

CONSOLIDATED STATEMENTS OF CASH FLOWS

KONICA CORPORATION AND CONSOLIDATED SUBSIDIARIES
For the fiscal years ended March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	2000	2001
Cash Flows from Operating Activities:			
Income before income taxes	¥11,059	¥15,206	\$ 89,257
Depreciation and amortization	25,940	30,687	209,362
Increase in allowance for doubtful receivables	3,722	(1,494)	30,040
Interest and dividend income	(1,198)	(1,722)	(9,669)
Interest expenses	9,267	10,454	74,794
Loss (gain) on sales or disposals of fixed assets, net	(6,606)	1,172	(53,317)
Write-down on investment securities	2,603	1,657	21,009
Amortization of unrecognized net obligation at transition	13,223	—	106,723
Decrease in notes and accounts receivable	3,067	(7,821)	24,754
Decrease in inventories	5,151	7,493	41,574
Decrease in notes and accounts payable	(7,560)	13,973	(61,017)
Decrease in accrued consumption tax payable	(740)	1,264	(5,973)
Other	5,743	2,583	46,352
Subtotal	63,673	73,452	513,906
Interest and dividend income received	973	1,662	7,853
Interest expenses paid	(9,244)	(10,345)	(74,609)
Income taxes paid	(4,479)	(3,505)	(36,150)
Net cash provided by operating activities	50,923	61,264	411,001
Cash Flows from Investing Activities:			
Payment for acquisition of marketable securities	—	(674)	—
Proceeds from the sale of marketable securities	120	3,416	969
Payment for acquisition of fixed assets	(23,050)	(22,962)	(186,037)
Proceeds from the sale of fixed assets	12,112	7,179	97,756
Payment for acquisition of investment securities	(573)	(167)	(4,625)
Proceeds from the sale of investment securities	6,768	506	54,625
Other	(3,497)	1,499	(28,224)
Net cash used in investing activities	(8,119)	(11,203)	(65,529)
Cash Flows from Financing Activities:			
Decrease in short-term debt	(23,200)	(23,422)	(187,248)
Proceeds from long-term debt	25,681	22,090	207,272
Redemption of long-term debt	(41,551)	(13,472)	(335,359)
Proceeds from the issuance of bonds	—	3,000	—
Payments for repurchase of treasury stocks	(1)	—	(8)
Dividends paid	(3,576)	(3,576)	(28,862)
Other	—	(18,667)	—
Net cash used in financing activities	(42,648)	(34,048)	(344,213)
Translation differences on cash and cash equivalents	966	(1,042)	7,797
Increase in cash and cash equivalents	1,121	14,969	9,048
Cash and cash equivalents at the beginning of the year	55,022	40,053	444,084
Increase in cash and cash equivalents by new consolidation	429	—	3,462
Cash and cash equivalents at fiscal year-end	¥56,573	¥55,022	\$456,602

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