

Konica Minolta Group

Consolidated 3rd Quarter Financial Results

Three months ended December 31, 2003

Supplementary Information

February 12, 2004
Konica Minolta Holdings, Inc.

Highlight of 3Q financial results



(Billions of yen)		3Q Results		9M Results		FY03 Forecast (as of Nov. 2003)	
Net sales		282.1		823.7		1,133.2	
Operating income		18.3	6.5%	58.3	7.1%	66.7	5.9%
Ordinary income		15.3	5.4%	43.7	5.3%	44.4	3.9%
Net income		10.6	3.7%	25.7	3.1%	23.8	2.1%
Exchange rate (Yen)	USD	109		115		110	
	Euro	129		132		125	

FY03 Forecast has not been changed since the previous announcement in November 2003.

Quarterly results and costs for integration



Quarterly results FY2003

(Billions of yen)	Results				Current forecast (as of Nov. 2003)		
	1Q	2Q	1H	3Q	4Q	2H	Full year
Net sales	255.7	285.9	541.6	282.1	309.5	591.6	1,133.2
Operating income	19.6	20.4	40.0	18.3	8.4	26.7	66.7
Ordinary income	20.4	8.1	28.5	15.3	0.6	15.9	44.4
Net income	11.4	3.8	15.2	10.6	-2.0	8.6	23.8

Costs for integration

(Billions of yen)	Results		Current forecast (as of Nov. 2003)		
	1H	3Q	4Q	2H	Full year
SG&A	1.5	3.7	9.5	13.2	14.7
Non-operating expenses	2.0	0.4	1.0	1.4	3.4
Extraordinary losses	0.1	0.3	1.6	1.9	2.0
Total	3.6	4.4	12.1	16.5	20.1

4Q incomes will be lower than other quarters due to the integration costs and SG&A anticipated in 4Q.

- A decrease of 10 billion yen in 4Q operating income is partly brought by the Integration costs of approx. 6 billion yen.
- Valuation losses of inventories and others will be posted in 4Q.

Net sales and operating income by business segment



(Billions of yen)	3Q Results		9M Results		FY2003 Forecast (as of Nov. 2003)	
Business Technologies						
Net sales	166.5		464.7		624.6	
Operating income	15.5	9.3%	45.0	9.7%	52.4	8.4%
Optical						
Net sales	25.4		64.6		79.1	
Operating income	4.9	19.2%	11.5	17.8%	12.7	16.1%
Photo Imaging						
Net sales	33.7		106.3		147.0	
Operating income	0.7	2.1%	3.0	2.8%	4.0	2.7%
Camera						
Net sales	24.9		90.1		146.2	
Operating income	-2.5		-2.9		0.0	
Medical and Graphics						
Net sales	28.4		87.2		120.0	
Operating income	0.5	1.7%	5.2	6.0%	9.0	7.5%
Sensing						
Net sales	1.6		6.5		10.4	
Operating income	0.3	29.1%	1.2	18.5%	1.9	18.3%
Others						
Net sales	1.6		4.2		5.8	
Operating income	-1.1		-4.7		-13.3	
Group Total						
Net sales	282.1		823.7		1,133.2	
Operating income	18.3	6.5%	58.3	7.1%	66.7	5.9%

Business Technologies



■ Sales performance in 3Q FY2003 (unit basis)

[MFP business]

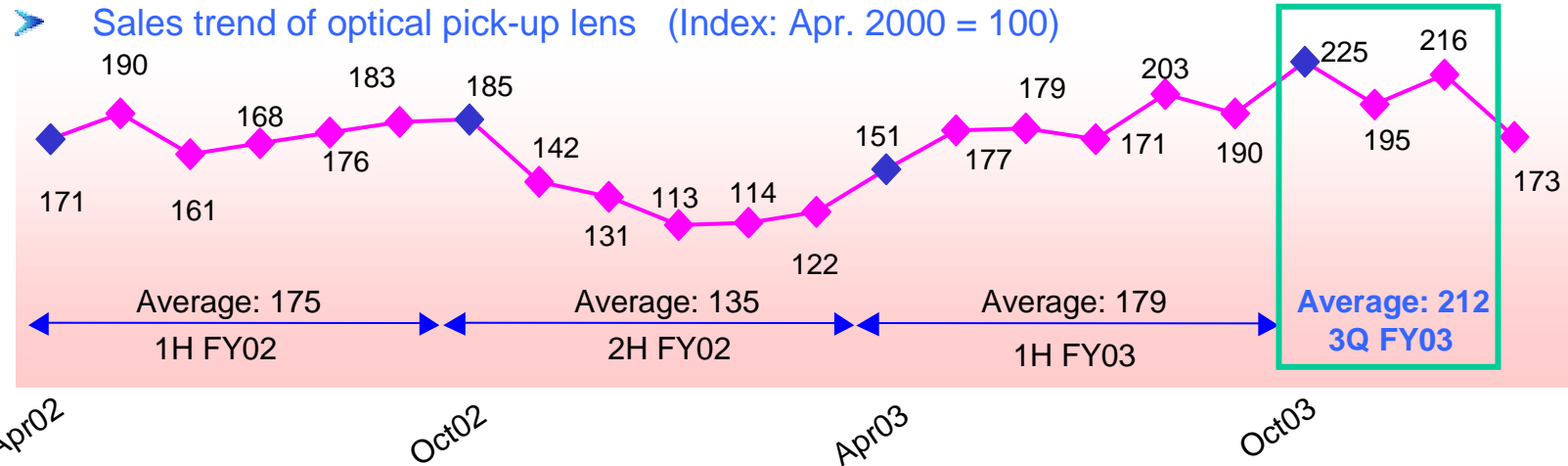
- The total number of units sold was slightly increased over the plan, but slightly decreased Y-O-Y.
- Monochrome models: +5% over the plan, decreased 10% Y-O-Y.
 - Smooth transition in sales from low segment to mid-to-high segments.
 - Segment 1: Decreased 30% Y-O-Y. Segment 2 to 5: Double-digit growth Y-O-Y.
- Color models: Increased 60% Y-O-Y. Remarkable growth in Europe and US.
 - A new 51ppm model released last September showed a good start, making a double in sales over the plan.

[LBP business]

- The total number of units sold increased as planned, +20% Y-O-Y.
- Monochrome models: Increased as planned, +10% Y-O-Y.
- Color models: Slightly below the planned target due to the intensified competition in the markets. Maintained the momentum of growth, +50% Y-O-Y.

Optical

Sales performance (unit basis)



➤ Sales trend of TAC film (Index: Apr. 2000 = 100)

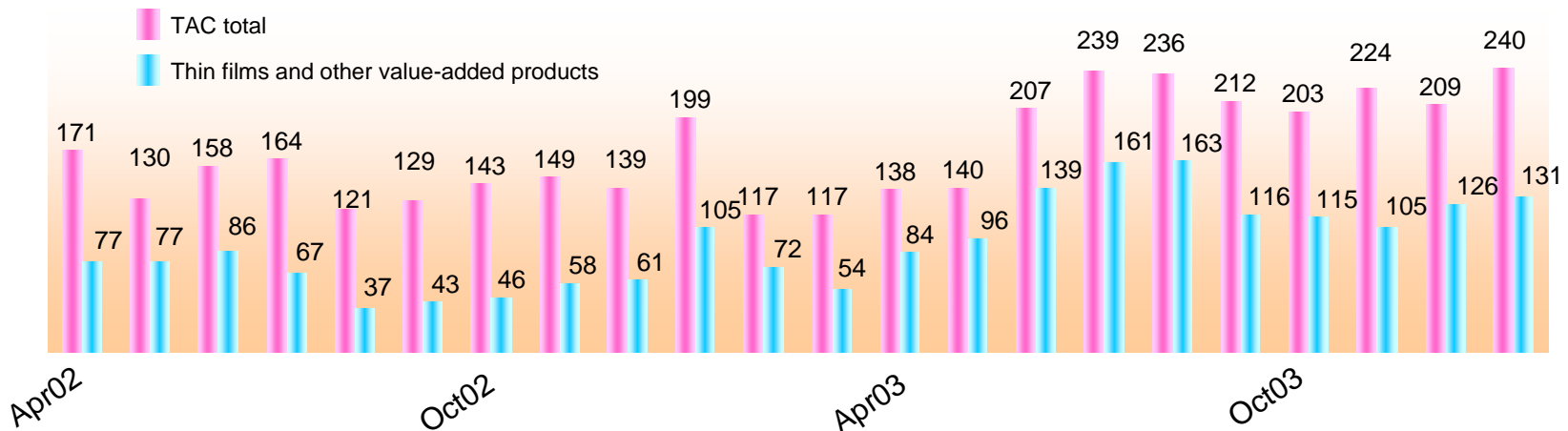


Photo Imaging and Camera



■ Sales performance in 3Q FY2003 (unit basis)

[Photo imaging business]

- Color film: Worldwide sales declined 10% Y-O-Y. Sales in Asian markets offset the decline in other areas.
- Photographic paper: Worldwide sales slightly increased Y-O-Y. Sales in Asian markets offset the decline in other areas.
- Mini labs: +20% Y-O-Y, due to the expansion of digital models.
- Ink-jet media: +50% Y-O-Y, due to the expansion of at-home printing.

[Camera business]

- Digital cameras: +230% Y-O-Y unit basis. Achieved the target. Profits deteriorated due to the intensified price competition in the major markets such as Japan, US and Europe.
- Film cameras: SLRs declined 20%, and compact cameras declined 40% Y-O-Y due to the expansion of digital camera markets to replace the film camera markets.

Reference (1)



Interest-bearing debts

(Billions of yen)	FY2001	FY2002	FY2003		
			1Q	2Q	3Q
Konica	176.1	152.1	166.8	155.9	
Minolta	240.7	171.0	160.3	148.7	
Konica Minolta	416.8	323.1	327.1	304.6	294.9

Inventories

(Billions of yen)	FY2001	FY2002	FY2003		
			1Q	2Q	3Q
Konica	102.3	98.8	111.7	105.5	
Minolta	98.1	77.2	84.7	78.6	
Konica Minolta	200.4	176.0	196.4	184.1	186.6
Turnover (months)	2.3	1.9	2.3	2.0	2.1

Reference (2)

- Capital expenditure, depreciation & amortization, and R&D expenses

(Billions of yen)	FY2003			FY2002 Full year Results
	3Q Results	9M Results	Full year Forecast	
Capital expenditure	8.8	31.0	43.1	37.5
Depreciation and amortization	15.8	40.7	51.1	53.8
R&D	15.1	45.4	63.4	54.3



Caution:

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.