Annual Report 2001

MINOLTA

The essentials of imaging

www.minolta.com

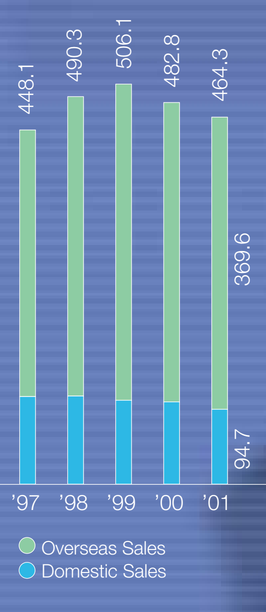
FINANCIAL HIGHLIGHTS

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

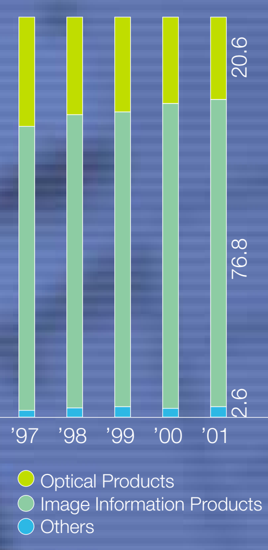
	Millions of yen		Thousands of U.S. dollars (Note 3)
	2001	2000	**2001**
For the Year:			
Net sales	**¥464,289**	¥482,767	**$3,744,266**
Net (loss) income	**(3,127)**	3,144	**(25,218)**
Per Share (Yen and U.S. dollars):			
Net (loss) income	**¥ (11.16)**	¥ 11.22	**$ (0.09)**
Cash dividends	**6.00**	6.00	**0.05**
At Year-End:			
Total assets	**¥456,251**	¥402,839	**$3,679,444**
Total shareholders' equity	**71,194**	75,005	**574,145**

Notes: 1. Net 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 ¥124=US$1.00 solely for the convenience of the reader.

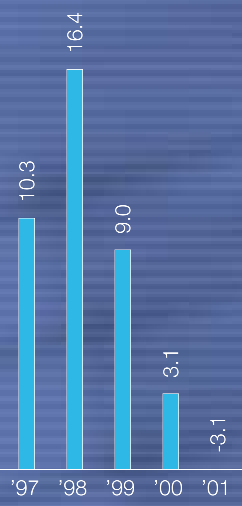
Net Sales
(Billions of yen)



Sales Breakdown
(%)



Net (Loss) Income
(Billions of yen)



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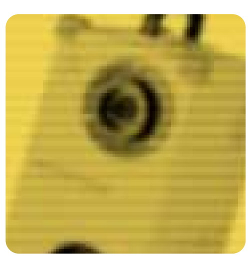
OUR CORPORATE SLOGAN



MINOLTA

The essentials of imaging

Globalization and progress in IT are challenging companies to look beyond conventions and pursue fresh ideas. Rather than merely responding to the changes sweeping the world, Minolta Co., Ltd., wants to help initiate them. Our corporate slogan, “The essentials of imaging,” was created especially to convey this concept. The word “essentials” reflects our objective to provide products and services that are indispensable elements in imaging applications because they offer optimal image quality, convenient and user-friendly interfaces, and make full use of new communications infrastructures. We expect to promote our corporate growth and evolution during the current fiscal year and beyond by introducing many new ways for consumers to work with top-quality images.

A MESSAGE FROM THE PRESIDENT

QUESTION

How was Minolta Co., Ltd.'s performance during fiscal 2000, ended March 31, 2001?

ANSWER

Several factors combined to make fiscal 2000 a difficult year for Minolta in performance terms. However, we continued making progress in various strategies for promoting the Company's strong sustained growth during the 21st century, and we are confident that the downtrend in our principal performance indicators during the year under review was no more than a temporary dip.

The operating environment in Japan remained harsh, reflecting the persistent weakness of personal consumption. Things were somewhat better overseas, but the worldwide drop in stock prices during the latter half of the year quickly weakened consumer spending in the United States and began affecting economic conditions in Europe. The general deterioration in economic conditions overseas also intensified price competition. Moreover, as almost 80% of the Company's sales were overseas, the considerable appreciation of the yen relative to the dollar and the euro had a large impact on consolidated net sales and operating profit, which were down 3.8% and 54.7%, respectively, from their fiscal 1999 levels. It is worth noting that the average value of the yen during the year was up 1% in U.S. dollar terms and a full 13% against the euro. We estimate that this accounted for 4% of the drop in our consolidated net sales. We also recorded some extraordinary expenses, such as those for the amortization of retirement benefit liabilities that arose due to the introduction of new accounting standards and a ¥3.4 billion loss on the downward revaluation of investment securities. These were large factors underlying our ¥3.1 billion net loss for the year.

QUESTION

Could you describe the Minolta Group's principal management strategies?

ANSWER

The Minolta Group is implementing the New Excellent 2003 (NEXT'03) medium-term business plan, which covers the five fiscal years from April 1999 through March 2004. This plan emphasizes improvements related to corporate governance and consolidated Group management, as well as strengthening core competences in growth fields and encouraging employees to make the most of their latent abilities.

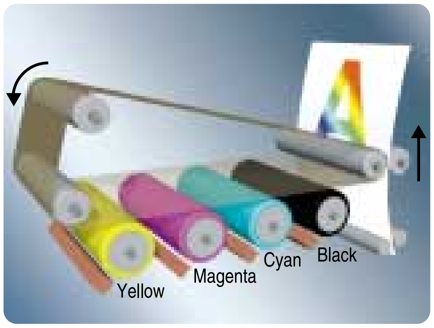
Our most important task is to ensure that the Group proactively takes advantage of new business opportunities stemming from the increasing pervasiveness of the Internet and other new forms of IT throughout the world. In this regard, we are continuing to shift Group resources to strategic product fields, particularly digital imaging products and full-color image outputting products. Attaining our performance targets will require expanding our operations, and we believe that we can gain growth momentum by enhancing our basic strengths as a manufacturer, progressively improving production processes, increasing customer satisfaction through the development of new products in line with demand trends, and boosting cost-competitiveness through the coordination of procurement and logistics on a Groupwide basis. Our worldwide network is another of the core strengths we intend to further leverage, but we also recognize the importance of establishing more-flexible profit and financial structures to insulate Group performance from the impact of foreign exchange fluctuations.

In April 2001, we introduced an executive officer system to encourage a highly transparent management style and clearly separate the strategic decision-making tasks of the Board of Directors from the strategic execution and day-to-day management activities of executive officers. The new system is encouraging a greater allocation of operational authority, clarifying the authority and responsibilities of individual executives, speeding up decision making, and promoting greater emphasis on operational results. In conjunction with the introduction of the executive officer system, we made organizational changes to accelerate Minolta's ongoing structural reforms, focusing in particular on allocating more resources to expanding business in such digital products as copiers, printers, multifunctional peripherals (MFPs), and cameras.

QUESTION

What kind of steps has Minolta been taking to expand its image information product operations?

ANSWER



Structural diagram of a newly developed tandem system that incorporates four colors of the developing units.

We endeavored to expand sales during fiscal 2000 by launching a new, high-quality image, high-productivity model in our series of DiALTA digital copiers/printers and DiALTA Color digital color copiers/printers. At the end of the fiscal year, we reorganized image information product operations to concentrate more resources on developing them, increase their flexibility and growth—by directly linking related product development and marketing activities—and clarify the scope of the MFP and printer business units.

In April 2000, we announced a business alliance with Konica Corporation involving collaboration in the development of office equipment as well as the establishment of a consumables manufacturing joint venture. This alliance has helped combine the distinctive strengths of each company. In December 2000, a joint venture—Konica Minolta Supplies Manufacturing Co., Ltd. (KMSM)—was formed to mass manufacture the first cooperatively developed product—a next-generation toner called “polymerization toner” that greatly improves image quality because it has finer and more uniform particles than conventional pulverized toner. Besides being less expensive to manufacture than conventional toner, the new toner has a lower impact on the environment because it entails less energy consumption and lower gas emissions in its manufacture. KMSM is aiming to be the top polymerization toner maker in terms of both quality and quantity.

In November 2000, Minolta converted QMS, Inc., into a subsidiary and renamed it Minolta-QMS, Inc. A leading U.S.-based printer manufacturer, the subsidiary has sophisticated expertise in developing controller software for color printers, and this expertise is contributing to the parent company’s development capabilities. Since Minolta obtained a controlling interest in Minolta-QMS in July 1999, the subsidiary has played a central role in the Minolta Group’s printer operations. We are also realizing significant expansion of printer business development by fully utilizing the worldwide marketing operations of the Minolta Group.

In April 2001, Minolta and Fujitsu Limited agreed to establish a joint venture—F&M Imaging Technology Co., Limited. By facilitating technical cooperation between the parent companies, the joint venture will enable product development to be conducted with greater efficiency and speed, thereby enabling us to overcome increasingly fierce competition. The joint venture is focusing on the development of business-use color laser printers using tandem print engines. Minolta and Fujitsu aim to be global leaders in tandem printers, which are expected to be the major segment of the color laser printer market, and the partners are planning to start the full-scale marketing of products in spring 2002 using their respective sales channels.

QUESTION

What is Minolta's strategy for business in optical products?

ANSWER

In fiscal 2000, we worked to strengthen our digital photography product lineup by introducing two new digital cameras, including the Dimâge 2330 Zoom, and two additional film scanner models. We also marketed new 35mm single-lens-reflex (SLR) and compact cameras as well as Advanced Photo System compact cameras. Of these, the DYNAX 7 SLR camera (α-series in Japan, MAXXUM series in North America) received the Best Photo SLR Camera prize within the TIPA 2001-2002 awards of the Technical Image Press Association (TIPA)—which includes 32 leading photography and imaging magazines from 13 European countries—and the "Camera Grand Prix 2001" award of the Japan Camera Press Club—whose members include 13 photography magazines in Japan.

At the end of the fiscal year, we restructured the organization of our optical product operations. To expedite growth of our digital photography business, we separated our camera development operations into film camera and digital photo development divisions. We are giving priority in resource allocations to the latter division, which is putting particular emphasis on device development and image processing technologies. To minimize duplication of efforts and boost efficiency, the development of lenses, finder units, lens barrels, and mounting designs for both film and digital products are now handled by a separate unit.

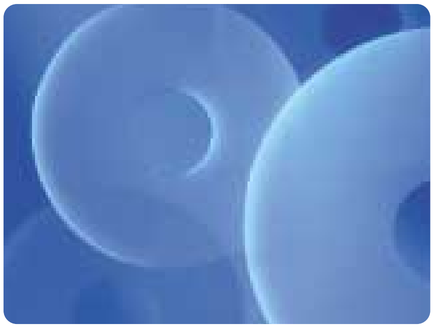
Minolta is striving to make full use of its special strengths in optical and image processing technologies to create excellent digital photography products. The Company has maintained its position at the cutting edge of film camera development by offering optimal combinations of functional diversity and operational ease. By emphasizing four concepts—clarity, creativity, compactness, and connectivity—we are using this traditional Minolta approach to develop digital cameras that are uniquely suited to all levels of professional and amateur photographers. Beginning in June 2001, we plan to significantly bolster our presence in the high-performance digital cameras market by launching two compact models and two models for professionals and ambitious amateurs. We expect particularly strong demand for the DiMAGE 7 digital camera, which was selected as the outstanding "Innovative Digital Product" at the PMA 2001 show hosted by the U.S.-based Photo Marketing Association (PMA) in February 2001.

QUESTION

What about Minolta's other business fields?

ANSWER

We expanded our radiometric instrument lineup by marketing a color spectrophotometer, a 3D digitizer, and various other specialized products. Sales of optical systems also contributed to overall sales, especially sales of optical units for digital projectors and digital minilabs. Sales also rose in our new optical systems business of glass substrates for hard disks (HDs), which is handled by a subsidiary, MYG Disk Corporation. To expand the scale and scope of this business, upgrade our related processing technologies, and extend our sales channels, we acquired the HD glass substrate business of Mitsui Mining & Smelting Co., Ltd., in November 2000.



Glass substrates for hard disks

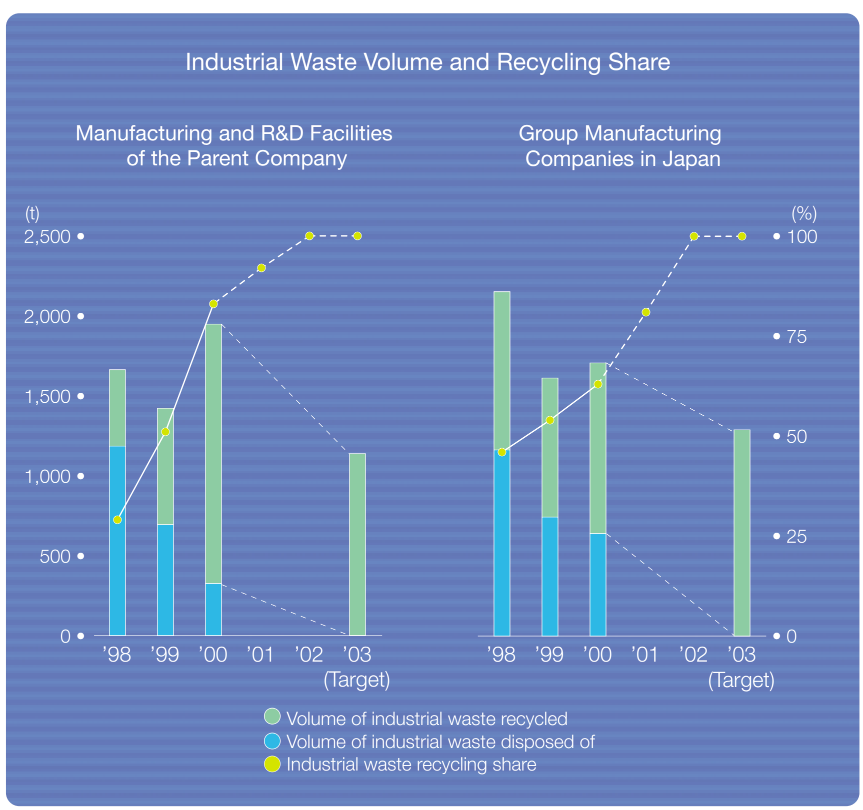
Minolta's shift of manufacturing operations to overseas locations has created excess domestic production capacity in certain fields. We are now seeking to employ that capacity and our related technological strengths more efficiently by stepping up the marketing of optical components and other types of components to companies outside the Minolta Group. For example, Minolta Components Co., Ltd., has begun using its high-precision core-molding technology to produce optical plastic devices and composite units. We are striving to augment our external marketing and sales of such components and using nanotechnology to meet the needs of device manufacturers.

QUESTION

Please describe Minolta's approach to environmental protection.

ANSWER

Minolta has long been a leader in environmental protection programs, which it considers an integral element of good corporate citizenship. The Company established its Environmental Policy Committee in fiscal 1990. In fiscal 1992, we instituted the Minolta Environmental Charter, which has provided a framework for the implementation of environmental programs throughout the Minolta Group. We are now implementing the Minolta Mid-Term Environmental Plan, which covers the five fiscal years from April 1999 through March 2004. This ambitious plan calls for numerous additional environmental protection initiatives, such as the introduction of a comprehensive "Green" Procurement system and the complete elimination of waste products at manufacturing facilities. For several copier models, Minolta has prepared Type III environmental labels, which are a standard format for presenting such information as that on power consumption and ozone depleting substances at each stage of the product's life. Based on its product assessment programs,



the Company is working to increase the recovery and recycling of used copiers, toner cartridges, and toner bottles.

We recently completed a program to obtain ISO 14001 certification for the environmental management systems of all the plants, offices, and other facilities of the parent company. Regarding the Minolta Group, eight manufacturing companies in Japan and seven overseas have been certified so far. Moreover, five manufacturing plants of the parent company and two plants of Group companies in Japan have achieved zero waste output—which we define as entailing 100% recycling of general and industrial waste from manufacturing activities, without incineration or landfill.

In December 2000, Minolta began implementing its “Green” Procurement system, which gives top priority to the use of environment-conscious products. All Minolta Group companies around the world will begin employing the system in October 2001, with the goal of achieving 100% green procurement during fiscal 2003. Minolta categorizes some procurement as “green” based on the ISO 14001 certification, release of environmental data, and other indicators of the environmental consciousness of suppliers as well as the environment-consciousness of individual parts and materials. The “Green” Procurement system aims to reduce the burden Minolta products place on the environment and reduce product costs in terms of the total product life cycles. We also aim to help our business partners achieve higher levels of environment-aware operations.

QUESTION

What are your expectations regarding your operating environment and performance during the current fiscal year?

ANSWER

During fiscal 2001, we anticipate a difficult business climate in the copier, printer, and camera fields due to inventory adjustments stemming from economic slowdowns in the United States and Europe. In response, we will continue working to expand sales of digital products and seek sales growth in the color output field by offering comprehensive color document solutions that combine input/output hardware and software. We forecast that the Company will boost its consolidated net sales and generate improved levels of net income.

Our new corporate slogan, “The essentials of imaging,” expresses Minolta’s continued commitment to supplying products, services, and solutions that are indispensable in the field of imaging. We aim to inspire people’s intellectual creativity, enrich their daily lives, and promote human communication through the creation of high-quality images.

I would like to thank Minolta’s shareholders and associates for their support and am looking forward to further strengthening our relationship in the future.

FOUR BUSINESS DOMAINS

DiALTA Color CF9001

DiALTA Color CF2001

DiALTA Color CF1501

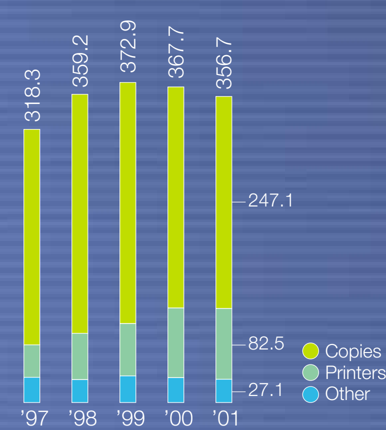
DiALTA Di351f

IMAGE INFORMATION

Using images to enhance business communications

Since images can quickly convey enormous amounts of information in a highly comprehensible manner, the role of visual information in the workplace is anticipated to expand greatly in the future. In order to leverage the full potential of images, Minolta proposes an environment where the exchange of visual information is possible and anyone can utilize this information at any time or from any place. To help realize this goal, Minolta offers a business environment where people can conduct smoother communications through the use of images.

Image Information Products Sales Breakdown
(Billions of yen)



magicolor 2200 GN

magicolor 6100 DeskLaser

ADVANCED SENSING

Supporting industry productivity by providing advanced sensing technologies

To maintain and improve the quality of their products, industries demand highly precise sensing technologies. To meet those demands, Minolta supports industries—including entertainment and medical industries—with our sensing and image processing technologies for such diverse fields as light, color, temperature, display, 3D digitizing, and medical support.

Non-Contact 3D
Digitizer VIVID 900

Chroma Meter CL-200

DiMAGE 7

DYNAX 7

RIVA ZOOM 125

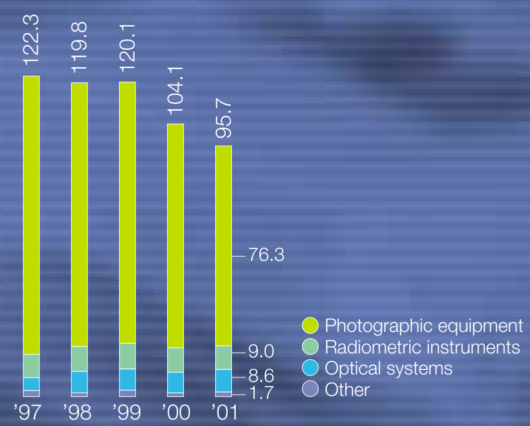
VISUAL LIFESTYLE

Creating a pleasant and enjoyable life through images

Developments in digital and networking technologies have brought a flood of visual information into our daily lives; for instance, digital technology has allowed us to break through the barriers of conventional photography by enabling us to view pictures at our convenience over a network.

Minolta offers an extensive range of systems and services that are designed to provide not only the enjoyment of taking pictures but also the pleasure of creating and viewing them as well.

Optical Products
Sales Breakdown
(Billions of yen)



MEDIAGLOBE

OPTO-DEVICES & COMPONENTS

Our value-added optical technologies support advancements in the visual information industry

The technologies which support the visual information industry are constantly being refined. In addition, the application range of optical technologies is expanding in tandem with the progress of our information society.

Minolta, with its advanced optical technologies, contributes greatly to the progress of this field by creating unique, value-added optical devices and components and applying them to a wide variety of products.

Lense for Stepper

Optical Unit for LCD Projectors

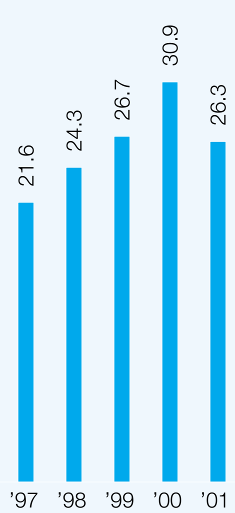
FIVE-YEAR SUMMARY

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

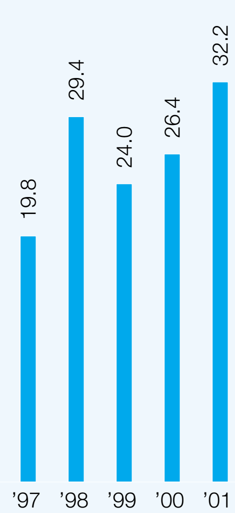
	Millions of yen					Thousands of U.S. dollars (Note 3)
	2001	2000	1999	1998	1997	**2001**
For the Year:						
Net sales	**¥464,289**	¥482,767	¥506,075	¥490,259	¥448,074	**$3,744,266**
Net (loss) income	**(3,127)**	3,144	9,002	16,429	10,290	**(25,218)**
R&D expenditures	**26,300**	30,918	26,664	24,267	21,644	**212,097**
Depreciation and amortization	**25,405**	23,387	23,375	20,172	17,957	**204,879**
Capital expenditures	**32,206**	26,357	24,046	29,350	19,809	**259,726**
Per Share (Yen and U.S. dollars):						
Net (loss) income	**¥ (11.16)**	¥ 11.22	¥ 32.13	¥ 58.83	¥ 36.85	**$ (0.09)**
Cash dividends	**6.00**	6.00	7.00	6.00	5.50	**0.05**
At Year-End:						
Total assets	**¥456,251**	¥402,839	¥415,685	¥451,614	¥400,417	**$3,679,444**
Total shareholders' equity	**71,194**	75,005	80,047	77,074	62,068	**574,145**

Notes: 1. Net 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 ¥124=US$1.00 solely for the convenience of the reader.

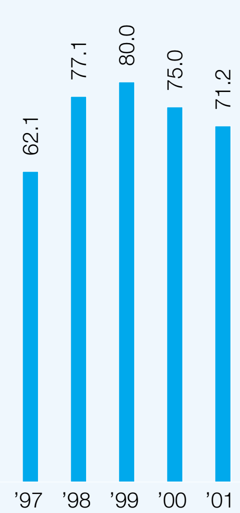
R&D Expenditures
(Billions of yen)



Capital Expenditures
(Billions of yen)



Total Shareholders' Equity
(Billions of yen)



Overview

During the fiscal year ended March 31, 2001 the yen moved sharply upward in the first half of the year and average exchange rates for the yen appreciated strongly compared with the previous year, particularly against the euro. Amid these economic conditions, our business trends shifted from analog products to digital products and networking. In response, we focused our management resources on the digital product field, concentrating on strengthening our business operations and reforming our structure for the future. The appreciation of the yen vis-à-vis both the dollar and the euro significantly depressed the yen denominated value of net sales, which totaled ¥464.3 billion. Operating profit was held to ¥9.2 billion due to weakened prices, severe competition and retirement and severance benefit expenses despite cost reductions. Net loss was ¥3.1 billion, negatively affected by other net expenses from interest expense and the evaluation of investments in securities.

Net Sales

During the fiscal year ended March 31, 2001, depressed on the whole by the appreciation of the yen during the period, consolidated net sales decreased 3.8%, or ¥18.5 billion, to ¥464.3 billion.

In image information product operations, we endeavored to expand sales by launching a new, high-quality image, high-productivity model in our series of DiALTA digital copiers and DiALTA Color digital color copiers. In the printer category, we took measures aimed at increasing our ability to offer even-more-satisfying products and services to our customers. These measures included making Minolta-QMS, Inc., a wholly owned subsidiary, strengthening operations, and accelerating growth. In the consumables field, we expanded the scope of our business by achieving an early launch of low-cost, volume-production polymerization toner—a next-generation toner. In addition, with the aim of enhancing profitability and our position in the market, we established Konica Minolta Supplies Manufacturing Co., Ltd., jointly with Konica Corporation. However, we were unable to avoid the negative impact of the appreciation of the yen, and image information product sales declined 3.0%, or ¥11.1 billion, to ¥356.7 billion.

Breakdown of Sales of Image Information Products

Millions of yen

Years ended March 31	**2001**	2000	1999	1998	1997
Copiers	**¥247,086**	¥257,541	¥280,938	¥278,532	¥251,096
Printers	**82,496**	81,228	60,965	53,976	37,839
Other OA products	**27,087**	28,957	31,036	26,668	29,375
	¥356,669	¥367,726	¥372,939	¥359,176	¥318,310

	2001	2000	1999	1998	1997
Overseas sales	**¥296,437**	¥298,244	¥305,526	¥286,099	¥244,913
Domestic sales	**60,232**	69,482	67,413	73,077	73,397
	¥356,669	¥367,726	¥372,939	¥359,176	¥318,310

Breakdown of Sales of Optical Products

Millions of yen

Years ended March 31	**2001**	2000	1999	1998	1997
Photographic equipment	**¥76,288**	¥ 85,440	¥ 99,745	¥100,678	¥106,203
Radiometric instruments	**9,034**	9,338	9,804	9,500	8,932
Optical devices and components	**8,631**	7,874	8,078	8,166	4,909
Planetariums	**1,747**	1,423	2,460	1,463	2,298
	¥95,700	¥104,075	¥120,087	¥119,807	¥122,342

	2001	2000	1999	1998	1997
Overseas sales	**¥65,114**	¥ 73,234	¥ 85,957	¥ 86,342	¥ 89,473
Domestic sales	**30,586**	30,841	34,130	33,465	32,869
	¥95,700	¥104,075	¥120,087	¥119,807	¥122,342

Regarding optical product operations, we marketed five new products, including our α-7 SLR cameras and our CAPIOS 150S compact cameras, striving to maintain our sales in the film camera market. We also worked to boost sales in the rapidly expanding digital photo market, introducing two popular model digital cameras, including the Dimâge 2330 ZOOM, and two film scanner models. In the field of radiometric instruments, we expanded our lineup by marketing a color spectrophotometer, a 3D digitizer, and other specialized products. Sales of optical systems also contributed to overall sales, especially sales of optical units for digital projectors and digital minilabs. Sales rose in our new business of glass substrates for hard disks. To expand this business and also upgrade our fabrication technology, we acquired the glass substrates for hard disks business of Mitsui Mining & Smelting Co., Ltd., during the fiscal year. However, affected by the sharp decline in the film camera market, intensified price competition, and the weak euro, sales of optical product operations declined 8.0%, or ¥8.4 billion, to ¥95.7 billion.

Sales from other operations increased 8.7%, or ¥1.0 billion, to ¥11.9 billion.

Consolidated domestic net sales declined 9.0%, or ¥9.3 billion, to ¥94.7 billion. Depressed on the whole by the average appreciation of the yen during the period, consolidated net sales in overseas markets fell 2.4%, or ¥9.2 billion, to ¥369.6 billion. Overseas sales as a share of total consolidated net sales increased 1.2 percentage points, to 79.6%.

Our consolidated companies in Japan recorded ¥170.1 billion in net sales, for a decline of 2.7%, or ¥4.6 billion. Net sales of our consolidated companies based in North America decreased 2.9%, or ¥4.3 billion, to ¥142.3 billion. Net sales of our consolidated companies based in Europe dropped 9.4%, or ¥13.3 billion, to ¥129.0 billion. Net sales of our consolidated companies based in other regions increased 19.7%, or ¥3.8 billion, to ¥22.9 billion.

Costs, Expenses, and Net Income

The Company's cost of sales decreased 2.1%, or ¥5.5 billion, to ¥263.9 billion, a lower rate of decline than the 3.8% drop in net sales. Despite various cost reductions, cost of sales as a percentage of net sales rose 1.0 percentage point, to 56.8%.

Selling, general and administrative (SG&A) expenses dropped 1.0%, to ¥191.2 billion. This reflected the appreciation of the yen against both the dollar and the euro and significantly depressed the yen-denominated value of SG&A expenses although SG&A expenses actually increased—due to such factors as retirement and severance benefit expenses, SG&A expenses as a percentage of net sales rose 1.2 percentage points, to 41.2%.

Consequently, operating profit fell 54.7%, or ¥11.1 billion, to ¥9.2 billion. Operating profit as a percentage of net sales declined 2.2 percentage points, to 2.0%.

Other expenses, net, decreased 31.5%, or ¥4.5 billion, to ¥9.7 billion, although net financial expenses increased ¥1.7 billion and a loss was incurred on the devaluation of investments in securities. The decrease in other expenses, net, was primarily attributable to a ¥4.9 billion fall in foreign currency exchange loss.

As a result, loss before income taxes and minority interests was ¥0.5 billion, compared to ¥6.1 billion in income in the previous fiscal year. Net loss was ¥3.1 billion, as opposed to ¥3.1 billion in income in the previous year.

Financial Position

At the end of the fiscal year, total assets stood at ¥456.3 billion, an increase of ¥53.4 billion from the previous year-end amount. Total current assets jumped up to ¥293.5 billion, an increase of ¥42.0 billion due to increases of ¥3.6 billion in cash and deposits, ¥17.9 billion in notes and accounts receivable, net, and ¥34.2 billion in inventories.

Investments and long-term receivables decreased ¥1.0 billion, to ¥55.6 billion, mainly due to a ¥4.3 billion decrease in investment in securities–other.

A total of ¥27.6 billion was invested in tangible fixed assets, largely investments to promote the growth of image information products operations. As this amount was less than the amount of depreciation, the net value of property, plant and equipment increased ¥6.7 billion, to ¥86.3 billion.

Total liabilities increased ¥57.3 billion, to ¥383.8 billion. Short- and long-term interest-bearing debt jumped to ¥236.3 billion, an increase of ¥39.1 billion. Other liabilities increased ¥18.1 billion, to ¥147.5 billion, principally due to an increase of ¥6.9 billion in total notes and accounts payable.

Retained earnings dropped ¥4.8 billion, as the total of ¥3.1 billion in net loss and ¥1.7 billion in cash dividends. Thus, shareholders' equity dropped ¥3.8 billion, to ¥71.2 billion, despite a ¥1.0 billion decrease in translation adjustments. As a result, the equity ratio fell to 15.6%, from 18.6%.

Cash Flows

Net cash used in operating activities during the fiscal year amounted to ¥3.2 billion, whereas ¥19.3 billion was provided by operating activities in the previous year, due to a ¥0.5 billion loss before income taxes and minority interests and increases in notes and accounts receivable and inventories during the fiscal year under review.

Net cash used in investing activities increased ¥3.4 billion, to ¥34.5 billion. Capital investment amounted to ¥26.5 billion and ¥4.6 billion was invested in the additional acquisition of subsidiaries. Free cash flows from operating and investing activities amounted to a net outflow of ¥37.6 billion.

Net cash provided by financing activities amounted to ¥24.8 billion, an increase of ¥11.5 billion. The net increase in funds was procured primarily through the issuance of bonds and management borrowings.

As a result, cash and cash equivalents at the end of the fiscal year were ¥27.1 billion, down ¥11.4 billion from the end of the previous year.

CONSOLIDATED BALANCE SHEETS

Minolta Co., Ltd. and Consolidated Subsidiaries
March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 1)
Assets	**2001**	2000	**2001**
Current Assets:			
Cash and deposits (Note 3)	**¥ 27,284**	¥ 23,726	**$ 220,032**
Marketable securities (Notes 3 and 4)	**69**	93	**556**
Notes and accounts receivable:			
Trade	**111,609**	93,093	**900,073**
Unconsolidated subsidiaries and affiliates	**2,780**	4,032	**22,419**
Other	**2,466**	1,597	**19,887**
Allowance for doubtful receivables	**(3,951)**	(3,670)	**(31,863)**
Notes and accounts receivable, net	**112,904**	95,052	**910,516**
Inventories (Note 5)	**137,340**	103,170	**1,107,581**
Other current assets (Notes 3 and 13)	**15,927**	29,520	**128,444**
Total current assets	**293,524**	251,561	**2,367,129**
Investments and Long-Term Receivables:			
Investments in securities:			
Unconsolidated subsidiaries and affiliates	**2,057**	1,598	**16,589**
Other (Notes 4 and 7)	**37,041**	41,329	**298,717**
Total investments in securities	**39,098**	42,927	**315,306**
Long-term receivables:			
Unconsolidated subsidiaries and affiliates	**119**	132	**960**
Other	**2,552**	2,655	**20,581**
Allowance for doubtful receivables	**(1,101)**	(945)	**(8,879)**
Long-term receivables, net	**1,570**	1,842	**12,662**
Other investments	**14,927**	11,844	**120,379**
Total investments and long-term receivables	**55,595**	56,613	**448,347**
Property, Plant and Equipment, at Cost (Note 7):			
Land	**13,086**	12,592	**105,532**
Buildings and structures	**64,271**	60,046	**518,314**
Machinery and equipment	**184,989**	168,574	**1,491,847**
Construction in progress	**227**	835	**1,831**
	262,573	242,047	**2,117,524**
Accumulated depreciation	**(176,234)**	(162,423)	**(1,421,242)**
Property, plant and equipment, net	**86,339**	79,624	**696,282**
Other Assets (Note 13)	**20,793**	15,041	**167,686**
	¥456,251	¥402,839	**$3,679,444**

See accompanying notes to consolidated financial statements.

Liabilities and Shareholders' Equity	Millions of yen 2001	2000	Thousands of U.S. dollars (Note 1) 2001
Current Liabilities:			
Short-term bank loans (Notes 3, 6 and 7)	**¥162,550**	¥132,746	**$1,310,887**
Current portion of long-term debt (Notes 6 and 7)	**12,794**	6,555	**103,178**
Notes and accounts payable:			
Trade	**67,110**	59,661	**541,210**
Unconsolidated subsidiaries and affiliates	**734**	1,272	**5,919**
Total notes and accounts payable	**67,844**	60,933	**547,129**
Accrued income taxes	**4,929**	2,851	**39,750**
Accrued expenses	**22,242**	18,594	**179,371**
Other current liabilities	**23,605**	22,489	**190,363**
Total current liabilities	**293,964**	244,168	**2,370,678**
Long-Term Liabilities:			
Long-term debt (Notes 6 and 7)	**60,995**	57,910	**491,895**
Accrued retirement and severance benefits (Note 11)	**21,873**	18,308	**176,395**
Other (Note 13)	**7,008**	6,188	**56,516**
Total long-term liabilities	**89,876**	82,406	**724,806**
Minority Interests	**1,217**	1,260	**9,815**
Contingent Liabilities (Note 15)			
Shareholders' Equity (Note 8)**:**			
Common stock, ¥50 par value:			
Authorized—800,000,000 shares			
Issued—280,207,681 shares in 2001 and 2000	**25,833**	25,833	**208,331**
Capital surplus	**51,198**	51,198	**412,887**
Retained earnings (Note 19)	**1,897**	6,745	**15,298**
Translation adjustments	**(7,733)**	(8,768)	**(62,363)**
	71,195	75,008	**574,153**
Less treasury stock, at cost (Note 9):			
1,514 shares in 2001 and 7,060 shares in 2000	**1**	3	**8**
Total shareholders' equity	**71,194**	75,005	**574,145**
	¥456,251	¥402,839	**$3,679,444**

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	**2001**
Net Sales (Note 10)	**¥464,289**	¥482,767	**$3,744,266**
Cost of Sales (Notes 10 and 12)	**263,865**	269,412	**2,127,943**
Gross profit	**200,424**	213,355	**1,616,323**
Selling, General and Administrative Expenses (Note 12)	**191,234**	193,087	**1,542,210**
Operating profit (Note 2 (o))	**9,190**	20,268	**74,113**
Other Income (Expenses):			
Interest and dividend income	**1,161**	1,330	**9,363**
Interest expense	**(8,903)**	(7,392)	**(71,799)**
Other, net	**(1,968)**	(8,113)	**(15,871)**
	(9,710)	(14,175)	**(78,307)**
(Loss) income before income taxes and minority interests (Note 2 (o))	**(520)**	6,093	**(4,194)**
Income Taxes (Credit) (Note 13):			
Current	**6,195**	4,186	**49,959**
Deferred	**(3,414)**	37	**(27,532)**
	2,781	4,223	**22,427**
(Loss) income before minority interests	**(3,301)**	1,870	**(26,621)**
Minority Interests	**(174)**	(1,274)	**(1,403)**
Net (loss) income	**(3,127)**	3,144	**(25,218)**
Retained Earnings:			
Balance at beginning of year	**6,745**	7,064	**54,395**
Adjustment resulting from initial inclusion of subsidiaries in consolidation	**37**	(1,732)	**298**
Adjustment resulting from change of fiscal period for consolidated subsidiaries	**(27)**	—	**(218)**
Appropriations:			
Cash dividends	**1,681**	1,681	**13,556**
Bonuses to directors and corporate auditors	**50**	50	**403**
Balance at end of year	**¥ 1,897**	¥ 6,745	**$ 15,298**

	Yen		U.S. dollars (Note 1)
Net (Loss) Income per Share	**¥ (11.16)**	¥ 11.22	**$ (0.09)**

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2001 and 2000

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2000	**2001**
Cash Flows from Operating Activities:			
(Loss) income before income taxes and minority interests	**¥ (520)**	¥ 6,093	**$ (4,194)**
Adjustments to reconcile income before income taxes and minority interests to net cash (used in) provided by operating activities:			
Depreciation and amortization	**25,405**	23,387	**204,879**
Amortization of goodwill on consolidation	**1,286**	949	**10,371**
Increase in accrued retirement and severance benefits	**2,788**	766	**22,484**
Interest and dividend income	**(1,161)**	(1,330)	**(9,363)**
Interest expense	**8,903**	7,392	**71,799**
Equity in loss of unconsolidated subsidiaries and affiliates	**51**	—	**411**
Gain on sales of marketable securities	**—**	(1,052)	**—**
Loss on valuation of marketable securities	**—**	551	**—**
Gain on sales of investment in securities	**(1,003)**	(225)	**(8,089)**
Loss on valuation of investment in securities	**3,418**	—	**27,565**
Gain on disposal of property, plant and equipment	**(200)**	(102)	**(1,613)**
Changes in operating assets and liabilities:			
Notes and accounts receivable	**(10,016)**	2,018	**(80,774)**
Inventories	**(26,064)**	864	**(210,193)**
Notes and accounts payable	**4,325**	(4,477)	**34,879**
Accrued consumption taxes	**123**	123	**992**
Other, net	**1,712**	(1,984)	**13,806**
Subtotal	**9,047**	32,973	**72,960**
Interest and dividend income received	**1,167**	1,310	**9,411**
Interest expense paid	**(9,090)**	(7,350)	**(73,306)**
Income taxes paid	**(4,287)**	(7,623)	**(34,573)**
Net cash (used in) provided by operating activities	**(3,163)**	19,310	**(25,508)**
Cash Flows from Investing Activities:			
Purchases of marketable securities	**(40)**	(1,708)	**(323)**
Proceeds from sales of marketable securities	**40**	1,585	**323**
Purchases of property, plant and equipment	**(26,490)**	(23,160)	**(213,629)**
Proceeds from sales of property, plant and equipment	**2,064**	1,176	**16,645**
Purchases of investments in securities	**(1,907)**	(476)	**(15,379)**
Proceeds from sales of investments in securities	**2,730**	258	**22,016**
Payments for acquisition of new subsidiaries	**—**	(4,758)	**—**
Payments for additional acquisition of subsidiaries	**(4,559)**	—	**(36,766)**
Payments for loans receivable	**(456)**	(159)	**(3,677)**
Collection of loans receivable	**172**	205	**1,387**
Other, net	**(6,027)**	(4,016)	**(48,605)**
Net cash used in investing activities	**(34,473)**	(31,053)	**(278,008)**
Cash Flows from Financing Activities:			
Increase in short-term bank loans	**20,677**	11,481	**166,750**
Decrease in commercial paper	**—**	(5,580)	**—**
Proceeds from long-term borrowings	**12,642**	11,179	**101,951**
Repayment of long-term borrowings	**(9,289)**	(6,785)	**(74,911)**
Issuance of unsecured bonds	**3,000**	5,000	**24,194**
Dividends paid	**(1,678)**	(1,682)	**(13,532)**
Dividends paid to minority interests	**(55)**	(211)	**(444)**
Other, net	**(486)**	(64)	**(3,919)**
Net cash provided by financing activities	**24,811**	13,338	**200,089**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**1,049**	(2,954)	**8,459**
Decrease in Cash and Cash Equivalents	**(11,776)**	(1,359)	**(94,968)**
Cash and Cash Equivalents at Beginning of Year (Note 3)	**38,497**	38,510	**310,460**
Cash and Cash Equivalents of Initially Consolidated Subsidiaries at Beginning of Year	**393**	1,346	**3,169**
Cash and Cash Equivalents at End of Year (Note 3)	**¥ 27,114**	¥ 38,497	**$218,661**

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Minolta Co., Ltd. and Consolidated Subsidiaries
March 31, 2001 and 2000

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 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 consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan. Certain modifications on 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 ¥124=US$1.00. 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 sheet as of March 31, 2000 have been reclassified to conform to the 2001 presentation. These reclassifications had no effect on net income or shareholders' equity.

2. Significant Accounting Policies

(a) Principles of Consolidation

In accordance with the accounting standards for consolidation issued by the Business Accounting Deliberation Council of Japan, effective April 1, 1999, the accompanying consolidated financial statements include 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 Equivalents (See Note 3)

Cash equivalents include all highly liquid debt instruments with a maturity of three months or less when purchased and overdrafts under total cash management.

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

Debt securities to be held to maturity are stated at a cost determined by the amortized-cost method (the straight-line method). Other securities are stated at a cost determined 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 (determined principally by the first-in, first-out method) or market.

(e) Derivatives (See Note 14)

Derivatives are stated at fair value.

(f) Depreciation

(1) Property, Plant and Equipment

Depreciation of property, plant and equipment is computed principally by the declining-balance method by the Company and the domestic consolidated subsidiaries, 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 the domestic consolidated subsidiaries.

(2) Intangible Fixed Assets

Depreciation of intangible fixed assets in other assets is computed principally by the straight-line method.

(g) Research and Development Costs and Computer Software (See Note 12)

Research and development costs are charged to income as incurred. In accordance with accounting standards for research and development costs 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 rates 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 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 plans to employees, the Company and certain consolidated subsidiaries have entered an amount into a reserve equivalent to the amount recognized as necessary at the end of the period under review based on the expected retirement and severance obligations and the assets of pension plans at fiscal year-end.

As for the unrecognized actuarial gain or loss, it will be settled as an expense from the next period after its occurrence using the straight-line method within the specific period (15 years) in the remaining period of the employees' average working period.

The unrecognized transitional obligation of ¥22,286 million ($179,726 thousand) is mainly being amortized over 15 years as an operating expense.

The Company has also provided for estimated retirement and severance benefits to directors and corporate auditors. Provision has been made in the financial statements for the estimated accrued liability for their retirement and severance benefits not covered by the pension plans.

(m) Net (Loss) Income per Share

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

(n) Translation of Foreign Currency

Receivables and payables denominated in foreign currencies are translated into yen amounts at the 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 year-end rates, except for the components of shareholders' equity, which have been translated at their historical rates. The differences resulting from such translations are included in shareholders' equity. Income, expenses and cash flows are translated at the average exchange rates for the year.

Due to a change in the regulations relating to the presentation of translation adjustments effective the year ended March 31, 2001, the Company has presented translation adjustments as a component of shareholders' equity and minority interests (instead of as a component of assets) in its consolidated financial statements for the year ended March 31, 2001, and has restated the previously reported consolidated financial statements for the year ended March 31, 2000.

(o) Changes in Method of Accounting

Effective April 1, 2000, the Company and its subsidiaries applied accounting standards for retirement benefits and pension plans in Japan. As a result of this change, loss before income taxes and minority interests for the year ended March 31, 2001 increased ¥2,140 million ($17,258 thousand).

Effective April 1, 2000, the Company and its subsidiaries applied accounting standards for financial instruments in Japan. As a result of this change, loss before income taxes and minority interests for the year ended March 31, 2001 increased ¥623 million ($5,024 thousand). (Operating profit increased ¥134 million ($1,081 thousand).)

Effective April 1, 2000, the Company and its subsidiaries applied post-revision accounting standards and methods for foreign currency transactions in Japan. As a result of this change, loss before income taxes and minority interests for the year ended March 31, 2001 increased ¥405 million ($3,266 thousand). (Operating profit decreased ¥400 million ($3,226 thousand).)

Effective April 1, 1999, the Company changed its basis of valuation of marketable securities and investments in securities from the weighted average method to the moving-average method. As a result of this change, income before income taxes and minority interests for the year ended March 31, 2000 increased ¥349 million.

3. Cash and Cash Equivalents

In the presentation of the consolidated statements of cash flows, relations between items included in cash and cash equivalents and the corresponding amounts in the balance sheets at March 31, 2001 and 2000 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Cash and deposits	**¥27,284**	¥23,726	**$220,032**
Cash equivalents in marketable securities	**23**	53	**185**
Cash equivalents in other current assets	**—**	14,999	**—**
Deposits over 3-month period in cash and deposits	**(91)**	(157)	**(734)**
Minus cash equivalents in short-term bank loans	**(102)**	(124)	**(822)**
Cash and cash equivalents at end of year	**¥27,114**	¥38,497	**$218,661**

4. Marketable Securities and Investments in Securities—Other

Marketable securities and investments in securities—other include securities with market value as follows:

			Millions of yen
2001	Book value	Market value	Unrealized gains (or losses)
Held-to-maturity debt securities	**¥ 45**	**¥ 45**	**¥ (0)**
Other securities	**36,475**	**30,807**	**(5,668)**

			Millions of yen
2000	Book value	Market value	Unrealized gains (or losses)
Held-to-maturity debt securities	¥ 45	¥ 45	¥ (0)
Other securities	40,746	43,646	2,900

			Thousands of U.S. dollars
2001	Book value	Market value	Unrealized gains (or losses)
Held-to-maturity debt securities	**$ 363**	**$ 363**	**$ (0)**
Other securities	**294,153**	**248,444**	**(45,709)**

Proceeds from the sale of other securities were ¥2,729 million ($22,008 thousand), realized gains were ¥1,003 million ($8,089 thousand) and realized losses were nil for the year ended March 31, 2001.

Maturities of debt securities included in marketable securities and investments in securities—other were as follows at March 31, 2001:

	Millions of yen	Thousands of U.S. dollars
Due within 1 year	¥ 55	$ 444
Due after 1 year through 5 years	161	1,298

5. Inventories

A summary of inventories at March 31, 2001 and 2000 is as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Finished goods	**¥100,112**	¥ 77,015	**$ 807,355**
Work in process	**27,620**	20,754	**222,742**
Raw materials and supplies	**9,608**	5,401	**77,484**
	¥137,340	¥103,170	**$1,107,581**

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

The annual interest rates on short-term bank loans ranged from 0% to 31% for the year ended March 31, 2001 and from 1% to 32% for the year ended March 31, 2000. The weighted average interest rate was 4% for the years ended March 31, 2001 and 2000.

Long-term debt at March 31, 2001 and 2000 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
2.3% yen unsecured bonds, due 2002	**¥10,000**	¥10,000	**$ 80,645**
3.0% yen unsecured bonds, due 2004	**10,000**	10,000	**80,645**
1.75% euro-yen unsecured bonds, due 2002	**5,000**	5,000	**40,323**
1.355% yen unsecured bonds, due 2006	**3,000**	—	**24,194**
Loans with banks,* due through 2018:			
Secured	**2,036**	3,427	**16,419**
Unsecured	**43,753**	36,038	**352,847**
	73,789	64,465	**595,073**
Less current portion	**12,794**	6,555	**103,178**
	¥60,995	¥57,910	**$491,895**

* The annual interest rates on long-term loans with banks ranged from 1% to 10% for the year ended March 31, 2001 and from 0% to 13% for the year ended March 31, 2000. The weighted average rate was 4% for the year ended March 31, 2001 and 3% for the year ended March 31, 2000.

The aggregate annual maturities of long-term debt subsequent to March 31, 2001 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2002	¥12,794	$103,178
2003	19,562	157,758
2004	14,215	114,637
2005	24,996	201,580
2006	1,810	14,597
2007 and thereafter	412	3,323
	¥73,789	$595,073

The 2.3% yen unsecured bonds to the amount of ¥10,000 million ($80,645 thousand) were issued in October 1997, and the 3.0% yen unsecured bonds to the amount of ¥10,000 million ($80,645 thousand) were issued in December 1997, by the Company. All the outstanding bonds can be repurchased at any time prior to maturity at the option of the Company, in whole or in part, at any price, in the market or elsewhere.

The 1.75% euro-yen unsecured bonds to the amount of ¥5,000 million ($40,323 thousand) were issued in June 1999, and the 1.355% yen unsecured bonds to the amount of ¥3,000 million ($24,194 thousand) were issued in December 2000, by the Company.

7. Pledged Assets

The following assets were pledged as collateral for obligations at March 31, 2001 and 2000:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Property, plant and equipment, net of accumulated depreciation	**¥13,486**	¥14,606	**$108,758**
Investments in securities	**508**	857	**4,097**
	¥13,994	¥15,463	**$112,855**

The obligations secured by such collateral at March 31, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Short-term bank loans	**¥ 14**	¥ 625	**$ 113**
Long-term debt, including current portion	**2,036**	3,427	**16,419**
	¥2,050	¥4,052	**$16,532**

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 statutory auditors, and exactly 10% of interim cash dividends paid be appropriated to the legal reserve until such reserve equals 25% of common stock. 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 transferred to common stock by resolution of the Board of Directors. The Company's legal reserve, which is included in retained earnings, amounted to ¥2,475 million ($19,960 thousand) and ¥2,301 thousand at March 31, 2001 and 2000, respectively.

9. Treasury Stock

The Company has introduced a unit share system as permitted under the Code. Under this system, shareholders holding less than 1,000 shares are not permitted to exercise voting rights. Accordingly, the Company repurchased its own shares from shareholders who held less 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 resold subsequently to third parties.

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, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Sales to	**¥6,641**	¥10,803	**$53,556**
Purchases from	**3,959**	5,488	**31,927**

11. Retirement and Severance Benefits

(a) Defined Benefit Plan for Employees

(1) Outline of Retirement and Severance Benefit Plans Adopted

The Company and its domestic consolidated subsidiaries have defined benefit pension plans, which are pursuant to the Japanese Welfare Pension Insurance Law, as well as the substituted noncontributory pension plans and lump-sum indemnities. Some overseas subsidiaries have adopted a defined benefit plan. Also, at the time of retirement of employees, in some cases extra benefits might be paid, which are not targeted by benefit obligations by actuarial measurement on the basis of retirement and severance benefits.

(2) Benefit Obligations

	Millions of yen	Thousands of U.S. dollars
	2001	**2001**
① Retirement benefit obligations	**¥(108,248)**	**$(872,968)**
② Plan assets at fair value	**50,575**	**407,863**
③ Unfunded benefit obligations (①+②)	**(57,673)**	**(465,105)**
④ Unrecognized transitional obligation	**21,008**	**169,419**
⑤ Unrecognized actuarial loss	**15,419**	**124,347**
⑥ Accrued retirement and severance benefits (③+④+⑤)	**¥ (21,246)**	**$(171,339)**

(3) Benefit Expenses

	Millions of yen	Thousands of U.S. dollars
	2001	**2001**
① Service cost	**¥4,356**	**$35,129**
② Interest cost	**2,887**	**23,282**
③ Expected return on plan assets	**(2,025)**	**(16,331)**
④ Amortization of unrecognized transitional obligation	**1,278**	**10,306**
⑤ Benefit expenses (①+②+③+④)	**¥6,496**	**$52,386**

(4) Basis of Calculations for Benefit Obligations, etc.

(i) Distribution method of estimated benefit

Straight-line method

(ii) Discount rate

3.0% (3.5% is applied at the beginning of period)

(iii) Expected rate of return on plan assets

Mainly 4.5%

(iv) Number of years over which actuarial difference is expensed

15 years (amount is determined using the straight-line method within the average number of years remaining before the retirement of employees at the time of occurrence and expensed beginning with the following term.)

(v) Number of years over which transitional obligation is expensed

Mainly 15 years (in some consolidated subsidiaries, the benefit obligations at the beginning of the period are expensed as a lump sum).

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

At March 31, 2001, the Company recorded ¥627 million ($5,056 thousand) of accrued retirement and severance benefits to directors and corporate auditors, which was estimated based on the Company's internal rules.

12. Research and Development Costs

Cost of sales and selling, general and administrative expenses for the years ended March 31, 2001 and 2000 included research and development costs of ¥26,300 million ($212,097 thousand) and ¥30,918 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, 2001 and 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Current			
Deferred tax assets			
(reflected in other current assets):			
Research and development costs	**¥ 551**	¥ 824	**$ 4,444**
Inventories written down	**998**	740	**8,048**
Allowance for doubtful receivables	**859**	791	**6,927**
Accrued bonuses	**864**	595	**6,968**
Intercompany profit on inventories	**4,820**	3,963	**38,871**
Other	**1,585**	2,236	**12,782**
	9,677	9,149	**78,040**
Less: valuation allowance	**(1,178)**	(1,205)	**(9,500)**
	8,499	7,944	**68,540**
Deferred tax liabilities:			
Warranty reserve	**(2)**	(84)	**(16)**
Other	**(6)**	(112)	**(48)**
	(8)	(196)	**(64)**
Deferred tax assets, net	**¥ 8,491**	¥ 7,748	**$ 68,476**
Non-Current			
Deferred tax assets			
(reflected in other assets):			
Retirement and severance benefits	**¥ 5,236**	¥ 3,768	**$ 42,226**
Depreciation	**2,645**	2,531	**21,331**
Tax losses carryforward	**7,762**	4,214	**62,597**
Other	**3,052**	917	**24,613**
	18,695	11,430	**150,767**
Less: valuation allowance	**(9,483)**	(5,500)	**(76,476)**
	9,212	5,930	**74,291**
Offset of deferred tax liabilities	**(1,373)**	(899)	**(11,073)**
Deferred tax assets, net	**¥ 7,839**	¥ 5,031	**$ 63,218**
Deferred tax liabilities			
(reflected in other long-term liabilities):			
Undistributed earnings of foreign subsidiaries	**¥(1,320)**	¥ (859)	**$ (10,645)**
Other	**(232)**	(283)	**(1,871)**
	(1,552)	(1,142)	**(12,516)**
Offset of deferred tax assets	**1,373**	899	**11,073**
Deferred tax liabilities, net	**¥ (179)**	¥ (243)	**$ (1,443)**

A reconciliation of the Japanese statutory income tax rates and effective tax rates for the year ended March 31, 2000, as a percentage of income before income taxes and minority interests, is as follows:

	2000
Japanese statutory income tax rate	42.0%
Increase (decrease) in income taxes resulting from:	
Valuation allowance	21.6
Expenses not deductible for tax purposes	8.2
Amortization of consolidation goodwill	4.5
Deferred income taxes related to intercompany profit on inventories	3.5
Deduction for tax purposes	(8.2)
Other	(2.3)
Effective tax rate	69.3%

As for the year ended March 31, 2001, a reconciliation is omitted due to the loss before income taxes and minority interests.

14. Derivative Transactions

To avoid adverse effects of fluctuations of foreign currency exchange rates and interest rates, the Company and its consolidated subsidiaries enter into forward foreign exchange contracts and currency and interest rate swaps. The Company and its consolidated subsidiaries utilize these derivative transactions to reduce the risk inherent in their assets and liabilities to be hedged effectively, and these transactions are not likely to have a major impact on the performance of the Company and its consolidated subsidiaries. In addition, derivative transactions are not entered into for speculative trading purposes under policies of the Company and its consolidated subsidiaries.

In accordance with the Company's internal regulations on derivative transactions, the Finance Division of the Company is responsible for managing market and credit risks of these transactions, and this division manages position limits, credit limits and status of derivative transactions. The Board of Directors or the Managing Directors' Committee of the Company approves policies and procedures of risk management of derivative transactions. In accordance with internal regulations, the consolidated subsidiaries manage derivative transactions and related risks, and presidents or directors authorize them.

The Company and its consolidated subsidiaries employ hedge accounting for derivative transactions and hedge foreign exchange and interest rate fluctuation risks within the scope of demand arising from actual transactions to be hedged.

Fair value of derivative transactions as of March 31, 2001 and 2000 is summarized as follows:

(a) Currency related derivatives

	Millions of yen				Thousands of U.S. dollars	
	2001		2000		**2001**	
	Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value
Forward foreign exchange contracts:						
To sell foreign currencies	**¥38,979**	**¥39,278**	¥1,961	¥2,019	**$314,346**	**$316,758**
To buy foreign currencies	**134**	**133**	1,229	1,235	**1,081**	**1,073**
	¥39,113	**¥39,411**	¥3,190	¥3,254	**$315,427**	**$317,831**

(b) Interest rate related derivatives

	Millions of yen				Thousands of U.S. dollars	
	2001		2000		**2001**	
	Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value	Contract value (notional principal amount)	Fair value
Interest rate swaps:						
Receive—variable interest rate						
Pay—fixed interest rate	**¥10,000**	**¥(769)**	¥11,062	¥(570)	**$80,645**	**$(6,202)**

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

15. Contingent Liabilities

At March 31, 2001, the contingent liabilities for notes discounted in the ordinary course of business amounted to ¥1,073 million ($8,653 thousand). At March 31, 2001, contingent liabilities for guarantees and commitments involving managerial guidance related to loans amounted to ¥2,864 million ($23,097 thousand).

16. Supplemental Disclosures of Cash Flow Information

During the years ended March 31, 2001 and 2000, leased property and related obligations of ¥436 million ($3,516 thousand) and ¥171 million were newly recorded under finance lease transactions, respectively.

17. Lease Transactions

(a) Lessees' accounting

The following pro forma amounts represent the acquisition cost, accumulated depreciation and net book value of the leased assets at March 31, 2001 and 2000, 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, 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**
At March 31, 2000				Millions of yen
Acquisition costs	¥ 59	¥28,257	¥1,132	¥29,448
Accumulated depreciation	32	18,946	799	19,777
Net book value	¥ 27	¥ 9,311	¥ 333	¥ 9,671

	Buildings and structures	Machinery and equipment	Other assets	Total
At March 31, 2001				Thousands of U.S. dollars
Acquisition costs	**$1,919**	**$59,508**	**$4,355**	**$65,782**
Accumulated depreciation	**903**	**36,435**	**2,573**	**39,911**
Net book value	**$1,016**	**$23,073**	**$1,782**	**$25,871**

Future minimum lease payments subsequent to March 31, 2001 on finance leases accounted for as operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥ 6,447	$ 51,992
Over 1 year	8,140	65,645
Total	¥14,587	$117,637

Among the above amounts, the remaining value for sublease transactions at the end of this period was ¥4,886 million ($39,403 thousand) for 1 year or less and ¥6,246 million ($50,371 thousand) for over 1 year, resulting in ¥11,132 million ($89,774 thousand) in total. Net book value on the lessor side is almost the same amount, which is included in the following list of future minimum lease receipts of (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
	2001	2000	**2001**
Lease payments	**¥2,754**	¥7,917	**$22,210**
Depreciation equivalent	**2,684**	7,446	**21,645**
Interest expense equivalent	**54**	398	**435**

Future minimum lease payments subsequent to March 31, 2001 on noncancelable operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥ 3,480	$ 28,065
Over 1 year	13,754	110,919
Total	¥17,234	$138,984

(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, 2001 and 2000:

	Machinery and Equipment		
	Millions of yen		Thousands of U.S. dollars
	2001	2000	**2001**
Acquisition cost	**¥678**	¥5,161	**$5,468**
Accumulated depreciation	**363**	2,150	**2,927**
Net book value	**¥315**	¥3,011	**$2,541**

Future minimum lease receipts subsequent to March 31, 2001 on finance leases accounted for as operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥ 5,262	$42,435
Over 1 year	6,622	53,404
Total	¥11,884	$95,839

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
	2001	2000	**2001**
Lease receipts	**¥1,147**	¥1,970	**$9,250**
Depreciation equivalent	**1,109**	1,876	**8,944**

Future minimum lease receipts subsequent to March 31, 2001 on noncancelable operating leases are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
1 year or less	¥1,721	$13,879
Over 1 year	2,280	18,387
Total	¥4,001	$32,266

18. 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, 2001 and 2000:

Information by Industry Segment

	Image information products	Optical products	Other	Total	Eliminations*	Consolidated total
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 profit (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**
Year ended March 31, 2000						Millions of yen
Net sales:						
Unaffiliated customers	¥367,726	¥104,075	¥10,966	¥482,767	¥ —	¥482,767
Intersegment	10	37	701	748	(748)	—
Total	367,736	104,112	11,667	483,515	(748)	482,767
Operating expenses	347,876	103,939	11,447	463,262	(763)	462,499
Operating profit	¥ 19,860	¥ 173	¥ 220	¥ 20,253	¥ 15	¥ 20,268
Assets	¥241,234	¥ 85,520	¥ 3,845	¥330,599	¥72,240	¥402,839
Depreciation and amortization	18,428	4,816	74	23,318	69	23,387
Capital expenditures	21,365	4,926	66	26,357	—	26,357

	Image information products	Optical products	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2001						Thousands of U.S. dollars
Net sales:						
Unaffiliated customers	**$2,876,363**	**$771,774**	**$ 96,129**	**$3,744,266**	**$ —**	**$3,744,266**
Intersegment	**153**	**145**	**5,250**	**5,548**	**(5,548)**	**—**
Total	**2,876,516**	**771,919**	**101,379**	**3,749,814**	**(5,548)**	**3,744,266**
Operating expenses	**2,795,436**	**781,000**	**99,395**	**3,675,831**	**(5,678)**	**3,670,153**
Operating profit (loss)	**$ 81,080**	**$ (9,081)**	**$ 1,984**	**$ 73,983**	**$ 130**	**$ 74,113**
Assets	**$2,340,524**	**$811,976**	**$ 38,984**	**$3,191,484**	**$487,960**	**$3,679,444**
Depreciation and amortization	**163,041**	**40,790**	**540**	**204,371**	**508**	**204,879**
Capital expenditures	**206,097**	**52,823**	**806**	**259,726**	**—**	**259,726**

* The assets in the eliminations column include ¥61,573 million ($496,556 thousand) and ¥82,336 million of assets maintained for general corporate purposes, principally excess funds under management (cash and negotiable securities) and long-term investments (investment securities) of the Company at March 31, 2001 and 2000, respectively.

Information by Geographic Area

	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**	**(244,512)**	**455,099**
Operating profit (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**
Year ended March 31, 2000							Millions of yen
Net sales:							
Unaffiliated customers	¥174,710	¥146,602	¥142,341	¥19,114	¥482,767	¥ —	¥482,767
Intersegment	159,092	197	473	57,618	217,380	(217,380)	—
Total	333,802	146,799	142,814	76,732	700,147	(217,380)	482,767
Operating expenses	322,123	145,067	141,650	75,030	683,870	(221,371)	462,499
Operating profit	¥ 11,679	¥ 1,732	¥ 1,164	¥ 1,702	¥ 16,277	¥ 3,991	¥ 20,268
Assets	¥197,681	¥ 87,657	¥ 81,533	¥29,584	¥396,455	¥ 6,384	¥402,839

	Japan	North America	Europe	Other	Total	Eliminations*	Consolidated total
Year ended March 31, 2001							Thousands of U.S. dollars
Net sales:							
Unaffiliated customers	**$1,371,492**	**$1,147,847**	**$1,040,468**	**$184,459**	**$3,744,266**	**$ —**	**$3,744,266**
Intersegment	**1,270,347**	**1,935**	**5,774**	**532,629**	**1,810,685**	**(1,810,685)**	**—**
Total	**2,641,839**	**1,149,782**	**1,046,242**	**717,088**	**5,554,951**	**(1,810,685)**	**3,744,266**
Operating expenses	**2,566,581**	**1,152,806**	**1,059,347**	**702,000**	**5,480,734**	**(1,810,581)**	**3,670,153**
Operating profit (loss)	**$ 75,258**	**$ (3,024)**	**$ (13,105)**	**$ 15,088**	**$ 74,217**	**$ (104)**	**$ 74,113**
Assets	**$2,058,000**	**$ 881,653**	**$ 796,484**	**$331,847**	**$4,067,984**	**$ (388,540)**	**$3,679,444**

* The assets in the eliminations column include ¥61,573 million ($496,556 thousand) and ¥82,336 million of assets maintained for general corporate purposes, principally excess funds under management (cash and negotiable securities) and long-term investments (investment securities) of the Company at March 31, 2001 and 2000, respectively.

As mentioned in Note 2 (o), the Company and its subsidiaries applied accounting standards 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	Thousands of U.S. dollars
By business segment:		
Decrease in operating profit in image information products segment	¥1,344	$10,839
Decrease in operating profit in optical products segment	790	6,371
Decrease in operating profit in other segment	6	48
By geographic area:		
Decrease in profit in Japan	2,140	17,258

As mentioned in Note 2 (o), the Company and its subsidiaries applied accounting standards 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	Thousands of U.S. dollars
By business segment:		
Increase in operating profit in image information products segment	¥83	$ 670
Increase in operating profit in optical products segment	51	411
By geographic area:		
Increase in profit in Japan	134	1,081

As mentioned in Note 2 (o), the Company and its subsidiaries applied post-revision accounting standards and methods for foreign currency transactions 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	Thousands of U.S. dollars
By business segment:		
Decrease in operating profit in image information products segment	¥360	$2,903
Decrease in operating profit in optical products segment	40	323
By geographic area:		
Increase in operating profit in Japan	5	39
Decrease in operating profit in North America	4	32
Increase in operating profit in Europe	89	718
Decrease in operating profit in Other	19	153
Decrease in operating profit in Eliminations	471	3,798

As mentioned in Note 2 (o), effective April 1, 1999, the Company changed its method of accounting for the valuation of marketable securities and investments in securities from the weighted-average method to the moving-average method. The effects of this change on the segment information presented on the previous pages for the year ended March 31, 2000 are summarized as follows:

	Millions of yen
By business segment:	
Increase in assets in image information products segment	¥349
By geographic area:	
Increase in assets in Japan	349

Overseas Sales

	North America	Europe	Other	Total (A)	Consolidated total (B)	
Years ended March 31					Millions of yen	(A)/(B) (%)
2001	**¥168,406**	**¥148,189**	**¥52,971**	**¥369,566**	**¥464,289**	**79.6%**
2000	169,582	166,369	42,774	378,725	482,767	78.4%
Year ended March 31					Thousands of U.S. dollars	
2001	**$1,358,113**	**$1,195,073**	**$427,185**	**$2,980,371**	**$3,744,266**	

19. Subsequent Event

The following appropriation of retained earnings, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2001, was approved at the shareholders' meeting held on June 28, 2001:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥3.00 per share)	¥841	$6,782

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and shareholders
Minolta Co., Ltd.

We have audited the consolidated balance sheets of Minolta Co., Ltd. and consolidated subsidiaries as of March 31, 2001 and 2000, 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, 2001 and 2000, 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 consistently applied during the period except for the changes, with which we concur, in the method of accounting for marketable securities and investments in securities in the year ended March 31, 2000, as described in Note 2 to the consolidated financial statements.

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 consolidation, research and development costs and computer software effective the year ended March 31, 2000 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, 2001 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.

Century Ota Showa & Co.

Century Ota Showa & Co.

Osaka, Japan
June 28, 2001

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, 2001)

President*1 *2
Yoshikatsu Ota

Senior Executive Directors*2
Yoshihiko Higashiyama
Norio Tashima
Norikatsu Shimizu

Executive Directors*2
Masayoshi Inoue
Hiroshi Fujii

Directors*2
Toshiaki Ishihara
Tateomi Kohno
Yoshisuke Takekida
Masanori Hondo
Masaru Oba

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

Executive Officers
Toru Kisanuki
Shigeyuki Seki
Masao Bando
Hiroshi Furukawa
Hiroshi Ishiko
Mitsuharu Ohura
Hisashi Tokumaru
Akio Kitani
Hideki Okamura

Full-Time Corporate Auditors
Mikio Naya
Akio Kawano

Corporate Auditors
Kazunari Ohno
Kimio Haruna

CORPORATE DATA

(As of July 1, 2001)

MINOLTA CO., LTD.

Established
November 1928

Paid-in Capital
¥25,832,512,890 (As of March 31, 2001)

Number of Employees*
4,808 (As of March 31, 2001)

Independent Public Accountants
Century Ota Showa & Co.

Major Businesses
Image Information Products:
Manufacture and sale of photocopiers, printers, facsimile machines, document imaging products and their accessories
Optical Products:
Manufacture and sale of cameras, their accessories, lenses, binoculars, radiometric instruments, optical units, and planetariums
Other:

Stock Exchange Listings
Osaka, Tokyo, Nagoya, Frankfurt, and Düsseldorf

Transfer Agent
The Toyo Trust & Banking Co., Ltd.
Transfer business handled at the Corporate Agency Dept., Osaka Branch, The Toyo Trust & Banking Co., Ltd., 6-3, Fushimi-machi 3-chome, Chuo-ku, Osaka 541-8502, Japan, and at the head office and all branch offices of The Toyo Trust & Banking Co., Ltd.

Dynax series SLRs are marketed as the Maxxum series in North America and the α-series in Japan, and RIVA compact cameras are marketed as the CAPIOS series in Japan and the Freedom series in North America.
VIVID 900 and VIVID 300 3D digitizers are marketed in Europe as VI-900 and VI-300, respectively.

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

CORPORATE DIRECTORY

(As of July 1, 2001)

Head Office

3-13, Azuchi-machi 2-chome,
Chuo-ku, Osaka 541-8556, Japan
Telephone: (81) 6-6271-2251
Fax: (81) 6-6266-1010
Telex: J63403

Tokyo Office

19-13, Takanawa 2-chome,
Minato-ku, Tokyo 108-8608, Japan
Telephone: (81) 3-5423-7551
Fax: (81) 3-5423-7550

Plants

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

Laboratories

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

Other

Esaka Operations

Major Subsidiaries

SALES

Japan
•Minolta Sales Co., Ltd.*
•Minolta Office System Tokai Co., Ltd.*
•Minolta Office System Kinki Co., Ltd.*
•Minolta Office System Tokyo Co., Ltd.*
•Minolta Office System Kyushu Co., Ltd.*
•Minolta-QMS K.K.*

U.S.A.
•Minolta Corporation*
•Minolta Business Solutions, Inc.*
•Mohawk Marketing Corporation*
•Minolta Information Systems, Inc.*

Canada
•Minolta Canada Inc.*
•Minolta Business Equipment (Canada), Ltd.*
•QMS Canada, Inc.*

Germany
•Minolta Europe GmbH*
•Develop GmbH*
•Plankopie Gesellschaft für Bürosysteme (M) mbH*
•Office-boerse.de Internet GmbH
•Minolta-QMS GmbH*

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

U.K.
•Minolta (UK) Limited*
•Minolta-QMS (U.K.) Ltd.*

Switzerland
•Minolta (Schweiz) AG*

Austria
•Minolta Austria Gesellschaft mbH*

The Netherlands
•Minolta Camera Benelux B.V.*
•Minolta-QMS Europe B.V.*

Belgium
•Minolta Business Equipment (Belgium) N.V.*

Sweden
•Minolta Svenska AB*
•Minolta Business Equipment Sweden AB*
•QMS Nordic AB*

Norway
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