

Medical and Graphic Imaging

While overseas medical imaging segment sales of digital equipment and printing-use film were favorable, rising development expenses and sharply rising silver costs resulted in lower earnings.

For the fiscal year ended March 2007, we worked in the medical segment to expand sales of digital related equipment and systems such as the *REGIUS series* computed radiography systems and the *DRYPRO series* image output systems mainly to the worldwide hospital market in response to the trend toward digital and networked systems in the diagnostic and health care workplace.

In addition to the large hospital market, we shifted our particular focus to the clinic market, where there is an increasing need for primary diagnosis. In June 2007, we marketed a new computed radiography product called *REGIUS110*, a compact and easy-to-use machine offering high picture quality and speed that is targeted at the general clinic market.



KIYOFUMI TANIDA
President
Konica Minolta Medical & Graphic, Inc.

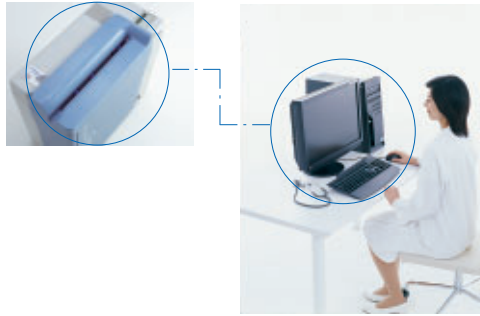
The REGIUS PureView Type-M x-ray manmography system incorporates cutting-edge phase contrast technology



Digital Konsensus Premium is the ultimate digital color proofing system



Compact design digital
X-ray image reader
REGIUS MODEL 110



All-in-one CR
console/viewer/filing with
the *REGIUS Unitea*

In order to strengthen our ability to respond to domestic market needs, the marketing and service organizations were integrated and reorganized, and a new company called Konica Minolta Health Care Co., Ltd. was established in April 2007 in order to be able to provide a total solution from product planning to after service. Overseas, we strengthened our marketing coverage with the establishment of a new marketing company in Europe, and sales of both equipment and film were strong.

In the graphic imaging segment, we emphasized the early start-up of our CTP business, and strengthening overseas sales and ensuring sales volume for our main printing-use film products.

As a result, consolidated net sales for the Medical and Graphic Imaging business were ¥158.7 billion. Operating income declined to ¥8.9 billion from the previous fiscal year due to rising costs for digital equipment development and sharply higher silver prices, which is the base material for film.