May 15, 2003

Fiscal year ended March 31, 2003

Consolidated Financial Results

Period ended March 31, 2003

---- Flash Report ----

Listed company name: Minolta Co., Ltd. (http://www.minolta.com)
Security code: 7753
Head Office: 3-13, Azuchi-machi 2-chome,Chuo-ku, Osaka 541-8556, Japan
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Stock Listings: First sections of Tokyo, Osaka, and Nagoya
Meeting of the Board of Directors Held: May 15, 2003
Adoption of the U.S. accounting standards: No

1. Financial Results (Years ended March 31, 2003 and 2002)

Amounts less than ¥1 million, except per share amounts, have been omitted in the following tables.

(1) Operating Results

(in millions)

	Net sales (% change from previous year)		Operating income (% change from previous year)		Recurring income (% change from previous year)	
FY2002	¥528,154	(3.4%)	¥34,382	(770.5%)	¥21,912	(---%)
FY2001	¥510,862	(10.0%)	¥3,949	(-57.0%)	¥(7,890)	(---%)

	Net income (% change from previous year)		Net income per share (Yen)	Net income per share: Assuming full dilution (Yen)
FY2002	¥12,696	(---%)	¥45.33	¥----
FY2001	¥(34,350)	(---%)	¥(122.59)	¥----

	Net income to shareholders' equity	Recurring income to total assets	Recurring income to net sales
FY2002	24.3%	5.5%	4.1%
FY2001	- 58.4%	- 1.8%	- 1.5%

Notes:

1. Equity in loss of unconsolidated subsidiaries and affiliates:
   FY2002 ¥72 million
   FY2001 - ¥74 million

2. Average number of shares outstanding during the period (consolidated):
   FY2002 280,067,819
   FY2001 280,200,108

3. No changes were made to accounting policies in fiscal 2002.

4. Percentages shown for net sales, operating income, recurring income, and net income represent the increase or decrease compared with the previous period.

(2) Financial Position

(in millions)

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share (Yen)
FY2002	¥367,278	¥57,947	15.8%	¥207.03
FY2001	¥427,247	¥46,502	10.9%	¥165.97

Note: Number of shares issued at the end of period (consolidated):
FY2002 279,903,497
FY2001 280,183,136

(3) Cash Flows

(in millions)

	Operating Activities	Investing Activities	Financing Activities	Cash and cash equivalents at end of period
FY2002	¥79,026	¥(15,275)	¥(69,389)	¥33,359
FY2001	¥37,275	¥(22,375)	¥(4,647)	¥38,505

(4) Scope of Consolidation and Companies Accounted for by the Equity Method

Number of consolidated subsidiaries: 64
Number of non-consolidated subsidiaries accounted for by the equity method: ---
Number of affiliated companies accounted for by the equity method: 1

(5) Changes in Scope of Consolidation and Companies Accounted for by the Equity Method

Newly consolidated companies: 3
Newly non-consolidated companies: 2
Companies newly accounted for by the equity method: ---
Companies no longer accounted for by the equity method: ---

2. Projected Operating Results (Year ending March 31, 2004)

(in millions)

	Net Sales	Recurring income	Net income
Interim Period	¥265,000	¥8,500	¥5,500
Fiscal year*	---	---	---

Estimated net income per share, consolidated basis: Interim period ¥19.65
Fiscal year ---

*Projected operating results for the full year are not provided due to the merger with Konica Corporation through stock swaps scheduled in August 2003.

The Minolta Group

The Minolta Group, the Company and its affiliated companies, consists of Minolta Co., Ltd. and its 86 subsidiaries and 5 affiliates. The Group is mainly engaged in business operations from development, manufacture and sales to after-sale services related to image information products and optical products.
The main products and main companies in charge for each operational category are as follows. These categories are the same as the classifications by industry in the segment information.

Main products

Operational category	Products category	Main products
Image information products	Copiers	Digital copiers Digital full color copiers Analog copiers
	Printers	Laser printers Full color laser printers
Optical products	Photographic equipment	Single lens reflex cameras Compact cameras Digital cameras Lenses Binoculars
	Optical devices and components	Optical units
	Radiometric instruments	Industrial instruments Optical medical instruments
Others	Others	Products not included in the above

Main companies

Name of company	Location	Capital (in millions)	Main business lines	Holding ratio
Minolta Sales Co., Ltd.	Tokyo, Japan	¥1,500	Image information products	100%
Minolta Techno System Co., Ltd.	Tokyo, Japan	¥80	Image information products	100% (100%)
Minolta-QMS K. K.	Tokyo, Japan	¥80	Image information products	100% (100%)
Minolta Office System Tokyo Co., Ltd.	Tokyo, Japan	¥100	Image information products	100% (100%)
Aoi Camera Co., Ltd.	Aichi, Japan	¥20	Others	100%
Sankei Precision Products Co., Ltd.	Aichi, Japan	¥30	Image information products	100%
Minolta Components Co., Ltd.	Aichi, Japan	¥160	Others	100% (22.5%)
Toyohashi Precision Products Co., Ltd.	Aichi, Japan	¥80	Image information products	100%
Minolta Office System Tokai Co., Ltd.	Aichi, Japan	¥30	Image information products	100% (100%)
Minolta Planetarium Co., Ltd.	Osaka, Japan	¥100	Others	100%
Minolta Office system Kinki Co., Ltd.	Osaka, Japan	¥100	Image information products	100% (100%)
MYG Disk Corporation	Osaka, Japan	¥450	Optical Products	100%
Miki Minolta Kogyo Co., Ltd.	Hyogo, Japan	¥10	Image information products	100%
Okayama Minolta Seimitsu Co., Ltd.	Okayama, Japan	¥40	Others	100%

Name of company	Location	Capital	Main business lines	Holding ratio
Minolta Corporation	New Jersey, U.S.A.	USD 40,000,000	Image information products Optical products	100%
Minolta Advance Technology Inc.	New York, U.S.A.	USD 2,500,000	Image information products	100%
Mohawk Marketing Corporation	Virginia, U.S.A.	USD 601,000	Optical products Others	100% (100%)
Minolta-QMS, Inc.	Alabama, U.S.A.	USD 5	Image information products	100%
Minolta Business Equipment (Canada), Ltd.	Ontario, Canada	CAD 6,250,000	Image information products	100% (100%)
Minolta Canada Inc.	Ontario, Canada	CAD 1,700,000	Optical products	100%
Minolta Europe GmbH	Langenhagen, Germany	EUR 87,500,000	Image information products Optical products	100%
Develop GmbH	Langenhagen, Germany	EUR1,540,000	Image information products	100% (100%)
Minolta Danmark A/S	Rodovre, Denmark	DKK 29,000,000	Image information products	100% (100%)
Minolta Camera Benelux B.V.	Utrecht, The Netherlands	EUR 681,000	Optical products	100% (100%)
Minolta-QMS Europe B.V.	Nieuwegein, The Netherlands	EUR 78,000	Image information products	100%
Minolta (UK) Ltd.	Milton Keynes, U.K.	GBP 1,500,000	Image information products Optical products	100% (100%)
Minolta Business Equipment (Belgium) N.V.	Zaventem, Belgium	EUR 992,000	Image information products	100% (100%)
Minolta France S.A.S.	Carrieres sur Seine, France	EUR 11,150,000	Image information products Optical products	100% (100%)
Minolta Lorraine S.A.S.	Eloyes, France	EUR 6,100,000	Image information products	100%
Minolta Austria Gesellschaft mbH	Vienna, Austria	EUR 2,500,000	Image information products Optical products	100% (100%)
Minolta Italia S.p.A.	Milan, Italy	EUR 4,680,000	Image information products Optical products	100% (100%)
Shanghai Minolta Optical Products Co., Ltd.	Shanghai, P.R. China	USD 9,000,000	Optical products	77.5% (77.5%)
Wuhan Minolta Office Automation Equipments Co., Ltd.	Wuhan, P.R. China	USD 7,000,000	Image information products	76.9% (76.9%)
Minolta Hong Kong Ltd.	Hong Kong, P.R. China	HKD 1,200,000	Image information products Optical products	70%
Minolta Industries (HK) Ltd.	Hong Kong, P.R. China	HKD 195,800,000	Image information products	100%
Minolta Malaysia Sdn. Bhd.	Selangor, Malaysia	MYR 2,000,000	Optical products	100%
Minolta Precision Engineering (M) Sdn. Bhd.	Selangor, Malaysia	MYR 10,000,000	Optical products	100%
Minolta Singapore (PTE) Ltd.	Singapore	SGD 3,225,000	Image information products Optical products	100%

Note: 1. Figures of holding ratio in parentheses indicate indirect holding ratio which are included in total value of ratios.

The following chart shows situations of operational system. (As of March 31, 2003)

CUSTOMERS

【Sales subsidiaries in Japan】
Minolta Sales Co., Ltd.
Minolta Office System Tokyo Co., Ltd.
Minolta Office System Tokai Co., Ltd.
Minolta Office System Kinki Co., Ltd.
Minolta-QMS K. K.
Others

【Sales subsidiaries in North America】
Minolta Corporation (U.S.A)
Mohawk Marketing Corporation (U.S.A)
Minolta-QMS, Inc. (U.S.A)
Minolta Business Equipment (Canada), Ltd.
Minolta Canada Inc.
Others

【Sales subsidiaries in Europe】
Minolta Europe GmbH (Germany)
Develop GmbH (Germany)
Minolta France S. A. S. (France)
Minolta (UK) Ltd. (United Kingdom)
Minolta Danmark A/S (Denmark)
Minolta Business Equipment (Belgium) N.V. (Belgium)
Minolta Italia S. p. A. (Italy)
Minolta Austria Gesellschaft mbH (Austria)
Minolta Camera Benelux B. V. (The Netherlands)
Minolta-QMS Europe B. V. (The Netherlands)
Other

【Sales subsidiaries in other areas】
Minolta Hong Kong Ltd. (Hong Kong, China)
Minolta Singapore (PTE) Ltd.
Other

MINOLTA CO., LTD

【Manufacturing subsidiaries and affiliates in Japan】
Aoi Camera Co., Ltd.
Sankei Precision Products Co., Ltd.
Toyohashi Precision Products Co., Ltd.
Miki Minolta Industries Co., Ltd.
Okayama Minolta Seimitsu Co., Ltd.
Minolta Components Co., Ltd.
Minolta Planetarium Co., Ltd.
MYG Disk Corporation
Others

【Manufacturing subsidiary in North America】
Minolta Advance Technology Inc. (U.S.A.)

【Manufacturing subsidiary in Europe】
Minolta Lorraine S. A. S. (France)

【Manufacturing subsidiaries in other areas】
Minolta Industries (HK) Ltd. (Hong Kong, China)
Shanghai Minolta Optical Products Co., Ltd. (China)
Wuhan Minolta Office Automation Equipments Co., Ltd. (China)
Minolta Malaysia Sdn. Bhd. (Malaysia)
Minolta Precision Engineering (M) Sdn. Bhd. (Malaysia)
Others

【Servicing Subsidiaries in Japan】
Minolta Techno System Co., Ltd.
Others

Legend:
→ *Supply of products*
←---→ *Supply of parts for products*

Management Policy and Overview of Performance

1. Management Policy

Fundamental Management Policy

Minolta established “The essentials of imaging” as its corporate slogan, and has made this slogan the nucleus of its business operations, through which we achieve a corporate brand that our customers find indispensable to the world of imaging. In order to pursue the concept set forth in our corporate slogan and by effectively utilizing resources, Minolta’s selective concentration strategy calls for us to become a leading image information company in specific fields where we can fully demonstrate our core competence. In line with that strategy, we will focus on acceleration of colorization in image information products, and promote digitization of optical products through clear customer targeting. Moreover, we will continue to execute our management strategy in order to build a solid position in areas where Minolta’s strength can be demonstrated.

With regard to improvement of financial position, along with continuing efforts to increase sales volume and profit as well as efficient operations, we are striving to minimize expense through reduced inventory levels and labor costs. At the same time, we are working to generate greater cash flow and a healthier balance sheet. We have made greater improvement than expected, but this progress will not diminish our continuing efforts to accelerate our restructuring program in order to create even greater efficiency and a stronger financial position.

Basic Dividend Policy

Minolta's basic dividend policy is determined based on the Company's profitability. It takes into consideration our goals of resuming a dividend and maintaining a stable dividend level by achieving profit targets based on the previously mentioned fundamental management policy. It also considers the accumulation of internal reserves required for future business development, pursuing our “selective concentration” strategy, and strengthening the company’s financial position.

Medium-term Management Strategies

On January 7, 2003, Minolta announced that a basic agreement was made between Minolta and Konica Corporation for a total integration of the two companies through stock swaps, as well as a total integration of the two companies’ managements in a spirit of equality. Subsequently, on January 16, 2003, Minolta and Konica made an agreement on the stock swap ratio that one Minolta share will be exchanged for 0.621 Konica share.

The operating policies for the new corporate group are as follows.

(1) Work toward the expansion of the business of the new group as a whole, improve competitiveness, and increase profitability by combining both companies’ strengths in imaging.

(2) Realize fair and open management under a structure of new corporate governance.

(3) Maximize the corporate value of the group through business portfolio management.

Moreover, the new corporate group aims to create a solid structure with the potential to become a top supplier in the image information industry, and further strengthen the optical systems business by combining the specialized optical technologies of Minolta and Konica.

Minolta’s Task

Minolta expects a continued severe business environment, but remains focused on winning a solid position in highly competitive markets and returning profit to our stakeholders as the most important tasks for the company. We will work to produce futuristic products and services that create maximum satisfaction for our customers. At the same time, we will concentrate our efforts to become a leading company with advanced technologies and a strong reputation for reliability in the global market.

For environmental preservation activities, Minolta will continue to actively introduce environmentally sensitive products, and to also recycle used products throughout the entire Minolta Group.

Encouraged by the positive results of the term, we will continue to execute a variety of measures to complete the structural change and strive to achieve the final goals of our medium-term management plan. By successfully completing the goals, we will do everything possible to boost the worldwide brand value, and shareholder value, of Minolta.

Corporate Governance

To strengthen corporate governance and speed up the decision-making process, Minolta introduced an executive officer system in April 2001 as well as an internal company system in April 2002. These new systems further propel us toward achieving our goals and allow us to reorganize in a manner that conforms to today's market segments, making it possible for us to enhance customer responsiveness. At the same time, we will achieve greater managerial speed by allocating a broader scope of authority to the internal company presidents and executive officers. Through this, we aim to increase the individual profitability of each internal company and further strengthen our market competitiveness.

As a constructive measure to further enhance corporate governance, Minolta established a group-wide compliance system by adopting “Minolta Compliance Regulations” and “Minolta Compliance Management Regulations.” Through these we promote awareness among all group companies and employees about compliance with laws, corporate ethics and our corporate code with its emphasis on accountability.

Through these efforts in strengthening corporate governance, Minolta will work to establish a system of management based on fairness and transparency.

2. Overview of Performance

(1) The Period under Review (The fiscal period ended March 31, 2003)

During the period under review, the U.S. economy continued to be weak. Consumer confidence was depressed by political tensions in the Middle East while corporate spending improved only modestly. For some of the same reasons, the German economy, an economic engine in the Euro zone, decelerated and the other European countries showed signs of recession. Asia, with the exception of China, showed signs of a general slowing of economic activity.

In Japan, no prospect of sustained economic recovery was in sight. Successful structural improvement resulted in limited signs of recovery in a few corporate sectors. But worsening business confidence, continued high unemployment, and sluggish exports contributed to fear of a deepening recession. During the period, the yen appreciated against the U.S. dollar and depreciated against the Euro.

Despite these economic conditions, Minolta vigorously executed its sales strategy, which aimed to establish a leading position in specified product fields or geographic areas. At the same time, as in the previous period, we continued to strengthen structural change that included the reduction of group fixed costs, procurement costs, and inventory levels.

In the field of image information products, Minolta strengthened the lineup of the DiALTA digital color multi-functional peripheral (MFP) series, including color MFPs equipped with polymerized toner as well as high-segment MFPs. We boosted sales of printers by introducing our breakthrough product, a compact color laser printer with an affordable price, as well as developing new sales channels. In optical products, sales significantly increased through emphasis on marketing digital cameras.

Image Information Products Operations

In the copier market during the period, responding to advanced information technology and digitization, Minolta sought to increase sales by enhancing the lineup of digital MFPs. The company introduced the DiALTA Di551 and DiALTA Di451*, supporting high productivity in the networked office environment, and the DiALTA Di850 which featured high productivity, polymerized toner technology, and output of 85 copies per minute.

In the growing digital color MFP market, we boosted our market share by expanding sales of the tandem engine based DiALTA Color CF3102 and DiALTA Color CF2002, using polymerized toner. Of particular note, we achieved the top share in the color MFP market in Germany. In addition, the DiALTA Color CF3102 and DiALTA Color CF2002 were very successful worldwide and received various awards for their excellent performance.

In the printer category, new products such as the PagePro 1200/1250 series and PagePro 9100 contributed to expanding market share in Europe, the U.S., and China while the printer market worldwide exhibited slower growth than expected. In the color laser printer market, which is expected to grow, our market share in Europe and the U.S. was increased significantly by the newly introduced magicolor 2300DL, an A4/letter size laser printer that has been recognized for its high productivity, compactness, and affordability. We also expanded our OEM business, deriving maximum benefit from our business alliance.

Overall sales of Image Information products were Yen 389,935 million, an increase of 2.1% compared with the previous fiscal year, resulting in an operating income of Yen 29,952 million, up by 176.9% compared with the previous fiscal year.

Note: DiALTA Di451 is marketed only in Japan.

Optical Products Operations

In optical products during the period, our sales in the digital camera market exhibited significant growth and competitiveness, continuing the strong growth of last fiscal year as a result of strengthening our sales strategy of establishing a leading position in specified genres. With contributions delivered by the DiMAGE digital cameras including the DiMAGE 7i, a high-end model with 5 megapixel effective resolution, the DiMAGE 7Hi, a limited edition, the DiMAGE F series with 4 megapixel and 5 megapixel effective resolution, and the DiMAGE X series with 2 megapixel and 3.2 megapixel effective resolution, we doubled unit sales and increased market share in the respective categories as well.

As for film cameras, our newly introduced α-Sweet II L SLR (Single Lens Reflex) camera, the latest model in our α-Sweet series, also contributed to sales expansion.

Sales of optical devices and components contributed to overall sales. In particular, sales of lens units used for mobile camera phones began to increase during the period, in addition to optical units for digital projectors and glass substrates for hard disks.

In the field of radiometric instruments, we continued to expand sales of the new VIVID 910 non-contact 3D digitizer and two models of colorimeters, CR-400 and CR-410, which are capable of responding with color evaluation based on a user-defined evaluation formula.

Overall sales of optical product operations increased 5.6% from the previous fiscal year, to Yen 114,040 million, with operating income Yen 3,208 million versus operating loss of Yen 7,237 million in the previous year.

Other Business Operations

Sales of other business operations, which primarily comprise the wholesale trade of electric appliances, the manufacture and sale of parts, and the manufacture and sale of planetariums, were Yen 24,178 million, an increase of 15.3% compared with the previous fiscal year. Operating income was Yen 1,027 million, up 211.2% compared with the previous fiscal year.

Overall net sales for the fiscal year under review were Yen 528,154 million, up 3.4% or Yen 17,292 million from the previous fiscal year. Operating income and recurring income, making a V-shaped recovery, amounted to Yen 34,382 million, up 770.5%, and Yen 21,912 million. Recurring income recovered from last year's 7,890 million loss, mainly due to the improvement of gross margin resulting from reduction of production cost and decreased selling, general and administrative expenses. Despite special losses due to revaluation of investment in securities, brought about by declining securities prices, net income also increased to Yen 12,696 million. This compares to a 34,350 million loss in the previous fiscal year. The company's performance for the period marked record-highs for Minolta in net sales, sales income and recurring income.

On a non-consolidated basis, net sales increased to Yen 296,329 million, up by 8.9% from the previous fiscal year. Recurring income and net income improved to Yen 17,712 million and Yen 11,969 million, respectively.

Due to the result for the fiscal period ended March 31, 2003, Minolta will propose a dividend of Yen 3 per share in the coming shareholders` meeting.

Note: α (alpha) series SLRs marketed in Japan and China are marketed as the MAXXUM series in North America and the DYNAX series in Europe, Asia Pacific countries and other areas not mentioned above.

(2) Cash Flow

Net cash provided by operating activities increased by Yen 79,026 million, up 112% from the previous year. Major reasons were the increase of pre-tax net income to Yen 15,316 million, despite the payment of the retirement premium for the early retirement program which was conducted in fiscal year 2001, and an increase of net cash resulting from the improvement of accounts receivable and reduction of inventory. Cash flow from investing activities decreased by 31.7% or Yen 15,275 million compared with the previous fiscal year, reflecting the continuation from last fiscal year of reduced capital expenditures. Consequently, free cash flow rose to Yen 63,751 million, up by 327.9% compared with the previous fiscal year. Cash flow from financing activities decreased by Yen 69,389 million, mainly as a result of active efforts to reduce interest-bearing debts through redemption of corporate bonds and repayment of bank loans. Cash and cash equivalents at the end of the period were Yen 33,359 million, a decrease of Yen 5,145 million from the end of the previous fiscal year.

Our cash flow indices are as follows:

	Year ended Mar. 31,1999	Year ended Mar. 31, 2000	Year ended Mar. 31, 2001	Year ended Mar. 31, 2002	Year ended Mar. 31, 2003
Shareholders' equity / Total assets (%)	20.0	20.4	15.6	10.9	15.8
Market capitalization / Total assets (%)	41.3	28.1	30.5	14.6	43.1
Interest-bearing debts / Operating cash flow (years)	--	10.2	--	6.4	2.2
Operating cash flow / Interest expenses (times)	--	2.6	--	4.5	10.8

Notes:

- All indices are calculated based on consolidated financial results.
- Market capitalization equals the stock price at the end of fiscal year multiplied by the number of shares outstanding, excluding treasury stock.
- Interest-bearing debts equal all debts in the consolidated balance sheet. Interest expenses are shown in the consolidated statement of cash flows.
- Ratios of Interest-bearing debts to operating cash flow and operating cash flow to interest expenses for years ended March 31, 1999 and 2001 are not available for the reasons that cash flow data is not disclosed, or operating cash flow is negative, for the respective years.

(3) The Current Fiscal Year (The fiscal year ending March 31, 2004)

In August 2003, Minolta and Konica Corporation will integrate management through stock swaps. The new corporate group aims to strengthen total business competitiveness and profitability, as well as expand business, by combining the strength of both companies, each of which takes the field of imaging as their primary business domain.

In the world economy, the business environment is likely to remain challenging for the foreseeable future. Amid such a business climate, we will focus on establishing a solid position in the highly competitive market and work to produce futuristic products and services that create maximum satisfaction and value for our customers. At the same time, we will concentrate our efforts to become a leading company with advanced technologies and a reputation for high reliability in the global market.

Our forecasts of performance for the interim period ending September 30, 2003, are as follows. Please note that forecasts for the full year are not provided due to the merger with Konica through stock swaps scheduled in August 2003.

		Current interim period ending Sep. 31, 2003	As compared with interim period ended Sep. 31, 2002
1. Consolidated base	Net sales	¥265,000	104 %
	Recurring income	8,500	128 %
	Net income	5,500	174 %
2. Non-consolidated base	Net sales	¥160,000	110 %
	Recurring income	5,500	104 %
	Net income	3,500	100 %

In estimating these figures, we set the foreign exchange rates for the first half of the fiscal year ending March 31, 2004 as ¥115 = US$1 and ¥120 = EUR1.

* The above-mentioned forecasts are the results of estimations based on currently available information, and accordingly, contain risks and uncertainties. The actual results of business performance may sometimes differ from these forecasts due to various factors.

Consolidated Balance Sheets

(As of March 31, 2003)

(in millions)

ASSETS	Year ended March 31, 2003		Year ended Mar. 31, 2002		Change
	Amount	% of total	Amount	% of total	Amount
Current assets:					
Cash, including time deposits	¥ 33,585		¥ 39,302		¥ (5,716)
Notes and accounts receivable	99,747		115,945		(16,198)
Marketable securities	5		4		0
Inventories	77,247		98,127		(20,879)
Deferred tax assets	5,413		3,064		2,348
Other current assets	12,115		11,725		389
Allowance for doubtful receivables	(4,258)		(4,217)		(40)
Total current assets	**223,856**	**61.0**	**263,951**	**61.8**	**(40,095)**
Fixed assets:					
Tangible fixed assets:					
Buildings and structures	24,935		27,007		(2,072)
Machinery, equipment and vehicles	10,558		12,982		(2,423)
Tools, furniture and fixtures	25,181		30,564		(5,383)
Land	27,503		27,817		(313)
Construction in progress	259		170		89
	88,438	**24.1**	**98,542**	**23.0**	**(10,103)**
Intangible fixed assets:					
Consolidation goodwill	4,214		5,110		(895)
Other intangible fixed assets	11,369		12,231		(862)
	15,584	**4.2**	**17,342**	**4.1**	**(1,758)**
Investments and other assets:					
Investments in securities	18,806		23,236		(4,430)
Long-term loans receivable	1,413		2,598		(1,185)
Deferred tax assets	11,873		14,452		(2,579)
Other investments	7,932		8,463		(531)
Allowance for doubtful receivables	(625)		(1,340)		714
	39,398	**10.7**	**47,411**	**11.1**	**(8,012)**
Total fixed assets	**143,421**	**39.0**	**163,295**	**38.2**	**(19,874)**
Total assets	**¥ 367,278**	**100.0**	**¥ 427,247**	**100.0**	**¥ (59,969)**

(in millions)

LIABILITIES AND SHAREHOLDERS' EQUITY	Year ended Mar. 31, 2003		Year ended Mar. 31, 2002		Change
	Amount	% of total	Amount	% of total	Amount
Liabilities:					
Current liabilities:					
Notes and accounts payable	¥ 51,418		¥ 52,833		¥ (1,415)
Short-term loans payable	133,784		178,485		(44,701)
Current portion of long-term liabilities related to straight bonds	---		15,000		(15,000)
Accrued income taxes	2,742		1,664		1,077
Allowance for bonuses	4,957		3,109		1,848
Allowance for product warranty	1,547		1,266		281
Other current liabilities	38,595		34,189		4,406
Total current liabilities	**233,045**	**63.4**	**286,548**	**67.1**	**(53,502)**
Long-term liabilities:					
Straight bonds	11,300		11,800		(500)
Long-term loans payable	25,587		34,737		(9,150)
Deferred income taxes	99		184		(85)
Deferred income taxes on revaluation reserve for land	5,974		6,166		(192)
Accrued retirement and severance benefits	23,048		30,922		(7,873)
Accrued retirement and severance benefits for directors and corporate auditors	435		434		0
Other long-term liabilities	8,489		8,485		3
Total long-term liabilities	**74,933**	**20.4**	**92,731**	**21.7**	**(17,798)**
Total liabilities	**307,978**	**83.8**	**379,279**	**88.8**	**(71,300)**
Minority interests	**1,351**	**0.4**	**1,465**	**0.3**	**(113)**
Shareholders' equity:					
Common stock	25,832	7.0	25,832	6.1	---
Capital surplus	40,325	11.0	51,198	12.0	(10,873)
Consolidated retained earnings	(9,587)	(2.6)	(33,149)	(7.8)	23,561
Revaluation reserve for land	8,741	2.4	8,516	2.0	224
Net unrealized holding gain (loss) on securities	(346)	(0.1)	(367)	(0.1)	21
Translation adjustments	(6,876)	(1.9)	(5,523)	(1.3)	(1,353)
Less treasury stock, at cost	(141)	(0.0)	(5)	(0.0)	(135)
Total shareholders' equity	**57,947**	**15.8**	**46,502**	**10.9**	**11,445**
Total liabilities and shareholders' equity	**¥ 367,278**	**100.0**	**¥ 427,247**	**100.0**	**¥ (59,969)**

Notes:

	Year ended Mar. 31, 2003	Year ended Mar. 31, 2002	Change
1. Accounted depreciation of tangible fixed assets:	¥ 185,806 million	¥ 173,715 million	¥ 12,091 million
2. Notes discounted:	¥ 359 million	¥ 682 million	¥ -323 million
3. Guarantees for indebtedness for subsidiaries:	¥ 2,237 million	¥ 3,060 million	¥ -822 million
4. Treasury stock:	304,184 shares	24,545 shares	279,639 shares

Consolidated Statements of Income

(Year ended March 31, 2003)

(in millions)

	Year ended Mar. 31, 2003		Year ended Mar. 31, 2002		Change
	Amount	% of total	Amount	% of total	Amount
Net sales	**¥ 528,154**	**100.0**	**¥ 510,862**	**100.0**	**¥ 17,292**
Cost of sales	**293,075**	**55.5**	**300,585**	**58.8**	**(7,509)**
Gross profit	**235,078**	**44.5**	**210,277**	**41.2**	**24,801**
Selling, general and administrative expenses	**200,695**	**38.0**	**206,327**	**40.4**	**(5,631)**
Operating income	**34,382**	**6.5**	**3,949**	**0.8**	**30,432**
Non-operating revenues:					
Interest and dividend income	714		668		45
Equity in earnings of unconsolidated subsidiaries and affiliates	72		---		72
Other	6,951		6,674		277
	7,737	**1.4**	**7,343**	**1.4**	**394**
Non-operating expenses:					
Interest expenses	7,074		8,301		(1,227)
Equity in loss of unconsolidated subsidiaries and affiliates	---		74		(74)
Loss on inventory valuation and disposition	5,702		8,317		(2,615)
Other	7,431		2,489		4,941
	20,208	**3.8**	**19,183**	**3.7**	**1,025**
Recurring income	**21,912**	**4.1**	**(7,890)**	**(1.5)**	**29,802**
Special gains:					
Gain on sales of fixed assets	368		1,646		(1,278)
Gain on sales of securities	56		25		30
Gain on return of substituted portion of employee retirement benefits	2,632		---		2,632
	3,057	**0.6**	**1,672**	**0.3**	**1,384**
Special losses:					
Loss on dispositions of fixed assets	1,477		1,701		(224)
Loss on sales of securities	47		1,653		(1,606)
Loss on valuation of investments in securities	6,448		13,982		(7,534)
Amortization of goodwill on consolidation	---		3,306		(3,306)
Restructuring charges	1,680		1,471		209
Special retirement benefits	---		5,236		(5,236)
	9,653	**1.8**	**27,351**	**5.4**	**(17,698)**
Income before income taxes	**15,316**	**2.9**	**(33,569)**	**(6.6)**	**48,885**
Corporate, inhabitant and corporate taxes	2,977		1,798		1,178
Adjustments of income tax and others	69		(590)		659
	3,046	**0.6**	**1,208**	**0.2**	**1,837**
Minority interests-loss	**426**	**0.1**	**427**	**0.1**	**(1)**
Net income	**¥ 12,696**	**2.4**	**¥ (34,350)**	**(6.7)**	**¥ 47,046**

Consolidated Statements of Surplus

(Year ended March 31, 2003)

(in millions)

	Year ended Mar. 31, 2003	Year ended Mar. 31, 2002	Change
Capital surplus:			
Balance at beginning of period	**¥ 51,198**	**¥ 51,198**	**---**
Decrement of capital surplus:			
Transfer to retained earnings	10,873	---	10,873
Decrement of capital surplus	10,873	---	10,873
Balance at end of period	**40,325**	**51,198**	**(10,873)**
Retained earnings:			
Balance at beginning of period	**(33,149)**	**1,897**	**(35,046)**
Increment of retained earnings:			
Net income	12,696	---	12,696
Adjustment resulting from change in fiscal year-end of consolidated subsidiaries	11	144	(133)
Transfer from capital surplus	10,873	---	10,873
Increment of retained earnings	23,580	144	23,435
Decrement of retained earnings:			
Cash dividends	---	840	(840)
Net loss	---	34,350	(34,350)
Transrer from revaluation reserve for land	18	---	18
Decrement of retained earnings	18	35,190	(35,171)
Balance at end of period	**¥ (9,587)**	**¥ (33,149)**	**¥ 23,561**

Consolidated Statements of Cash Flows

(Year ended March 31, 2003)

(in millions)

		Year ended Mar. 31, 2003	Year ended Mar. 31, 2002	Change
I.	**Cash flow from operating activities**			
1.	Income (loss) before income taxes and minority interests	¥ 15,316	¥ (33,569)	¥ 48,885
2.	Depreciation and amortization	25,337	26,398	(1,016)
3.	Amortization of goodwill on consolidation	895	4,467	(3,571)
4.	Increase in accrued retirement and severance benefits	(7,957)	9,348	(17,305)
5.	Interest and dividend income	(714)	(668)	(45)
6.	Interest expense	7,074	8,301	(1,227)
7.	Equity in loss of unconsolidated subsidiaries and affiliates	(72)	74	(146)
8.	Loss (gain) on sales of investments in securities	(8)	1,627	(1,636)
9.	Loss on valuation of investments in securities	6,448	13,982	(7,534)
10.	Gain on sales of property, plant and equipment	(368)	(1,646)	1,278
11.	Decrease (increase) in notes and accounts receivable	15,403	3,431	11,971
12.	Decrease (increase) of inventory	19,852	45,064	(25,211)
13.	Increase (decrease) in notes and accounts payable	(611)	(16,656)	16,044
14.	Decrease in accrued consumption taxes	222	716	(494)
15.	Other, net	6,482	(10,484)	16,967
	Subtotal	87,300	50,388	36,912
16.	Interest and dividend income received	713	603	109
17.	Interest expense paid	(7,310)	(8,354)	1,044
18.	Income taxes paid	(1,678)	(5,362)	3,683
	Net cash provided by (used in) operating activities	79,026	37,275	41,750
II.	**Cash flows from investing activities**			
1.	Proceeds from sales of marketable securities	---	44	(44)
2.	Purchases of property, plant and equipment	(12,331)	(20,804)	8,472
3.	Proceeds from sales of property, plant and equipment	2,567	4,710	(2,142)
4.	Purchases of investments in securities	(3,108)	(2,423)	(595)
5.	Proceeds from sales of investments in securities	1,171	1,746	(575)
6.	Additional acquisition of subsidiaries' shares	(2)	(234)	231
7.	Repayment for loan receivable	(34)	(46)	12
8.	Collections of loan receivable	334	79	254
9.	Other, net	(3,962)	(5,449)	1,486
	Net cash used in investing activities	(15,275)	22,375	7,099
III.	**Cash flow from financing activities**			
1.	Increase in short-term bank loans	(51,067)	3,443	(54,510)
2.	Proceeds from long-term borrowings	14,402	8,925	5,476
3.	Repayment of long-term borrowings	(15,659)	(14,637)	(1,021)
4.	Redemption of unsecured bonds	(15,500)	(1,200)	(14,300)
5.	Dividends paid	(9)	(845)	836
6.	Dividends paid to minority interests	(88)	(84)	(4)
7.	Other, net	(1,467)	(248)	(1,218)
	Net cash (used in) provided by financing activities	(69,389)	(4,647)	(64,742)
IV.	**Effect of exchange rate changes on cash and cash equivalents**	**(649)**	**883**	**(1,533)**
V.	**Increase (Decrease) in cash and cash equivalents**	**(6,288)**	**11,137**	**(17,425)**
VI.	**Cash and cash equivalents at beginning of year**	**38,505**	**27,113**	**11,391**
VII.	**Cash and cash equivalents of initially consolidated subsidiaries at beginning of year**	**1,143**	**253**	**889**
VIII.	**Cash and cash equivalents at end of year**	**¥ 33,359**	**¥ 38,505**	**¥ (5,145)**

Segment Information

1. Information by Industry Segment

Year ended March 31, 2003

(in millions)

	Image information products	Optical products	Other	Total	Elimination or corporate	Consolidated total
I. Net sales & operating income and loss						
Net sales:						
(1) External sales	¥ 389,935	¥ 114,040	¥ 24,178	¥ 528,154	---	¥ 528,154
(2) Inter-segment sales	164	465	8,120	8,749	(8,749)	---
Total sales	390,099	114,505	32,299	536,903	(8,749)	528,154
Operating expenses	360,147	111,297	31,271	502,715	(8,944)	493,771
Operating income (loss)	¥ 29,952	¥ 3,208	¥ 1,027	¥ 34,188	¥ 194	¥ 34,382
II. Assets, depreciation & amortization, and capital investments						
Assets	¥ 247,612	¥ 78,399	¥ 13,904	¥ 339,917	¥ 27,361	¥ 367,278
Depreciation expenses	20,968	4,101	267	25,337	---	25,337
Capital expenditures	15,823	3,180	843	19,846	---	19,846

Year ended March 31, 2002

(in millions)

	Image information products	Optical products	Other	Total	Elimination or corporate	Consolidated total
I. Net sales & operating income and loss						
Net sales:						
(1) External sales	¥ 381,906	¥ 107,992	¥ 20,962	¥ 510,862	---	¥ 510,862
(2) Inter-segment sales	37	81	2,541	2,660	(2,660)	---
Total sales	381,944	108,074	23,503	513,522	(2,660)	510,862
Operating expenses	371,127	115,311	23,173	509,612	(2,700)	506,912
Operating income (loss)	¥ 10,816	¥ (7,237)	¥ 330	¥ 3,909	¥ 40	¥ 3,949
II. Assets, depreciation & amortization, and capital investments						
Assets	¥ 267,949	¥ 98,458	¥ 6,117	¥ 372,525	¥ 54,721	¥ 427,247
Depreciation expenses	20,853	5,394	92	26,339	58	26,398
Capital expenditures	21,732	4,662	607	27,002	---	27,002

Notes:

1. Method of Classification of Categories
   Based on consideration of similarities and other characteristics regarding product end-users, manufacturing processes and markets and marketing methods, business operations have been classified into the categories of image information product operations and optical product operations. Products that do not fall into these categories are classified as other

2. Principal Products by Operational Category
   Image information products……Photocopiers, and printers
   Optical products………………..Cameras, lenses, and radiometric instruments
   Other operations………………..Products not included in the above categories

3. The assets in the estimations or companywide columns are principally excess funds under management (cash and negotiable securities) of the parent company and long-term investments (investment securities) of the parent company.
   March 2003 ¥28,518 million
   March 2002 ¥55,410 million

2. Information by Geographic Area

Year ended March 31, 2003

(in millions)

	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated total
I. Net sales & operating income and loss							
Net sales							
(1) External sales	¥ 168,345	¥ 163,592	¥ 162,872	¥ 33,344	¥ 528,154	---	¥ 528,154
(2) Inter-segment sales	174,684	4,115	1,810	98,232	278,843	(278,843)	---
Total sales	343,030	167,707	164,682	131,577	806,997	(278,843)	528,154
Operating expenses	317,452	163,786	160,783	128,719	770,740	(276,968)	493,771
Operating income (loss)	25,577	3,921	3,899	2,857	36,256	(1,874)	34,382
II. Assets	¥ 217,165	¥ 88,492	¥ 88,825	¥ 39,752	¥ 434,236	¥ (66,958)	¥ 367,278

Year ended March 31, 2002

(in millions)

	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated total
I. Net sales & operating income and loss							
Net sales							
(1) External sales	¥ 165,695	¥ 166,283	¥ 152,037	¥ 26,846	¥ 510,862	---	¥ 510,862
(2) Inter-segment sales	153,045	3,780	1,695	98,082	256,604	(256,604)	---
Total sales	318,740	170,064	153,733	124,928	767,466	(256,604)	510,862
Operating expenses	315,556	170,944	152,798	123,316	762,615	(255,703)	506,912
Operating income (loss)	3,183	(879)	934	1,612	4,850	(900)	3,949
II. Assets	¥ 241,396	¥ 104,308	¥ 93,010	¥ 46,566	¥ 485,281	¥ (58,034)	¥ 427,247

Notes:

1. Classification of areas is made according to the geographical neighborhood.

2. Details of areas in the classification excluding Japan are as follows:
   (1) North America……the United States, Canada
   (2) Europe…………….European countries including Germany, France, and the United Kingdom
   (3) Other areas……….All other areas excluding the above (1) and (2)

3. The assets in the estimations or companywide columns are principally excess funds under management (cash and negotiable securities) of the parent company and long-term investments (investment securities) of the parent company.

   March 2003 ¥28,518 million

   March 2002 ¥55,410 million

3. Overseas Sales

Year ended March 31, 2003

(in millions)

	North America	Europe	Other areas	Total
Overseas sales	¥ 188,982	¥ 186,821	¥ 62,374	¥ 438,178
Consolidated sales				528,154
Overseas sales as a percentage of consolidated net sales	35.8%	35.4%	11.8%	83.0%

Year ended March 31, 2002

(in millions)

	North America	Europe	Other areas	Total
Overseas sales	¥ 189,108	¥ 171,541	¥ 58,968	¥ 419,619
Consolidated sales				510,862
Overseas sales as a percentage of consolidated net sales	37.0%	33.6%	11.5%	82.1%

Notes:

1. Classification of areas is made according to the geographical neighborhood.

2. Details of areas in the classification excluding Japan are as follows:
   (1) North America……the United States, Canada
   (2) Europe…………….European countries including Germany, France, and the United Kingdom
   (3) Other areas……….All other areas excluding the above (1) and (2)

3. Areas of overseas sales means destination of sales excluding Japan.