

**Financial Results (Nonconsolidated)  
for the Fiscal Year Ended March 31, 2002**

English Translation or "KESSAN TANSHIN"  
(April 1, 2001 to May 31, 2002)

**Konica Corporation**

Company Name: Konica Corporation  
Local Securities Code Number: 4902  
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Stock Exchange Listings: Tokyo, Osaka, Nagoya (First Sections)  
Head Office: 26-2 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 163-0512, Japan  
Board of Directors Meeting for Fiscal Year: May 10, 2002  
Ordinary General Meeting of Shareholders: June 25, 2002  
Provision for Interim Dividends: Yes  
Stock unit system: Yes (number of shares per unit = 1,000 shares)

**1. NONCONSOLIDATED FINANCIAL RESULTS FOR FISCAL 2002 (APRIL 1, 2001, TO MARCH 31, 2002)**

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

(Million yen)

	Net sales		Operating income		Recurring profit	
Fiscal 2002	339,003	(1.8)%	16,327	(8.4)%	18,702	68.9%
Fiscal 2001	345,284	(1.4)%	17,817	22.3)%	17,175	67.6%

	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 2002	(29,928) —	(83.69)	—	18.4%	5.2%	5.5%
Fiscal 2001	3,653 (22.4)	10.21	—	1.9%	4.3	5.0

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

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

Year ended March 31, 2001: 357,655,368

2. Changes in accounting methods: None

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

**(2) Dividends**

	Annual dividend per share (Yen)	Interim (Yen)	Year-end (Yen)	Total cash dividends paid for the entire fiscal year (Million yen)	Payout ratio (%)	Dividends-to- shareholders' equity ratio (%)
Fiscal 2002	10.0	5.0	5.0	3,575	—	2.2
Fiscal 2001	10.0	5.0	5.0	3,576	97.9	1.8

Note: The breakdown of the dividend for the year ended March 31, 2001, was as follows: Commemorative dividend: ¥0.00, Special dividend: or extraordinary dividend: ¥0.00

### (3) Financial Position

	Assets (Million yen)	Shareholders' equity (Million yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
Fiscal 2002	358,038	163,082	45.5	455.98
Fiscal 2001	395,122	196,930	49.8	550.61

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

March 31, 2002: 357,655,368

March 31, 2001: 357,655,368

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

March 31, 2002: 159,947

March 31, 2001: 2,593

### 2. NONCONSOLIDATED RESULTS FORECAST FOR FISCAL 2003 (APRIL 1, 2002, TO MARCH 31, 2003)

	Net sales (Million yen)	Recurring profit (Million yen)	Net income (Million yen)	Annual dividend per share (Yen)		
				Interim	End of fiscal year	
Interim	178,000	9,000	4,500	5.00	—	—
Full-year	360,000	17,000	9,000	—	5.00	10.00

(Estimated net income per share: ¥25.16)

Note: The projections above are based on assumptions, forecasts, and plans current at the time of their announcement, and they include potential risks and uncertainties. Actual performance and results may greatly differ from the projections above due to various important factors. For items related to the above projects, see page five of the appended materials.

## 1. NONCONSOLIDATED FINANCIAL STATEMENTS

### (1) Statements of Income and Retained Earnings

(Million yen)

	Fiscal year April 1, 2000, to March 31, 2001		Fiscal year April 1, 2001, to March 31, 2002		Increase / Decrease	
	Amount	% of total	Amount	% of total	Amount	% of total
Sales	345,284	100.0	339,003	100.0	(6,280)	(1.8)
Cost of sales	221,637	64.2	207,777	61.3	(13,859)	(6.3)
Gross profit	123,647	35.8	131,226	38.7	7,578	6.1
Selling, general and administrative expenses	105,830	30.6	114,898	33.9	9,068	8.6
<b>Operating income</b>	<b>17,817</b>	<b>5.2</b>	<b>16,327</b>	<b>4.8</b>	<b>(1,489)</b>	<b>(8.4)</b>
Non-operating income	9,764	2.8	8,403	2.5	(1,361)	(13.9)
Interest and dividend income	2,718		830		(1,888)	
Other	7,046		7,573		527	
Non-operating expenses	10,406	3.0	6,028	1.8	(4,377)	(42.1)
Interest expense	2,157		1,579		(578)	
Other	8,248		4,449		(3,798)	
<b>Recurring profit</b>	<b>17,175</b>	<b>5.0</b>	<b>18,702</b>	<b>5.5</b>	<b>1,526</b>	<b>8.9</b>
Extraordinary profit	18,541	5.3	2	0.0	(18,538)	(100.0)
Gain on sales of fixed assets	8,517		2		(8,515)	
Gain on sales of stocks of associated companies	1,150		—		(1,150)	
Gains on securities contributed to employee retirement benefit trusts	8,873		—		(8,873)	
Extraordinary losses	30,413	8.8	46,855	13.8	16,441	54.1
Loss on disposal and sale of fixed assets	1,574		1,080		(493)	
Write-down on investment securities	2,358		1,542		(816)	
Valuation loss on stocks on associated companies	4,768		41,274		36,505	
Loss on liquidation of subsidiaries and affiliated companies	1,259		2,957		1,697	
Transition obligations due to adoption of new accounting standard for retirement benefits	20,451		—		(20,451)	
<b>Income before income taxes and minority interests</b>	<b>5,303</b>	<b>1.5</b>	<b>(28,150)</b>	<b>(8.3)</b>	<b>(33,454)</b>	<b>—</b>
Income taxes	23		4,461		4,438	
Deferred income taxes	1,626		(2,683)		(4,310)	
<b>Net income</b>	<b>3,653</b>	<b>1.1</b>	<b>(29,928)</b>	<b>(8.8)</b>	<b>(33,581)</b>	<b>—</b>
Retained earnings at beginning of the period	3,708		3,563		(144)	
Interim dividend payment	1,788		1,788		0	
Accumulated capital reserve	178		—		(178)	
Unappropriated earnings at the fiscal year-end	5,394		(28,153)		(33,547)	

**(2)Balance Sheets**

(Million yen)

	Fiscal year April 1, 2000, to March 31, 2001		Fiscal year April 1, 2001, to March 31, 2002		Increase / Decrease	
	Amount	% of total	Amount	% of total	Amount	% of total
<b>Current assets</b>	195,060	49.4	181,185	50.6	(13,875)	(7.1)
Cash and deposits	21,224		11,643		(9,581)	
Trade notes receivable	15,656		9,714		(5,942)	
Accounts receivable	87,309		87,493		183	
Marketable securities	1,081		300		(780)	
Treasury stock	1		—		(1)	
Manufactured and finished goods	22,409		22,821		411	
Raw materials	9,865		10,774		908	
Unfinished goods	14,408		15,730		1,322	
Supplies	4,050		2,531		(1,518)	
Prepaid expenses	2,361		1,783		(578)	
Deferred tax assets	5,735		6,810		1,075	
Other receivables	9,818		8,260		(1,558)	
Other current assets	1,671		3,567		1,895	
Allowance for doubtful accounts	(534)		(246)		288	
<b>Fixed assets</b>	200,061	50.6	176,853	49.4	(23,207)	(11.6)
<i>Tangible fixed assets</i>	77,343	19.6	88,470	24.7	11,127	14.4
Buildings	25,136		24,755		(380)	
Structures	2,111		2,111		0	
Machinery and Equipments	28,551		28,347		(203)	
Vehicles	114		125		10	
Equipment	3,469		3,342		(127)	
Land	10,535		10,487		(48)	
Construction in progress	7,425		19,302		11,877	
<i>Intangible fixed assets</i>	2,767	0.7	4,947	1.4	2,179	78.8
Software	2,547		3,891		1,344	
Other intangible assets	219		1,055		835	
<i>Investments and others</i>	(119,950)	30.3	83,435	23.3	(36,514)	(30.4)
Investment securities	13,026		10,961		(2,065)	
Shares in affiliates	91,262		52,308		(38,953)	
Loans to affiliates	5,431		5,957		525	
Long-term loans	3,217		1,697		(1,520)	
Long-term prepaid expenses	1,220		788		(431)	
Deferred tax assets	5,414		7,152		1,737	
Other investments	5,989		7,234		1,245	
Allowance for doubtful accounts	(5,613)		(2,664)		2,948	
<b>Total assets</b>	395,122	100.0	358,038	100.0	(37,083)	(9.4)

(Million yen)

	Fiscal year April 1, 2000, to March 31, 2001		Fiscal year April 1, 2001, to March 31, 2002		Increase / Decrease	
	Amount	% of total	Amount	% of total	Amount	% of total
<b>Current liabilities</b>	126,867	32.1	130,395	36.4	3,528	2.8
Trade notes payable	13,476		11,657		(1,819)	
Accounts payable	47,248		39,848		(7,399)	
Short-term loans	13,390		16,000		2,610	
Long-term loans due within one year	3,520		1,017		(2,503)	
Bonds due within one year	15,000		15,000		—	
Other payables	7,700		10,875		3,174	
Accrued expenses	21,690		26,039		4,348	
Accrued income taxes	78		4,345		4,276	
Advances received	354		686		331	
Allowance for product warranties	1,361		1,111		(250)	
Reserve for loss on liquidation of subsidiaries	—		3,500		3,500	
Reserve for costs of restructuring	988		—		(988)	
Other current liabilities	2,057		304		(1,753)	
<b>Long-term liabilities</b>	71,324	18.1	64,559	18.1	(6,765)	(9.5)
Bonds	45,000		32,000		(13,000)	
Long-term loans	4,652		9,127		4,474	
Long-term guarantee deposits received	227		269		41	
Reserve for retirement benefits and pension plans	21,444		23,152		1,707	
Other long-term liabilities	—		10		10	
<b>Total liabilities</b>	198,192	50.2	194,955	54.5	(3,236)	(1.6)
Capital stock	37,519	9.5	37,519	10.5	—	—
Capital reserve	79,342	20.1	79,342	22.1	—	—
Legal reserves	7,576	1.9	7,760	2.2	183	2.4
Retained earnings	71,468	18.0	37,735	10.5	(33,733)	(47.2)
Special reserve for redemptions	182		195		13	
Deduction entry surplus reserve	2,027		5,727		3,700	
Other surplus reserve	63,864		59,964		(3,900)	
Unappropriated earnings for interim period (including net income)	5,394		(28,153)		(33,547)	
Other appraisal losses on securities	(3,653)		(29,928)		(33,581)	
Treasury stock, at cost	1,022	0.3	844	0.2	(178)	(17.4)
	—	—	(119)	(0.0)	(119)	
<b>Total shareholders' equity</b>	196,930	49.8	163,082	45.5	(33,847)	(17.2)
<b>Total liabilities and shareholders' equity</b>	395,122	100.0	358,038	100.0	(37,083)	(9.4)

Notes:

	Fiscal 2001	Fiscal 2002	Year-on-year change
1. Accumulated depreciation on tangible fixed assets (Million yen)	178,495	183,334	4,838
2. Balance of guaranteed obligations (including guarantee) (Million yen)	50,652 (29,290)	41,073 (29,500)	(9,579) (210)
3. Number of shares of treasury stock	2,593	159,947	157,354

**(3) Proposed appropriations of retained earnings**

(Million yen)

	April 1, 2000 – March 31,2001	April 1, 2001 – March 31,2002	Increase/Decrease
Unappropriated earnings for the year	5,394	(28,153)	(33,547)
Reversal of reserve for special depreciation	36	41	4
Reversal of reserve for advanced depreciation	220	163	(56)
Reversal of general reserve	3,900	33,700	29,800
Total	9,550	5,751	(3,799)
Appropriation earnings:			
Legal reserve	183	—	(183)
Dividends to shareholders (Per share)	1,788	1,787	(0)
Bonuses to directors (Portion to corporate auditors)	<5> 45	<5> —	(45)
Special depreciation reserve	<3> 50	<—> 9	(40)
Reserve for advanced depreciation	3,920	—	(3,920)
Unappropriated earnings carried forward	3,563	3,954	391

Note: Other than the above, interim dividends of ¥1,788million (¥ 5 per share) were paid during the year under review.

**BASIS OF PRESENTING NONCONSOLIDATED FINANCIAL STATEMENTS****Accounting Standards and Methods****1. Asset Valuation***(1) Securities*

Shares of subsidiaries and affiliates are stated at cost using the moving-average method.

*(2) Other securities*

Securities with fair market value are stated using the mark-to-market method based on the market price at the interim settlement date. (Total net unrealized gains or losses after tax effect adjustment are directly recorded in shareholders' equity, and the cost of securities sold is computed based on the moving-average method.) Other securities that do not have fair market value are primarily stated at cost using the moving-average method.

**2. Derivatives**

Derivatives are stated using the mark-to-market method.

**3. Inventories**

Unfinished products are stated at the lower of cost or market value cost as determined by the periodic-average method, and finished products, raw materials, and unfinished goods are stated at cost as determined by the periodic-average method.

**4. Depreciation and amortization of major depreciable assets***(1) Tangible fixed assets*

The declining-balance method is used. However, the straight-line method is used for buildings (excluding annexed structures) acquired since April 1, 1998.

*(2) Intangible fixed assets*

The straight-line method is used. For software for internal use, the straight-line method is adopted based on a licensing period of five years.

**5. Foreign Currency Translation**

Foreign currency denominated assets and liabilities are translated into yen at the exchange rates prevailing on the settlement date for the interim period, and the differential amount is treated as a loss or gain.

**6. Reserves**

*(1) Allowance for doubtful receivables*

For general receivables, an amount is provided according to the historical percentage of uncollectables. (The legal provision rate will be used when the legal provision rate specified by the transitional measure of the Corporation Tax Law exceeds the historical percentage.) For specific receivables for which there is some concern regarding collectability, an amount is recorded by investigating the possibility of collection for each individual account.

*(2) Reserves for product warranty*

Regarding the provision of after-sales service for cameras, facsimiles, and copiers, reserves for product warranty for cameras and facsimiles are calculated based on the estimated amount of service costs during the warranty period. For copiers, the amount is recorded based on past after-sales service expenses as a percentage of net sales.

*(3) Reserves for retirement benefits*

Reserves for employees' retirement benefits are provided on an accrual basis based on the projected retirement benefit obligation and the pension fund assets calculated using various actuarial assumptions as of the end of the interim period.

Prior service cost is being amortized as incurred by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees.

Actuarial gains and losses are amortized in the year following the year in which the gains or losses are recognized, primarily by the straight-line method over periods (principally 10 years) which are shorter than the average remaining years of service of the employees.

*(4) Reserves to cover costs of corporate restructuring and liquidation of subsidiaries and affiliated companies*

Reserves for loss on liquidation of subsidiaries and affiliated companies are established to provide for projected loss on liquidation of subsidiaries.

*(5) Reserves to cover costs of business reorganization and liquidation*

Reserves for loss on liquidation of business reorganization and liquidation are established to provide for projected loss on liquidation of subsidiaries.

**7. Lease Transactions**

Finance leases that do not transfer ownership rights of the leased property to the lessee are principally accounted for based on the usual methods for operating leases.

**8. Principal Accounting Methods for Hedge Transactions**

*(1) Hedge accounting methods*

The deferred hedge method is used. Special accounting methods are used for interest rate swaps that meet certain conditions.

*(2) Hedging instruments*

Derivatives (forward exchange contracts, interest rate swaps, and commodity swaps)

*Hedged items*

Anticipated foreign currency denominated transactions, corporate bonds, borrowings, and raw materials

*(3) Hedge policy*

Hedges are implemented within a certain range for the purpose of hedging foreign exchange rate fluctuation risk, interest rate fluctuation risk, and raw-material price fluctuation risk, based on internal regulations regarding derivative transactions.

*(4) Methods for evaluating the effectiveness of hedges*

Verification is made to ascertain a high correlation between value fluctuations of hedged items and hedging instruments.

**9. Consumption tax**

Transactions subject to consumption tax are stated at the amount net of the related consumption tax.

*(Additional information)*

Treasury stock, which had previously been presented under current assets, was presented as a debit side component of shareholders' equity.



## LEASE TRANSACTIONS

For the period April 1, 2000— March 31, 2001				For the period April 1, 2001— March 31, 2002			
Finance lease transactions, other than those under which ownership rights to the leased asset are transferred to the lessee				Finance lease transactions, other than those under which ownership rights to the leased asset are transferred to the lessee			
1. Proforma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of March 31, 2001 (Million yen)				1. Proforma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of March 31, 2002 (Million yen)			
	Acquisition cost	Accumulated depreciation	Book value		Acquisition cost	Accumulated depreciation	Book value
Buildings	11	5	5	Buildings	17	10	7
Machinery and equipments	5,833	1,034	4,798	Machinery and equipments	5,935	1,893	4,041
Vehicles	41	16	24	Vehicles	31	15	15
Tools, Furniture and fixtures	2,867	1,601	1,266	Tools, Furniture and fixtures	3,310	1,925	1,384
Software	524	394	130	Software	377	263	114
Total	9,279	3,053	6,225	Total	9,671	4,108	5,563
Note: Since the ratio of the amount of future payments under finance leases to the total balance of tangible fixed assets as of the end of the period is low, acquisition cost includes the imputed interest expense portion.				Note: Since the ratio of the amount of future payments under finance leases to the total balance of tangible fixed assets as of the end of the period is low, acquisition cost includes the imputed interest expense portion.			
2. Proforma information relating to future lease payments as of March 31, 2001 (Million yen)				2. Proforma information relating to future lease payments as of March 31, 2002 (Million yen)			
Payable within one year		1,458		Payable within one year		1,444	
Payable after one year		4,767		Payable after one year		4,118	
Total		6,225		Total		5,563	
Note: Since the ratio of the amount of future payments under finance leases to the total balance of tangible fixed assets as of the end of the period is low, acquisition cost includes the imputed interest expense portion.				Note: Since the ratio of the amount of future payments under finance leases to the total balance of tangible fixed assets as of the end of the period is low, acquisition cost includes the imputed interest expense portion.			
3. Proforma information relating to future lease payments and depreciation expense (Million yen)				3. Proforma information relating to future lease payments and depreciation expense (Million yen)			
Lease payments		1,462		Lease payments		1,530	
Depreciation expense		1,462		Depreciation expense		1,530	
4. Calculation method for proforma depreciation expense: Proforma depreciation expense is computed using the straight-line method over the leased period with zero residual value.				4. Calculation method for proforma depreciation expense: Proforma depreciation expense is computed using the straight-line method over the leased period with zero residual value.			

**SECURITIES**

Subsidiaries and affiliated companies' stocks with no market value

(Million yen)

	Fiscal 2001			Fiscal 2002		
	Balance sheet amount	Market value	Difference	Balance sheet amount	Market value	Difference
Affiliated companies' stocks	1,660	2,086	425	1,660	1,039	(620)