

**CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS****22****Konica 2002**

KONICA CORPORATION AND CONSOLIDATED SUBSIDIARIES  
 For the fiscal years ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2002	2001	2002
<b>Net Sales (Note 6)</b>	¥539,571	¥543,719	\$4,050,833
<b>Cost of Sales (Note 6)</b>	309,633	319,163	2,324,572
Gross profit	229,937	224,555	1,726,254
<b>Selling, General and Administrative Expenses</b>	200,328	194,012	1,503,964
Operating income	29,609	30,543	222,290
<b>Other Income (Expenses):</b>			
Interest and dividend income	720	1,198	5,405
Interest expenses	(6,668)	(9,267)	(50,060)
Foreign currency gains, net	2,876	1,606	21,592
Equity in earnings (loss) of unconsolidated subsidiaries and affiliates	(1,020)	(248)	(7,658)
Gains on sales of fixed assets	410	8,587	3,078
Write-down on investment securities	(1,688)	(2,603)	(12,673)
Amortization of unrecognized obligation at transition (Note 13)	(1,647)	(22,096)	(12,365)
Gains on securities contribution to retirement benefit trust (Note 13)	—	8,873	—
Other, net	(7,597)	(5,534)	(57,035)
Total	(14,615)	(19,483)	(109,722)
Income before income taxes	14,994	11,059	112,568
<b>Provision for Income Taxes (Note 8):</b>			
Current	8,441	4,593	63,371
Deferred	(4,576)	(0)	(34,354)
Total	3,865	4,593	29,017
<b>Minority Interests in Earnings of Consolidated Subsidiaries</b>	(69)	(8)	(518)
<b>Net Income</b>	11,059	6,457	83,026
<b>Retained Earnings at Beginning of the Year:</b>	48,813	45,932	366,464
Appropriations:			
Cash dividends	(3,576)	(3,576)	(26,847)
Bonuses to directors and corporate auditors	(45)	—	(338)
<b>Retained Earnings at End of the Year</b>	¥ 56,251	¥ 48,813	\$ 422,305
		Yen	U.S. dollars (Note 3)
<b>Per Share of Common Stock:</b>			
Net income	¥ 30.9	¥ 18.1	\$ 0.23
Cash dividends	10.0	10.0	0.08

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