Konica Minolta Group
Medium Term Business Plan
"FORWARD 08"

Yoshikatsu Ota
President & CEO

May 11, 2006
Konica Minolta Holdings, Inc.

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.

Fundamental group management policies

Management philosophy

The creation of new value

Management visions

An innovative corporation that continues to create inspiring products and services in the field of imaging.

A global corporation that leads the market by advanced technologies and reliability.

Corporate message

The essentials of imaging

Basic concepts

Mar 2006 — Mar 2007 — Mar 2008 — Mar 2009

V5 Plan Realize sustainable growth and maximize the corporate value of the Group

Exiting Photo Imaging business

Issue Photo Imaging's restructuring programs were steadily executed. Konica Minolta will pursue growth by leveraging collective Group resources with the defined future direction.

FORWARD 08

Fundamental policies

Increase value-added businesses and optimize Group corporate value as well as realize sustainable growth.

- Promote growth by leveraging collective Group resources
- Build a new corporate image
- Promote world-class CSR programs

The essentials of imaging

Priority issues

1. Promote growth by leveraging collective Group resources

- Accelerate growth in "equipment/services business group" and "component business group"

- Concentrate on growth fields and thoroughly implement the "genre-top strategy"

- Create new business models by strengthening network/solution implementation capabilities to customers
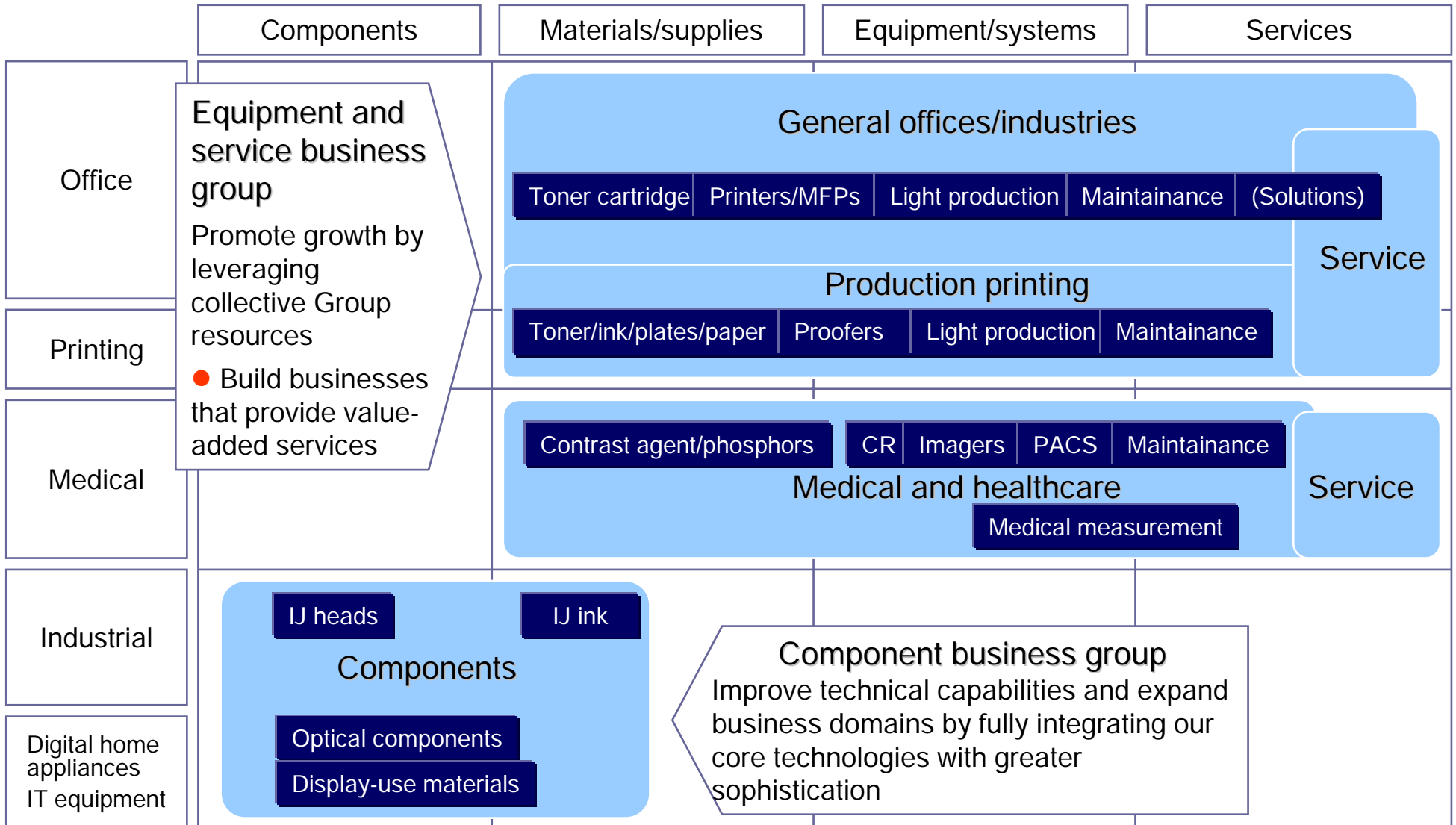
2. Build a new corporate image

- Become a business partner who contributes to our customers' business success (Provide innovative products and a professional level of service)

3. Promote world-class CSR programs

- Become a company that society trusts, and sustain corporate value through strengthening our global development not only economically but socially and environmentally

Growth drivers (business domains)

KONICA MINOLTA

	Components	Materials/supplies	Equipment/systems	Services
Office	**Equipment and service business group** Promote growth by leveraging collective Group resources ● Build businesses that provide value-added services	**General offices/industries** Toner cartridge · Printers/MFPs · Light production · Maintainance · (Solutions)		Service
Printing		**Production printing** Toner/ink/plates/paper · Proofers · Light production · Maintainance		
Medical		Contrast agent/phosphors — CR · Imagers · PACS · Maintainance **Medical and healthcare** Medical measurement		Service
Industrial	**Components** IJ heads · IJ ink Optical components Display-use materials	**Component business group** Improve technical capabilities and expand business domains by fully integrating our core technologies with greater sophistication		
Digital home appliances IT equipment				

The essentials of imaging

Concentration of resources for growth

KONICA MINOLTA

Business domains where Konica Minolta wants to strengthen competitiveness by concentrating management resources

General offices and industries

Production printing

- #1 market share in terms of color document volume
- Most popular lineup of products with digital connectivity tailored to the industry
- Take a step ahead of competitors in providing total solution services to major accounts
- #1 market share in light production printing domain

Components

- #1 market share in optical components such memory devices as DVD and HD
- Establish a dominant position at an earliest timing in the recently growing optical components domain (i.e. automobile-loaded cameras)
- #1 market share in high-function LCD film for display panels

The essentials of imaging

31

Growth strategies : General offices and industries

Redraw the ranking chart of the MFP market and establish a firm position in the top group of the industry by accelerating the marketing of color products to offices

Net sales targets
[billions of yen]
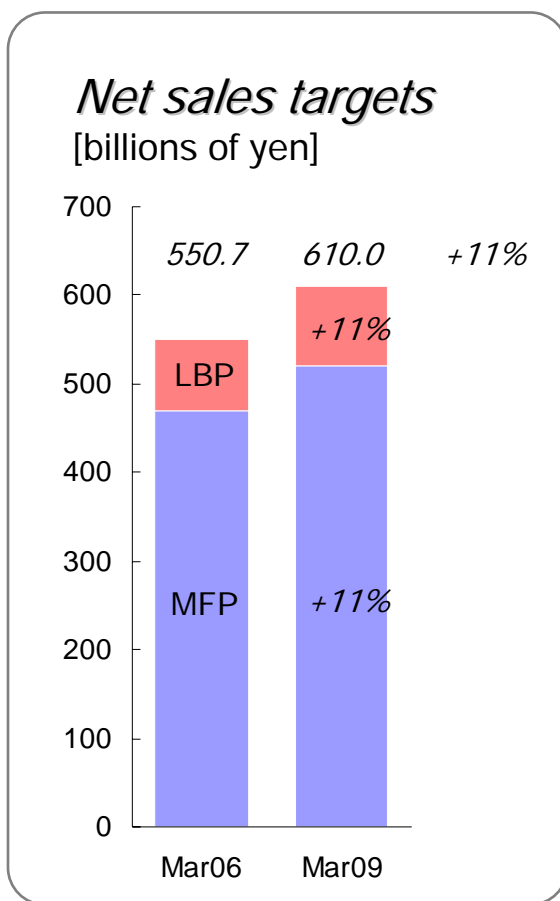
Initiatives

- Introduce attractive products and execute consistent cost reduction
- Strengthen solution sales for more expansion of color MFP sales
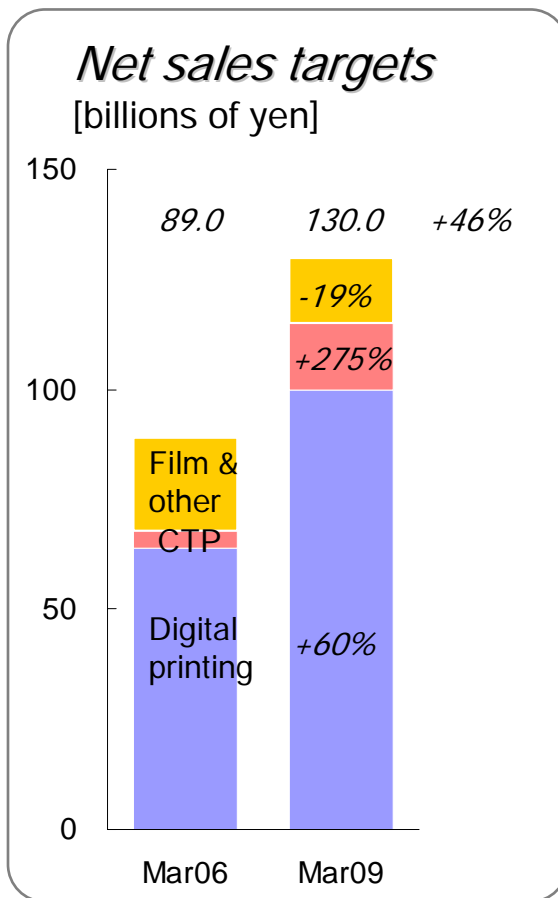- Develop new businesses in the field of solution service

Competitive edge

- Industry-leading polymerized toner and the capabilities to produce key components internally
- Promote the installation of next-generation open platform along with the alliance with IT companies
- Develop network solutions suitable for the business style

Market share targets Mar2009

- Color MFP (Segment 2 and above)
  Market share target - unit base: Worldwide 25%, Europe/US 30% or up

The essentials of imaging

32

Growth strategies : Production printing*

Become one of the top two players in the light production
printing industry

Net sales targets

[billions of yen]

Initiatives

● Strengthen solution sales (Provide application software
   and contents)
● Strengthen sales and service teams
● Provide attractive products (Digital printing, CTP)

Competitive edge

● Polymerized toner with a competitive technology in fixing
   with low heat
● Accumulated know-how in printing process regarding
   printing work flows and color management
● Highly productive MFPs with the use of a variety of options

Market share targets Mar2009

● High-speed color MFPs for the use of light production
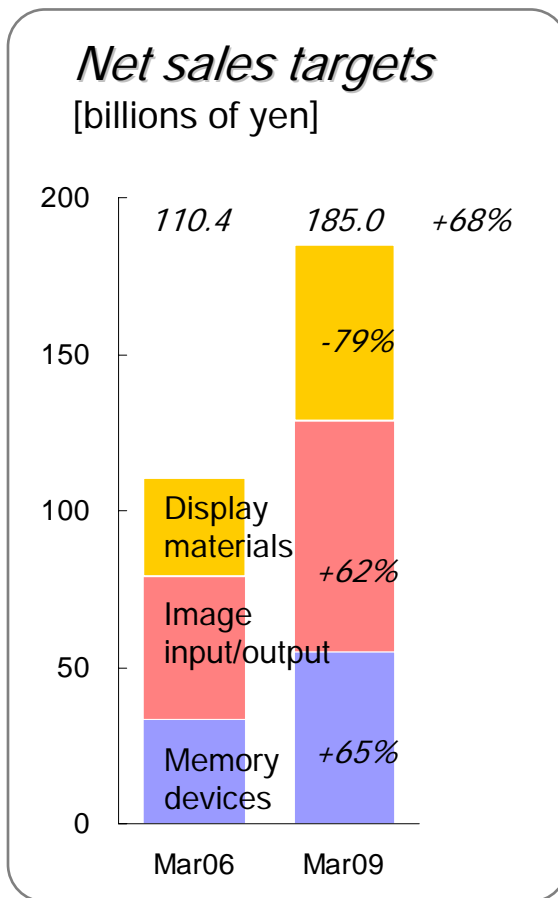● Market share target - unit base: Worldwide 33%

*Production printing domain:
A Combination of high-speed MFPs, normally categorized in Business Technologies and the entire
Graphic Imaging business.

The essentials of imaging

Growth strategies : Components

Secure the leading position as a optical components supplier with leading-edge technologies in optical components used for digital home appliances and IT equipment

Net sales targets
[billions of yen]

200

110.4   185.0   +68%

150

-79%

100

Display materials

50

Image input/output

+62%

Memory devices   +65%

0

Mar06   Mar09

The essentials of imaging

Initiatives

- *Memory devices* : Secure a overwhelming competitiveness position in the field of pickup lenses and materials development
- *Image input/output components*: Increase production capacity and productivity through expanding overseas operation and alliances with other companies
- *Display materials*: Promote investments in increasing production capabilities
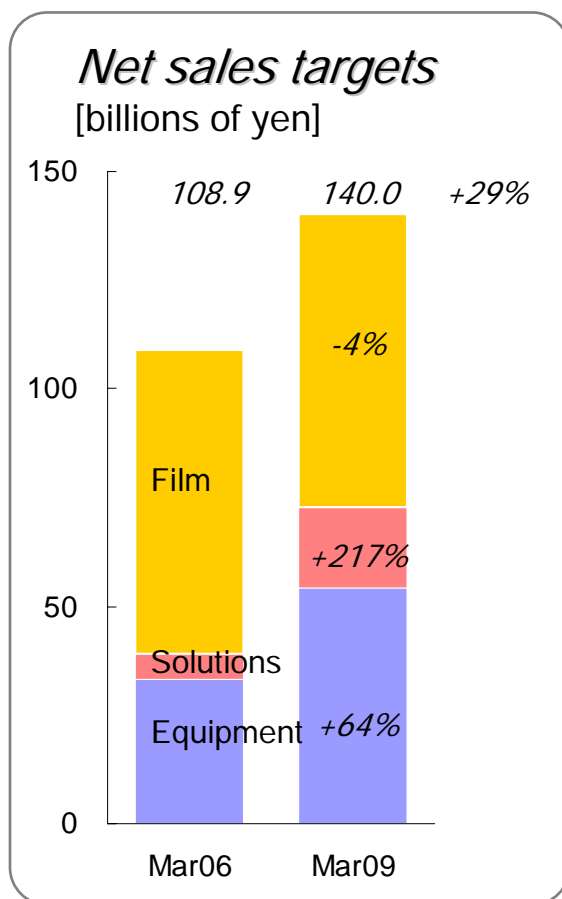
Competitive edge

- R&D capabilities and production technologies that utilize the advantages of plastic and glass
- TAC film coating technologies
- Strong R&D structure to meet customer needs

Market share targets Mar2009

- Memory devices: Pickup lenses (existing and next-generation DVDs) Market share target - unit base: Worldwide 70%
- TAC film: Market share target - unit base: Worldwide 25%

Growth strategies : Medical and health care

Expand the business scale of digital equipment and solution services

Net sales targets

[billions of yen]

Initiatives

- Strengthen overseas business
- Develop systems tailored to general practitioners and strengthen marketing
- Strengthen solutions business (RIS, PACS, electronic chart)
- Strengthen diagnostic products business

Competitive edge

- Miniaturize machine (CRs) size and increase image quality
- Strengthen customer relations and brand power
- Promote partnerships and business alliances with other companies

Market share targets Mar2009

- Image input equipment (CRs)
  Market share target - unit base: Worldwide 25%

The essentials of imaging

Groupwide priority issues

1. Utilize Photo Imaging's resources

- Camera development technologies will be transferred to:
  Optics ➔ Lens-related development
  Business Technologies ➔ Controller-related development

- Photo development technologies will be transferred to:
  Development of high-functional chemical materials and sophisticated thin film

- Production facilities:
  Shanghai site will be converted to a production base for high precision optical units.

2. Product development process reengineering

- Shorten product development period
- Strengthen production technologies and develop more efficient procurement systems and SCM
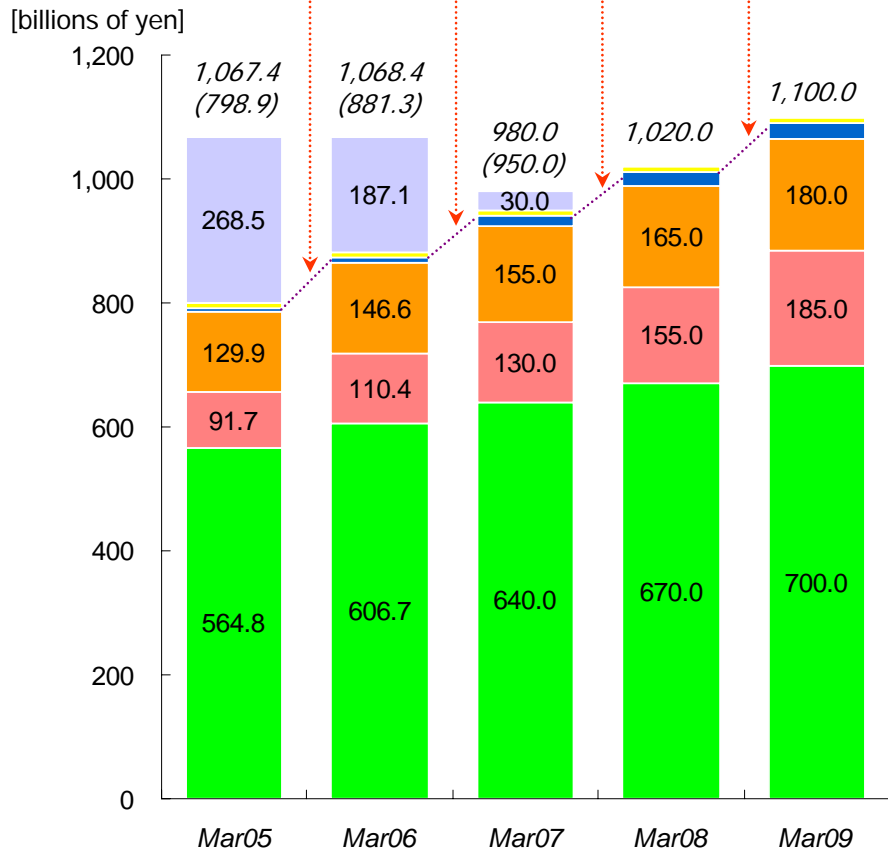
3. Strengthen solution business

- Promote the global-scale development of software
- Strengthen solution business and organize cooperative marketing structure
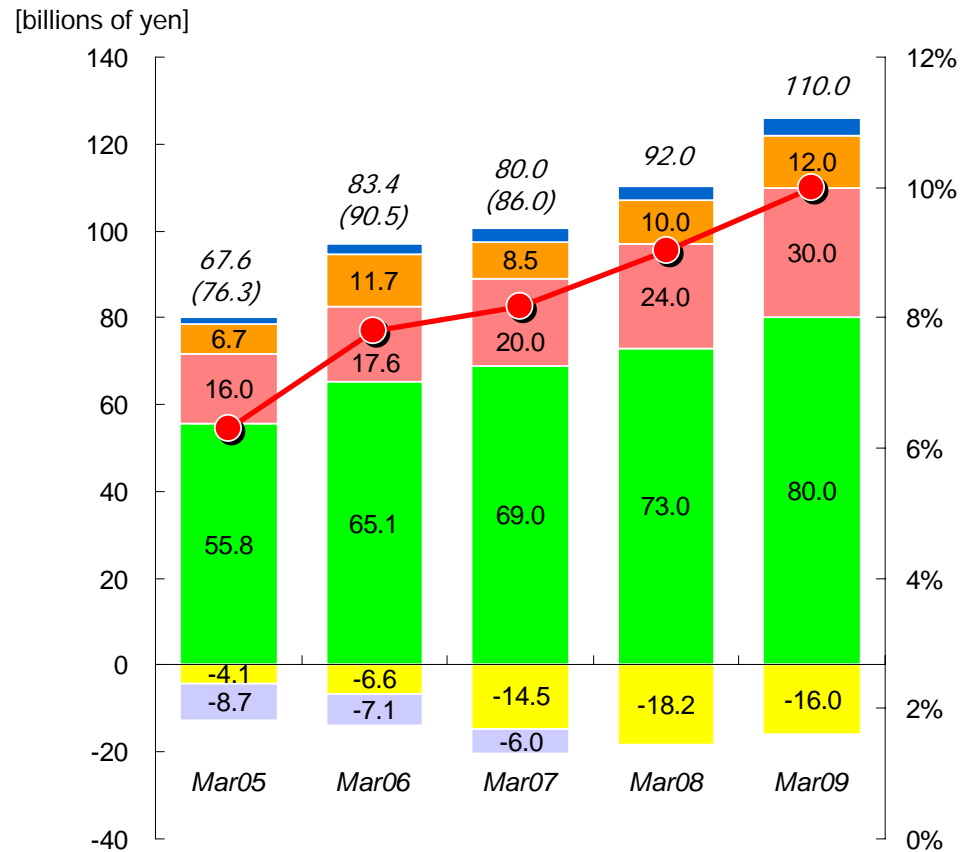- Develop new businesses in the field of solution services

The essentials of imaging

Group performance targets

Net sales

Y-O-Y growth rate excluding Photo Imaging
+10.3%   +7.8%   +7.4%   +7.8%

[billions of yen]

	Mar05	Mar06	Mar07	Mar08	Mar09
Total	1,067.4 (798.9)	1,068.4 (881.3)	980.0 (950.0)	1,020.0	1,100.0
Photo Imaging	268.5	187.1			
Other businesses			30.0		
Medical & Graphic	129.9	146.6	155.0	165.0	180.0
Optics	91.7	110.4	130.0	155.0	185.0
Business Technologies	564.8	606.7	640.0	670.0	700.0

Operating income

Operating income ratio
6.3%   7.8%   8.2%   9.0%   10%

[billions of yen]

	Mar05	Mar06	Mar07	Mar08	Mar09
Total	67.6 (76.3)	83.4 (90.5)	80.0 (86.0)	92.0	110.0
Other businesses	6.7				12.0
Medical & Graphic		11.7	8.5	10.0	30.0
Optics	16.0	17.6	20.0	24.0	
Business Technologies	55.8	65.1	69.0	73.0	80.0
HD, other	-4.1	-6.6	-14.5	-18.2	-16.0
Photo Imaging	-8.7	-7.1	-6.0		

Legend: Business Technologies | Optics | Medical & Graphic | Other businesses | Photo Imaging | HD, other

Note: Amounts in parentheses are net sales excluding Photo Imaging

The essentials of imaging

37

[Reference] Performance targets by segment

		Mar06 Actual	Mar07	Mar08	Mar09
Business Technologies	Net sales	606.7	640.0	670.0	700.0
	Op. income	65.1	69.0	73.0	80.0
Optics	Net sales	110.4	130.0	155.0	185.0
	Op. income	17.6	20.0	24.0	30.0
Medical & Graphic	Net sales	146.6	155.0	165.0	180.0
	Op. income	11.7	8.5	10.0	12.0
Other businesses	Net sales	10.2	17.0	22.0	26.0
	Op. income	2.7	3.0	3.2	4.0
Sub total	Net sales	873.9	942.0	1,012.0	1,091.0
	Op. income	97.1	100.5	110.2	126.0
Photo Imaging	Net sales	187.1	30.0	0.0	0.0
	Op. income	-7.1	-6.0	0.0	0.0
HD, other, eliminations	Net sales	7.4	8.0	8.0	9.0
	Op. income	-6.6	-14.5	-18.2	-16.0
Group total	Net sales	1,068.4	980.0	1,020.0	1,100.0
	Op. income	83.4	80.0	92.0	110.0

The essentials of imaging

The essentials of imaging