

INKJET BUSINESS

(Inkjet Printer Heads and Textile Print Systems)

For the fiscal year ended March 2006, the inkjet printer head business, which was initiated as one facet of a program to develop and nurture new businesses in the components business was well received, and sales of printers using the Group's inkjet printer heads were strong. Moreover, these print heads were instrumental in the initiation of OEM supply to one of the world's largest printer manufacturers. Our ultra-precision heads for display manufacturing have also attracted a great deal of industry attention, and there has been a sharp increase in requests to supply samples.

In the textile print systems business, large format printers were introduced into the European market, where they were very well received, with business swiftly increasing. Beginning in Italy, sales in Europe have been expanded to include Spain and Eastern Europe.

Extremely high barriers to entry for the industrial-use inkjet heads in terms of technology that Konica Minolta is emphasizing puts the Group in a superior position. In addition, we have high revenue expectation given the abundant chemical knowledge that is supporting the Group's ink development and makes print heads and ink the two pillars of inkjet technology. The Group therefore intends to develop the market for inkjet applications in addition to building a high revenue base for the component's business.

"Nassenger V" Digital Inkjet Textile Print System

Utilizes Konica Minolta's proprietary technology to electro-mechanically modify piezo inkjet print heads that control ink ejection compatible with various types of inks, including solvent, oil-based and UV curing inks allowing for high quality printing on wide textile materials

