

Consolidated Statements of Income and Retained Earnings

KONICA CORPORATION AND CONSOLIDATED SUBSIDIARIES
For the fiscal years ended March 31, 2000 and 1999

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2000	1999	2000
Net Sales (Note 5).....	¥560,900	¥584,342	\$5,284,032
Cost of Sales (Note 5).....	323,710	342,543	3,049,553
Gross profit	237,190	241,799	2,234,480
Selling, General and Administrative Expenses	204,058	227,224	1,922,355
Operating income	33,131	14,575	312,115
Other Income (Expenses):			
Interest and dividend income.....	1,722	1,974	16,222
Interest expenses	(10,454)	(13,749)	(98,483)
Foreign currency gains, net.....	(4,739)	—	(44,644)
Restructuring costs	—	(10,057)	—
Equity in earnings of unconsolidated subsidiaries and affiliates	52	—	490
Other, net.....	(4,505)	(3,615)	(42,440)
Total	(17,924)	(25,447)	(168,855)
Income (loss) before provision for income taxes	15,206	(10,872)	143,250
Provision for Income Taxes (Note 7):			
Current	4,774	2,794	44,974
Deferred.....	2,808	(10,269)	26,453
Total	7,582	(7,475)	71,427
Minority Interests in Earnings of Consolidated Subsidiaries	3	2	28
Equity in Earnings of Unconsolidated Subsidiaries and Affiliates	—	229	—
Net Income (Loss)	7,627	(3,166)	71,851
Retained Earnings at Beginning of the Year	41,880	50,284	394,536
Cumulative effect on prior years of change in accounting for income taxes	—	4,998	—
Appropriations:			
Cash dividends	(3,576)	(3,576)	(33,688)
Bonuses to directors and corporate auditors	—	(50)	—
Decrease in retained earnings resulting from restructuring.....	—	(6,609)	—
Total	(3,576)	(5,237)	(33,688)
Retained Earnings at End of the Year	¥ 45,932	¥ 41,881	\$ 432,708

	Yen		U.S. dollars (Note 2)
Per Share of Common Stock:			
Net income (loss)	¥ 21.3	¥ (8.9)	\$ 0.20
Cash dividends applicable to earnings of the year	10.0	10.0	0.09

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.