

# Consolidated Statements of Cash Flows

KONICA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
For the fiscal years ended March 31, 2000 and 1999

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2000	1999	2000
<b>Cash Flows from Operating Activities:</b>			
Income (loss) before provision for income taxes .....	¥15,206	¥(10,872)	\$143,250
Depreciation and amortization .....	30,687	32,488	289,091
Loss on sales or disposal of property, plant and equipment .....	1,172	2,111	11,041
Allowance for doubtful receivables, net .....	(1,494)	1,376	(14,074)
Interest and dividend income .....	(1,722)	(1,974)	(16,222)
Interest expense .....	10,454	13,749	98,483
(Increase) decrease in notes and accounts receivable .....	(7,821)	5,621	(73,679)
Decrease in inventories .....	7,493	16,158	70,589
Decrease (increase) in notes and accounts payable .....	13,973	(42,368)	131,634
Write-down of marketable securities .....	1,657	269	15,610
Increase (decrease) in accrued value-added tax and others .....	1,264	(38)	11,908
Other .....	2,583	23,067	24,333
Subtotal .....	73,452	39,587	691,964
Interest and dividend income received .....	1,662	1,974	15,657
Interest expenses paid .....	(10,345)	(14,100)	(97,456)
Income taxes paid .....	(3,505)	(10,558)	(33,019)
Net cash provided by operating activities .....	61,264	16,903	577,146
<b>Cash Flows from Investing Activities:</b>			
Acquisition of marketable securities .....	(674)	(394)	(6,350)
Proceeds from sales of marketable securities .....	3,416	819	32,181
Acquisition of property, plant and equipment .....	(22,962)	(47,612)	(216,317)
Proceeds from sales of property, plant and equipment .....	7,179	12,073	67,631
Acquisition of investments in securities .....	(167)	(10)	(1,573)
Proceeds from sales of investments in securities .....	506	324	4,767
Other .....	1,499	2,095	14,122
Net cash used in investing activities .....	(11,203)	(32,705)	(105,539)
<b>Cash Flows from Financing Activities:</b>			
Decrease in short-term loans .....	(23,422)	(3,802)	(220,650)
Proceeds from long-term debt .....	22,090	29,432	208,102
Repayment of long-term debt .....	(13,472)	(2,780)	(126,915)
Proceeds from bonds .....	3,000	—	28,262
Dividends paid .....	(3,576)	(3,576)	(33,688)
Redemption of preferred stock .....	(18,667)	(6,782)	(175,855)
Net cash (used in) provided by financing activities .....	(34,048)	12,492	(320,754)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents .....</b>	<b>(1,042)</b>	<b>(527)</b>	<b>(9,816)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents .....</b>	<b>14,969</b>	<b>(3,837)</b>	<b>141,017</b>
<b>Cash and Cash Equivalents of Newly Consolidated Subsidiaries .....</b>	<b>—</b>	<b>1,075</b>	<b>—</b>
<b>Cash and Cash Equivalents at Beginning of the Year .....</b>	<b>40,053</b>	<b>42,815</b>	<b>377,325</b>
<b>Cash and Cash Equivalents at End of the Year .....</b>	<b>¥55,022</b>	<b>¥40,053</b>	<b>\$518,342</b>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.