

KONICA CORPORATION

Since its establishment in 1873,



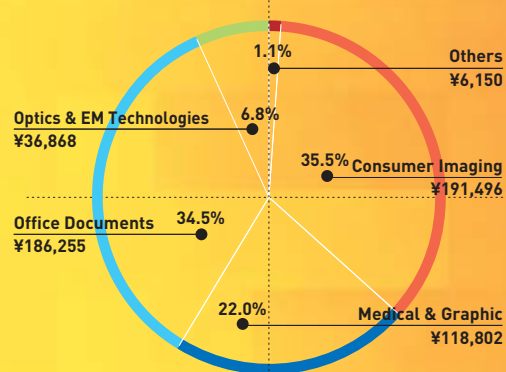
Konica has continually served as a pioneer in its field, developing one ground breaking product after another and venturing into previously uncharted realms of technology. At the dawn of the 21st century, the Company maintains its innovative spirit, its relentless work ethic, and its focus on creating exciting new products and technologies.

Konica anticipates that the new century will bring increasingly affluent lifestyles as the advanced products, services and technologies of today's information and networking age become even more sophisticated. In this environment, in line with its slogan of "Imaging solutions," the Company will continue to meet evolving needs both today and in the decades ahead. In these efforts, the Company is committed to developing products and technologies that not only meet the demands of its customers, but also enrich human lives and contribute to society's advance.

In an age of swift and dramatic change, Konica remains constant in its willingness to push forward and explore the farthest reaches of technology.

SALES BREAKDOWN BY SEGMENT

(Millions of yen)



CONSOLIDATED NET SALES ¥539,571

CONTENTS

CONSOLIDATED FINANCIAL HIGHLIGHTS	1
TO OUR SHAREHOLDERS	2
REVIEW OF OPERATIONS & OUTLOOK	8
SIX-YEAR FINANCIAL SUMMARY	13
SEGMENT INFORMATION	14
CONSOLIDATED FINANCIAL REVIEW	16
CONSOLIDATED BALANCE SHEETS	20
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS	22
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY	23
CONSOLIDATED STATEMENTS OF CASH FLOWS	24
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	25
BOARD OF DIRECTORS	33
THE KONICA GROUP	34
INVESTOR INFORMATION	36
CORPORATE DATA	37

FORWARD-LOOKING STATEMENTS

The plans, strategies and statements related to the outlook for future results in this document are in accordance with assumptions and beliefs determined by management based on currently available information. However, it should be noted that there is a possibility that actual results could differ significantly due to such factors as social and economic conditions.