

**Consolidated Financial Results  
for the Interim Fiscal Period Ended September 30, 2001**

English Translation of "KESSAN TANSHIN"  
(November 15, 2001)

**Konica Corporation**

Company Name: Konica Corporation

Local Securities Code Number: 4902

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Stock Exchange Listings: Tokyo, Osaka, Nagoya (First Sections)

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Board of Directors Meeting for Interim Period: November 15, 2001

U.S. accounting practices have not been adopted in this statement

**1. CONSOLIDATED FINANCIAL RESULTS FOR INTERIM PERIOD (APRIL 1, 2001, TO SEPTEMBER 30, 2001)**

**(1) Operating Results**

(Million yen)

	Net sales		Operating income		Recurring profit	
Interim period ended September 30, 2001	267,151	1.5	13,867	24.8	9,375	7.8
Interim period ended September 30, 2000	271,086	3.3	18,448	1.2	10,165	1.7
Fiscal year ended March 31, 2001	543,179		30,543		20,162	

	Net income (Million yen)		Net income per share (Yen)	Net income per share ,diluted (Yen)
Interim period ended September 30, 2001	3,546	407.3	9.92	
Interim period ended September 30, 2000	699	83.5	1.96	
Fiscal year ended March 31, 2001	6,457		18.06	

Notes: 1. Equity in profit (loss) of nonconsolidated subsidiaries and affiliates:

Interim period ended September 30, 2001: ¥(357 million)

Interim period ended September 30, 2000: ¥(287 million)

Fiscal year ended March 31, 2001: ¥(248 million)

2. Average number of shares during the period:

Interim period ended September 30, 2001: 357,653,655

Interim period ended September 30, 2000: 357,649,576

Fiscal year ended March 31, 2001: 357,653,044

3. Changes in accounting methods: None

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

**(2) Financial Position**

	Assets (Million yen)	Shareholders' equity (Million yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
Interim period ended September 30, 2001	525,336	163,687	31.2	457.67
Interim period ended September 30, 2000	532,428	154,532	29.0	432.07
Fiscal year ended March 31, 2001	518,181	160,259	30.9	448.09

Note: Number of shares outstanding at end of the period (consolidated):  
 Interim period ended September 30, 2001: 357,653,589  
 Interim period ended September 30, 2000: 357,651,643  
 Fiscal year ended March 31, 2001: 357,652,775

(3) <b>Cash Flows</b>				(Million yen)
	Operating activities	Investment activities	Financing activities	Cash and cash equivalents at year-end
Interim period ended September 30, 2001	18,775	16,203	8,186	52,021
Interim period ended September 30, 2000	24,340	20	16,968	62,639
Fiscal year ended March 31, 2001	50,923	8,119	42,648	56,573

(4) **Scope of Consolidation/Equity Method Accounting**  
 Consolidated subsidiaries: 70  
 Subsidiaries accounted for by the equity method: 14  
 Affiliates accounted for by the equity method: 3

(5) **Changes in Scope of Consolidation/Equity Method**  
 Newly consolidated subsidiaries: 10  
 Subsidiaries excluded from consolidation: 1  
 Companies included in equity method accounting: 1  
 Companies excluded from equity method accounting: 10

## 2. CONSOLIDATED RESULTS FORECAST FOR FISCAL 2002 (APRIL 1, 2001, TO MARCH 31, 2002)

(Million yen)		
Net sales	Recurring profit	Net income
540,000	20,000	9,000

(Estimated net income per share: ¥25.16)

## 1. KONICA GROUP ORGANIZATION

The Konica Group comprises 70 consolidated subsidiaries, 14 nonconsolidated subsidiaries, and 9 affiliate companies. The organization of Group companies is outlined below.

<b>Konica Corporation</b>	
<i>Photographic Materials and Photo-related Industrial Equipment</i> Film, paper, photographic chemicals, miscellaneous chemicals, photographic equipment, others	<i>Business Machines, Cameras, and Optical Products</i> Copiers, facsimiles, printers, cameras, optical products, others
<i>Photographic Materials and Photo-related Industrial Equipment</i> Production (Domestic)	<i>Business Machines, Cameras, and Optical Products</i> Production (Domestic)
<ul style="list-style-type: none"> <li>• Konica Gelatin Corporation</li> <li>• Konica Packaging Corporation</li> <li>• Konica Chemical Corporation</li> <li>• Konica Repro Co., Ltd.</li> <li>• Konica System Equipment Co., Ltd.</li> <li>* Toho Chemical Laboratory Co., Ltd.</li> </ul> Other Nonconsolidated Subsidiaries: 1 Other Affiliates: 1	<ul style="list-style-type: none"> <li>• Yamanashi Konica Co., Ltd.</li> <li>• Kofu Konica Co., Ltd.</li> <li>• Konica Supplies Manufacturing Co., Ltd.</li> <li>• Konica Denshi Co., Ltd.</li> <li>* Sekonic Co., Ltd.</li> </ul>
Production (Overseas)	Production (Overseas)
<ul style="list-style-type: none"> <li>• Konica Manufacturing USA., Inc.</li> <li>■ Konica Photochem (Thailand) Co., Ltd.</li> </ul> Other Nonconsolidated Subsidiaries: 1	<ul style="list-style-type: none"> <li>• Konica Supplies Manufacturing U.S.A., Inc.</li> <li>• Konica Business Machines Europe GmbH</li> <li>• Konica Manufacturing (H.K.) Ltd.</li> </ul> Other Consolidated Subsidiaries: 1

Sales and Service (Domestic)	Sales and Service (Domestic)
<ul style="list-style-type: none"> <li>• Konica Marketing Corporation</li> <li>• Konica Color Imaging Corporation</li> <li>• Konica Color Photo Equipment Co., Ltd.</li> <li>• Konica Medical Inc.</li> <li>• Kyoritsu Medical Co., Ltd.</li> <li>• Konica Meditech Service Corporation</li> <li>• Nihon ID System Co., Ltd.</li> <li>• Konica ID Imaging Co., Ltd. (1)</li> <li>• Konica Logistics Co., Ltd.</li> <li>• Konica Sogo Service Co., Ltd.</li> <li>• Konica Engineering Co., Ltd.</li> <li>• Konica Technosearch Corporation</li> </ul> <p style="text-align: right;">Other Consolidated Subsidiaries: 1 Other Nonconsolidated Subsidiaries: 3 Other Affiliates: 1</p>	<ul style="list-style-type: none"> <li>• Konica Business Machines Japan Co., Ltd.</li> <li>• Konica Techno Tokyo Co., Ltd. (2)</li> <li>• Konica Techno Kansai Co., Ltd. (3)</li> <li>• Konica Service Co., Ltd.</li> </ul> <p style="text-align: right;">Other Consolidated Subsidiaries: 9 Other Nonconsolidated Subsidiaries: 1 Other Affiliates: 4</p>

Sales and Service (Overseas)	Sales and Service (Overseas)
<ul style="list-style-type: none"> <li>• Konica Photo Imaging, Inc. (U.S.)</li> <li>• Konica Canada, Inc.</li> <li>• Konica Graphic Imaging International, Inc. (U.S.)</li> <li>• Konica Europe GmbH (Germany)</li> <li>• Konica UK Ltd.</li> <li>• Konica France S.A.</li> <li>• Konica Asia Headquarters Pte. Ltd. (Singapore)</li> </ul> <p style="text-align: right;">Other Consolidated Subsidiaries: 7 Other Nonconsolidated Subsidiaries: 3</p>	<ul style="list-style-type: none"> <li>• Konica Business Technologies Inc.</li> <li>• Konica Business Machines Deutschland GmbH (Germany)</li> <li>• Konica Bureautique S.A. (France)</li> <li>• Konica Business Machines (U.K.) Ltd.</li> <li>• Konica Business Machines Italia S.p.A.</li> <li>• Konica Australia Pty. Ltd.</li> <li>• Konica Capital EC B.V. (Netherlands)</li> </ul> <p style="text-align: right;">Other Consolidated Subsidiaries: 10 Other Nonconsolidated Subsidiaries: 3 Other Affiliates: 1</p>

- Consolidated subsidiary
- Nonconsolidated subsidiary
- \* Affiliate

- (1) Konica ID Imaging was spun off from Konica Color Photo Equipment on July 2001.
- (2) Konica Techno Tokyo Co., Ltd., was formerly known as Konica U-Bix Tokyo Co., Ltd. The name change was effected April 1, 2001.
- (3) Konica Techno Kansai Co., Ltd., was formerly known as Konica U-Bix Kansai Co., Ltd. The name change was effected April 1, 2001.

## 2. MANAGEMENT POLICY

### (1) Basic and Medium-to-Long-Term Management Policy

Konica's vision is to become an imaging solutions company that is guided by the management concept of "inspired creativity." To achieve this, I believe we at Konica must embed the "inspired creativity" paradigm still more deeply into our thinking and provide exciting solutions by anticipating customers' needs. Digital technology is developing rapidly, and boundaries between sectors are becoming blurred and global competition is intensifying as the IT revolution unfolds. But we view these developments as opportunities, and our goal is to become one of the elite international companies in the 21<sup>st</sup> century. We are determined to build up our corporate value in the international marketplace and provide satisfaction to shareholders, customers, and employees alike. In January 2000, we clarified the mission portfolio of each "Internal Company" and drew up a medium-term management plan, SAN 2003. SAN stands for Speed, Alliance, and Network—three concepts that will enable us to move ahead with digitization and networking, and to aggressively pursue a policy of selecting and focusing and of forming alliances within and beyond the Group. Based on this plan, we will pursue these goals in the current fiscal year, while steadily upgrading this business plan into SAN 2004.

### (2) Basic Policy Regarding the Distribution of Profits

Amid an operating environment that is expected to remain harsh, Konica will improve management efficiency, raise profitability, and strengthen its financial base through the implementation of its medium-term management plan. At the same time, the Company will continue a policy of stable dividend payments, while maintaining internal funds at a level sufficient for expansion of business activities and increasing profitability. In this way, we will continue to build corporate value.

### (3) Management Organization and Corporate Governance

An "Internal Company" system has been introduced to refine decision-making capabilities and enable us to react more swiftly to a changing operating environment. To further strengthen corporate governance, we have introduced an executive officer system and are demarcating responsibilities as clearly as possible in the areas of decision making, supervision, and implementation of policy to strengthen executive functions. In 2000, the Board of Directors was reformed, and their number was reduced from 11 to 8 to enhance the quality of discussion and promote more focused decision making. To strengthen the executive functions of executive officers selected by the Board of Directors, the former have been granted authorities formerly vested in the representative directors, and they are responsible for implementing policy under their supervision.

### (4) Future Issues

Since the terrorist attacks in the United States in September, which occurred at a time of a deepening slowdown in key global markets, already weak prospects for the world economy have become still more uncertain. Furthermore, the rapid evolution of digital technology and intensified global competition triggered by the IT revolution within and between industrial sectors have created an operating environment of rapid change for Konica. In these difficult circumstances, we have compiled the SAN 2004 plan and aim to achieve its goals by steadily implementing the following policies across the Group.

- 1) We will forcefully pursue the shift in business from analog to digital and networking technologies, and at the same time aggressively pursue a policy of selecting winners and focusing resources on them while forming internal and external alliances.
- 2) We will focus resources on personnel, while reallocating resources throughout the Group and channeling funding into priority areas.
- 3) Building on the success of the "Internal Company" system, we will move into the countdown phase for the establishment of separate companies and a holding company structure in April 2003.
- 4) We will improve product quality and integrate the development, production, and marketing stages to increase customer satisfaction.
- 5) We will enrich our global environmental protection activities by adopting environmental accounting.

By implementing these policies across the entire Group, we aim to raise Konica's profile in Japan and around the world, and continue to evolve into a company of "inspired creativity."

### 3. MANAGEMENT RESULTS

#### (1) A Summary of Business Performance in the Interim Period

During the period under review, the slowdown in the United States began to impact Europe and Asia, hastening a worldwide slowdown and deepening uncertainty over the future. The Japanese economy has entered a phase of full-scale correction, and the slackness in personal spending continues. In Konica's markets, demand was lackluster, and the impact of intensified price competition made itself felt, leading to rapid deterioration in the market for IT equipment.

In the interim period, US\$1 was worth ¥121.66 on average, up 13.3% year on year, and 1 euro was valued at ¥107.69, up 5.6%. Sales fell ¥3.9 billion, or 1.5%, to ¥267.1 billion, compared with the same period of the previous fiscal year.

Sales in the Photographic Materials and Photo-related Industrial Equipment segment fell ¥3.5 billion year on year, or 2.3%, to ¥148.9 billion. Sales in the Business Machines, Cameras, and Optical Products segment fell ¥300 million, or 0.3%, to ¥118.2 billion.

Despite the effect of cost-cutting rationalization and a reduction in sales, selling, general and administrative expenses, operating income fell ¥4.5 billion, or 24.8%, to ¥13.8 billion, reflecting an increase in newly consolidated companies and increased operating expenses due to the impact of the yen's weakness on currency conversions. Recurring profit was ¥9.3 billion, a decline of ¥700 million, or 7.8%, despite a decline in interest payable and other non-operating expenses due to trimming of interest-bearing liabilities.

Net income for the interim period was ¥3.5 billion, a ¥2.8 billion, or 407.3%, increase year on year. The result was due to the large drop in extraordinary losses generated in the previous fiscal period by adoption of retirement benefit accounting. Total assets rose ¥7.1 billion, to ¥525.3 billion, and the shareholders' equity ratio was 31.2%.

#### (2) Results Breakdown

[Photographic Materials and Photo-related Industrial Equipment]

	Interim period	Interim period of previous fiscal year	Increase(decrease)	Year-on-year change
Sales to outside customers	148,935	152,510	3,575	97.7%
Intersegment elimination	906	1,360	454	66.6%
Sales	149,842	153,870	4,028	97.4%
Operating income	7,890	10,177	2,287	77.5%

#### *Consumer Imaging Company*

The Consumer Imaging Company, which handles color film and paper and minilabs, faces diversifying market needs, with digital cameras posting remarkable growth and digital technologies spreading in tandem with Internet expansion. In the interim period, the company launched the Konica Digital Minilab System QD-21 Super and Konica Digital Prossimo software, which enables photo developing shops to offer simple over-the-counter digital services. To gain a footing in the photo net printing business, a market forecast to burgeon, the company began services at its newly opened Konica On-Line Lab service. At the same time, the company worked to position itself to better address diversifying customer needs, expanding the number of shops in the Konica Photo Express and Konica Digital Photo Express chains.

Overall, demand in the domestic market for color film and paper declined year on year, and fiercer competition caused prices to fall further in the marketplace. The company expanded sales through volume retailers and managed to keep film sales at the same level year on year in volume terms, but sales revenue declined. In overseas markets, resources were again focused on mainstay Asian markets, and links with regional markets were strengthened by encouraging local packaging with regard to films and /or paper, in India, China, Vietnam, and Russia. In the period under review, sales in Asia held firm, with the large Chinese and Indian markets turning in particularly good performances. However, overall sales declined as prices continued to fall in every region due to intensified competition.

#### *Medical & Graphic Imaging Company*

In the field of medical imaging products, competition is intensifying in Japan as digital technology is increasingly adopted in institutions from large hospitals to clinics. Konica began tailoring investments to digital technologies at an early stage. The period under review saw the launch of the Konica Direct Digitizer REGIUS Model 350/550, a highly sophisticated digital imaging system capable of hybrid processing in addition to offering excellent image quality and high-speed processing.

By providing products for the digital age and high-quality solutions, the company was able to increase sales revenue at home and abroad. The graphic imaging business continued to face difficult operating conditions in Japan due to the economic slowdown and the spread of digital technologies.

Through the newly founded marketing company Konica Graphic Systems Co., Ltd., the Medical & Graphic Imaging Company is determined to provide solutions based on the customer's viewpoint, despite the harsh operating conditions in the graphic imaging business caused by the slowdown in Japan and the spread of digital technology.

#### *Inkjet Business Group*

Under the SAN 2003 plan, Konica has designated inkjets as one of its strategic business fields and is building up a major new business based on its proven inkjet technologies, which can output the high-quality images demanded by the networking world. Technological development is proceeding in three integrated areas: speed, printer heads and ink, and inkjet paper, an area for which Konica has won acclaim in the market. Sales of paper for inkjet printers are expanding steadily, and we plan to build up our head and ink component businesses.

#### *EM and ID Business Group*

Electronics materials are also a strategic business for Konica, and triacetyl cellulose (TAC) film for liquid crystal angled panels is one of its mainstay products. In the period under review, the LCD market saw sharply declining sales by volume and value due to the slowdown in mobile phone and PC demand, casting a deep shadow over the operating environment. Konica worked to expand the market by launching new products, but sales by volume and value dropped year on year. However, this market shows much growth promise in the medium-term, and the group is developing high-valued-added functional materials based on such core Konica technologies as membranes and coatings.

[Business Machines, Cameras, and Optical Products]

	<b>Interim period</b>	Interim period of previous fiscal year	Increase (decrease)	Year-on-year change
Sales to outside customers	118,215	118,576	361	99.7%
Intersegment elimination	548	596	48	91.9%
Sales	118,764	119,173	409	99.7%
Operating income	10,281	13,087	2,806	78.6%

#### *Office Document Company*

Digital copiers and their parts are the main products of this company. Using networks, these copiers have the ability to input and output large volumes of data. Forming a general system when used in combination with application software packages for document management and other tasks, they enable the company to tailor its solutions business to customer needs more closely by integrating development, production, and sales.

Sales of digital copiers fell in unit terms year on year, but overall the company raised copier sales volumes in accordance with its basic policy of bolstering medium-to high-speed machines and saw revenues rise. The period under review witnessed the launch of the Konica Sitis 7165, a copier that boasts world-class image quality and incorporates an independently developed polymerization toner, and can print 65 sheets a minutes. Although it is a high-speed machine, we have achieved significant cost reductions. Thanks to a new design system, we were able to launch a controller to go with the main unit to make it compatible with networks. Over 80% of sales in this segment are now of digital equipment.

#### *Optics Technology Company*

The Optics Technology Company is an important strategic business centered on Konica's extremely advanced optical technologies. It handles aspherical plastic lenses used in optical disks, lens units for camcorders and digital cameras, and MO drives.

Sales of optical pickup lens for DVDs were relatively steady in the period under review, but products for PCs and PC peripherals are still in a correction phase that began at the end of 2000. As a result, sales declined in unit and value terms.

*Camera and Photo Business Group*

The market for conventional cameras continued to post negative growth from last year, with the decline in sales of APS cameras standing out. Although our Konica Revio II and Konica Lexio 70 models won Good Design awards in fiscal 2000 and were well received by the market, sales in volume and value terms declined year on year. In digital cameras, we expanded our range by adding Konica-brand products to our OEM lineup. Sales volumes rose slightly, but changes in product lineup methods and falling prices helped drive down sales revenues.



### (3) Outlook for the Entire Fiscal Year

The terrorist attacks in the United States have deepened the uncertainty surrounding the prospects for the world economy, which was already in a slowdown phase. Under these circumstances, the Group will focus on implementing each of the management policies outlined above in "Future Issues." Sales and income projections are as follows.

#### Consolidated Results

(100 million yen)

	Fiscal 2001		Fiscal 2000		Increase/Decrease	
	Interim	Full year	Interim	Full year	Interim	Full year
Sales	2,671	5,400	2,710	5,437	39	37
Operating income	138	280	184	305	46	25
Recurring profit	93	200	101	201	8	1
Net income	35	90	6	64	29	26

#### Consolidated Sales by Segment

(100 million yen)

	Fiscal 2001		Fiscal 2000		Increase (decrease)	
	Interim	Full year	Interim	Full year	Interim	Full year
Photographic materials	1,489	3,000	1,525	3,052	36	52
Business machines	1,182	2,400	1,185	2,385	3	15
Total	2,671	5,400	2,710	5,437	39	37

#### Parent Company

(100 million yen)

	Fiscal 2001		Fiscal 2000		Increase/Decrease	
	Interim	Full year	Interim	Full year	Interim	Full year
Sales	1,682	3,400	1,716	3,452	34	52
Operating income	96	160	92	178	4	18
Recurring profit	86	140	73	171	13	31
Net income	43	70	7	36	36	34

Forecasts are based on exchange rates of ¥120=US\$1 and ¥107=1 euro

The above forecasts are estimates and incorporate elements of risk and uncertainty. Actual results may differ due to various significant factors.

### (4) Dividends

To continue its policy of providing steady dividends, Konica plans to pay an interim cash dividend of ¥5 per share and a dividend of ¥10 per share for the entire fiscal year.

#### 4. CONSOLIDATED FINANCIAL STATEMENTS

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

(Million yen)

	Interim period April 1, 2001, to September 30, 2001		Interim period April 1, 2000, to September 30, 2000		Fiscal year April 1, 2000, to March 31, 2001	
	Amount	% of total	Amount	% of total	Amount	% of total
Sales	267,151	100.0	271,086	100.0	543,719	100.0
Cost of sales	151,821	56.8	156,014	57.6	319,163	58.7
Gross profit	115,329	43.2	115,072	42.4	224,555	41.3
Selling, general and administrative expenses	101,462	38.0	96,623	35.6	194,012	35.7
<b>Operating income</b>	<b>13,867</b>	<b>5.2</b>	<b>18,448</b>	<b>6.8</b>	<b>30,543</b>	<b>5.6</b>
Non-operating income	(3,661)	1.4	(3,735)	1.4	(9,180)	1.7
Interest and dividend income	443		513		1,198	
Other	3,217		3,221		7,982	
Non-operating expenses	(8,153)	3.1	(12,017)	4.4	(19,561)	3.6
Interest expense	3,762		4,935		9,267	
Equity in loss of nonconsolidated subsidiaries and affiliated companies	357		287		248	
Other	4,034		6,795		10,044	
<b>Recurring profit</b>	<b>9,375</b>	<b>3.5</b>	<b>10,165</b>	<b>3.8</b>	<b>20,162</b>	<b>3.7</b>
Extraordinary profit	(1,985)	0.7	(17,341)	6.4	(18,138)	3.3
Gain on sales of fixed assets	1,934		8,466		8,587	
Gain on sales of investment securities	50		2		677	
Gains on securities contributed to employee retirement benefit trusts			8,873		8,873	
Extraordinary losses	(3,970)	1.5	(25,420)	9.4	(27,241)	5.0
Loss on disposal and sale of fixed assets	2,230		1,110		1,981	
Valuation loss on investment securities	861		2,713		2,603	
Transition obligations due to adoption of new accounting standards for retirement benefits	879		21,312		22,096	
Loss on liquidation of subsidiaries			283		360	
Loss on sale of investment securities	0				200	
<b>Income before income taxes and minority interests</b>	<b>7,389</b>	<b>2.8</b>	<b>2,087</b>	<b>0.8</b>	<b>11,059</b>	<b>2.0</b>
Income taxes	7,634		2,886		4,593	
Deferred income taxes	3,833		1,501		0	
Minority interest in earnings of consolidated subsidiaries	42		2		8	
<b>Net income</b>	<b>3,546</b>	<b>1.3</b>	<b>699</b>	<b>0.3</b>	<b>6,457</b>	<b>1.2</b>
Retained earnings at beginning of the period	(48,813)		(45,932)		(45,932)	
Increase in retained earnings	( )		( )		( )	
Decrease in retained earnings	( 1,833)		( 1,788)		( 3,576)	
Dividends	1,788		1,788		3,576	
Bonuses to directors and corporate auditors	45					
<b>Retained earnings at end of the period</b>	<b>50,527</b>		<b>44,843</b>		<b>48,813</b>	

## (2) Consolidated Balance Sheets

(Million yen)

	Interim period as of September 30, 2001		Interim period as of September 30, 2000		Fiscal year as of March 31, 2001	
	Amount	% of total	Amount	% of total	Amount	% of total
<b>Current assets</b>	(316,868)	(60.3)	(334,407)	(62.8)	(317,890)	(61.3)
Cash and deposits	50,940		62,538		55,942	
Trade notes and accounts receivable	134,056		139,153		140,329	
Marketable securities	1,081		221		1,081	
Inventories	108,244		108,776		102,260	
Deferred tax assets	12,112		11,395		10,680	
Other accounts receivable	11,552		8,853		9,123	
Other current assets	8,012		11,373		7,980	
Allowance for doubtful accounts	9,132		7,905		9,058	
<b>Fixed assets</b>	(208,467)	(39.7)	(198,021)	(37.2)	(200,291)	(38.7)
<i>Tangible fixed assets</i>	(145,509)	27.7	(138,835)	26.1	(141,870)	27.4
Buildings and structures	49,843		50,324		49,868	
Machinery and vehicles	41,839		40,535		41,695	
Land	18,777		19,277		18,585	
Leased business-use assets	16,698		17,132		16,559	
Other property, plant and equipment	18,351		11,565		15,161	
<i>Intangible fixed assets</i>	(10,540)	2.0	( 8,269)	1.5	( 8,881)	1.7
<i>Investments and others</i>	(52,417)	10.0	(50,916)	9.6	( 49,539)	9.6
Investment securities	14,610		18,201		17,200	
Long-term loans	2,418		5,002		4,352	
Long-term prepaid expenses	5,731		6,443		5,934	
Deferred tax assets	18,938		14,440		15,493	
Other investments	16,647		11,816		11,974	
Allowance for doubtful accounts	5,930		4,987		5,417	
<b>Total assets</b>	525,336	100.0	532,428	100.0	518,181	100.0

(Million yen)

	Interim period as of September 30, 2001		Interim period as of September 30, 2000		Fiscal year as of March 31, 2001	
	Amount	% of total	Amount	% of total	Amount	% of total
<b>Current liabilities</b>	(270,173)	(51.4)	(273,105)	(51.3)	(262,273)	(50.6)
Trade notes and accounts payable	80,307		89,318		79,566	
Short-term loans	106,349		108,801		78,656	
Long-term loans due within one year	7,719		15,436		31,155	
Bonds due within one year	15,000		5,000		15,000	
Accrued expenses	35,913		33,519		34,771	
Accrued income taxes	7,913		2,999		3,194	
Allowance for product warranty	1,387		1,585		1,549	
Other current liabilities	15,582		16,443		18,379	
<b>Long-term liabilities</b>	( 90,758)	(17.3)	(104,750)	(19.7)	( 94,961)	(18.3)
Bonds	40,750		55,750		45,750	
Long-term loans	10,300		12,278		11,349	
Reserve for retirement and severance benefits	33,434		30,510		31,144	
Other long-term liabilities	6,274		6,212		6,718	
<b>Total liabilities</b>	360,932	(68.7)	377,856	(71.0)	357,234	(68.9)
<b>Minority interests</b>	715	( 0.1)	39	( 0.0)	687	( 0.1)

Capital stock	37,519	7.1	37,519	7.0	37,519	7.2
Capital reserve	79,342	15.1	79,342	14.9	79,342	15.3
Retained earnings	50,527	9.6	44,843	8.4	48,813	9.4
Net unrealized gain on securities	381	0.1	1,891	0.4	1,064	0.2
Translation adjustment	4,081	0.8	9,062	1.7	6,478	1.3
Treasury stock	1	0.0	3	0.0	2	0.0
<b>Total shareholders' equity</b>	<b>163,687</b>	<b>(31.2)</b>	<b>154,532</b>	<b>(29.0)</b>	<b>160,259</b>	<b>(30.9)</b>
<b>Total liabilities, minority interests, and shareholders' equity</b>	<b>525,336</b>	<b>100.0</b>	<b>532,428</b>	<b>100.0</b>	<b>518,181</b>	<b>100.0</b>

Note:

	Interim period	Interim period	Fiscal year
1. Accumulated depreciation on tangible fixed assets (million yen)	285,467	270,434	277,951
2. <u>Discount on trade notes receivable</u> (million yen)	60	71	63
3. Number of shares of treasury stock	1,799	3,725	2,593

**(3) Consolidated Statements of Cash Flows**

(Million yen)

	Interim period April 1, 2001, to September 30, 2001	Interim period April 1, 2000, to September 30, 2000	Fiscal year April 1, 2000, to March 31, 2001
	Amount	Amount	Amount
<b>I. Cash flows from operating activities</b>			
Net income before income taxes and minority interests	7,389	2,087	11,059
Depreciation and amortization	13,273	12,591	25,940
Increase in allowance for doubtful accounts	29	2,644	3,722
Interest and dividend income	443	513	1,198
Interest expense	3,762	4,935	9,267
Loss (gain) on sales or disposals of tangible fixed assets	295	7,356	6,606
Valuation loss (gain) on investment securities	861	2,713	2,603
Transition obligations due to adoption of new accounting standards for retirement benefits	879	12,439	13,223
(Decrease) increase in accounts receivable	8,730	12	3,067
(Decrease) increase in inventories	2,920	4,746	5,151
Increase (decrease) in trade notes and accounts payable	1,160	4,043	7,560
Increase (decrease) in accrued consumption tax payable	599	194	740
Other	6,431	2,996	5,743
<b>Subtotal</b>	<b>24,864</b>	<b>31,628</b>	<b>63,673</b>
Interest and dividends received	390	571	973
Interest paid	3,503	4,891	9,244
Income taxes paid	2,976	2,967	4,479
<b>Net cash provided by operating activities</b>	<b>18,775</b>	<b>24,340</b>	<b>50,923</b>
<b>II. Cash flows from investing activities</b>			
Proceeds from sale of marketable securities	-	-	120
Payment for acquisition of tangible fixed assets	17,100	14,908	23,050
Proceeds from sale of tangible fixed assets	2,221	10,873	12,112
Payment for acquisition of investment securities	56	457	573
Proceeds from sale of investment securities	37	5,283	6,768
Other	1,304	770	3,497
<b>Net cash (used in) provided by investing activities</b>	<b>16,203</b>	<b>20</b>	<b>8,119</b>
<b>III. Cash flows from financing activities</b>			
Net increase in short-term loans payable	1,628	14,290	23,200
Proceeds from long-term loans payable	2,282	3,141	25,681
Repayment of long-term loans payable	5,309	32,612	41,551
Redemption of bonds	5,000	-	-
(Increase) decrease in treasury stock	0	-	1
Dividend payments	1,788	1,788	3,576
<b>Net cash used in financing activities</b>	<b>8,186</b>	<b>16,968</b>	<b>42,648</b>
<b>IV. Translation differences on cash and cash equivalents</b>	<b>460</b>	<b>205</b>	<b>966</b>
<b>V. Increase in cash and cash equivalents</b>	<b>5,153</b>	<b>7,187</b>	<b>1,121</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>56,573</b>	<b>55,022</b>	<b>55,022</b>
<b>VII. Increase in cash and cash equivalents due to newly consolidation subsidiaries (y)</b>	<b>602</b>	<b>429</b>	<b>429</b>
<b>VIII. Cash and cash equivalents at end of the period</b>	<b>52,021</b>	<b>62,639</b>	<b>56,573</b>

**BASIS OF PRESENTING INTERIM CONSOLIDATED FINANCIAL STATEMENTS****1. Scope of Consolidation**

Number of consolidated subsidiaries: 70

*Principal consolidated subsidiaries*  
Konica Business Machines Japan Co., Ltd.,

Konica Marketing Corporation,  
Konica Medical Co., Ltd.,  
Konica Chemical Corporation,  
Kyoritsu Medical Electric Co., Ltd.,  
Konica Color Imaging Corporation,  
Konica Color Photo Equipment Co., Ltd.,  
Konica Packaging Corporation,  
Konica Manufacturing U.S.A. Inc.,  
Konica Photo Imaging, Inc.  
Konica Business Machines Deutschland GmbH,  
Konica Business Machines Europe GmbH  
Konica Australia Pty. Ltd.,  
Konica Business Technologies, Inc.,  
Konica Business Machines (U.K.) Ltd.,  
Konica Europe GmbH,  
Konica Bureautique S.A.,  
Konica Graphic Imaging International, Inc.

Number of nonconsolidated subsidiaries: 14

Nonconsolidated subsidiaries have not been included in consolidation because they are relatively small companies and their assets, sales, net income, and retained earnings do not have a material influence on interim consolidated results.

## **2. Scope of the Use of Equity Accounting**

Number of nonconsolidated subsidiaries accounted for by the equity method: 14

### *Principal nonconsolidated subsidiaries*

Konica Photochem (Thailand) Co., Ltd.,  
Konica Business Machines Belgium S.A.N.V.

Number of affiliates accounted for by the equity method: 3

### *Principal affiliates*

Sekonic Co., Ltd.

The net income and retained earnings of six affiliates that are not accounted for by the equity method do not have a material influence on interim consolidated results.

## **3. Accounting Standards and Methods**

### (1) Asset valuation

#### ① *Securities*

##### *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 adjustments 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 values are primarily stated at cost using the moving value average.

#### ② *Derivatives*

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

#### ③ *Inventories*

Parent company inventories are, in the main, recorded at cost as determined by the periodic-average method. Domestic consolidated subsidiaries' inventories are, in the main, recorded at cost as determined by the last purchase price method. Overseas consolidated subsidiaries' inventories are recorded at the lower of cost or market value, with cost determined by the first-in, first-out method.

(2) Depreciation and amortization of major depreciable assets

The depreciable assets of the Company and its domestic consolidated subsidiaries are depreciated using the declining-balance method. Overseas consolidated subsidiaries adopt the straight-line method for depreciation. However, the parent and its domestic consolidated subsidiaries have used the straight-line method for their buildings (excluding annexed structures) acquired since April 1, 1998.

(3) 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 warranties 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.

In consolidated subsidiaries, the transition obligations due to the adoption of new accounting methods for retirement benefits are being amortized over five years and credited to expenses.

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) Foreign Currency Translation

Among foreign currency denominated assets and liabilities of the parent company, monetary 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. Assets and liabilities of overseas subsidiaries are converted into yen at the prevailing exchange rates on the settlement date. Income and expenses are converted into yen based on average exchange rates during the interim period. Conversion differential amounts are included in the currency translation adjustments within capital.

(5) Lease transactions

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

(6) 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.

(7) Consumption tax

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

**4. Range of Cash within Interim Consolidated Cash Flow Statements**

Cash (cash and cash equivalents) in the interim consolidated cash flow statements comprises cash on hand and short-term investments easily converted into cash with little risk to a change in value.



## LEASE TRANSACTIONS

(Million yen)

Interim period April 1, 2001, to September 30, 2001				Interim period April 1, 2000, to September 30, 2000				Fiscal year April 1, 2000, to March 31, 2001			
<i>(As lessee)</i>				<i>(As lessee)</i>				<i>(As lessee)</i>			
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				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 September 30, 2001				1. Proforma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of September 30, 2000				1. Proforma information relating to acquisition cost, accumulated depreciation, and book value of leased assets as of March 31, 2001			
	Acquisition cost	Accumulated depreciation	Book value		Acquisition cost	Accumulated depreciation	Book value		Acquisition cost	Accumulated depreciation	Book value
Buildings and structures	11	7	3	Buildings and structures	11	3	7	Buildings and structures	122	62	59
Machinery and vehicles	11,366	4,534	6,831	Machinery and vehicles	12,504	4,002	8,502	Machinery and vehicles	11,505	4,154	7,350
Tools, Furniture and fixtures	6,661	3,193	3,468	Tools, Furniture and fixtures	5,251	2,451	2,800	Tools, Furniture and fixtures	6,001	2,838	3,162
Intangible and fixed assets	395	255	140	Intangible and fixed assets	614	380	233	Intangible and fixed assets	561	414	147
Total	18,5435	7,991	10,444	Total	18,383	6,837	11,545	Total	18,191	7,471	10,720
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.				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 September 30, 2001				2. Proforma information relating to future lease payments as of September 30, 2002				2. Proforma information relating to future lease payments as of March 31, 2001			
(Million yen)				(Million yen)				(Million yen)			
Payable within one year	3,222			Payable within one year	3,086			Payable within one year	3,122		
Payable after one year	7,222			Payable after one year	8,458			Payable after one year	7,598		

Total	10,444	Total	11,545	Total	10,720
<p>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, future lease payments include the imputed interest expense portion.</p>		<p>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, future lease payments include the imputed interest expense portion.</p>		<p>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, future lease payments include the imputed interest expense portion.</p>	
<p>3. Proforma information relating to future lease payments and depreciation expense</p>		<p>3. Proforma information relating to future lease payments and depreciation expense</p>		<p>3. Proforma information relating to future lease payments and depreciation expense</p>	
	(Million yen)		(Million yen)		(Million yen)
Lease payments	1,663	Lease payments	1,809	Lease payments	3,274
Depreciation expense	1,663	Depreciation expense	1,809	Depreciation expense	3,274
<p>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.</p>		<p>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.</p>		<p>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.</p>	
<p>5. Operating lease transactions: Future lease payments</p>		<p>5. Operating lease transactions: Future lease payments</p>		<p>5. Operating lease transactions: Future lease payments</p>	
	(Million yen)		(Million yen)		(Million yen)
Payable within one year	4,113	Payable within one year	4,952	Payable within one year	4,805
Payable after one year	14,153	Payable after one year	15,100	Payable after one year	12,133
Total	18,267	Total	20,052	Total	16,939
<p>Interim period April 1, 2001, to September 30, 2001</p>		<p>Interim period April 1, 2000, to September 30, 2000</p>		<p>Fiscal year April 1, 2000, to March 31, 2001</p>	
<p>(As lessor) Finance lease transactions, other than those under which ownership rights to the leased asset are transferred to the lessee.</p>		<p>(As lessor) Finance lease transactions, other than those under which ownership rights to the leased asset are transferred to the lessee.</p>		<p>(As lessor) Finance lease transactions, other than those under which ownership rights to the leased asset are transferred to the lessee.</p>	
<p>1. Acquisition cost, accumulated depreciation, and the book value of leased assets as of September 30, 2001</p>		<p>1. Acquisition cost, accumulated depreciation, and the book value of leased assets as of September 30, 2000</p>		<p>1. Acquisition cost, accumulated depreciation, and the book value of leased assets as of March 31, 2001</p>	

	Acquisition cost	Accumulated depreciation	Book value		Acquisition cost	Accumulated depreciation	Book value		Acquisition cost	Accumulated depreciation	Book value
Leased assets	749	334	414	Leased assets	1,877	1,139	737	Leased assets	972	896	76
Total	749	334	414	Total	1,877	1,139	737	Total	972	896	76
<p>2. Proforma information relating to future lease payments as of September 30, 2001</p> <p style="text-align: right;">(Million yen)</p> <p>Payable within one year 477</p> <p>Payable after one year —</p> <p>Total 477</p> <p>Note: Since the ratio of the amount of future payments under finance leases to the total balance of operating receivables as of the end of the period is low, future lease payments include the imputed <u>interest</u> receipt portion.</p>				<p>2. Proforma information relating to future lease payments as of September 30, 2000</p> <p style="text-align: right;">(Million yen)</p> <p>Payable within one year 776</p> <p>Payable after one year 71</p> <p>Total 848</p> <p>Note: Since the ratio of the amount of future payments under finance leases to the total balance of operating receivables as of the end of the period is low, future lease payments include the imputed <u>interest</u> receipt portion.</p>				<p>2. Proforma information relating to future lease payments as of March 31, 2001</p> <p style="text-align: right;">(Million yen)</p> <p>Payable within one year 87</p> <p>Payable after one year —</p> <p>Total 87</p> <p>Note: Since the ratio of the amount of future payments under finance leases to the total balance of operating receivables as of the end of the period is low, future lease payments include the imputed <u>interest</u> receipt portion.</p>			
<p>3. Lease receivables and depreciation expense</p> <p style="text-align: right;">(Million yen)</p> <p>Lease receivables 374</p> <p>Depreciation expense 325</p>				<p>3. Lease receivables and depreciation expense</p> <p style="text-align: right;">(Million yen)</p> <p>Lease receivables 719</p> <p>Depreciation expense 625</p>				<p>3. Lease receivables and depreciation expense</p> <p style="text-align: right;">(Million yen)</p> <p>Lease receivables 1,030</p> <p>Depreciation expense 896</p>			

## 5. SEGMENT INFORMATION

### (1) Information by Business Segment

Interim period of fiscal 2001 (April 1, 2001, to September 30, 2001)

(Million yen)

	Photographic materials	Business machines	Total	Elimination & corporate	Consolidation
Sales					
Outside customers	148,935	118,215	267,151	--	267,151
Intersegment sales/transfers	906	548	1,455	( 1,455)	--
Total	149,842	118,764	268,607	( 1,455)	267,151
Operating expenses	141,952	108,482	250,434	2,849	253,284
Operating income	7,890	10,281	18,172	( 4,304)	13,867

Notes: 1. Business classification is based on similarity of product type and market. The Company's operations are classified into the segments of Photographic materials and Business machines.

2. Operating expenses not able to be properly allocated that are included in Elimination & corporate are principally R&D expenses incurred by the parent company and expenses associated with head office functions. In fiscal 2001, this amount was ¥4,295 million.

Interim period of fiscal 2000 (April 1, 2000, to September 30, 2000)

(Million yen)

	Photographic materials	Business machines	Total	Elimination & corporate	Consolidation
Sales					
Outside customers	152,510	118,576	271,086	--	271,086
Intersegment sales/transfers	1,360	596	1,957	( 1,957)	--
Total	153,870	119,173	273,043	( 1,957)	271,086
Operating expenses	143,693	106,085	249,779	2,859	252,638
Operating income	10,177	13,087	23,264	( 4,816)	18,448

Fiscal 2001 (April 1, 2000, to March 31, 2001)

(Million yen)

	Photographic materials	Business machines	Total	Elimination & corporate	Consolidation
Sales					
Outside customers	305,200	238,518	543,719	--	543,719
Intersegment sales/transfers	1,666	865	2,531	( 2,531)	--
Total	306,866	239,384	546,251	( 2,531)	543,719
Operating expenses	287,843	219,209	507,053	6,122	513,175
Operating income	19,022	20,174	39,197	( 8,654)	30,543

**(2) Information by Geographical Area***Interim period of fiscal 2001 (April 1, 2001, to September 30, 2001)*

(Million yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporate	Consolidation
Sales and operating income							
Outside customers	156,007	64,512	35,418	11,212	267,151	--	267,151
Intersegment sales	57,919	3,275	288	14,346	75,830	( 75,830)	--
Total	213,927	67,787	35,707	25,559	342,981	( 75,830)	267,151
Operating expenses	196,938	66,894	35,269	24,801	323,904	( 70,619)	253,284
Operating income	16,988	893	437	757	19,077	( 5,210)	13,867

Notes: 1. Countries and territories are classified based on geographical proximity.

2. Principal country markets in the above areas, excluding Japan, are as follows:

- (1) North America: United States, Canada
- (2) Europe: Germany, France, United Kingdom
- (3) Asia excluding Japan, Others: Australia, China, and Singapore

3. Operating expenses not able to be properly allocated that are included in Elimination &amp; corporate are principally R&amp;D expenses incurred by the parent company and expenses associated with head office functions. In the interim term of fiscal 2001, this amount was ¥4,295 million.

*Interim period of fiscal 2000 (April 1, 2000, to September 30, 2000)*

(Million yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporate	Consolidation
Sales and operating income							
Outside customers	166,443	60,377	33,981	10,284	271,086	--	271,086
Intersegment sales	51,485	3,573	378	13,173	68,611	( 68,611)	--
Total	217,929	63,950	34,359	23,458	339,697	( 68,611)	271,086
Operating expenses	198,581	61,069	34,901	22,606	317,159	( 64,521)	252,638
Operating income	19,347	2,880	( 541)	851	22,538	( 4,089)	18,448

*Fiscal 2001 (April 1, 2000, to March 31, 2001)*

(Million yen)

	Japan	North America	Europe	Asia excluding Japan, Others	Total	Elimination & corporate	Consolidation
Sales and operating income							
Outside customers	336,294	120,016	66,549	20,858	543,719	--	543,719
Intersegment sales	100,679	7,725	642	25,464	134,511	(134,511)	--
Total	436,974	127,741	67,191	46,323	678,230	(134,511)	543,719
Operating expenses	400,687	125,587	68,062	45,581	639,919	(126,743)	513,175
Operating income	36,286	2,154	( 871)	741	38,311	( 7,767)	30,543

**(3) Overseas Sales***Interim period of fiscal 2001 (April 1, 2001, to September 30, 2001)*

(Million yen)

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	69,441	38,899	43,940	152,280
Consolidated sales	--	--	--	267,151
Overseas sales as a percentage of consolidated sales	26.0%	14.6%	16.4%	57.0%

- Notes: 1. Countries and territories are classified based on geographical proximity.  
2. Principal country markets in the above areas, excluding Japan, are as follows:  
(1) North America: United States, Canada  
(2) Europe: Germany, France, United Kingdom  
(3) Asia excluding Japan, Others: Australia, China, and Singapore

*Interim period of fiscal 2000 (April 1, 2000, to September 30, 2000)*

(Million yen)

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	68,977	37,629	39,185	145,792
Consolidated sales	--	--	--	271,086
Overseas sales as a percentage of consolidated sales	25.4%	13.9%	14.5%	53.8%

*Fiscal 2001 (April 1, 2000, to March 31, 2001)*

(Million yen)

	North America	Europe	Asia excluding Japan, Others	Total
Overseas sales	140,078	72,968	81,199	294,246
Consolidated sales	--	--	--	543,719
Overseas sales as a percentage of consolidated sales	25.8%	13.4%	14.9%	54.1%

## 6. PRODUCTION AND ORDERS

### (1) Production Results

(Million yen)

	Interim period April 1, 2001, to September 30, 2001	Interim period April 1, 2000, to September 30, 2000	Fiscal year April 1, 2000, to March 31, 2001
Photographic materials	105,297	103,808	205,938
Business machines	69,482	74,794	148,356
Total	174,776	178,602	354,294

Notes: 1. Amounts are based on manufacturers' sales prices.  
2. The above amounts do not include consumption and other taxes.

### (2) Orders

The Company does not conduct order production.

## 7. SECURITIES

### (1) Other Securities with Quoted Market Values

(Million yen)

	As of September 30, 2001			Interim period As of September 30, 2000			Fiscal year As of March 31, 2001		
	Original purchase value	Market value in consolidated interim balance sheets	Unrealized gains or losses	Original purchase value	Market value in consolidated interim balance sheets	Unrealized gains or losses	Original purchase value	Market value in consolidated balance sheets	Unrealized gains or losses
	(1) Shares	10,714	10,465	248	12,543	13,489	946	10,498	12,284
(2) Other	--	--	--	261	237	23	120	85	34
Total	10,714	10,465	248	12,804	13,727	922	10,619	12,370	1,751

### (2) Securities without Quoted Market Values and Book Values in the Interim Consolidated Balance Sheets

(Million yen)

	Interim period	Interim period	Fiscal year
	As of September 30, 2001	As of September 30, 2000	As of March 31, 2001
	Book value in interim consolidated balance sheets	Book value in interim consolidated balance sheets	Book value in consolidated balance sheets
Other securities			
Unlisted securities (excluding OTC shares)	592	533	733
Unlisted foreign bonds, etc.	918	1,158	817
Money management funds	1,081	80	1,081

## 8. DERIVATIVES

Foreign currency transactions other than those on financial markets

(Million yen)

	Interim period As of September 30, 2001			Interim period As of September 30, 2000			Fiscal year As of March 31, 2001		
	Contract value	Market value	Unrealized gain/loss	Contract value	Market value	Unrealized gain/loss	Contract value	Market value	Unrealized gain/loss
Forward foreign exchange transactions									
Buy	12,779	12,688	90	10,569	10,654	84	28,872	30,410	1,537
Sell	338	411	73	4,651	4,831	179	284	375	91
Currency option transactions									
Buy	15	8	6	--	--	--	8	7	0
Sell	15	16	1	--	--	--	8	8	0
Total	13,148	13,125	172	15,221	15,485	94	29,172	30,801	1,444

Note:

Interim period ended September 30, 2001	Interim period ended September 30, 2000	Fiscal year ended March 31, 2001
1. Market values of foreign currency forward transactions were calculated based on currency future market values on the date of settlement of the interim consolidated period.	1. Market values of foreign currency forward transactions were calculated based on currency future market values on the date of settlement of the interim consolidated period.	1. Market values of foreign currency forward transactions were calculated based on currency future market values on the date of settlement of the consolidated period.
2. Instruments subject to hedge accounting are excluded here.	2. Instruments subject to hedge accounting are excluded here.	2. Instruments subject to hedge accounting are excluded here.