

**Financial Results (Nonconsolidated)
for the Fiscal Year Ended March 31, 2003**

English Translation of "KESSAN TANSHIN"
(April 1, 2002 to May 31, 2003)

Konica Corporation

Company Name: Konica Corporation
Local Securities Code Number: 4902
(URL: <http://www.konica.jp>)
Representative of Directors: Fumio Iwai
Inquiries: Nobuo Hayashi, General Manager, Corporate Communications
Tel: (03) 3349-5251
Stock Exchange Listings: Tokyo, Osaka, Nagoya (First Sections)
Head Office: 26-2 Nishishinjuku 1-chome, Shinjuku-ku, Tokyo 163-0512, Japan
Board of Directors Meeting for Approval of Consolidated Results: May 15, 2003
Ordinary General Meeting of Shareholders: June 25, 2003
Provision for Interim Dividends: Yes
Stock unit system: Yes (number of shares per unit = 1,000 shares)

1. NONCONSOLIDATED FINANCIAL RESULTS FOR FISCAL 2003 (APRIL 1, 2002, TO MARCH 31, 2003)

(1) Operating Results (Figures less than 1 million yen have been omitted.)

(Million yen)

	Net sales		Operating income		Recurring profit	
Fiscal 2003	357,853	5.6%	24,028	47.2%	20,746	10.9%
Fiscal 2002	339,003	(1.8)%	16,327	(8.4)%	18,702	8.9%

	Net income (Million yen)	Net income per share (yen)	Net income per share (after full dilution)	Net income/ Shareholders' equity (%)	Recurring profit /Total assets (%)	Recurring profit /Sales (%)
Fiscal 2003	6,481 —	18.00	—	3.9	5.7	5.8
Fiscal 2002	(29,928) —	(83.69)	—	(16.6)	5.0	5.5

Notes: 1. Average number of shares outstanding during the period:

Year ended March 31, 2003: 357,390,370

Year ended March 31, 2002: 357,613,676

2. Changes in accounting methods: None

3. Percentages in net sales, operating income, and recurring profit columns indicate changes from the previous fiscal year.

4. Had the same method used in the previous fiscal year been applied, net income per share would have been ¥18.13 in the fiscal year ended March 31, 2003.

(2) Dividends

	Annual dividend per share (Yen)			Total cash dividends paid for the entire fiscal year (Million yen)	Payout ratio (%)	Dividends-to- shareholders' equity ratio (%)
		Interim (Yen)	Year-end (Yen)			
Fiscal 2003	10.0	5.0	5.0	3,573	55.1	2.2
Fiscal 2002	10.0	5.0	5.0	3,575	—	2.2

(3) Financial Position

	Assets (Million yen)	Shareholders' equity (Million yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
Fiscal 2003	363,817	165,730	45.6	463.77
Fiscal 2002	358,038	163,082	45.5	456.18

Notes: 1. Number of shares outstanding at end of the period (nonconsolidated):

March 31, 2003: 357,256,227

March 31, 2002: 357,495,421

2. Number of treasury stock at end of the period (nonconsolidated):

March 31, 2003: 399,141

March 31, 2002: 159,947

3. Had the same method used in the previous fiscal year been applied, shareholders equity per share would have been ¥463.90 in the fiscal year ended March 31, 2003.

2. NONCONSOLIDATED RESULTS FORECAST FOR FISCAL 2004 (APRIL 1, 2003, TO MARCH 31, 2004)

	Net sales (Million yen)	Recurring profit (Million yen)	Net income (Million yen)	Annual dividend per share (Yen)		
				Interim	End of fiscal year	
Interim				—	—	—
Full-year				—		

Note: The Company moved to a holding company system on April 1, 2003. Consequently, forecasts for the period ending March 31, 2004 have been omitted.

1. NONCONSOLIDATED FINANCIAL STATEMENTS

(1) Statements of Income and Retained Earnings

(Million yen)

	Fiscal year April 1, 2001, to March 31, 2002		Fiscal year April 1, 2002, to March 31, 2003		Increase / Decrease	
	Amount	% of total	Amount	% of total	Amount	% of total
Sales	339,003	100.0	357,853	100.0	18,849	5.6
Cost of sales	207,777	61.3	219,949	61.5	12,172	5.9
Gross profit	131,226	38.7	137,904	38.5	6,677	5.1
Selling, general and administrative expenses	114,898	33.9	113,875	31.8	(1,023)	(0.9)
Operating income	16,327	4.8	24,028	6.7	7,700	47.2
Non-operating income	8,403	2.5	6,062	1.7	(2,341)	(27.9)
Interest and dividend income	830		1,161		331	
Other	7,573		4,901		(2,672)	
Non-operating expenses	6,028	1.8	9,344	2.6	3,315	55.0
Interest expense	1,579		1,381		(197)	
Other	4,449		7,962		3,512	
Recurring profit	18,702	5.5	20,746	5.8	2,043	10.9
Extraordinary profit	2	0.0	7,044	2.0	7,041	—
Gain on sales of fixed assets	2		71		69	
Gain on return of proxy portion of national employees' pension fund	—		6,972		6,972	
Extraordinary losses	46,855	13.8	15,427	4.3	(31,427)	(67.1)
Loss on disposal and sale of fixed assets	1,080		2,616		1,535	
Write-down on investment securities	1,542		1,135		(406)	
Valuation loss on stocks on associated companies	41,274		946		(40,328)	
Loss on liquidation of subsidiaries and affiliated companies	—		1,854		1,854	
Transition obligations due to adoption of new accounting standard for retirement benefits	2,957		—		(2,957)	
Provision of reserve for loss on liquidation of subsidiaries and affiliated companies	—		637		637	
Provision of reserve for reorganization/liquidation expenses	—		5,244		5,244	
Expenses related to switch to defined benefit pension plan	—		2,993		2,993	
Income before income taxes and minority interests	(28,150)	(8.3)	12,363	3.5	40,513	—
Income taxes	4,461		7,786		3,324	
Deferred income taxes	(2,683)		(1,904)		779	
Net income	(29,928)	(8.8)	6,481	1.8	36,409	—
Retained earnings at beginning of the period	3,563		3,954		391	
Interim dividend payment	1,788		1,787		(1)	
Unappropriated earnings at the fiscal year-end	(28,153)		8,649		36,802	

(2) Balance Sheets

(Million yen)

	Fiscal year April 1, 2001, to March 31, 2002		Fiscal year April 1, 2002, to March 31, 2003		Increase / Decrease	
	Amount	% of total	Amount	% of total	Amount	% of total
Current assets	181,185	50.6	192,584	52.9	11,399	6.3
Cash and deposits	11,643		13,032		1,388	
Trade notes receivable	9,714		10,113		399	
Accounts receivable	87,493		87,071		(421)	
Marketable securities	300		—		(300)	
Manufactured and finished goods	22,821		21,648		(1,173)	
Raw materials	10,774		10,777		3	
Unfinished goods	15,730		12,932		(2,798)	
Supplies	2,531		2,866		334	
Prepaid expenses	1,783		1,995		212	
Deferred tax assets	6,810		9,623		2,812	
Other receivables	8,260		10,773		2,512	
Short-term loans	1,200		10,136		8,936	
Other current assets	2,367		1,720		(646)	
Allowance for doubtful accounts	(246)		(108)		137	
Fixed assets	176,853	49.4	171,233	47.1	(5,620)	(3.2)
<i>Tangible fixed assets</i>	88,470	24.7	81,766	22.5	(6,703)	(7.6)
Buildings	24,755		27,222		2,467	
Structures	2,111		2,681		570	
Machinery and Equipments	28,347		36,404		8,057	
Vehicles	125		153		28	
Equipment	3,342		3,167		(174)	
Land	10,487		10,430		(56)	
Construction in progress	19,302		1,707		(17,595)	
<i>Intangible fixed assets</i>	4,947	1.4	5,632	1.6	685	13.9
Software	3,891		4,386		494	
Other intangible assets	1,055		1,246		190	
<i>Investments and others</i>	83,435	23.3	83,833	23.0	398	0.5
Investment securities	10,961		9,334		(1,627)	
Shares in affiliates	52,308		54,530		2,222	
Loans to affiliates	5,957		4,615		(1,341)	
Long-term loans	1,697		2,647		950	
Long-term prepaid expenses	788		1,384		595	
Deferred tax assets	7,152		6,323		(828)	
Other investments	7,234		5,256		(1,977)	
Allowance for doubtful accounts	(2,664)		(259)		2,405	
Total assets	358,038	100.0	363,817	100.0	5,778	1.6

(Million yen)

	Fiscal year April 1, 2001, to March 31, 2002		Fiscal year April 1, 2002, to March 31, 2003		Increase / Decrease	
	Amount	% of total	Amount	% of total	Amount	% of total
Current liabilities	130,395	36.4	129,291	35.5	(1,104)	(0.8)
Trade notes payable	11,657		10,172		(1,485)	
Accounts payable	39,848		36,190		(3,658)	
Short-term loans	16,000		29,000		13,000	
Long-term loans due within one year	1,017		3,513		2,496	
Bonds due within one year	15,000		5,000		(10,000)	
Other payables	10,875		3,662		(7,213)	
Accrued expenses	26,039		24,462		(1,577)	
Accrued income taxes	4,354		5,793		1,438	
Advances received	686		476		(209)	
Allowance for product warranties	1,111		1,058		(53)	
Reserve for loss on liquidation of subsidiaries	3,500		4,137		637	
Reserve for costs of restructuring	—		5,244		5,244	
Other current liabilities	304		580		276	
Long-term liabilities	64,559	18.1	68,795	18.9	4,235	6.6
Bonds	32,000		27,000		(5,000)	
Long-term loans	9,127		21,585		12,458	
Long-term payable	—		8,204		8,204	
Long-term guarantee deposits received	269		356		87	
Reserve for retirement benefits and pension plans	23,152		11,626		(11,525)	
Other long-term liabilities	10		22		11	
Total liabilities	194,955	54.5	198,086	54.5	3,131	1.6
Capital stock	37,519	10.5	37,519	10.3	—	—
Additional paid-in capital	79,342	22.1	79,342	21.9	—	—
Capital reserve	79,342		79,342		—	—
Capital surplus	45,495	12.7	48,402	13.3	2,906	6.4
Legal reserves	7,760		7,760		—	
Voluntary reserves	65,888		31,992		(33,895)	
Special reserve for redemptions	195		164		(31)	
Deduction entry surplus reserve	5,727		5,563		(163)	
Other surplus reserve	59,964		26,264		(33,700)	
Unappropriated earnings for interim period (including net income)	(28,153)		8,649		36,802	
	(29,928)		6,481		36,409	
Other appraisal losses on securities	844	0.2	784	0.2	(59)	(7.1)
Treasury stock, at cost	(119)	(0.0)	(318)	(0.1)	(199)	167.3
Total shareholders' equity	163,082	45.5	165,730	45.5	2,647	1.6
Total liabilities and shareholders' equity	358,038	100.0	363,817	100.0	5,778	1.6

Notes:

	Fiscal 2002	Fiscal 2003	Year-on-year change
1. Accumulated depreciation on tangible fixed assets (Million yen)	183,334	174,682	(8,652)
2. Balance of guaranteed obligations <including guarantee> (Million yen)	41,073 <29,500>	26,504 <10,451>	(14,569) < (19,049) >
3. Number of shares of treasury stock	159,947	399,141	239,194

(3) Proposed appropriations of retained earnings

(Million yen)

	April 1, 2001 – March 31, 2002	April 1, 2002 – March 31, 2003	Increase/Decrease
Unappropriated earnings for the year	(28,153)	8,649	36,802
Reversal of reserve for special depreciation	41	71	30
Reversal of reserve for advanced depreciation	163	966	803
Reversal of general reserve	33,700	—	(33,700)
Total	5,751	9,687	3,935
Appropriation earnings:			
Dividends to shareholders (Per share)	1,787 <5>	1,786 <5>	(1)
Bonuses to directors (Portion to corporate auditors)	— <—>	45 <4>	45
Special depreciation reserve	9	27	17
Reserve for advanced depreciation	—	193	193
Special reserves	—	2,200	2,200
Unappropriated earnings carried forward	3,954	5,435	1,480

Note: Other than the above, interim dividends of ¥1,787million (¥ 5 per share) were paid during the year under review.