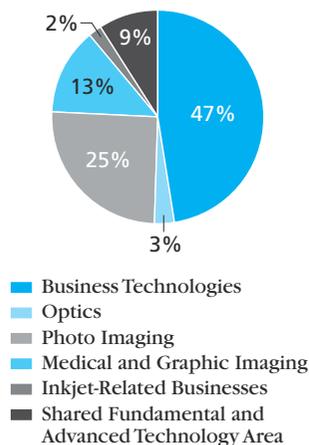


**Japanese Patents Held by Business Segment**



### 1. R&D Segments and Intellectual Property Strategy Direction

The Konica Minolta Group is working to strengthen its intellectual property assets in its core Business Technologies business and in its strategic Optics business. As a result, the share of both businesses in terms of the Group's total patent applications is approximately 50%. In addition, both of these businesses accounted for approximately 50% of a total 6,163 Japanese patents held as of March 31, 2005.

### 2. Analysis of Technology Market Potential and Competitive Advantage

In Business Technologies, the Group has industry-leading product competitiveness in color MFP and color LBP where market expansion is accelerating based on the strength of polymerized toners featuring uniform, small diameter particles produced by a proprietary manufacturing method, as well as high quality image processing technology.

Moreover, in MFP for production printing, the Group is leveraging advanced paper handling technology, printing workflow and color management know-how to establish a solid market position.

In Optics, the Group has build a strong market position as a major manufacturer with global scale and strong product positioning supported by strong technological competitiveness in TAC film used to protect polarizing plates, and aspherical plastic object lenses and other that are the products of proprietary optical as well as nano fabrication technologies.

### 3. R&D, Intellectual Property Organization, Collaboration and Alliances

While each business company in the Konica Minolta Group has its own R&D organization and conducts its own development of products in existing businesses, Konica Minolta Technology Center, Inc. functions to provide research and development for the Group as a whole in deeply cultivating and advancing shared basic technologies as well as leading-edge technologies.

The Intellectual Property Center is part of the Konica Minolta Technology Center and is responsible for creating the Group's intellectual property strategy as well as collaborating closely with each business company to promote intellectual property activities in functioning as a horizontal intellectual property link for the Group.

In addition, Intellectual Property Center liaison personnel are assigned to respective bases in Japan and China to provide close collaboration in research and development activities in globally promoting the intellectual property strategies of the Group and the respective business companies.

### 4. Acquisition and Management of Intellectual Property, Trade Secrets Management and Policies to Prevent Technology Leakage

Recognizing the importance of intellectual property as a management resource, the Group has created Group-wide policies for intellectual property management and is actively promoting effective asset formation and the effective use of intellectual property rights in each of its businesses.

In addition, the Group has created clear guidelines regarding inventor rights and other issues concerning the effective use of these assets in the form of "Regulations

for the Management of Industrial Property Rights” and in “Regulations for Industrial Property Right Awards”, which govern the Group’s acquisition and management of intellectual property rights. These regulations abolish upper caps on compensatory payment and provide for a system that allows the inventor to receive a lump sum compensatory payment when the patent is filed in order to provide even greater incentive for employee inventions.

In terms of trade secret management and technology security, in line with, the basic policies as outlined in the “Konica Minolta Group Compliance Guidelines” “Standards for the Management of Confidential Information” have been created by each business company and form the basis for efforts to educate employees to raise awareness, and these guidelines are being thoroughly applied through operational audits of each organization. Through such efforts, the Group is working to ensure that confidential information is being appropriately managed and to prevent the inadvertent leakage of confidential information.

### 5. Business Contribution of Licensing-Related Activities

The Group is effectively utilizing the large number of intellectual property rights it holds to ensure product differentiation and competitive advantage, and thereby ensure business profitability in each related business. On the other hand, in business domains where the technology is becoming increasingly sophisticated and complicated, the Group is pursuing a strategy of cross-licensing in order to acquire needed technology from other companies to ensure sustainable growth for the business and a degree of freedom in R&D.

### 6. Patent Portfolio Contributions to Business

The Group’s actively files patents for the R&D accomplishments of each business area, as it believes that assuring patent superiority is basis for business contribution. In order to ensure patent superiority, the Group specifies priority technology domains and areas to drive business expansion and the Group’s “genre-top” strategy. Efforts in these designated domains and areas are not limited to systematic and concentrated patent applications. The Group is also seeking business contribution through the selection of foreign countries in which patent applications will be made and early patent right conversion will be promoted.

#### Trend in Disclosed Patents in Japan and U.S. Patents Granted

		2003	2004	2005
Disclosed Patents in Japan	Patents (Number)	4,107	4,417	4,268
	Ranking (Est.)	12	12	12
U.S. Patents Granted	Patents (Number)	380	404	316
	Ranking (Est.)	55	50	56

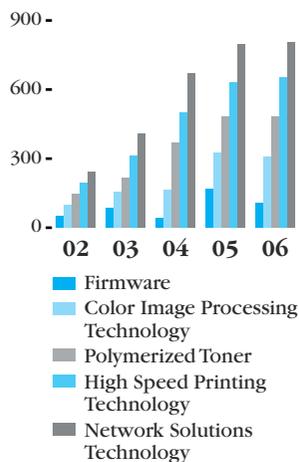
Notes: (1) Aggregate Japan publicly disclosed patents held by the prior Konica and Minolta companies based data published in Diamond Co., Ltd.’s “IP & Technology 2004-4” publication.

The rankings for the number of U.S. patents granted are the aggregated totals of the prior Konica, Minolta and Group companies, based on data compiled by the Intellectual Property Owners Association (<http://www.ipo.org/>).

(2) Years in the table refer to calendar years.

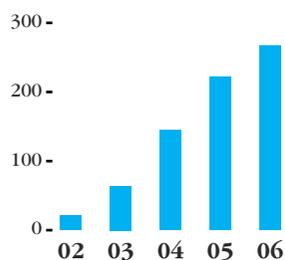
### Cumulative Disclosed Japanese Patents in Key Areas

(Number of patents)  
(From the fiscal year ended March, 2002)



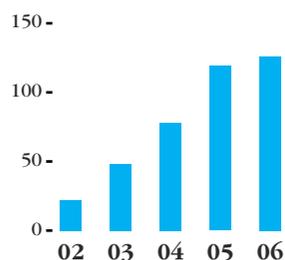
### Cumulative Disclosed Japanese Patents in Optical Pickup Lenses Including Next-Generation Pickup Lenses

(Number of patents)  
(From the fiscal year ended March, 2002)



### Trend in Disclosed Japanese Patents in the Medical Fields

(Number of patents)  
(From the fiscal year ended March, 2002)



## (1) Business Technologies

The Group has particularly high market shares in the color MFP and color LBP domains, and going forward it will continue promoting technologies and product development to further solidify its business base.

### Priority Areas

- 1) Shared firmware:  
Establish a broadly based lineup of low-speed to high-speed products.
- 2) Color image processing technology:  
Achieve high image quality
- 3) Polymerized toner:  
Achieve the industry's most advanced toner in terms of small diameter and uniformity, and achieve high resolution and image quality at a low cost
- 4) High speed printing technologies:  
Achieve printing speeds and processing capacity on par with printing equipment, develop the ability to provide diverse finishing capability up to final binding and build an on-demand printing system that can respond to the varied demands of the printing business
- 5) Network solution technologies:  
Achieve the ability to provide customers with abundant functionality, including optimized work flow, networking, security and verification.

## (2) Optics

In Optics, the Group's products in the optical lens field are already highly respected in the market place, and concentrated efforts are under-way to acquire patents in order to establish greater patent superiority, thereby contributing to the business by providing greater stability. In the DVD/CD compatible pickup lens area, the Group has many domestic and overseas patents covering the main technologies, including patents for diffraction-type object pickup lenses that can record and play back two types of optical disks. In addition, the Group is also emphasizing the accumulation of patent applications for next-generation blue laser pickup lenses where future expectations are high.

## (3) Medical and Graphic Imaging

In the medical field, the emphasis is on patent applications for key items of future medical systems such as digital image input/output equipment and network systems as a means of maintaining patent superiority and contributing to the business.

In the CTP printing plate field, we are actively applying for patents with an eye on market expansion.

Moreover, we have emphasized overseas patent applications over the past several years in response to the overseas development of the business.

## **7. Intellectual Property Portfolio Policies**

The Group considers its two core business domains of Business Technologies and Optics to be its priority response domains for intellectual property. In terms of priority responses, the Group is not only working to increase the number of patent applications but is also conducting research on leading-edge technologies before patent applications are made and is proactively collaborating with engineers in the R&D division in order to improve quality. While the Group believes this emphasis on quality means that a certain decline in the number of applications is unavoidable, it will nevertheless work to increase the number of patent applications in priority domains after ensuring that quality is enhanced.

In addition, in keeping with the globalization of its business, the Group will continue to emphasize overseas patent applications. While the current emphasis is on patent applications in the U.S., the Group will be placing even more importance going forward on the U.S. as the most important target for patent applications. In addition, given the growing importance of China as a production base and the rapid expansion of the market, the Group is working to ensure that a specific number of patent applications in China are made in key business domains and is promoting the acquisition of effective patent rights.

## **8. Risk Response**

As of the date of this report, the Group was not involved in any intellectual property disputes or litigation that could have a material impact on the management of the Group.