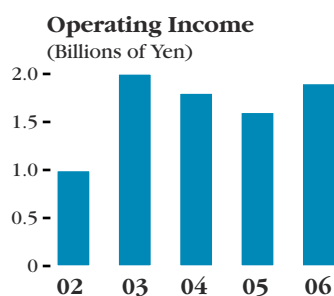
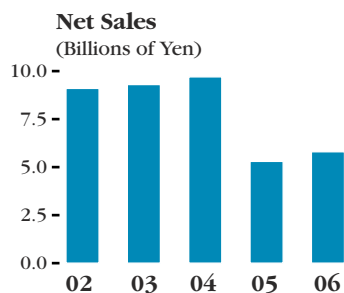


SENSING



* New product categorization was adopted from the fiscal year ended March 2005. Under the previous categorization, March 2005 results were flat with the previous fiscal year.

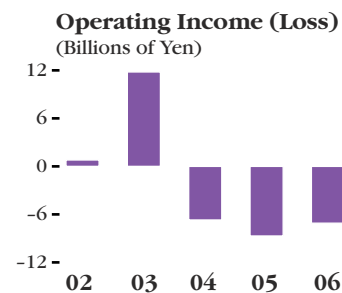
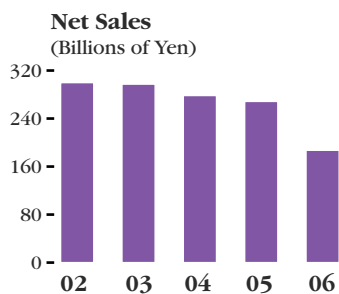
The main color measurement business is seeing strong demand from the automobile and flat panel display (FPD) industries, while the Group conducted product and applications development for 3-D digitizers.

For the fiscal year ended March 2006, the main color measurement business saw strong growth in physical object spectrophotometers designed for the automobile industry, as well as light source measuring equipment for the FPD industry. In 3-D digitizers, which are a new business field that the Group is working to expand, management resources were concentrated in new product development and applications development as the Group worked to win new customers. Both Konica Minolta colorimeters and 3-D digitizers received high marks from customers for their high quality and reliability.

In addition, in medical measuring instruments, good volume growth was seen in pulse oximeters, which can measure the oxygen absorption level in the blood without taking a blood sample. As sleep apnea syndrome (SAS) has become a major issue, pulse oximeters are being well received by medical professionals.

Given the above, consolidated sales for the Sensing business in the fiscal year ended March 2006 were ¥5.8 billion, while operating income was ¥1.9 billion.

PHOTO IMAGING



The Group has decided to exit the Photo Imaging business in phases by the end of September 2007.

At the end of March 2006, a portion of the camera production assets related to the development, design and production of digital single lens reflex (SLR) cameras was transferred to Sony Corporation. As a result, the Group ceased camera-related operations at the end of March 2006. In addition, minilab business activities were also discontinued as of the end of March 2006.

In the photo-related business (photosensitive materials) on the other hand, product types and production volume will be gradually reduced in preparation for a cessation of production activities by the end of March 2007, and the Group is scheduled to completely exit the business by the end of September of the same year.

In keeping with the decision to exit the business and preparations to cease business activities in this product area, consolidated sales for the Photo Imaging business for the fiscal year ended March 2006 were ¥187.1 billion, while the operating loss was ¥7.1 billion.