3 billion, to ¥235.6 billion, and inventories rose ¥2.3 billion, to ¥186.5 billion. At the same time, interest-bearing debt declined 9.7 billion, to ¥294.8 billion. Shareholders' equity also grew ¥3.9 billion from the end of the first half, to ¥341.0 billion, yielding an equity ratio of 33.8%.

With regard to cash flows, due to the Company's recording of income before income taxes and minority interests amounting to ¥14.5 billion and other factors, cash provided by operating activities totaled ¥12.3 billion. Cash used in investing activities amounted to ¥5.5 billion, comprising mostly expenditures for the acquisition of tangible and intangible fixed assets, and thus free cash flow worked out to ¥6.8 billion.

On the other hand, cash used in financing activities amounted to ¥8.8 billion as a result of progress made in the repayment of bank loans and other borrowings. Hence, despite the ¥0.2 billion increase in cash and cash equivalents from new consolidation, cash and cash equivalents at the end of the third quarter declined ¥1.8 billion from the end of the first half, to ¥87.6 billion.

3. Consolidated Results Forecast for Fiscal 2004 (April 1, 2003, to March 31, 2004)

(Millions of yen)

	Forecast net sales	Forecast recurring profit	Forecast net income
Full-year	870,000	35,000	17,000

Note: Net income per share forecast for the full fiscal year is ¥32.00.

Due to the reasons stated above, Minolta's interim results have not been included in the above forecast for the full fiscal year. To accurately present the current state of the Konica Minolta Group, the full year forecast, including Minolta's interim term results, is as follows:

Reference: Consolidated Results Forecast for Fiscal 2004, including Monolta's interim term results.
(April 1, 2003, to March 31, 2004)

(Millions of yen)

	Forecast net sales	Forecast recurring profit	Forecast net income
Full-year	1,133,200	44,400	23,800

[Quantitative Information Regarding the Company's Results Forecast]

Although continuing stagnation in consumer spending in the Japanese market is expected due to the persistent unpredictable nature of the economy, global markets, particularly the United States and China, remain on a steady recovery trajectory and the current boom in IT and digital appliances is expected to continue.

With regard to its own standing, the Konica Minolta Group anticipates persistent severity in the business environment surrounding photo-sensitive materials as the shift toward digitization continues and more intense price competition in the digital camera market is expected. However, recovery in corporate earnings has improved companies' willingness to invest capital, and firm demand is expected for such office equipment as office productivity-enhancing intelligent copiers and color printers. The Company also predicts continued strong demand for such optical devices and components as large LCD FPDs, camera-equipped mobile phones, and other segments of the digital appliances market continue to expand.

In currency exchange rates, although the continuing trend toward a strong yen and weak U.S. dollar is a cause of concern, the yen has depreciated against the euro to greater degree than anticipated and hence the U.S. dollar and the euro are expected to balance out any potential effect on income due to exchange rate fluctuation.

In consideration of this business and exchange rate environment, the Company makes no revision to its full fiscal year forecast announced on November 13, 2003, and will accelerate efforts to achieve its targets, implement all measures necessary to complete the Konica Minolta merger, and steadily capitalize on the merger's benefits.

**The above performance forecasts are expectations based on predications, outlooks, and plans related to the future at the time of this announcement and, as such, are subject to risks and uncertainties. Various significant factors may cause actual results to differ materially from these forecasts.*

(Supplementary Materials)

1. Consolidated Financial Statements in Brief

(1) Consolidated Balance Sheets Highlights

(Millions of yen)

	3rd Quarter of Fiscal 2004		Interim Period	
	From Oct. 1, 2003 to Dec. 31, 2003		From Apr. 1, 2003 to Sep. 30, 2003	
	Amount	% of total	Amount	% of total
(Assets)		%		%
Current assets	(575,127)	(57.0)	(553,893)	(55.7)
Cash and deposits	87,646		89,513	
Trade notes and accounts receivable	235,663		224,356	
Inventories	186,551		184,154	
Other current assets	65,266		55,868	
Fixed assets	(434,117)	(43.0)	(440,567)	(44.3)
Tangible fixed assets	220,709		226,399	
Intangible fixed assets	120,600		122,190	
Investments and others	92,806		91,977	
Total assets	1,009,244	100.0	994,460	100.0
(Liabilities)				
Current liabilities	(511,985)	(50.7)	(491,785)	(49.5)
Trade notes and accounts payable	156,038		139,853	
Short-term debt	236,846		232,848	
Other current liabilities	119,100		119,082	
Long-term liabilities	(154,947)	(15.4)	(164,319)	(16.5)
Long-term debt	58,005		71,736	
Other long-term liabilities	96,941		92,583	
Total liabilities	666,932	66.1	656,104	66.0
Minority interests	1,221	0.1	1,262	0.1
Total shareholders’ equity	341,091	33.8	337,093	33.9
Total liabilities, minority interests and shareholders’ equity	1,009,244	100.0	994,460	100.0

(2) Consolidated Statement of Income Highlights

(Millions of yen)

	3rd Quarter of Fiscal 2004				(Reference) Minolta's interim term results	
	Current quarter		9-month total		9-month total	
	From Oct. 1, 2003 to Dec. 31, 2003		From Apr. 1, 2003 to Dec. 31, 2003		From Apr. 1, 2003 to Dec. 31, 2003	
	Amount	% of sales	Amount	% of sales	Amount	% of sales
		%		%		%
Net sales	282,112	100.0	560,541	100.0	823,712	100.0
Cost of sales	168,863	59.9	321,403	57.3	467,316	56.7
Gross profit	113,248	40.1	239,138	42.7	356,395	43.3
Selling, general and administrative expenses	94,960	33.6	196,520	35.1	298,094	36.2
Operating income	18,288	6.5	42,617	7.6	58,300	7.1
Non-operating income	2,000		5,187		8,555	
Non-operating expenses	4,971		13,394		23,093	
Recurring profit	15,318	5.4	34,410	6.1	43,762	5.3
Extraordinary profit	44		534		1,376	
Extraordinary losses	794		3,664		5,681	
Income before income taxes and minority interests	14,568	5.2	31,280	5.6	39,457	4.8
Tax expenses	4,078		12,244		13,574	
Minority interests in earnings of consolidated subsidiaries	(68)		98		150	
Net income	10,558	3.7	18,938	3.4	25,733	3.1

(3) Consolidated Statement of Cash Flows Highlights

(Millions of yen)

	3rd Quarter of Fiscal 2004	
	Current quarter	9-month total
	From Oct. 1, 2003 to Dec. 31, 2003	From Apr. 1, 2003 to Dec. 31, 2003
	Amount	Amount
I. Cash flows from operating activities		
Income before income taxes and minority interests	14,568	31,280
Depreciation and amortization	15,756	29,354
Decrease (increase) in trade notes and accounts receivable	(17,792)	(12,592)
Decrease (increase) in inventories	(6,958)	(12,656)
Increase (decrease) in trade notes and accounts payable	21,676	16,900
Income taxes paid	(5,386)	(16,411)
Other	(9,476)	(15,322)
Net cash provided by operating activities	12,388	20,553
II. Cash flows from investing activities		
Payment for acquisition of tangible fixed assets	(5,918)	(14,539)
Other	377	192
Net cash provided by investing activities	(5,541)	(14,347)
III. Cash flows from financing activities		
Change in interest-bearing liabilities	(6,155)	(4,980)
Dividend payments	(2,638)	(4,426)
Other	(74)	(206)
Net cash provided by financing activities	(8,867)	(9,612)
IV. Translation differences on cash and cash equivalents	(98)	61
V. Increase (decrease) in cash and cash equivalents	(2,118)	(3,344)
VI. Cash and cash equivalents at beginning of period	89,518	51,876
VII. Increase in cash and cash equivalents due to newly consolidated subsidiaries	252	667
VIII. Increase in cash and cash equivalents due to exchange of shares	-	38,453
IX. Cash and cash equivalents at end of period	87,652	87,652

Supplementary Materials

(Reference) Supplementary Information Related to the Current 4th Quarter

(January 1, 2004 to March 31, 2004)

(Billions of yen)

	Net sales	Operating income	Recurring profit	Net income
Forecast for the fiscal year ending March 31, 2004	1,133.2	66.7	44.4	23.8
1st quarter of fiscal 2004	255.7	19.6	20.4	11.4
2nd quarter of fiscal 2004	285.9	20.4	8.1	3.8
3rd quarter of fiscal 2004	282.1	18.3	15.3	10.6
(Reference) 4th quarter of fiscal 2004	309.5	8.4	0.6	(2.0)

Note: 1st and 2nd quarter performance data includes Minolta's portion as well.

The timing of the accrual of such expenses as various expenses related to the integration of operations, other general expenses, non-operating expenses, and extraordinary losses are disproportionately weighted to the 4th quarter, which is a factor dampening 4th quarter income.

(Reference) Effect of Expenses Related to the Integration of Operations on Graded Income

(Billions of yen)

	Selling, general and administrative expenses	Non-operating expenses	Extraordinary losses	Total
Forecast for the fiscal year ending March 31, 2004	14.7	3.4	2.0	20.1
Interim results for fiscal 2004	1.5	2.0	0.1	3.6
3rd quarter of fiscal 2004	3.7	0.4	0.3	4.4
(Reference) 4th quarter of fiscal 2004	9.5	1.0	1.6	12.1

Note: Interim performance data includes Minolta's portion.