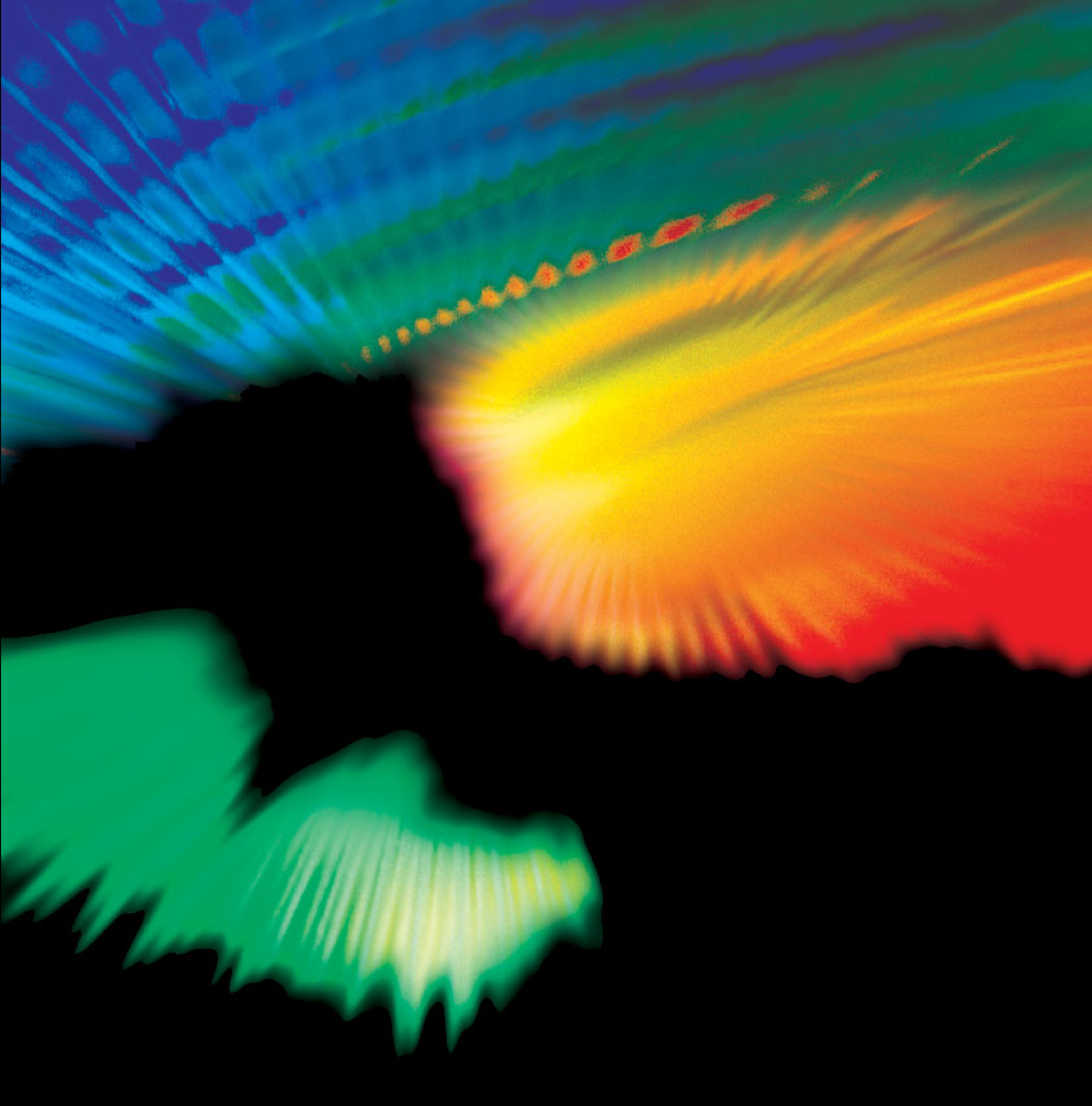
ANNUAL REPORT 2002



MINOLTA

The essentials of imaging

www.minolta.com

The essentials of imaging

For more than 70 years, since its establishment as a camera manufacturer in 1928, Minolta Co., Ltd., has grown by accumulating and cultivating light-related technologies. Armed with a wealth of expertise in optical, sensing, mechatronics, image processing, and other technologies, we have earned a strong reputation in diverse fields. These include image information products, such as copiers, laser printers, fax machines, micrographics, and digital image input/output devices, as well as digital and film cameras, industrial-use radiometric instruments, and other optical devices.

The Company's presence extended beyond Japan in the 1950s. Now, overseas sales account for over 80% of net sales, with the help of more than 60 overseas sales and production bases.

Minolta began its environmental protection initiatives at an early stage. Minimizing environmental impact throughout the life cycle of all products is a priority that pervades the entire Group, governing both product- and business-related activities.

"The essentials of imaging" is our corporate slogan. Guided by this slogan, we will strive to become an "essential" company in the image information industry in the eyes of our customers. In the future, we will make appealing, high-quality products in the digital imaging field, backed up by personalized services. In this way, we hope to unleash new potential in our ongoing quest to become an excellent company that contributes to people and society.

Contents

Disclaimer Regarding Forward-Looking Statements

Any statements in this document, other than those of historical fact, are forward-looking statements about the future performance of Minolta and its Group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.

Potential risks and uncertainties include, but are not limited to, domestic and overseas economic conditions, such as consumer spending and private capital expenditures, particularly given the continuing sluggish economy of Japan; currency exchange rate fluctuations, notably with the yen, U.S. dollar, Asian currencies, the euro and other currencies in which Minolta operates its international business; direct and indirect restrictions imposed by other countries; fluctuations in market prices of securities in which Minolta has substantial holdings; and Minolta's ability to maintain its strength in many products and geographical areas, through such means as new product introductions, in a market that is highly competitive in terms of both price and technology, pertinent to the industry to which the Company primarily belongs.

Consolidated Financial Highlights

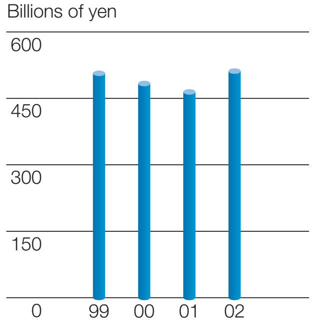
Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
For the Year:			
Net sales	**¥510,862**	¥464,289	**$3,841,068**
Net (loss) income	**(34,350)**	(3,127)	**(258,271)**
Per Share (Yen and U.S. dollars):			
Net (loss) income	**¥ (122.59)**	¥ (11.16)	**$ (0.92)**
Cash dividends	**0.00**	6.00	**0.00**
At Year-End:			
Total assets	**¥427,247**	¥456,251	**$3,212,383**
Total shareholders' equity	**46,502**	71,194	**349,639**

Notes: 1. Net (loss) income per share is computed based upon the weighted average number of shares of common stock outstanding during each fiscal year and adjusted for free distributions of common stock.
2. Cash dividends per share are those declared as applicable to the respective fiscal year and cash dividends charged to retained earnings are those actually paid.
3. U.S. dollar amounts are translated from yen amounts at the rate of ¥133=US$1.00 solely for the convenience of the reader.

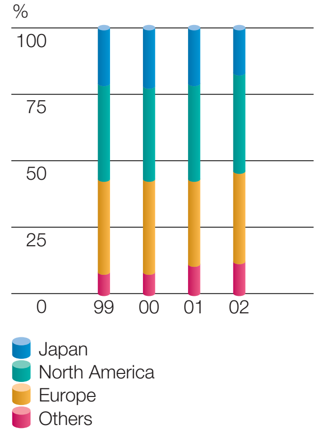
Net Sales

Billions of yen



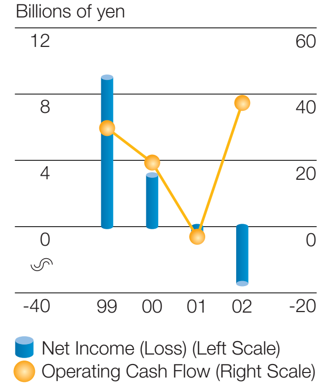
Sales Breakdown by Region

%



Net Income (Loss) and Operating Cash Flow

Billions of yen



To Our Shareholders

The Minolta Group continues implementing its five-year management plan, entitled New Excellent 2003, which began in April 1999. In fiscal 2001, however, the Company reported its second successive year of losses. This regrettable result stemmed from a number of factors. First, the U.S. economy, followed by the world economy, languished under the weight of the prolonged information technology recession. Secondly, the markets for our core image information and optical products matured, triggering fierce price competition.

However, the major reason why we posted net loss is due to the tentative extraordinary losses incurred by the revaluation of inventory, devaluation of goodwill on consolidation for our US subsidiairy and unrealized and realized losses on our investment in securities and so on.

Accordingly, we are unable to declare a cash dividend for fiscal 2001, and we apologize to shareholders for this decision. To address this situation, we are continuously implementing a series of management reforms—including cost cutting and business reorganization—aimed at quickly sparking a sharp turnaround.

In the year under review, for example, we embarked on a restructuring program of a magnitude unseen in recent times. Under the program, we have shrunk inventories, slashed procurement costs, reassessed our capital investment strategy, and reorganized our production bases. In line with our commitment to better corporate governance, we introduced an executive officer system. After the close of fiscal 2001, we further reinforced our competitiveness by establishing a system of "internal companies," each with clear-cut earnings frameworks. This system also helps accelerate decision-making by clarifying lines of authority and responsibility.

Minolta has a proactive strategy for expanding its business. At present, image information products account for around three-quarters of net sales. Taking advantage of optical technologies and image processing technologies that have been our core competencies since our foundation, we will further expand our market presence in these areas, especially in the field of color. As software becomes more prevalent and important amid the emergence of the digitally networked society, the need to provide solutions is increasing. For this reason, we are harnessing extensive resources to strengthen our solutions business.

In optical products, we have adopted a selective concentration strategy. This entails streamlining our product line, making structural improvements, and reinforcing product appeal, with top priority on enhancing profitability.

Despite some bright signs on the world economic horizon, the situation defies confident prediction. In response, Minolta continues to carve a solid foundation for the future in its overriding drive to become a company that generates profits even in low-growth economic periods.

Guided by our corporate slogan, "The essentials of imaging," we will continue reorganizing the Company with undiminished resolve. We look forward to your support and guidance as we face the challenges that lie ahead.

July 1, 2002

Yoshikatsu Ota
President and Representative Director

Q1: Despite very difficult conditions under global economic stagnation, Minolta reported consolidated net sales of ¥510.9 billion, a 10.0% advance. But the Company posted a net loss of ¥34.4 billion. Can you summarize the Company's performance?

A1: Fiscal 2001 was our second successive year of losses. We regret this and apologize for the concern we have caused shareholders. There are several reasons why we experienced net losses while generating higher sales. On the non-operating side, we posted a loss on valuation of inventory, devaluation of goodwill on consolidation for Minolta-QMS, Inc., unrealized losses on the valuations and sales of marketable securities, and incurred a restructuring expense associated with our early retirement plan. These and other factors had major impacts on our bottom line.

We are implementing a relentless and multifaceted restructuring campaign to reinforce our operating foundations. Specific initiatives here include reducing staff overhead, cutting procurement costs, lowering inventories, reassessing capital investments, and reorganizing our production bases. Expenses from such efforts were partly responsible for our net losses. If you look more closely, however, you will see some major improvements as the year progressed.

For example, operating income in the second half of the term was ¥9.8 billion better than during the first half, and ¥6.1 billion higher than for the same period a year earlier. Of special note, the image information products segment performed well, with a 7.1% rise in sales and a 7.6% increase in operating income. Even more noteworthy was our return to positive net cash flow from operating activities, which turned negative in fiscal 2000. Specifically, net cash provided by operating activities was ¥37.3 billion in fiscal 2001, compared with ¥3.2 billion minus in the previous year. Inventory reductions were a major factor in this improvement.

Moreover, net cash used in investing activities declined, from ¥34.5 billion in fiscal 2000 to ¥22.4 billion in fiscal 2001. This was largely because we stepped up screening, curtailed investments, and increased sales of idle assets. Net cash used in financing activities was ¥4.6 billion. As a result, we recorded an ¥11.1 billion increase in cash and cash equivalents for the year.

We will accelerate management reforms to ensure that these improvements produce enduring benefits.

Q2: Let's turn to structural reforms implemented in fiscal 2001. You reduced employee numbers by 1,119 compared with your stated target of 900. You cut procurement costs by ¥15.0 billion, and slashed inventories by ¥39.2 billion, well above your ¥30.0 billion goal. Can we conclude that your rationalization plans have proceeded well?

A2: In fiscal 2001, we tackled structural reform, as the numbers show. Our initial plan was to streamline Minolta Group staffing by 10%, or 2,500 people, by the end of fiscal 2003. In fact, staff departures were higher than expected in fiscal 2001, allowing us to conserve ¥1.7 billion in the process. We plan a further reduction of 1,500 employees in fiscal 2002. Additionally, for the parent company, we established a special early retirement plan, seeking to reduce headcount by 500. We have already surpassed that target, with 516 applicants having opted for early retirement.

We dramatically reassessed our procurement systems. In particular, we substantially reduced the number of suppliers and embarked on negotiations with larger vendors. We also adopted advanced information technologies and unified procurement under the umbrella of the Procurement Headquarters.

The result of these initiatives has been a ¥15.1 billion drop in procurement costs.

As you pointed out, our inventory reduction efforts exceeded our initial goal, but the primary purpose of this initiative was to enhance our balance sheets. We are satisfied with our achievements from this first year of structural reforms. To lower inventories further, we will integrate our supply chain management (SCM) systems, currently operating in some sectors of the Group, into a worldwide SCM setup that will become fully operational in fiscal 2002.

In other areas, we stepped up manufacturing in China, shifting domestic manufacturing to a local production subsidiary as part of proactive efforts to reorganize our production network.

Naturally, the structural reforms implemented in fiscal 2001 are part of an ongoing process. In fiscal 2002 and beyond, we will again set high goals and tackle them with unshakable resolve.

Q3: Improving the balance sheets is a key Minolta objective. By the end of September 2001, however, interest-bearing debt had ballooned to ¥250 billion. Can you please describe how you plan to reduce this debt, as well as your other financial strategies?

A3: Strengthening the balance sheets and optimizing capital resource allocation rank alongside raising free cash flow as top management objectives. We must bolster shareholders' equity while trimming our overall balance sheets, such as by slashing inventories, liquidating accounts receivable, and selling non-essential assets.

Admittedly, interest-bearing debt rose to ¥250 billion in September 2001, but by March 31, 2002, we cut that to ¥240 billion, about the same level as the end of fiscal 2000 and in line with our target. This was achieved through a ¥39.2 billion inventory reduction, as well as the sale of fixed assets, notably our Toyokawa plant, which became idle when we shifted production overseas. We will continue working to improve our balance sheets. Our plan is to cut interest-bearing debt to ¥212 billion in fiscal 2002 and ¥197 billion in fiscal 2003.

There are also concerns about our short-term debt levels. We will reduce the turnaround for receivables and employ factoring and other techniques to address these issues.

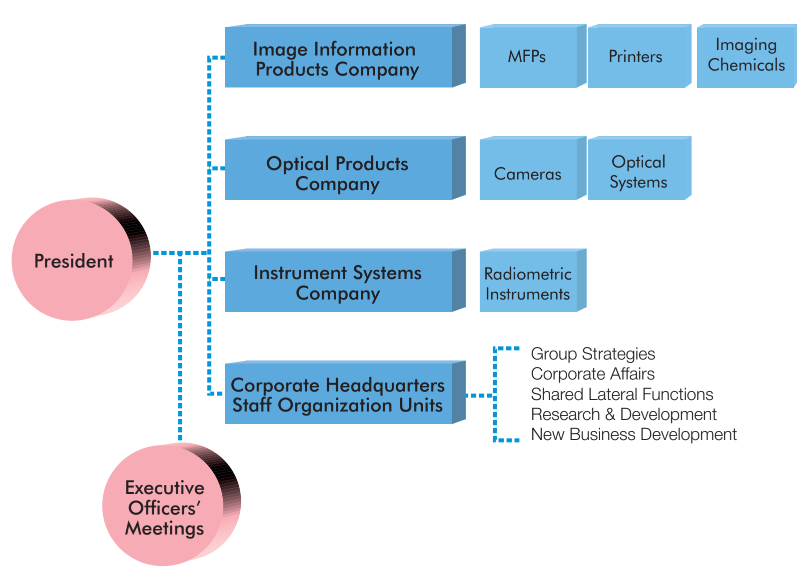
Q4: As part of its campaign to strengthen corporate governance, Minolta introduced an executive officer system in April 2001, embarking on a drive to separate various management functions. You reduced the number of directors and abolished the titles of "senior executive director" and "executive director." You also separated the functions of Executive Officers' Meetings and the Board of Directors. Why did you take such steps?

A4: In today's financial markets, companies are shifting their emphasis from indirect to direct financing. Meanwhile, industrialized economies have entered a prolonged low-growth period, and markets are becoming more global in nature. Against this background, the so-called "shareholder-oriented management" style has now become a global economic trend. By clearly separating management's supervisory and execution functions and raising transparency of management, we seek to fulfill the responsibilities that shareholders have entrusted to us. The new system is significant from the perspective of reinforcing corporate governance.

Q5: At the start of fiscal 2002, you instituted an "internal company" system. What is the significance of this change?

A5: The system is designed to strengthen our competitiveness in two ways. The first is to transfer

Minolta's Internal Company System



significant authority to each internal company president, thus increasing the speed of decision-making. The second is to shorten the distance between the Company and its customers and thus raise satisfaction. By building an integrated, top-down decision-making system, we hope to eliminate task conflicts and duplications, allocate limited managerial resources more efficiently, and improve productivity. In these ways, we are working to create a strongly competitive organization.

In the future, the presidents of internal companies will take greater responsibility for monitoring their cash flows and for closely tracking performance indicators. As such, they will need to do their jobs with a greater sense of urgency. Under the new system, each executive officer, together with company presidents, will be responsible for ensuring the transparent and impartial execution of operations and for reporting to the Board of Directors.

Q6: Please outline your competitive strategies for fiscal 2002 and beyond.

A6: Ultimately, we are pursuing two broad paths. First, we will reinforce our structural reforms. Second, we will adopt a selective concentration strategy for key businesses.

Rather than be content with the results of structural reforms in fiscal 2001, we will further reduce inventories, procurement costs, and personnel, taking them to more rational levels. In addition, we will pursue far-reaching reforms in both production and sales. This will entail accelerating the shift of production to China, revamping our sales channel strategies, securing large OEM accounts, and reinforcing our solutions business.

Our selective concentration strategy calls for us to become a top supplier in specified fields where we can fully demonstrate our core competence, rather than simply covering all market areas. In other words, we want to incrementally establish Minolta as the clear brand of choice in its specified fields in fiscal 2002 and beyond.

We are particularly strong in image processing technologies. Here, we are committed to building a solid position in color output products. In Europe, we already have a high market share for our color copiers in the segment of 13 to 29 pages per minute, and for color desktop laser printers, which outputs A4-/letter-sized paper.

In image information products, where we have performed well, we are extensively pushing our color strategy. In fiscal 2001, we augmented our mainstay line of color multi functional peripherals (MFPs) including DiALTA Color CF2001, a digital full-color MFP, which incorporates a tandem printing system that ensures high speed.

In the laser printer category, we increased sales of magicolor 2200 DeskLaser, a color laser printer bearing the Minolta-QMS brand, dramatically raising our share of the European and North American markets. We fully understand the importance of steadily building up a presence in these valuable regions and segments. In addition, we are promoting development of an original Minolta web-based network management utility that, when linked with an output device, permits total management of office documents in networked environments.

In optical products, our policy is to limit new product launches to items customers really want. At the same time, we are working to establish new de facto standards for digital cameras by developing unique products with unparalleled technologies, such as the DiMAGE X.

* MFP
The copier with expandability which provides the functions of a copier, a facsimile, a printer and etc. in one machine, in the way that it enhances office work productivity.

Q7: Can you describe your basic R&D structure and initiatives for cultivating new businesses aside from image information products and optical products?

A7: Both image information and optical products will remain our core businesses. We revamped research and development structure in keeping with our introduction of an internal company system to create the Image Information Technologies Center and the Optical Development Center. The Image Information Technologies Center's major mission is to provide technical support for our digital image information business. The Optical Development Center oversees the development of fundamental optical technologies for internal companies and applies their core competencies across operational boundaries.

We are also pursuing technologies that integrate our strengths in both image information and optical products. Our digital surveillance system, which incorporates image processing and micro-optoelectronic technologies, is a good example. To further enhance our digital surveillance system, we are working hard to develop the necessary technologies and create a viable business model. We are also developing optical devices for mobile applications, such as a micro zoom camera unit that incorporates our Smooth Impact Drive Mechanism based on our unique optical technologies. Such devices should enjoy great demand as mobile communications and computing advance.

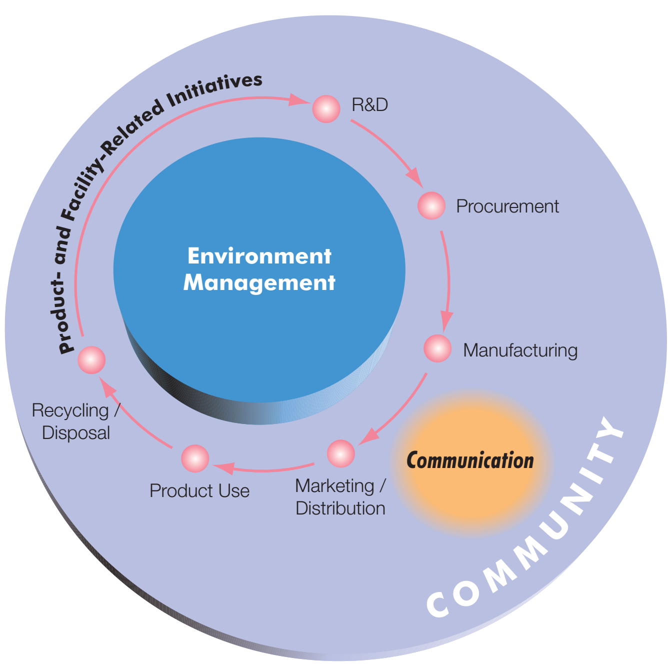
Q8: Please explain Minolta's environmental activities.

A8: We believe that harmonizing with the environment in close communication with society is crucial to corporate management. Adopting an environmental management perspective, we are working to minimize the impact of our activities—both product- and operation-related—on the environment. We have implemented a green procurement system so that we can initiate all our environmental activities from the procurement stage. Through these efforts, we can decrease the environmental impact both our products and the operations of our suppliers.

Q9: The Japanese economy has entered a period of structural reform, highlighted by a wave of amendments to the Commercial Code and tax laws. A recent revision to the Commercial Code, to be enacted in April 2003, will allow U.S.-style management systems to be adopted in Japan. What type of management style will Minolta embrace as it looks to the future? And how do you see Japanese management styles evolving?

A9: It's basically a question of balance. This means acting in the interests of all stakeholders—customers, stockholders, bondholders, and employees alike. Also, it would be a mistake to conclude that conventional Japanese-style management is wrong and American-style management is right. What is certain is that economic structures change over time, and corporations can only evolve by responding to such developments. In this age of globalization and the IT-sparked information economy, a company cannot continue winning if it adheres stubbornly to traditional Japanese business models. Ideally, companies must adapt their management supervision and business execution functions to global standards, while retaining sound corporate philosophies and traditions. If it is deemed best to hire external directors and other U.S.-style systems, then such steps should be taken. I feel that, from now on, we will enter an era in which companies can freely choose their management styles and corporate governance frameworks in ways that best manifest their core competencies. I believe that East or West, a company's most valuable assets are an enduring corporate philosophy and management vision that allow it to meet stakeholder expectations.

Minolta's Environmental Initiatives



Minolta's Color Strategy

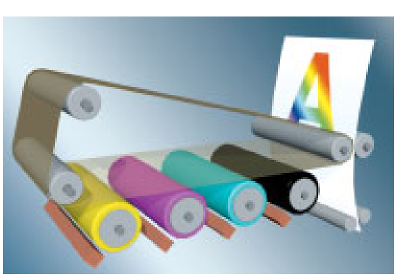
Minolta's Color Strategy

Guided by its corporate slogan—"The essentials of imaging"—the Minolta Group is committed to becoming an "essential" company in the world of image information. To this end, we have positioned image information products as the Group's core business, and are concentrating our technological, knowledge, and other managerial resources on digital imaging. The market for color output has immense potential. Here, we will seek to build a leading position in areas where we can best manifest our competitive strengths, and we will expand sales by differentiating our color laser printers and color MFPs from others in the market. In addition, we will reinforce our strengths in the solutions business to secure a solid position in digital color solutions.

Our Strengths in Color Output Devices

Within the market for office document output devices, we believe there is considerable latent demand for color output. The key to successfully penetrating the office market with color machines is to provide low cost and high speed on a par with monochrome machines while maintaining top-quality color images.

Minolta was one of the pioneers of color copiers. Our DiALTA Color CF2001 has achieved remarkable success because of its high-speed output of quality images. This machine incorporates our innovative tandem print engine, which accelerates copying speed by applying all four colors in one pass. In contrast, conventional four-cycle systems apply colors on separate passes, so printing takes around four times longer.



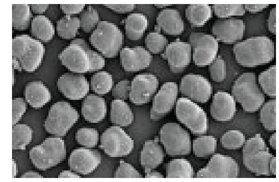
Structual diagram of tandem printing system

To ensure a solid position and further expand our share in color MFPs and color laser printers, we have pursued a strategy of acquisitions and alliances with other companies while enhancing our competitive image processing and optical technologies.

For the color laser printer business, we acquired QMS, Inc., now called the Minolta-QMS Group, for its worldwide sales network and particular marketing strengths in Europe and North America, as well as for its unique network controller technologies.

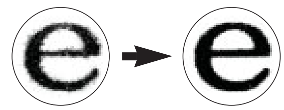
In addition, we formed a joint venture with Fujitsu Limited. The new company is called F&M Imaging Technology Co., Ltd., through which we have obtained cost-effective engine technologies for our tandem system so we can provide fast, cost-competitive laser printers.

To improve image quality, we joined forces with Konica Corporation to establish a joint venture, Konica Minolta Supplies Manufacturing Co., Ltd., That company has started production of polymerized toner, which is regarded as a revolutionary breakthrough in toner technology. Compared with pulverized type, polymerized toner has finer and more uniform particles, helping raise the quality of output images. This toner also contributes to save power during printing because it fixes at low temperatures. Moreover, its manufacturing process is highly energy-efficient. It is thus the ideal toner from the perspectives of image quality, cost, and the environment.



Polymerized toner particles

Image quality comparison



Pulverized toner → Polymerized toner

Exploiting our various strengths, we have positioned the DiALTA Color series of digital color MFPs and the magicolor series of color laser printers as strategic brands. We will continue to strengthen our lineup and expand sales accordingly.

To promote the use of color machines in office environments and help people to create more powerful color documents, we have introduced the "Minolta Colour Web YOUR COLOURS" website, which explains how to better understand colors and apply them to enhance business prospects.

Minolta's "YOUR COLOURS" website (www.minolta.com/yourcolours/)

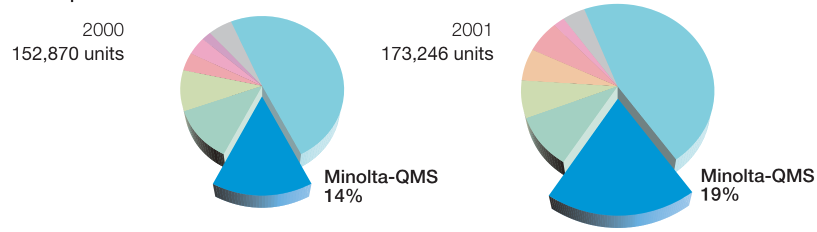
Exploiting the Potentially High-Growth Color Market

Drawing on our competitive strengths, we are pursuing higher sales and expanding market share by strategically introducing low-cost, compact color laser

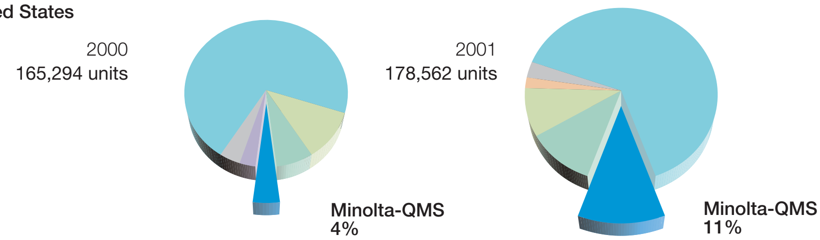
Minolta's Shares of Color Laser Printer Markets

A4/Letter Desktop Color Laser Printer

Western Europe



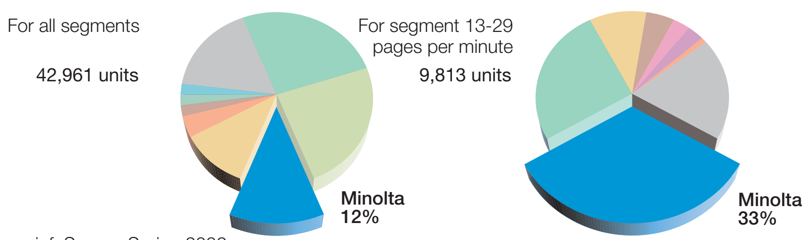
United States



Sources:
Segment share data derived by Minolta from the IDC Printer Tracker Q4 2001
Minolta-QMS data is from Minolta Co., Ltd.

Minolta's Shares of European Color Copier Market

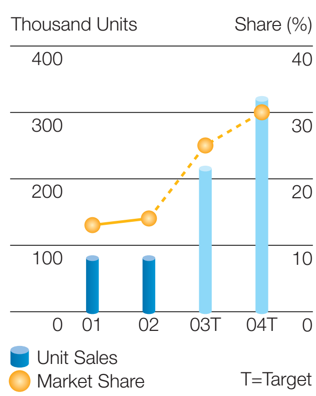
Placement Estimates in 2001



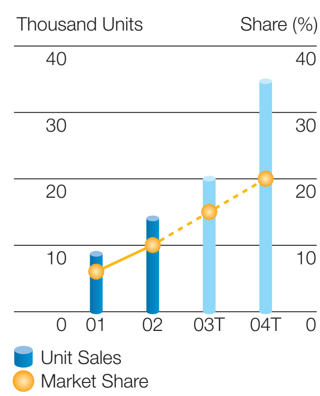
Source: infoSource-Spring 2002

Minolta's Worldwide Sales and Market Share

Color Laser Printer



Color MFP



printers, mainly for business use, as well as color MFPs, which provide more powerful networking solutions. Due to the strong informational and visual appeal of color, latent demand is high for color printers and copiers. As a result, color is steadily expanding its presence in the office domain.

In fiscal 2001, the global market for printers, including monochrome models, was around 12 million units, of which color printers accounted for around 700 thousand units. In fiscal 2002, demand for color printers forecast to expand around 40%, while the entire printer market will only grow 3%. In addition, more high-speed, low-operating-cost color copiers will enter the market to meet demand for replacement with monochrome copiers, supporting our view that proliferation of color machines in offices will accelerate.

In terms of size, the U.S. market for color printers is estimated 70% larger than that of Japan's. The European market is 50% larger. In the A4-/letter-sized desktop color laser printer category, Minolta gained a market share of 19% in Western Europe and 11% in the U. S. in fiscal 2001.

In the color copier category, the overseas markets are still in the development stage. However, the latent demand for color copiers in those markets is high. The current total copier markets including monochrome models in the U.S. and Europe are 2.1 times and 1.8 times respectively larger than that of Japan's. In the growing overseas color copier markets, we hold 12% share in Europe, with particular strength in the segment for 13 to 29 pages per minute, where we boasted top share, at 33%.

Clearly, our strength lies in our ability to seize solid shares in the U.S. and European markets, where latent demand is particularly strong.

At Minolta, we target domains where we can best demonstrate our unique core competencies. Through a focused strategy of introducing powerfully appealing products in those domains, we are seeking to obtain a leading position in our specialized genres. In particular, we aim to raise our share of the global color laser printer market from 14% in fiscal 2001 to 30% in fiscal 2003. In the color MFP sector, we are targeting a 20% share, compared with the current 10%.

Image Information Products Company

Image Information Products Business

Message from Yoshikatsu Ota, President of the Image Information Products Company

With the recent introduction of an internal company system, we have split Minolta Group management along three product lines. I serve as president of both Minolta and the Image Information Products Company. In my latter role, I seek to provide motivational leadership on a worldwide basis. Our aim is to foster a core business that generates increased profits, covering product development, manufacturing, and sales by integrating Minolta's expertise in MFPs, laser printers, and imaging chemicals. To prevail in the age of global competition, we intend to become a top supplier in our specialized genres in the high-growth field of color output devices.

Overview

The image information products business is important to Minolta's operations as a provider of essential services and solutions related to imaging, and is also a solid earnings generator.

In fiscal 2001, the color printer market grew less than anticipated. Nonetheless, Minolta's sales of color laser printers jumped 16%, while the overall gain in the printer category was 7%. In the North American market, we successfully boosted sales under the Minolta-QMS brand by approaching leading retailers. One prime achievement was that the Minolta-QMS Group became profitable in the second half of the term on the strength of higher sales and the completion of restructuring efforts.

During the term, the copier market contracted 3% from the previous year, but demand for digital machines rose, accounting for 93% and 77% of the Japanese and global markets, respectively. Minolta's copier sales rose 5% under these conditions. We raised sales of monochrome and color machines by 20% and 65%, respectively. In the United States, concerted efforts led to sales gains of 50% for digital color models and 20% for digital monochrome machines. Similarly, our European sales of digital color and monochrome MFPs advanced 76% and 13%, respectively. In particular sales tripled of the DiALTA Color CF2001. We also enhanced sales significantly in the fast-growing Chinese market and in the Middle East.

In consumables, Konica Minolta Supplies Manufacturing began mass production of next-generation polymerized toner in December 2000, and has since enjoyed steady progress.

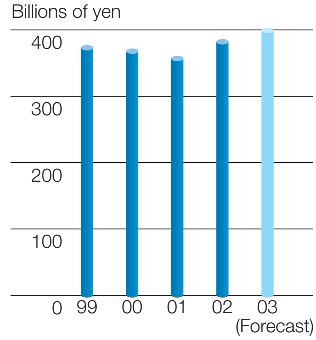
Product Highlights

In MFPs, we complemented the DiALTA series of digital MFPs—noted for their excellent image quality and high productivity—with the DiALTA Color series, which offers the speed, ease of use, and output quality required by businesses. The series includes the DiALTA Color CF2001, a digital color MFP that can uses a tandem print system to output up to 20 full-color or monochrome pages per minute (A4/Letter crosswise), with a resolution of up to 600 dpi x 1,800 dpi equivalent. This model

Image Information Products Company Sales

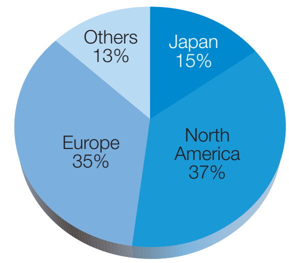
(Years ended March 31)

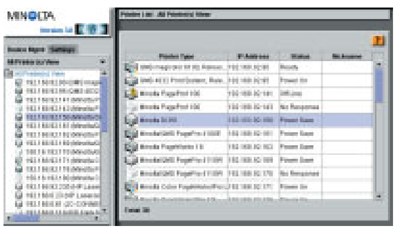
Billions of yen



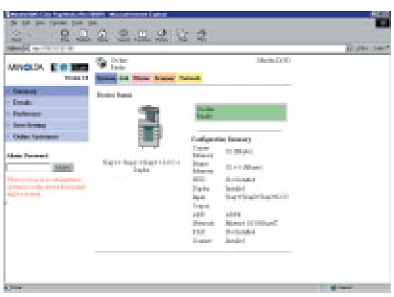
Sales by Region

(As of March 31, 2002)





PageScope



PageScope Light

is a digital document solution for fast, simple, cost-effective color prints and copies.

The February 2002 edition of *Better Buys for Business* magazine of the United States gave the DiALTA Color CF2001 its Editor's Choice Award. In Europe, this model and two others in the DiALTA Color series (the CF1501 and CF2001P) collected Exceptional 5-Star ratings from Business Equipment Research & Test Laboratories.

We also marketed the high-speed monochrome MFP, DiALTA Di650 which employs polymerised toner.

In the laser printer category, we introduced a wide range of models, including a color machine that can handle a variety of sizes from full-bleed, large-format designs to inexpensive monochrome models for small workgroups that quickly output high-quality documents. Among them are the magicolor 2200 DeskLaser, which the April 2002 edition of *PC World* magazine included in its Top-10 Color Laser Printers List. This model has received several awards and has won a leading reputation in the market.

We offer PageScope series, a web-based network and document management software that enables businesses to use their copiers and printers more effectively in networked environments.

magicolor 2200 DeskLaser

DiALTA Color CF2001

DiALTA Di650

Optical Products Company

Camera Products Business
Optical Systems Business

Message from Norikatsu Shimizu, President of the Optical Products Company

While continuing with structural reforms, we will adopt selective concentration and differentiation strategies to make our product line more earnings-oriented. This is part of our untiring quest to bring our optical products business back to profitability as early as possible. In this endeavor, we will create products that allow us to capture a dominant position in the global market.

Overview

The business of the Optical Products Company can be classified into two broad categories: consumer-use products and more advanced optical devices. The first category covers such items as digital and film cameras, lenses and binoculars. The second encompasses original optical devices based on opto-mechatronics technologies—a combination of optical, mechanical, and electronics technologies—as well as ultra-high-performance optical devices employing Minolta's optical technology.

While the worldwide digital camera market expanded 36% in fiscal 2001, demand for conventional film cameras continued to contract around the globe. During the term, Minolta greatly expanded sales of optical products by fully entering the digital camera market with distinctive new products. At the same time, we maintained sales of film cameras by augmenting our lineup with highly competitive offerings.

We have implemented a far-reaching restructuring to establish a profit-oriented framework. Measures include reforming operations by slashing costs and acccelerating the shift of manufacturing to China, while transforming our sales and logistics structures.

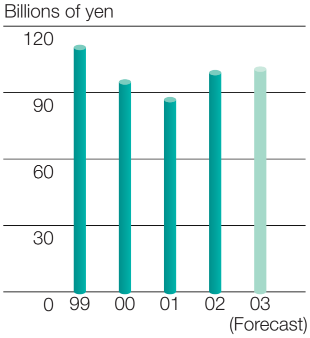
We are also empowering our products. In digital cameras, we are developing devices with original technologies that others cannot emulate so we can establish new de facto standards in the digital camera industry. We are ensuring operational efficiency based on clear customer targeting.

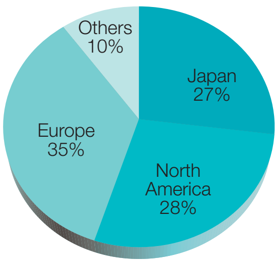
In film cameras, we are enhancing profitability by streamlining our product line while more effectively utilizing our technological assets.

With the introduction of the internal company system in April 2002, we integrated the optical technologies part of our image information and camera operations and let Optical Systems Operations take charge of the entire optical unit creation process, from initial development to manufacture. Under the new arrangement, we can better concentrate and utilize our core competence in optical technologies for the benefit of the entire Group and thereby commercialize even more innovative products.

Product Highlights

Camera products: Minolta fully entered the digital camera market in fiscal 2001. In May 2001, we released the DiMAGE 7, a single





lens reflex (SLR) type digital camera with an optical 7x zoom and a CCD with five effective megapixels. At the same time, we launched the DiMAGE 5, DiMAGE S304, and DiMAGE E201. In January 2002, we unveiled the DiMAGE X, featuring a folded 3x optical zoom lens in an ultra-slim body. This model contributed significantly to sales growth.

Our entry into the digital camera market was well received by our industry. The DiMAGE 7 received the Best Digital Prosumer Camera 2001-2002 prize from the Technical Image Press Association (TIPA). The DiMAGE X won a number of awards including the 2002 DIMA Innovative Digital Product Award from the Digital Imaging Marketing Association in the United States, the Best Design prize among The Best Photo Products in Europe Award 2002-2003 from TIPA and the Camera Grand Prix 2002 Special Prize in Japan.

In the film camera category, we promoted several products, including the DYNAX series of 35mm SLR cameras, which are versatile and easy to operate, and the RIVA series of light compact cameras. In fiscal 2001, the DYNAX 7 dominated the awards circuit, taking the three most coveted international prizes: Camera Grand Prix 2001, TIPA's Best Photo SLR Camera 2001-2002, and the European Camera of the Year 2001-2002 from the European Imaging and Sound Association.

Optical systems: This category encompasses high-end, business-use projectors, optical units for home-theater digital projection systems, high-performance PLZT optical shutter arrays for digital minilabs, and other devices. It also includes hard disk substrates using high-stiffness glass.


DiMAGE X


DYNAX 7

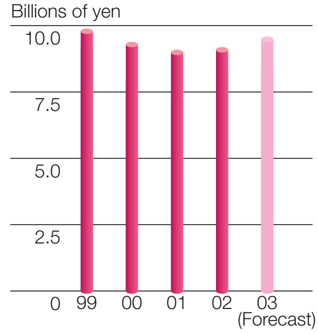

Optical unit for home-theater digital projector

Instrument Systems Company

Radiometric Instruments Business

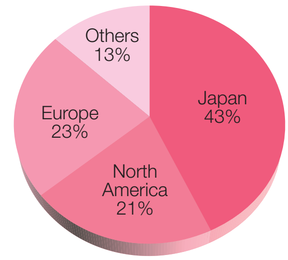
Instrument Systems Company Sales

(Years ended March 31)



Sales by Region

(As of March 31, 2002)



Message from Hiroshi Furukawa, President of the Instrument Systems Company

While striving to strengthen our sales on a global basis, we will establish a sales and marketing structure that positions Asia, including Japan and China, as a single market. By further strengthening our ability to provide high added value, we hope to meet customer needs, expand the scope of our business, and further raise profitability.

Overview and Product Highlights

Taking advantage of Minolta's accumulated expertise in optical design, the Instrument Systems Company offers industrial and medical radiometric instruments for measuring light, color, temperature, and the three dimensions.

In fiscal 2001, we endeavored to expand sales by launching instruments incorporating our original technologies. They included two color analyzers, a spectrophotometer, and a 3D digitizer.

The VIVID 900 is a portable, high-performance, noncontact 3D digitizer used in much the same way as a digital camera. It can scan more 300 thousand data points in less than a second. It is finding widespread use in such plant operations as online quality control and first particle inspection and in 3D shape captures for computer-aided engineering. Other uses include medical treatment, artwork archiving, image production, as well as website production.

Our spectrophotometers, which provide quantitative evaluations of an object's color, and our colorimeters are finding broad industrial applications. Our color analyzers, which measure light source spectra, help raise productivity in the processes of development, manufacture, and quality control for cathode-ray tubes, liquid crystal displays, and other display devices, as well as plasma display panels and projectors. We also market noncontact spot thermometers, which measure the temperature of an object by quantifying its infrared energy emissions, and digital illuminance meters, which have wide applications in light-source quality control in factories and office buildings, as well as in agriculture and forestry. Other development successes include luminance meters used for accurate spot measurements of brightness at selected points. Applications include street lighting and external signboards. We are also active in medical devices, where our offerings include a jaundice meter and a pulse oximeter.

CM-series spectrophotometer

CA-1500 2D color analyzer

VIVID 900 non-contact 3D digitizer

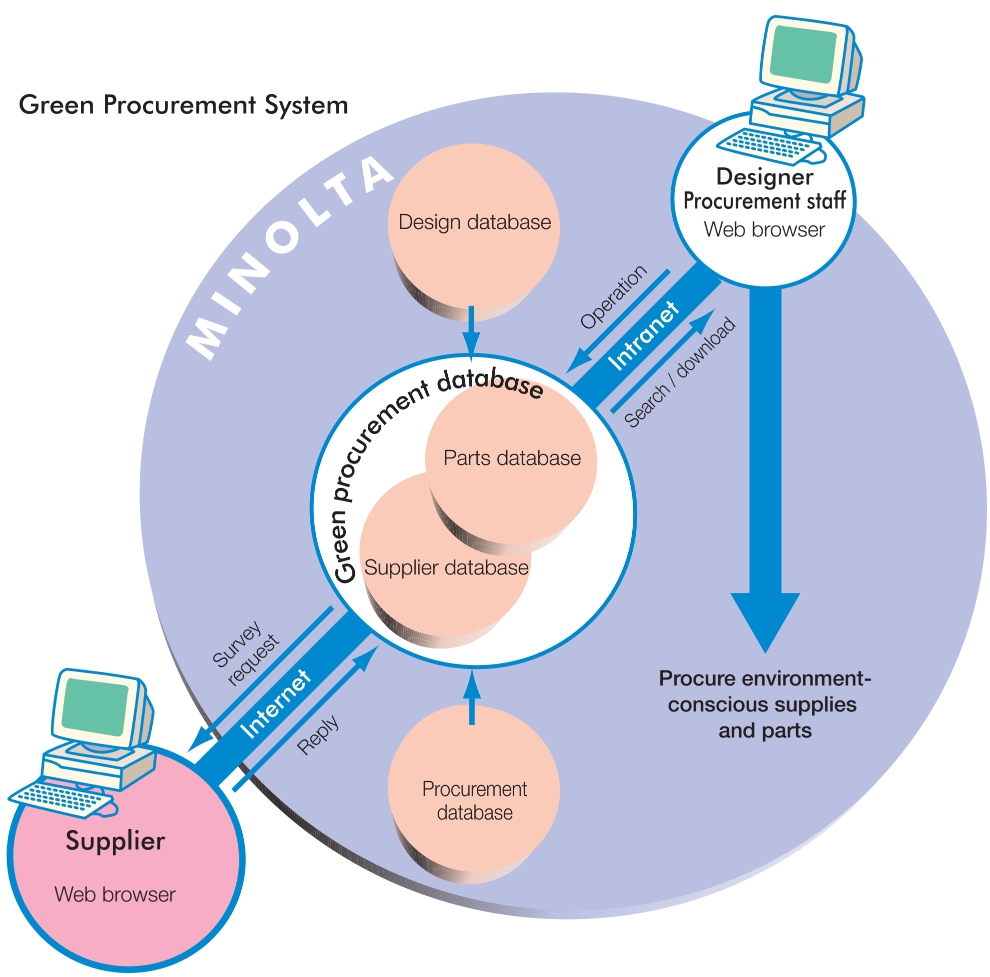
In 1992, the Minolta Group formulated its Minolta Environmental Charter. The Charter embodies our philosophy that reducing environmental impact and preserving the global environment are part of a company's social responsibility, as is maintaining safe and comfortable living environments for the future. Guided by this philosophy, we approach our day-to-day activities with a commitment to reducing the environmental effects of our operations—not only from the manufacture of our products, but from all of our business activities.

Environmental Management

The Minolta Group has a comprehensive environmental management program that calls for systematic and ongoing environmental preservation measures. We have introduced environmental accounting, while all our Group members, including our sales companies, are making steady progress toward obtaining ISO 14001 certification. With the exception of one overseas company established in fiscal 2001, all of the Group's major production operations have been certified.

We also provide educational programs to enhance our employees' environmental awareness, and we undertake environmental risk management to prevent harm to the environment. Our green procurement system, which prioritizes buying low-environmental-impact materials and parts, is a key initiative of the Minolta Medium-Term Environmental Plan. By the end of fiscal 2001, all procurement operations related to our image information products had fully adopted the green procurement system. Plans are under way to extend the system to cover optical products, and we are scheduled to complete global implementation for all product lines in fiscal 2002.

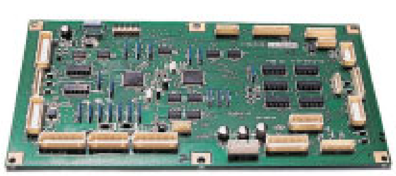
Green Procurement System



Product-Related Initiatives

At Minolta, consideration of the environment underscores every stage of the product life cycle. Each product is assessed and designed with the "3Rs" (reduce, reuse, and recycle) in mind, which covers everything from a product's initial development and design to its disposal. Our activities—which include using sustainable resources, reducing the use of specified chemical substances, and saving energy—are all designed to minimize environmental impact.

In fiscal 2001, we began converting to lead-free solder in our circuit-boards, which we have incorporated into some of our copiers. Going forward, we will begin equipping our printers, cameras, and radiometric instruments with lead-free substrates.



Circiut board using lead-free solder

In 1992, we were the first copier maker to receive the Blue Angel Mark, the environmental label of approval of the German Federal Environment Ministry. To date, 32 of our products have earned that label. Several of our copiers have obtained Nordic Swan, a stringent environmental certification system recognized by five Scandinavian countries.

We quantitatively assess the environmental impact of our products through their life cycles. The results of those evaluations, which we publicly disclose, provide important environmental data about our products and serve as a yardstick to help customers make decisions based on products' environmental sensitivities.

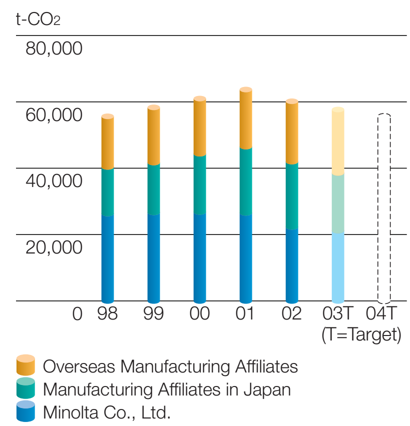
Type III environmental label for DiALTA Color CF2001

Facility-Related Initiatives

All Minolta Group operations are engaged in wide-ranging environmental protection activities that encompass lowering carbon dioxide emissions to prevent global warming, decreasing chemicals usage, and achieving zero waste objectives. In fiscal 2001, the Group cut total carbon dioxide emissions by 6%, its first such reduction. In addition, all parent production and R&D facilities met their zero waste targets.

CO_2 Emissions of Minolta and Group Manufacturing Affiliates

(Years ended March 31)



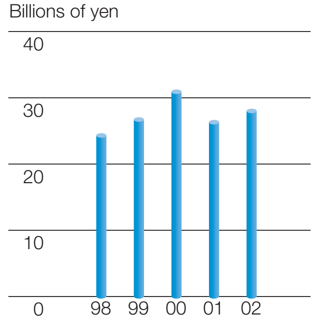
Five–Year Summary

Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31

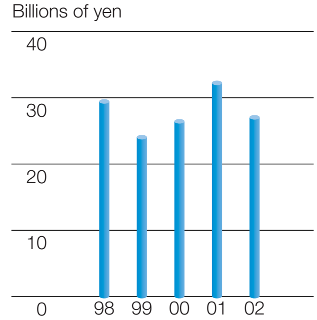
	Millions of yen					Thousands of U.S. dollars
	2002	2001	2000	1999	1998	**2002**
For the Year:						
Net Sales	**¥510,862**	¥464,289	¥482,767	¥506,075	¥490,259	**$3,841,068**
Net (loss) income	**(34,350)**	(3,127)	3,144	9,002	16,429	**(258,271)**
R&D expenditures	**29,000**	26,300	30,918	26,664	24,267	**218,045**
Depreciation and amortization	**26,399**	25,405	23,387	23,375	20,172	**198,489**
Capital expenditures	**27,002**	32,206	26,357	24,046	29,350	**203,023**
Per Share (Yen and U.S. dollars):						
Net (loss) income	**¥ (122.59)**	¥ (11.16)	¥ 11.22	¥ 32.13	¥ 58.83	**$ (0.92)**
Cash dividends	**0.00**	6.00	6.00	7.00	6.00	**0.00**
At Year-End:						
Total assets	**¥427,247**	¥456,251	¥402,839	¥415,685	¥451,614	**$3,212,383**
Total shareholders' equity	**46,502**	71,194	75,005	80,047	77,074	**349,639**

Notes: 1. Net (loss) income per share is computed based upon the weighted average number of shares of common stock outstanding during each fiscal year and adjusted for free distributions of common stock.
2. Cash dividends per share are those declared as applicable to the respective fiscal year and cash dividends charged to retained earnings are those actually paid.
3. The U.S. dollar amounts are translated from yen amounts at the rate of ¥133 = US$1.00 solely for the convenience of the reader.

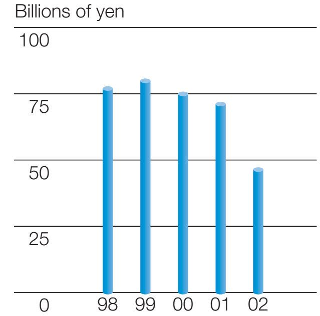
R&D Expenditures



Capital Expenditures



Total Shareholders' Equity



Operating Results

In fiscal 2001, ended March 31, 2002, Minolta faced a challenging operating environment. The global IT industry continued its prolonged slump, and the effects of the terrorist attacks of September 2001 weighed on the world economy as a whole. Furthermore, maturing markets in our core businesses of image information and optical products intensified price competition. We posted extraordinary losses due to inventory revaluation and disposal, resulting from rapid changes in some specific products' markets. We also incurred losses from the devaluation of goodwill on consolidation for Minolta-QMS, as well as revaluation of investments in securities caused by the poor performance of the Japan's stock market and the restructuring expenses. These factors contributed to a consolidated net loss of ¥34.4 billion for the term, despite an overall increase in consolidated net sales.

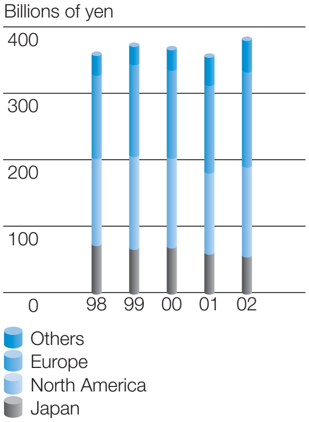
The loss mainly reflected measures taken to quickly return the Company to steady profitability, reinforce its business base, and enhance asset quality. In addition, during the second half of the term, we implemented fundamental reforms to reduce staffing, procurement costs ,inventories, and defer capital spending. At the same time, we revamped our manufacturing operations, strove to lower our breakeven point by reducing fixed costs, and worked to more efficiently use working capital. We are confident that these restructuring efforts will reinvigorate the Company and enable stable sales and earnings growth in the years ahead.

In our image information products segment, we bolstered our lineup of DiALTA digital copiers during fiscal 2001. We significantly expanded our share of the North American and European color laser printer markets by cultivating our new sales outlets and expanding sales, especially of the Minolta-QMS magicolor 2200 DeskLaser. These efforts paid off with a 7.1% rise in segment sales, to ¥381.9 billion, while operating income increased 7.6%, to ¥10.8 billion. As demand for color laser printers continues to grow, Minolta will use its technical superiority to steadily expand shares especially in Europe and North America, solidifying its position as market leader.

In our optical products segment, the Company boosted sales 12.8%, to ¥108.0 billion. Unfortunately, difficult business conditions and cut-throat competitions led to an operating loss of ¥7.2 billion for optical products. Minolta's goal in fiscal 2001 was to emulate its leadership in the conventional film camera market by fully entering the market for digital cameras. The improvement in net sales during the period under review stemmed partly from the popularity of such distinctive offerings as the DiMAGE X digital camera, which boasts numerous innovative

Breakdown of Sales by Region for Image Information Products

	Billions of yen				
	1998	1999	2000	2001	**2002**
Japan	¥ 73.1	¥ 67.4	¥ 69.5	¥ 60.2	**¥ 56.0**
Overseas	286.1	305.5	298.2	296.5	**325.9**
US	125.5	138.4	132.5	131.9	**143.0**
Europe	130.6	139.6	134.8	122.0	**135.2**
Others	30.0	27.5	30.9	42.6	**47.7**
	¥359.2	¥372.9	¥367.7	¥356.7	**¥381.9**



features. Minolta will continue to pursue a focused strategy in this market, enhancing its offerings with cutting-edge capabilities and differentiating its products to expand sales and build solid foundations for profitability.

Net sales for fiscal 2001 rose 10.0%, to ¥510.9 billion. However, cost of sales jumped 13.9%, which limited the growth of gross profit to 4.9%. In addition, selling, general and administrative (SG&A) expenses rose 7.9%, owing largely to the depreciation of the yen against the dollar. As a result, operating income plunged 57.0%, to ¥3.9 billion.

Against this background, several factors combined to hamper net income. Most impacts to our bottom line reflected our campaign to rapidly build stability for long-term growth, reinforce our business base, and strengthen our balance sheets. For example, we devaluated goodwill on consolidation for Minolta-QMS, Inc., a U.S. sales subsidiary. In addition, our early retirement program led to extraordinary loss for retirement and severance benefits. Finally, a decline in stock prices depressed the value of our investments in securities. As a result of these factors, Minolta recorded a net loss of ¥34.4 billion.

Shareholders' equity at the end of fiscal 2001 totaled ¥46.5 billion, down 34.7% from ¥71.2 billion at the end of the previous term. Management thus concluded that declaring a dividend for the term would be inappropriate, and apologizes sincerely for the inconvenience to shareholders.

Interest-bearing debt as of March 31, 2002 amounted to ¥240.7 billion, an increase of ¥3.3 billion, while the Company actually reduced interest-bearing debt by ¥3.0 billion. However, this improvement was masked by a ¥6.3 billion increase attributable solely to foreign exchange translations.

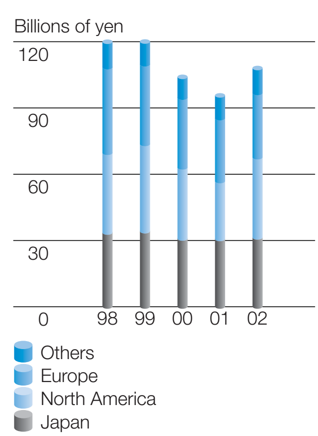
Liquidity and Financial Position

Loss before income taxes and minority interests amounted to ¥33.6 billion. However, because this resulted from non-cash transactions , net cash provided by operating activities amounted to ¥37.3 billion, compared to ¥3.2 billion minus in fiscal 2000.

Major non-cash items included an increase in accrued retirement and severance benefits, the goodwill devaluation mentioned earlier, and loss on valuation of investments in securities. Meanwhile, the Company benefited from a ¥45.1 billion reduction in inventories—the result of aggressive cuts and efforts to adjust production—and from redoubled efforts to shorten the average age of receivables.

Breakdown of Sales by Region for Optical Products

	Billions of yen				
	1998	1999	2000	2001	**2002**
Japan	¥ 33.5	¥ 34.1	¥ 30.9	¥30.6	**¥ 31.4**
Overseas	86.3	86.0	73.2	65.1	**76.6**
US	38.7	36.2	31.6	28.5	**29.1**
Europe	36.1	39.5	32.2	26.3	**36.3**
Others	11.5	10.3	9.4	10.3	**11.2**
	¥119.8	¥120.1	¥104.1	¥95.7	**¥108.0**



From ¥34.5 billion in fiscal 2000, net cash used in investing activities in fiscal 2001 was ¥22.4 billion, reflecting endeavors to limit capital investments to those for immediate requirements.

Net cash used in financing activities was ¥4.6 billion, compared with ¥24.8 billion provided in the previous term, partly because of the Company's retirement of debt.

Due to the extraordinary loss (on an accounting basis), which was largely because of efforts to strengthen the Company's financial underpinnings, the equity ratio came down to 10.9% from 15.6% in fiscal 2000. However, cash and cash equivalents at year-end increased by ¥11.4 billion, to ¥38.5 billion.

Furthermore, while the Company's interest coverage ratio (on an accounting basis) declined from 2.9 in fiscal 1999, to 1.2 in fiscal 2000, and 0.6 in fiscal 2001, net cash flows from operating activities increased from ¥19.3 billion in fiscal 1999, to ¥37.3 billion in fiscal 2001, and cash and cash equivalents rose to approximately the same level—¥38.5 billion—by the end of the term, compared with ¥38.5 billion in fiscal 1999. These facts show how solvent we are rather than we look in our successful financial management.

Management is confident that these trends point to the likelihood of a V-shaped recovery in Minolta's performance as they lever earning in its business and financial operation. These will include benefits from our emphasis on our color strategy in the image information products segment, our strategy of focus and differentiation in the optical products segment, and the structural reforms being implemented to bolster Minolta's business base and enhance asset quality.

Risk Management

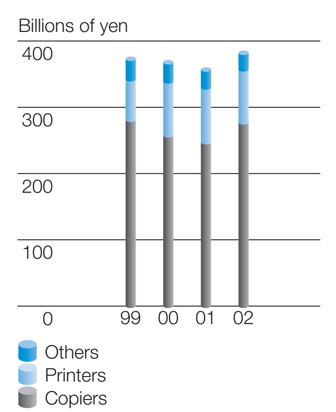
Minolta faces various risks in its operating environment, including business, interest rate, credit, foreign exchange, and financial risks. Amid today's market fluctuations and relentless competition, the importance of risk management for corporate survival cannot be overstated.

Business risk is possibly the most difficult type of risk for any corporation to assess and control. Minolta monitors this risk by closely tracking markets and conducting sophisticated marketing research and analysis.

Minolta hedges against rises in interest rates through interest rate swaps (receivable at variable rates and payable at fixed rates). The Company manages its capital with a view toward lowering the cost of borrowing while minimizing its credit risk premium.

Breakdown of Sales by Products for Image Information Products

	Billions of yen			
	1999	2000	2001	**2002**
MFPs	¥280.9	¥257.5	¥247.1	**¥277.0**
Printers	61.0	81.2	82.5	**79.8**
Others	31.0	29.0	27.1	**25.1**
	¥372.9	¥367.7	¥356.7	**¥381.9**



Around 80% of Minolta's sales are from outside Japan. While the Company's market risk is well diversified internationally, foreign exchange risk must be hedged through the use of forward foreign exchange contracts. Whereas such measures provide effective protection, Minolta considers it even more important to manage foreign exchange risk by developing products and solutions that are inherently resistant to such risk, by reinforcing its financial fundamentals and by optimizing its management of foreign production and procurement .

Outlook

Economic prospects for North America and Europe provide some grounds for optimism. Unfortunately, the outlook for Japan remains grim, as the nation continues to lag in economic reforms.

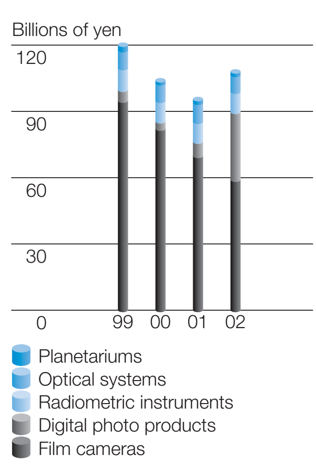
Nevertheless, the fundamental restructuring that Minolta initiated in fiscal 2001 continues apace. Fiscal 2002 will be a significant year for achievement under our five-year management plan. Group companies will pull together to reinforce the global value of our brand and enhance shareholder value. In particular, demand for color copiers and printers is accelerating in North America and Europe, and we are beginning to realize the strategic benefits of our early entry into, and aggressive development of, these markets. Furthermore, we will continue to increase sales from digital products and from total hardware/software system solutions for inputting and outputting color documents.

The demands of an increasingly information-intensive, digitized society will drive Minolta's future. We must change to reap the maximum benefits from this ongoing paradigm shift. In pursuit of enterprise excellence, Minolta has deployed several initiatives in recent years to transform itself into a flatter organization, decentralize management for speedier decision-making, ensure transparency, and better allocate management resources.

As the global economy begins to improve, Minolta's initiatives should significantly improve its performances in fiscal 2002 and beyond. Against this background, management forecasts fiscal 2002 net sales of ¥530.0 billion, operating income of ¥8.0 billion, and net income of ¥6.0 billion. For the term, the Company assumes that the yen will average ¥125 against the dollar and ¥110 against the euro.

Breakdown of Sales by Products for Optical Products

	Billions of yen			
	1999	2000	2001	**2002**
Film cameras	¥ 94.8	¥ 82.1	¥69.8	**¥ 59.0**
Digital photo products	4.9	3.4	6.5	**30.7**
Radiometric instruments	9.8	9.3	9.0	**9.1**
Optical systems	8.1	7.9	8.6	**7.6**
Planetariums	2.5	1.4	1.8	**1.6**
	¥120.1	¥104.1	¥95.7	**¥108.0**



Consolidated Balance Sheets

Minolta Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	2002	2001	2002
Current Assets :			
Cash and deposits (Note 3)	¥ 39,302	¥ 27,284	$ 295,504
Marketable securities (Notes 3 and 4)	4	69	30
Notes and accounts receivable (Note 7):			
Trade	112,354	111,609	844,767
Unconsolidated subsidiaries and affiliates	4,061	2,780	30,534
Other	4,370	2,466	32,857
Allowance for doubtful receivables	(4,218)	(3,951)	(31,714)
Notes and accounts receivable, net	116,567	112,904	876,444
Inventories (Notes 5 and 7)	98,127	137,340	737,797
Deferred income taxes (Note 13)	3,065	8,491	23,045
Other current assets (Notes 3 and 13)	6,886	7,436	51,774
Total current assets	263,951	293,524	1,984,594
Investments and Other Assets:			
Investments in securities:			
Unconsolidated subsidiaries and affiliates	2,408	2,057	18,105
Other (Notes 4 and 7)	21,563	37,041	162,128
Total investments in securities	23,971	39,098	180,233
Long-term receivables:			
Unconsolidated subsidiaries and affiliates	148	119	1,113
Other	2,450	2,552	18,421
Allowance for doubtful receivables	(1,340)	(1,101)	(10,075)
Long-term receivables, net	1,258	1,570	9,459
Deferred income taxes (Note 13)	14,453	7,839	108,669
Other investments (Note 13)	7,729	7,088	58,113
Total investments and long-term receivables	47,411	55,595	356,474
Property, Plant and Equipment (Notes 7 and 18):			
Land (Note 18)	27,817	13,086	209,150
Buildings and structures	64,387	64,271	484,113
Machinery and equipment	179,883	184,989	1,352,504
Construction in progress	171	227	1,286
	272,258	262,573	2,047,053
Accumulated depreciation	(173,716)	(176,234)	(1,306,136)
Property, plant and equipment, net	98,542	86,339	740,917
Intangible Assets	17,343	20,793	130,398
	¥ 427,247	¥ 456,251	$ 3,212,383

See accompanying notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2002	Millions of yen 2001	Thousands of U.S. dollars (Note 1) 2002
Current Liabilities:			
Short-term bank loans (Notes 3, 6 and 7)	**¥171,705**	¥162,550	**$1,291,015**
Current portion of long-term debt (Notes 6 and 7)	**21,781**	12,794	**163,767**
Notes and accounts payable:			
Trade	**52,683**	67,110	**396,113**
Unconsolidated subsidiaries and affiliates	**150**	734	**1,128**
Total notes and accounts payable	**52,833**	67,844	**397,241**
Accrued income taxes	**1,665**	4,929	**12,519**
Accrued expenses	**18,024**	22,242	**135,519**
Other current liabilities	**20,540**	23,605	**154,435**
Total current liabilities	**286,548**	293,964	**2,154,496**
Long-Term Liabilities:			
Long-term debt (Notes 6 and 7)	**46,538**	60,995	**349,910**
Accrued retirement and severance benefits (Note 11)	**31,357**	21,873	**235,767**
Deferred income taxes (Note 13)	**185**	179	**1,391**
Deferred income taxes on revaluation reserve for land (Notes 13 and 18)	**6,167**	—	**46,368**
Other long-term liabilities	**8,485**	6,829	**63,797**
Total long-term liabilities	**92,732**	89,876	**697,233**
Minority Interests	**1,465**	1,217	**11,015**
Contingent Liabilities (Note 15)			
Shareholders' Equity (Notes 8 and 20):			
Common stock:			
Authorized—800,000,000 shares			
Issued—280,207,681 shares in 2002 and 2001	**25,833**	25,833	**194,233**
Capital surplus	**51,198**	51,198	**384,947**
Revaluation reserve for land (Note 18)	**8,516**	—	**64,030**
Retained earnings (deficit)	**(33,149)**	1,897	**(249,241)**
Net unrealized holding loss on securities	**(367)**	—	**(2,759)**
Translation adjustments	**(5,524)**	(7,733)	**(41,533)**
	46,507	71,195	**349,677**
Less treasury stock, at cost (Note 9):			
24,545 shares in 2002 and 1,514 shares in 2001	**(5)**	(1)	**(38)**
Total shareholders' equity	**46,502**	71,194	**349,639**
	¥427,247	¥456,251	**$3,212,383**

Consolidated Statements of Operations and Retained Earnings

Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	**2002**
Net Sales (Note 10)	**¥510,862**	¥464,289	**$3,841,068**
Cost of Sales (Notes 10 and 12)	**300,585**	263,865	**2,260,038**
Gross profit	**210,277**	200,424	**1,581,030**
Selling , General and Administrative Expenses (Note12)	**206,327**	191,234	**1,551,331**
Operating income (Note 2(o))	**3,950**	9,190	**29,699**
Other Income (Expenses):			
Interest and dividend income	**669**	1,161	**5,030**
Interest expense	**(8,302)**	(8,903)	**(62,421)**
Extraordinary amortization of goodwill on consolidation	**(3,307)**	—	**(24,865)**
Loss on valuation of investments in securities	**(13,983)**	(3,419)	**(105,135)**
Special retirement benefits (Note 11)	**(5,236)**	—	**(39,368)**
Other, net	**(7,360)**	1,451	**(55,338)**
	(37,519)	(9,710)	**(282,097)**
Loss before income taxes and minority interests (Note 2(o))	**(33,569)**	(520)	**(252,398)**
Income Taxes (Credit) (Note 13):			
Current	**1,799**	6,195	**13,526**
Deferred	**(590)**	(3,414)	**(4,435)**
	1,209	2,781	**9,091**
Loss before minority interests	**(34,778)**	(3,301)	**(261,489)**
Minority Interests	**428**	174	**3,218**
Net loss	**(34,350)**	(3,127)	**(258,271)**
Retained Earnings (Deficit):			
Balance at beginning of year	**1,897**	6,745	**14,263**
Adjustment resulting from initial inclusion of subsidiaries in consolidation	**145**	37	**1,090**
Adjustment resulting from change in fiscal year-end of consolidated subsidiaries	**—**	(27)	**—**
Appropriations:			
Cash dividends	**841**	1,681	**6,323**
Bonuses to directors and corporate auditors	**—**	50	**—**
Balance at end of year	**¥ (33,149)**	¥ 1,897	**$ (249,241)**

	Yen		U.S. dollars (Note 1)
Net Loss per Share	**¥ (122.59)**	¥ (11.16)	**$ (0.92)**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Cash Flows from Operating Activities:			
Loss before income taxes and minority interests	¥(33,569)	¥ (520)	$(252,398)
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization	26,399	25,405	198,489
Amortization of goodwill on consolidation	4,467	1,286	33,586
Increase in accrued retirement and severance benefits	9,348	2,788	70,285
Interest and dividend income	(669)	(1,161)	(5,030)
Interest expense	8,302	8,903	62,421
Equity in loss of unconsolidated subsidiaries and affiliates	75	51	564
Loss (gain) on sales of investments in securities	1,628	(1,003)	12,241
Loss on valuation of investments in securities	13,983	3,418	105,135
Gain on sales of property, plant and equipment	(1,647)	(200)	(12,383)
Changes in operating assets and liabilities:			
Notes and accounts receivable	3,431	(10,016)	25,797
Inventories	45,064	(26,064)	338,827
Notes and accounts payable	(16,656)	4,325	(125,233)
Accrued consumption taxes	716	123	5,383
Other, net	(10,484)	1,712	(78,827)
Subtotal	50,388	9,047	378,857
Interest and dividend income received	604	1,167	4,541
Interest expense paid	(8,354)	(9,090)	(62,812)
Income taxes paid	(5,362)	(4,287)	(40,316)
Net cash provided by (used in) operating activities	37,276	(3,163)	280,270
Cash Flows from Investing Activities:			
Purchases of marketable securities	—	(40)	—
Proceeds from sales of marketable securities	45	40	338
Purchases of property, plant and equipment	(20,804)	(26,490)	(156,421)
Proceeds from sales of property, plant and equipment	4,710	2,064	35,413
Purchases of investments in securities	(2,423)	(1,907)	(18,218)
Proceeds from sales of investments in securities	1,747	2,730	13,135
Additional acquisition of subsidiaries' shares	(234)	(4,559)	(1,759)
Repayment of loans receivable	(47)	(456)	(353)
Collection of loans receivable	80	172	602
Other, net	(5,450)	(6,027)	(40,977)
Net cash used in investing activities	(22,376)	(34,473)	(168,240)
Cash Flows from Financing Activities:			
Increase in short-term bank loans	3,443	20,677	25,887
Proceeds from long-term borrowings	8,925	12,642	67,105
Repayment of long-term borrowings	(14,638)	(9,289)	(110,060)
Issuance of unsecured bonds	—	3,000	—
Redemption of unsecured bonds	(1,200)	—	(9,023)
Dividends paid	(845)	(1,678)	(6,353)
Dividends paid to minority interests	(84)	(55)	(631)
Other, net	(248)	(486)	(1,865)
Net cash (used in) provided by financing activities	(4,647)	24,811	(34,940)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	884	1,049	6,647
Increase (Decrease) in Cash and Cash Equivalents	11,137	(11,776)	83,737
Cash and Cash Equivalents at Beginning of Year (Note 3)	27,114	38,497	203,865
Cash and Cash Equivalents of Initially Consolidated Subsidiaries at Beginning of Year	254	393	1,909
Cash and Cash Equivalents at End of Year (Note 3)	¥ 38,505	¥ 27,114	$ 289,511

See accompanying notes to consolidated financial statements.

1. Basis of Preparation

(a) Minolta Co., Ltd. (the "Company") and its domestic consolidated subsidiaries maintain their books of account in conformity with financial accounting standards generally accepted and applied in Japan and at its overseas subsidiaries in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan. Certain modifications to the format have been made to facilitate understanding by readers outside Japan.

(b) The consolidated financial statements presented herein are expressed in yen and, solely for the convenience of the reader, have been translated into U.S. dollars at the rate of ¥133 = US$1.00, the approximate rate of exchange in effect on March 31, 2002. This translation should not be construed as a representation that yen have been, could have been, or could in the future be converted into U.S. dollars at the above or any other rate.

(c) Certain accounts in the consolidated balance sheets as of March 31, 2001 and the consolidated statements of operations and retained earnings for the year then ended have been reclassified to conform to the 2002 presentation. These reclassifications had no effect on net loss or shareholders' equity.

2. Significant Accounting Policies

(a) Principles of Consolidation

In accordance with a new accounting standard for consolidation issued by the Business Accounting Deliberation Council of Japan, effective April 1, 1999, the accompanying consolidated financial statements included the accounts of the Company and all subsidiaries over which substantial control is exerted through either majority ownership of voting stock and/or by other means. All significant intercompany balances and transactions have been eliminated in consolidation.

Certain foreign subsidiaries are consolidated on the basis of fiscal periods ending December 31, which differ from that of the Company; however, the necessary adjustments have been made if the effect of the difference is material.

All assets and liabilities of the subsidiaries are revaluated on acquisition, if applicable, and the excess of cost over the underlying net assets at the date of acquisition is amortized over a period of five or ten years on a straight-line basis, if such excess is material, or charged to income when incurred if immaterial.

(b) Cash and Cash Equivalents (See Note 3)

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks withdrawable on demand, and short-term investments which are readily convertible into cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three months or less.

(c) Marketable Securities and Investments in Securities (See Note 4)

Other securities with market value are stated at market value. (Unrealized holding gain or loss is accounted for as a component of shareholders' equity. Cost of securities sold are determined principally by the moving-average method).

Other securities without market value are stated at cost determined principally by the moving-average method.

(d) Inventories (See Note 5)
Inventories of the Company are stated at cost determined principally by the weighted average method. Inventories of subsidiaries are stated principally at the lower of cost or market, cost being determined principally by the first-in, first-out method.

(e) Derivatives (See Note 14)
Derivatives are stated at fair value.

(f) Depreciation

(1) Property, Plant and Equipment

The Company and its domestic consolidated subsidiaries compute depreciation of property, plant and equipment principally by the declining-balance method over the useful lives of the respective assets as stipulated in the Corporation Tax Law of Japan; whereas the overseas consolidated subsidiaries compute depreciation by the straight-line method over the estimated useful lives of the respective assets. However, for buildings (excluding fixtures attached to the buildings) acquired on or subsequent to April 1,1998, the straight-line method is applied by the Company and its domestic consolidated subsidiaries.

(2) Intangible Assets

Depreciation of intangible assets is computed by the straight-line method.

(g) Research and Development Expenses and Computer Software (See Note 12)
Research and development expenses are charged to income as incurred. In accordance with a new accounting standard for research and development expenses and computer software, expenditures relating to the cost of computer software intended for internal use are charged to income as incurred, except if these are deemed to contribute to generating future income or cost savings. Such expenditures are capitalized as other assets and amortized by the straight-line method over their useful lives, generally over a period of 5 years.

(h) Bonuses
Bonuses to employees, which are paid semiannually, are accrued based upon management's estimate of the annual amount. In Japan, bonuses to directors and corporate auditors, which are subject to the approval of the shareholders, are accounted for as an appropriation of retained earnings.

(i) Lease Transactions (See Note 17)
The Company and various consolidated subsidiaries lease certain equipment under noncancelable lease agreements referred to as finance leases. Finance leases, other than those which transfer the ownership of the leased property to the lessee, are accounted for as operating leases.

(j) Hedge Accounting
Gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged item is recognized. Interest-rate swaps which meet certain conditions are accounted for as if the interest rate applied to the interest-rate swaps had originally applied to the underlying debt and others.

(k) Income Taxes (See Note 13)
Provision has been made in the consolidated accounts to reflect the interperiod allocation of income taxes arising from timing differences in the recognition of certain income and expenses for financial reporting and tax purposes.

(l) Retirement and Severance Benefits (See Note 11)
To provide for the payment of retirement benefits and pension plan payment to employees, the Company and certain consolidated subsidiaries record a reserve equivalent to the amount recognized as necessary at the end of the year under review based on the estimated retirement benefit obligation and the fair value of the pension plan assets at the fiscal year end.

Actuarial gain and loss are being amortized in the years following the year in which the gain or loss is recognized by the straight-line method within a specific period (15 years) which falls within the average remaining years of service of the eligible employees'.

The unrecognized retirement benefit obligation at transition is being amortized principally over 15 years.

The Company has also provided for estimated retirement and severance benefits to directors and corporate auditors. Provision has been made at the estimated total amount of their retirement and severance benefits not covered by the pension plans.

(m) Net Income (loss) per Share

Net Income (loss) per share is computed based upon the weighted-average number of shares of common stock outstanding during each fiscal year, as adjusted for any free share distributions.

(n) Foreign Currency Translation

Receivables and payables denominated in foreign currencies are translated into yen amounts at the fiscal year end rates. Gains or losses resulting from such translation adjustments are credited or charged to income as incurred. The balance sheet accounts of the overseas consolidated subsidiaries have been translated into yen at the rates in effect on the year-end dates of the respective subsidiaries, except for the components of shareholders' equity, which have been translated at their historical rates. The differences resulting from such translations are presented as a component of shareholders' equity. Income, expenses and cash flows are translated at the average exchange rates for the year.

(o) New Accounting Standards

Effective April 1, 2001, the Company and its subsidiaries adopted a new accounting standard for financial instruments in Japan, for other securities with market value. As a result, net unrealized holding loss on securities at March 31, 2002 amounted to ¥367 million ($2,759 thousand).

Effective April 1, 2000, the Company and its subsidiaries adopted a new accounting standard for retirement benefits and pension plans in Japan. As a result, loss before income taxes and minority interests for the year ended March 31, 2001 increased by ¥2,140 million.

Effective April 1, 2000, the Company and its subsidiaries adopted a new accounting standard for financial instruments in Japan, except for other securities with market value. As a result, loss before income taxes and minority interests for the year ended March 31, 2001 increased by ¥623 million and operating income increased by ¥134 million.

Effective April 1, 2000, the Company and its subsidiaries adopted a revised accounting standard for foreign currency translation. As a result, loss before income taxes and minority interests increased by ¥405 million and operating income decreased by ¥400 million for the year ended March 31, 2001.

3. Cash and Cash Equivalents

In the presentation of the consolidated statements of cash flows, the relationship between the items included in cash and cash equivalents and the corresponding amounts in the balance sheets at March 31, 2002 and 2001 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Cash and deposits	**¥39,302**	¥27,284	**$295,504**
Cash equivalents included in marketable securities	**4**	23	**30**
Time deposits with an original maturity in excess of 3 months included in cash and deposits	**(135)**	(91)	**(1,015)**
Negative cash equivalents included in short-term bank loans	**(666)**	(102)	**(5,008)**
Cash and cash equivalents at end of year	**¥38,505**	¥27,114	**$289,511**

4. Marketable Securities and Investments in Securities—Other

Information regarding other securities with market value at March 31, 2002 is summarized as follows:

2002	Millions of yen Acquisition cost	Carrying value	Unrealized gain (loss) - on balance sheet -
Securities whose carrying value exceeds their acqusition cost:			
Equity securities	¥ 6,460	¥ 8,313	¥ 1,853
Debt securities	1	1	0
Other	—	—	—
Subtotal	6,461	8,314	1,853
Securities whose carrying value does not exceed their acqusition cost:			
Equity securities	14,186	11,709	(2,477)
Debt securities	—	—	—
Other	545	541	(4)
Subtotal	14,731	12,250	(2,481)
Total	¥21,192	¥20,564	¥ (628)

2002	Thousands of U.S. dollars Acquisition cost	Carrying value	Unrealized gain (loss) - on balance sheet -
Securities whose carrying value exceeds their acqusition cost:			
Equity securities	$ 48,571	$ 62,504	$ 13,933
Debt securities	8	8	0
Other	—	—	—
Subtotal	48,579	62,512	13,933
Securities whose carrying value does not exceed their acqusition cost:			
Equity securities	106,662	88,038	(18,624)
Debt securities	—	—	—
Other	4,098	4,068	(30)
Subtotal	110,760	92,106	(18,654)
Total	$159,339	$154,618	$ (4,721)

Effective April 1, 2001, other securities with market value were carried at market value with any unrealized gain or loss, net of the applicable taxes recorded as a component of shareholders' equity.

The Company and its subsidiaries recorded an impairment loss of ¥13,849 million ($104,128 thousand) on equity securities included in other securities for the year ended March 31, 2002. Devaluation is carried out principally when the market value falls by more than 50% from the carrying value or when the market value falls by 30% to 50% from the carrying value for two years.

Securities with market value at March 31, 2001 were as follows:

2001	Millions of yen Book value (Acquisition cost)	Market value	Unrealized gain (loss) - off balance sheet -
Held-to-maturity debt securities	¥ 45	¥ 45	¥ (0)
Other securities	36,475	30,807	(5,668)

Other securities without market value were as follows:

	Millions of yen 2002	2001	Thousands of U.S. dollars 2002
Other securities			
Unlisted equity securities	¥998	¥565	$7,504
Other	4	23	30

Sales of other securities for the years ended March 31, 2002 and 2001 were as follows:

	Millions of yen 2002	2001	Thousands of U.S. dollars 2002
Proceeds	¥1,747	¥2,729	$13,135
Aggregate gain	25	1,003	188
Aggregate loss	1,653	—	12,429

5. Inventories

A summary of inventories at March 31, 2002 and 2001 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Finished goods	¥72,343	¥100,112	$543,932
Work in process	19,984	27,620	150,256
Raw materials and supplies	5,800	9,608	43,609
	¥98,127	¥137,340	$737,797

6. Short-Term Bank Loans and Long-Term Debt

The weighted average interest rates on short-term bank loans were 3% and 4% for the years ended March 31, 2002 and 2001, respectively.

Long-term debt at March 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
2.3% yen unsecured bonds, due 2002	¥10,000	¥10,000	$ 75,188
3.0% yen unsecured bonds, due 2004	8,800	10,000	66,166
1.75% euro-yen unsecured bonds, due 2002	5,000	5,000	37,594
1.355% yen unsecured bonds, due 2006	3,000	3,000	22,556
Bank loans,* due through 2018:			
Secured	1,507	2,036	11,331
Unsecured	40,012	43,753	300,842
	68,319	73,789	513,677
Less current portion	21,781	12,794	163,767
	¥46,538	¥60,995	$349,910

* The weighted average interest rates on long-term bank loans were 3% for the year ended March 31, 2002 and 4% for the year ended March 31, 2001.

The aggregate annual maturities of long-term debt subsequent to March 31, 2002 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2003	¥21,781	$163,767
2004	15,741	118,353
2005	26,016	195,609
2006	2,070	15,564
2007	2,340	17,594
2008 and thereafter	371	2,790
	¥68,319	$513,677

The Company issued 2.3% yen unsecured bonds of ¥10,000 million ($75,188 thousand) in October 1997 and 3.0% yen unsecured bonds of ¥8,800 million ($66,166 thousand) in December 1997.

The Company issued 1.75% euro-yen unsecured bonds of ¥5,000 million ($37,594 thousand) in June 1999 and 1.355% yen unsecured bonds of ¥3,000 million ($22,556 thousand) in December 2000.

All the outstanding bonds, other than the 1.75% euro-yen unsecured bonds, can be repurchased at any time prior to maturity at the option of the Company, in whole or in part, at any price whether in the market or elsewhere.

7. Pledged Assets

The following assets were pledged as collateral for obligations at March 31, 2002:

	Millions of yen	Thousands of U.S. dollars
Property, plant and equipment, net of accumulated depreciation	¥21,758	$163,594
Investments in securities	274	2,060
Notes and accounts receivable	4,964	37,323
Inventories	2,944	22,136
	¥29,940	$225,113

The obligations secured by such collateral at March 31, 2002 were as follows:

	Millions of yen	Thousands of U.S. dollars
Short term bank loans	¥2,840	$21,353
Long-term debt, including current portion	1,507	11,331
	¥4,347	$32,684

8. Shareholders' Equity

The Commercial Code of Japan (the "Code") provides that an amount equivalent to at least 10% of cash dividends and bonuses paid to directors and corporate auditors, and exactly 10% of interim cash dividends paid be appropriated to the legal reserve until the sum of the capital surplus account and the legal reserve equals 25% of the common stock account. The Code also provides that neither capital surplus nor the legal reserve is available for dividends but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be by transferred to common stock by resolution of the Board of Directors. The Company's legal reserve, which is included in retained earnings, amounted to ¥2,561 million ($19,256 thousand) and ¥2,475 million, respectively, at March 31, 2002 and 2001.

9. Treasury Stock

The Company has introduced a unit share system as permitted under the Code. Under this system, shareholders holding fewer than 1,000 shares are not permitted to exercise voting rights. Accordingly, the Company repurchased its own shares from certain shareholders who held fewer than 1,000 shares and had requested such repurchases. The balance of treasury stock reflected in the accompanying consolidated balance sheets represents the cost of repurchasing these shares, which are expected to be subsequently resold.

10. Sales to and Purchases from Unconsolidated Subsidiaries and Affiliates

Sales to and purchases from unconsolidated subsidiaries and affiliates for the years ended March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Sales to	**¥9,876**	¥6,641	**$74,256**
Purchases from	**1,888**	3,959	**14,195**

11. Retirement and Severance Benefits

(a) Defined Benefit Plan for Employees

The Company and its domestic consolidated subsidiaries have defined benefit pension plans pursuant to the Japanese Welfare Pension Insurance Law, as well as substituted noncontributory pension plans and lump-sum indemnities. Certain overseas subsidiaries have also adopted defined benefit plans. In addition, in some cases extra benefits may be paid to employees upon retirement, which are not covered by the standard actuarial caluculation of retirement and severance benefits.

The funded and accrued status of the defined benefit plans of the Company and its consolidated subsidiaries at March 31, 2002 and 2001 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
① Retirement benefit obligation	**¥(120,404)**	¥(108,248)	**$(905,293)**
② Plan assets at fair value	**50,629**	50,575	**380,669**
③ Unfunded benefit obligation (①+②)	**(69,775)**	(57,673)	**(524,624)**
④ Unrecognized retirement benefit obligation at transition	**19,442**	21,008	**146,181**
⑤ Unrecognized actuarial loss	**19,411**	15,419	**145,947**
⑥ Accrued retirement and severance benefits (③+④+⑤)	**¥ (30,922)**	¥ (21,246)	**$(232,496)**

Included in the retirement benefit obligation (①) and accrued retirement and severance benefits (⑥) at March 31, 2002 presented above is ¥5,236 million ($39,368 thousand) for additional early retirement incentive payments.

The components of retirement benefit expenses for the years ended March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
① Service cost	¥5,234	¥4,356	$39,353
② Interest cost	3,402	2,887	25,579
③ Expected return on plan assets	(2,251)	(2,025)	(16,925)
④ Amortization of unrecognized retirement benefit obligation at transition	1,522	1,278	11,444
⑤ Amortization of unrecognized actuarial loss	1,028	—	7,729
⑥ Retirement benefit expenses (①+②+③+④+⑤)	¥8,935	¥6,496	$67,180

Other than the retirement benefit expenses described above, ¥5,236 million ($39,368 thousand) was recorded and included in special retirement benefits presented in the consolidated statement of operations and retained earnings for the year ended March 31, 2002 for additional early retirement incentive payments.

The assumptions used for the above calculations were as follows:

(i) Distribution method of estimated benefits:
Straight-line method

(ii) Discount rate:
3.0%

(iii) Expected rate of return on plan assets:
Principally 4.0%

(iv) Number of years over which the actuarial differences are expensed:
15 years (determined by the straight-line method over a period which falls within the average remaining years of service of the employees participating in the plans and expensed commencing the following term.)

(v) Number of years over which the obligation at transition is to be expensed:
Principally 15 years.

(b) Retirement and Severance Benefit Plan for Directors and Corporate Auditors

The Company recorded accrued retirement and severance benefits for directors and corporate auditors, based on the Company's internal rules. This accrual amounted to ¥435 million ($3,271 thousand) and ¥627 million at March 31, 2002 and 2001, respectively.

12. Research and Development Expenses

Cost of sales and selling, general and administrative expenses for the years ended March 31, 2002 and 2001 included research and development expenses of ¥29,000 million ($218,045 thousand) and ¥26,300 million, respectively.

13. Interperiod Income Tax Allocation

Interperiod income tax allocation has been made as described in Note 2 (k).

The significant components of deferred tax assets and liabilities at March 31, 2002 and 2001 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Current			
Deferred tax assets			
(reflected in current assets):			
Research and development expenses	¥ 579	¥ 551	$ 4,353
Inventories written down	1,366	998	10,271
Allowance for doubtful receivables	1,496	859	11,248
Accrued bonuses	408	864	3,068
Provision for product warranties	327	319	2,459
Intercompany profit on inventories	197	4,820	1,481
Other	1,365	1,266	10,263
	5,738	9,677	43,143
Less: Valuation allowance	(2,666)	(1,178)	(20,045)
	3,072	8,499	23,098
Deferred tax liabilities			
Adjustment of provision for product warranties	—	(2)	—
Refundable taxes	(6)	(5)	(45)
Other	(1)	(1)	(8)
	(7)	(8)	(53)
Deferred tax assets, net	¥ 3,065	¥ 8,491	$ 23,045
Non-Current			
Deferred tax assets			
(reflected in investments and other assets):			
Retirement and severance benefits	¥ 9,607	¥ 5,236	$ 72,233
Depreciation	4,300	2,645	32,331
Loss on devaluation of securities	5,418	1,265	40,737
Tax loss carryforward	12,806	7,762	96,286
Other	2,187	1,787	16,443
	34,318	18,695	258,030
Less: Valuation allowance	(17,543)	(9,483)	(131,902)
	16,775	9,212	126,128
Offset of deferred tax liabilities	(2,322)	(1,373)	(17,459)
Deferred tax assets, net	¥ 14,453	¥ 7,839	$ 108,669
Deferred tax liabilities			
(reflected in long-term liabilities):			
Undistributed earnings of foreign subsidiaries	¥ (1,593)	¥ (1,320)	$ (11,978)
Other	(914)	(232)	(6,872)
	(2,507)	(1,552)	(18,850)
Offset of deferred tax assets	2,322	1,373	17,459
Deferred tax liabilities, net	¥ (185)	¥ (179)	$ (1,391)
Deferred tax liabilities for land revaluation			
(reflected in long-term liabilities):			
Deferred tax liabilities for land revaluation	¥ (6,167)	¥ —	$ (46,368)

For the years ended March 31, 2002 and 2001, a reconciliation of the Japanese statutory income tax rate and the effective tax rates is omitted as a loss before income taxes and minority interests was recorded for both years.

14. Derivatives

To avoid the adverse effects of fluctuations of foreign currency exchange rates and interest rates, the Company and its consolidated subsidiaries enter into forward foreign exchange contracts, currency option contracts and currency and interest rate swaps.

The Company and its consolidated subsidiaries utilize these derivatives as hedges to reduce the risk inherent to their assets and liabilities. These transactions are not likely to have a major impact on the performance of the Company and its consolidated subsidiaries.

In addition, derivatives transactions are not entered into for speculative trading purposes in accordance with the internal guidelines established by the Company and its consolidated subsidiaries.

In accordance with the Company's internal policies on derivative transactions, the Finance Division of the Company is responsible for managing the market and credit risk relating to these transactions, and this division manages the position limits, credit limits and the status of all open derivatives positions.

The Board of Directors or the Executive Officers' Meetings of the Company approves the policies and procedures for the risk management of all derivative transactions and positions.

In accordance with the internal regulations, the consolidated subsidiaries manage derivative transactions and related risks, and their presidents or directors are responsible for authorizing them.

The Company and its consolidated subsidiaries employ hedge accounting for derivative transactions and hedge against the risk of fluctuation in foreign exchange and interest rates within the scope of the demand arising from the actual underlying items hedged.

The fair value of the derivative positions open at March 31, 2002 and 2001 is summarized as follows:

(a) Currency-related derivatives

	Millions of yen						Thousands of U.S. dollars		
	2002			2001			2002		
	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)
Forward foreign exchange contracts:									
To sell foreign currencies:									
US$	**¥17,270**	**¥17,322**	**¥ (52)**	¥20,167	¥20,332	¥(165)	**$129,849**	**$130,240**	**$ (391)**
EURO	**15,009**	**15,098**	**(89)**	17,429	17,553	(123)	**112,850**	**113,519**	**(669)**
C$	**995**	**1,004**	**(9)**	1,142	1,153	(10)	**7,481**	**7,549**	**(68)**
STG£	**622**	**627**	**(5)**	241	240	(0)	**4,677**	**4,714**	**(37)**
Total	**¥33,896**	**¥34,051**	**¥(155)**	¥38,979	¥39,278	¥(298)	**$254,857**	**$256,022**	**$(1,165)**
To buy foreign currencies:									
US$	**¥ 3**	**¥ 3**	**¥ (0)**	¥ —	¥ —	¥ —	**$ 23**	**$ 23**	**$ (0)**
EURO	**176**	**174**	**(2)**	—	—	—	**1,323**	**1,308**	**(15)**
A$	**1**	**1**	**(0)**	—	—	—	**8**	**8**	**(0)**
Yen	**132**	**124**	**(8)**	134	133	(1)	**992**	**932**	**(60)**
Total	**¥ 312**	**¥ 302**	**¥ (10)**	¥ 134	¥ 133	¥ (1)	**$ 2,346**	**$ 2,271**	**$ (75)**

(b) Interest-rate-related derivatives

	Millions of yen						Thousands of U.S. dollars		
	2002			2001			2002		
	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Fair value	Unrealized gain (loss)
Interest-rate swaps:									
Receive/ variable									
Pay/ fixed	**¥10,000**	**¥(652)**	**¥(652)**	¥10,000	¥(769)	¥(769)	**$75,188**	**$(4,902)**	**$(4,902)**

*Derivative transactions with hedge accounting applied are excluded from the above table.

15. Contingent Liabilities

At March 31, 2002, contingent liabilities for notes discounted in the ordinary course of business amounted to ¥682 million ($5,128 thousand). At March 31, 2002, contingent liabilities for guarantees and commitments involving managerial guidance related to loans to companies other than consolidated subsidiaries amounted to ¥3,060 million ($23,008 thousand).

16. Supplemental Disclosures of Cash Flow Information

During the years ended March 31, 2002 and 2001, leased property and certain related obligations of ¥2,053 million ($15,436 thousand) and ¥436 million, respectively, were recorded as finance lease transactions.

17. Leases

(a) Lessees' accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2002 and 2001, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Buildings and structures	Machinery and equipment	Other assets	Total
At March 31, 2002	Millions of yen			
Acquisition costs	**¥273**	**¥6,753**	**¥516**	**¥7,542**
Accumulated depreciation	**90**	**3,929**	**310**	**4,329**
Net book value	**¥183**	**¥2,824**	**¥206**	**¥3,213**
At March 31, 2001	Millions of yen			
Acquisition costs	¥238	¥7,379	¥540	¥8,157
Accumulated depreciation	112	4,518	319	4,949
Net book value	¥126	¥2,861	¥221	¥3,208

	Buildings and structures	Machinery and equipment	Other assets	Total
At March 31, 2002	Thousands of U.S.dollars			
Acquisition costs	**$2,053**	**$50,774**	**$3,880**	**$56,707**
Accumulated depreciation	**677**	**29,541**	**2,331**	**32,549**
Net book value	**$1,376**	**$21,233**	**$1,549**	**$24,158**

Future minimum lease payments subsequent to March 31, 2002 on finance leases accounted for as operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥ 6,862	$ 51,594
Over 1 year	7,955	59,812
Total	¥14,817	$111,406

Of the above amounts, future minimum lease payments subsequent to March 31, 2002 for sublease transactions was ¥5,365 million ($40,338 thousand) for 1 year or less and ¥5,966 million ($44,857 thousand) for over 1 year, resulting in ¥11,331 million ($85,195 thousand) in total. The corresponding future minumum receipts on the lessors' side is almost the same amount, which is included in the following list of future minimum lease receipts in (b) Lessors' accounting.

Lease payments relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Lease payments	**¥1,697**	¥2,754	**$12,759**
Depreciation equivalent	**1,645**	2,684	**12,368**
Interest expense equivalent	**44**	54	**331**

Future minimum lease payments subsequent to March 31, 2002 on noncancelable operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥ 3,805	$ 28,609
Over 1 year	13,783	103,632
Total	¥17,588	$132,241

(b) Lessors' accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases at March 31, 2002 and 2001:

	Machinery and Equipment		
	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Acquisition cost	**¥981**	¥678	**$7,376**
Accumulated depreciation	**359**	363	**2,699**
Net book value	**¥622**	¥315	**$4,677**

Future minimum lease receipts subsequent to March 31, 2002 on finance leases accounted for as operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥ 5,885	$44,248
Over 1 year	6,596	49,594
Total	¥12,481	$93,842

Lease receipts relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Lease receipts	**¥425**	¥1,147	**$3,195**
Depreciation equivalent	**383**	1,109	**2,880**

Future minimum lease receipts subsequent to March 31, 2002 on noncancelable operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥2,186	$16,436
Over 1 year	4,347	32,684
Total	¥6,533	$49,120

18. Land Revaluation

Effective March 31, 2002, the Company revalued its land used for operations in accordance with the laws on land revaluation. The resulting revaluation surplus, net of the applicable tax effect, has been stated as a component of shareholders' equity, "Revaluation reserve for land." The applicable tax effect is included in non-current deferred tax liabilties. The carrying value of the land before revaluation and after revaluation at March 31, 2002 amounted to ¥9,454 million ($71,083 thousand) and ¥24,137 million ($181,481 thousand), respectively.

19. Segment Information

The Company and its consolidated subsidiaries operate principally in three industry segments: image information products, optical products and other.

The image information products segment includes primarily photocopiers, printers, other OA products (facsimile machines and document imaging products) and related accessories. The optical products segment includes primarily cameras, lenses, binoculars radiometric instruments, planetariums and related accessories. The other segment includes items not classified under image information products or optical products.

The following tables present information by industry segment and geographic area as well as overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2002 and 2001:

Information by Industry Segment

	Image information products	Optical products	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2002			Millions of yen			
Net sales:						
Unaffiliated customers	**¥381,907**	**¥107,993**	**¥20,962**	**¥510,862**	**¥ —**	**¥510,862**
Intersegment	**37**	**82**	**2,541**	**2,660**	**(2,660)**	**—**
Total	**381,944**	**108,075**	**23,503**	**513,522**	**(2,660)**	**510,862**
Operating expenses	**371,127**	**115,312**	**23,173**	**509,612**	**(2,700)**	**506,912**
Operating income (loss)	**¥ 10,817**	**¥ (7,237)**	**¥ 330**	**¥ 3,910**	**¥ 40**	**¥ 3,950**
Assets	**¥267,949**	**¥ 98,459**	**¥ 6,118**	**¥372,526**	**¥54,721**	**¥427,247**
Depreciation and amortization	**20,853**	**5,394**	**93**	**26,340**	**59**	**26,399**
Capital expenditures	**21,732**	**4,662**	**608**	**27,002**	**—**	**27,002**
Year ended March 31, 2001			Millions of yen			
Net sales:						
Unaffiliated customers	¥356,669	¥ 95,700	¥11,920	¥464,289	¥ —	¥464,289
Intersegment	19	18	651	688	(688)	—
Total	356,688	95,718	12,571	464,977	(688)	464,289
Operating expenses	346,634	96,844	12,325	455,803	(704)	455,099
Operating income (loss)	¥ 10,054	¥ (1,126)	¥ 246	¥ 9,174	¥ 16	¥ 9,190
Assets	¥290,225	¥100,685	¥ 4,834	¥395,744	¥60,507	¥456,251
Depreciation and amortization	20,217	5,058	67	25,342	63	25,405
Capital expenditures	25,556	6,550	100	32,206	—	32,206

	Image information products	Optical products	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2002			Thousands of U.S. dollars			
Net sales:						
Unaffiliated customers	**$2,871,481**	**$811,978**	**$157,609**	**$3,841,068**	**$ —**	**$3,841,068**
Intersegment	**278**	**617**	**19,105**	**20,000**	**(20,000)**	**—**
Total	**2,871,759**	**812,595**	**176,714**	**3,861,068**	**(20,000)**	**3,841,068**
Operating expenses	**2,790,428**	**867,008**	**174,233**	**3,831,669**	**(20,300)**	**3,811,369**
Operating income (loss)	**$ 81,331**	**$ (54,413)**	**$ 2,481**	**$ 29,399**	**$ 300**	**$ 29,699**
Assets	**$2,014,654**	**$740,293**	**$ 46,000**	**$2,800,947**	**$411,436**	**$3,212,383**
Depreciation and amortization	**156,790**	**40,556**	**699**	**198,045**	**444**	**198,489**
Capital expenditures	**163,399**	**35,053**	**4,571**	**203,023**	**—**	**203,023**

* The assets in the eliminations column include ¥55,410 million ($416,617 thousand) and ¥61,573 million of assets at March 31, 2002 and 2001, repsectively, maintained for general corporate purposes, principally consisting of surplus funds under management (cash and negotiable securities) and long-term investments (investments in securities) of the Company.

Information by Geographic Area

	Japan	North America	Europe	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2002				Millions of yen			
Net sales:							
Unaffiliated customers	**¥165,695**	**¥166,284**	**¥152,037**	**¥26,846**	**¥510,862**	**¥ —**	**¥510,862**
Intersegment	**153,046**	**3,781**	**1,696**	**98,082**	**256,605**	**(256,605)**	**—**
	318,741	**170,065**	**153,733**	**124,928**	**767,467**	**(256,605)**	**510,862**
Operating expenses	**315,557**	**170,944**	**152,799**	**123,316**	**762,616**	**(255,704)**	**506,912**
Operating income (loss)	**¥ 3,184**	**¥ (879)**	**¥ 934**	**¥ 1,612**	**¥ 4,851**	**¥ (901)**	**¥ 3,950**
Assets	**¥241,396**	**¥104,309**	**¥ 93,010**	**¥46,567**	**¥485,282**	**¥ (58,035)**	**¥427,247**

	Japan	North America	Europe	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2001				Millions of yen			
Net sales:							
Unaffiliated customers	¥170,065	¥142,333	¥129,018	¥22,873	¥464,289	¥ —	¥464,289
Intersegment	157,523	240	716	66,046	224,525	(224,525)	—
Total	327,588	142,573	129,734	88,919	688,814	(224,525)	464,289
Operating expenses	318,256	142,948	131,359	87,048	679,611	(224,512)	455,099
Operating income (loss)	¥ 9,332	¥ (375)	¥ (1,625)	¥ 1,871	¥ 9,203	¥ (13)	¥ 9,190
Assets	¥255,192	¥109,325	¥ 98,764	¥41,149	¥504,430	¥ (48,179)	¥456,251

	Japan	North America	Europe	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2002				Thousands of U.S. dollars			
Net sales:							
Unaffiliated customers	**$1,245,827**	**$1,250,256**	**$1,143,135**	**$201,850**	**$3,841,068**	**$ —**	**$3,841,068**
Intersegment	**1,150,722**	**28,428**	**12,752**	**737,459**	**1,929,361**	**(1,929,361)**	**—**
Total	**2,396,549**	**1,278,684**	**1,155,887**	**939,309**	**5,770,429**	**(1,929,361)**	**3,841,068**
Operating expenses	**2,372,609**	**1,285,293**	**1,148,865**	**927,188**	**5,733,955**	**(1,922,586)**	**3,811,369**
Operating income (loss)	**$ 23,940**	**$ (6,609)**	**$ 7,022**	**$ 12,121**	**$ 36,474**	**$ (6,775)**	**$ 29,699**
Assets	**$1,815,008**	**$ 784,278**	**$ 699,323**	**$350,128**	**$3,648,737**	**$ (436,354)**	**$3,212,383**

* The assets in the eliminations column include ¥55,410 million ($416,617 thousand) and ¥61,573 million of assets at March 31, 2002 and 2001, respectively, maintained for general corporate purposes, principally consisting of surplus funds under management (cash and negotiable securities) and long-term investments (investments in securities) of the Company.

As mentioned in Note 2 (o), the Company and its subsidiaries adopted a new accounting standard for retirement benefits and pension plans effective April 1, 2000.

The effects of this change on the segment information presented on the previous pages for the year ended March 31, 2001 are summarized as follows:

	Millions of yen
By business segment:	
Decrease in operating income in the image information products segment	¥1,344
Decrease in operating income in the optical products segment	790
Decrease in operating income in the other segment	6
By geographic area:	
Decrease in operating income in the Japan segment	2,140

As mentioned in Note 2 (o), the Company and its subsidiaries adopted a new accounting standard for financial instruments effective April 1, 2000.

The effects of this change on the segment information presented on the previous pages for the year ended March 31, 2001 are summarized as follows:

	Millions of yen
By business segment:	
Increase in operating income in the image information products segment	¥ 83
Increase in operating income in the optical products segment	51
By geographic area:	
Increase in operating income in the Japan segment	134

As mentioned in Note 2 (o), the Company and its subsidiaries adopted a revised accounting standard for foreign currency translation effective April 1, 2000.

The effects of this change on the segment information presented on the previous pages for the year ended March 31, 2001 are summarized as follows:

	Millions of yen
By business segment:	
Decrease in operating income in the image information products segment	¥360
Decrease in operating income in the optical products segment	40
By geographic area:	
Increase in operating income in the Japan segment	5
Decrease in operating income in the North America segment	4
Increase in operating income in the Europe segment	89
Decrease in operating income in the other segment	19
Decrease in operating income in Eliminations	471

Overseas Sales

	North America	Europe	Other	Total (A)	Consolidated total (B)	
Years ended March 31	Millions of yen					(A)/(B) (%)
2002	**¥189,108**	**¥171,542**	**¥58,969**	**¥419,619**	**¥510,862**	**82.1%**
2001	168,406	148,189	52,971	369,566	464,289	79.6%
Years ended March 31	Thousands of U.S. dollars					
2002	**$1,421,865**	**$1,289,789**	**$443,376**	**$3,155,030**	**$3,841,068**	

20. Subsequent Event

The following disposition of retained-earnings deficit of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2002, was approved by the shareholders at a meeting held on June 27, 2002:

	Millions of yen	Thousands of U.S. dollars
Reversal of legal reserve to retained-earnings deficit	¥ 2,560	$19,248
Transfer of capital surplus to retained-earnings deficit	10,837	81,481

Independent Auditors' Report

The Board of Directors and the Shareholders
Minolta Co., Ltd.

We have audited the consolidated balance sheets of Minolta Co., Ltd. and consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of operations and retained earnings and cash flows for the years then ended, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of Minolta Co., Ltd. and consolidated subsidiaries at March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

As described in Note 2 to the consolidated financial statements, Minolta Co., Ltd. and consolidated subsidiaries have adopted new accounting standards for employees' retirement benefits, financial instruments and foreign currency translations effective the year ended March 31, 2001 and for valuation of other securities with market value effective the year ended March 31, 2002 in the preparation of their consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2002 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Shin Nihon & Co.

Shin Nihon & Co.

Osaka, Japan
June 27, 2002

See Note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of Minolta Co., Ltd. and consolidated subsidiaries under Japanese accounting principles and practices.

Board of Directors

(As of July 1, 2002)

President[*1*2]

Yoshikatsu Ota

Directors[*2]

Yoshihiko Higashiyama
Norio Tashima
Norikatsu Shimizu
Hiroshi Fujii
Toshiaki Ishihara
Tateomi Kohno
Yoshisuke Takekida
Masanori Hondo
Masaru Oba

[*1] Representative Director
[*2] The above members of the Board of Directors are also Executive Officers

Executive Officers

Shigeyuki Seki
Masao Bando
Hiroshi Furukawa
Hiroshi Ishiko
Mitsuharu Ohura
Hisashi Tokumaru
Akio Kitani
Hideki Okamura
Shoei Yamana

Full-Time Corporate Auditors

Mikio Naya
Akio Kawano

Corporate Auditors

Kazunari Ohno
Kimio Haruna

Corporate Data

(As of July 1, 2002)

Minolta Co., Ltd.

Established

November 1928

Number of Employees* (As of March 31, 2002)

Parent Company 4,089
Consolidated 21,932 (including Parent Company)

Independent Public Accountant

Shin Nihon & Co.

Major Businesses

Minolta's business encompasses a variety of products & services in the image information & optical business fields, from development to services.

Image Information Products:
Photocopiers, printers, facsimile machines, and micrographics
Optical Products:
Cameras, their accessories, lenses, binoculars, radiometric instruments, optical units, and planetariums

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The following are trademarks or registered trademarks of Minolta Co., Ltd. or Minolta-QMS, Inc. which appear in this Annual Report:
•DiALTA / •DiALTA Di650 / •DiALTA Color / •DiALTA Color CF2001 / •PageScope / •PageScope Light / •magicolor / •DeskLaser
•DiMAGE / •DiMAGE X / •DiMAGE 7 / •DiMAGE 5 / •DiMAGE S304 / •DiMAGE E201 /
•DYNAX / •DYNAX 7 / •Maxxum / •α / •RIVA / •CAPIOS / •Freedom
•VIVID 900 / •VI-900 / •CM-series / •CA-1500
•The essentials of imaging / •Minolta / •Minolta-QMS
All other brand and product names are trademarks or registered trademarks of their respective owners.

DYNAX series SLRs are marketed as the Maxxum series in North America and the α-series in Japan, and China.
RIVA compact cameras are marketed as the CAPIOS series in Japan and the Freedom series in North America.
VIVID 900 3D digitizers is marketed in Europe as VI-900.

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* The number of employees does not include temporarily transferred employees, temporary employees, or temporarily retired employees.

Corporate Directory

(As of March 31, 2002)

Head Office

3-13, 2-chome, Azuchi-machi,
Chuo-ku, Osaka 541-8556, Japan
Telephone: (81) 6-6271-2251
Fax: (81) 6-6266-1010

Tokyo Office

NS Takanawa Bldg.,
19-13, 2-chome, Takanawa,
Minato-ku, Tokyo 108-8608, Japan
Telephone: (81) 3-5423-7557
Fax: (81) 3-5423-7550

Plants

Sakai Operations, Sayama Operations,
Toyokawa Administrative Center,
Mikawa Plant, Mizuho Plant, Itami Plant

Laboratories

Technical Center, Takatsuki Laboratory,
Toyokawa Development Center,
Advanced System Center Seishin

Other

Esaka Operations

Consolidated Subsidiaries

Japan

Minolta Sales Co., Ltd.
Minolta Techno System Co., Ltd.
Minolta-QMS K.K.
F&M Imaging Technology Co., Ltd.
Minolta Office System Tokyo Co., Ltd.
Minolta Digital Solution Co., Ltd.
Aoi Camera Co., Ltd.
Sankei Precision Products Co., Ltd.
Minolta Components Co., Ltd.
Minolta Quality Service Co., Ltd.
Toyohashi Precision Products Co., Ltd.
Minolta Office System Tokai Co., Ltd.
Minolta Planetarium Co., Ltd.
Minolta Office System Kinki Co., Ltd.
MYG Disk Corporation
Miki Minolta Industries Co., Ltd.
Okayama Minolta Seimitsu Co., Ltd.
Minolta Office System Kyushu Co., Ltd.

U.S.A.

Minolta Corporation
Minolta Business Solutions, Inc.
Minolta Advance Technology Inc.
Astro-Tec. Manufacturing Inc.
Mohawk Marketing Corporation
Minolta-QMS, Inc.

Canada

Minolta Business Equipment (Canada), Ltd.
Minolta Canada Inc.
Minolta (Montréal) Inc.

Germany

Minolta Europe GmbH
Plankopie Gesellschaft für Bürosysteme (Mönchengladbach) mbH
Develop GmbH
Minolta-QMS GmbH

Norway

Minolta Norway AS

Sweden

Minolta Business Equipment Sweden AB
Minolta Svenska AB
Minolta-QMS Nordic AB

Denmark

Minolta Denmark A/S

The Netherlands

Minolta Camera Benelux B.V.
Minolta-QMS Europe B.V.

U.K.

Minolta (UK) Ltd.
Minolta-QMS (U.K.) Ltd.

Belgium

Minolta Business Equipment (Belgium) N.V.

France

Minolta France S.A.S.
Repro Conseil S.A.S.
Minolta Lorraine S.A.
Minolta-QMS France S.a.r.l

The Czech Republic

Minolta spol.s r.o.

Austria

Minolta Austria Gesellschaft mbH

Switzerland

Minolta (Schweiz) AG

Italy

Minolta Italia S.p.A.

Spain

Minolta Spain S.A.

Portugal

Minolta (Portugal)-Comercialização e Assistência de Equipamento de Escritório, Lda.

China

Shanghai Minolta Optical Products Co., Ltd.
Wuhan Minolta Office Automation Equipments Co., Ltd.
Minolta Hong Kong Ltd.
Minolta Industries (HK) Ltd.

Malaysia

Minolta Marketing (M) Sdn. Bhd.
Minolta Malaysia Sdn. Bhd.
Minolta Precision Engineering (M) Sdn. Bhd.

Singapore

Minolta Singapore (PTE) Ltd.

Brazil

Minolta Copiadora do Amazonas Ltda.

Australia

Minolta Business Equipment Australia PTY Ltd.
Minolta-QMS Australia PTY Ltd.

New Zealand

Minolta New Zealand Ltd.

Affiliated Company

(under equity method)

Japan

Konica Minolta Supplies Manufacturing Co., Ltd.

Shareholder Information

(As of March 31, 2002)

Paid-in capital
¥25,832,512,890

Authorized stock
800,000,000 shares

Common stock shares outstanding
280,207,681 shares

Stock exchange listings
Tokyo, Osaka, Nagoya, Düsseldorf, Frankfurt

Number of shareholders
33,830

Fiscal year-end
March 31

Transfer Agent
UFJ Trust Bank Limited
Osaka Branch
Corporate Agency Department
6-3 Fushimimachi 3-chome, Chuo-ku,
Osaka 541-8502, Japan, and
at the head office and all branch offices of
UFJ Trust Bank Limited

Website URL
www.minolta.com

Major shareholders

		Stake (%)
1.	Daido Life Insurance Company	5.2
2.	Sumitomo Mitsui Banking Corporation	4.9
3.	The Asahi Bank, Ltd.	4.9
4.	UFJ Bank Limited	4.9
5.	UFJ Trust Bank Limited	3.9
6.	The Daiwa Bank, Limited	3.9
7.	The Fuji Bank, Limited	3.8
8.	Nippon Life Insurance Company	3.6
9.	The Hyakujushi Bank, Limited	3.2
10.	Japan Trustee Service Bank, Ltd.	3.1

Stockholding unit
1,000 shares

General shareholders' meeting
Mid-June

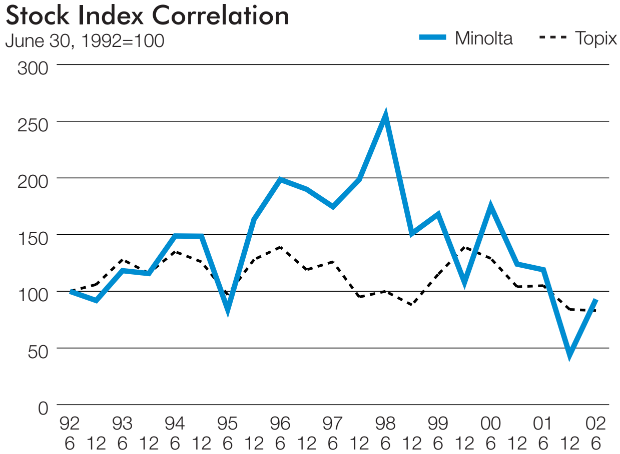
Latest stock price
¥346 (As of July 1, 2002)
BPS: ¥165.97
PBR: 2.08 times

Investor Relations:
Corporate Communications & Investor Relations Division, Minolta Co., Ltd.

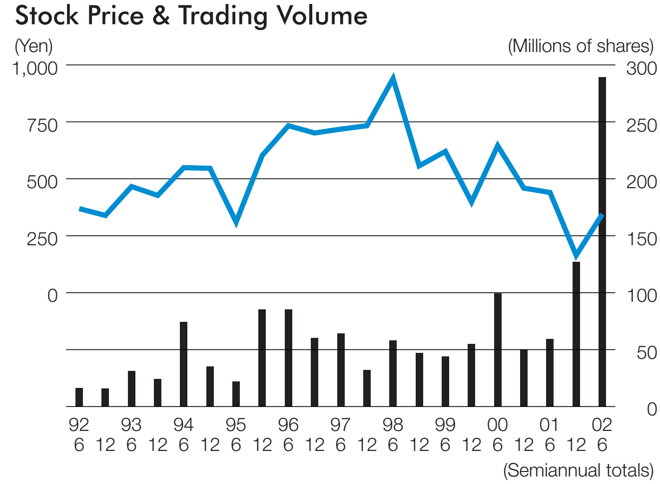
Osaka
3-13, 2-chome, Azuchi-machi, Chuo-ku,
Osaka 541-8556, Japan
Tel: (81) 6-6271-2268 Fax: (81) 6-6271-8320

Tokyo
NS Takanawa Bldg., 19-13, 2-chome, Takanawa, Minato-ku,
Tokyo 108-8608, Japan
Tel: (81) 3-5423-7556 Fax: (81) 3-5423-7559

Stock Index Correlation
June 30, 1992=100



Stock Price & Trading Volume



MINOLTA

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