

Consolidated Statements of Cash Flows

Konica Corporation and Consolidated Subsidiaries
For the fiscal years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	2003
Cash Flows from Operating Activities:			
Income before income taxes	¥ 24,728	¥ 14,994	\$ 205,724
Depreciation and amortization	28,497	26,219	237,080
Decrease in allowance for doubtful receivables	(2,163)	(2,055)	(17,995)
Interest and cash dividend income	(1,051)	(720)	(8,744)
Interest expenses	4,484	6,668	37,304
Loss on sales or disposal of fixed assets, net	3,112	4,088	25,890
Write-down of investment securities	2,167	1,688	18,028
Amortization of unrecognized net obligation at transition	1,325	1,647	11,023
Net gain resulting from the change of pension scheme	(4,544)	—	(37,812)
Loss on liquidation of affiliated company	—	2,451	—
Provision of reserve for reorganization/liquidation expenses	5,637	—	46,897
Decrease in notes and accounts receivable	7,686	9,164	63,943
Decrease in inventories	2,187	4,202	18,195
Increase (decrease) in notes and accounts payables (decrease: minus)	3,337	(13,349)	27,762
Increase (decrease) in accrued consumption tax payable (decrease: minus)	155	(1,405)	1,290
Other	4,991	5,609	41,522
Subtotal	80,552	59,205	670,150
Interest and dividend income received	1,506	697	12,529
Interest expenses paid	(4,653)	(6,773)	(38,710)
Income taxes paid	(10,968)	(5,003)	(91,248)
Net cash provided by operating activities	66,437	48,125	552,720
Cash Flows from Investing Activities:			
Payment for acquisition of property, plant and equipment	(29,545)	(41,616)	(245,799)
Proceeds from sale of property, plant and equipment	2,177	5,483	18,111
Payment for acquisition of intangible assets	(3,669)	(1,500)	(30,524)
Payment for loans receivable	(5,743)	(449)	(47,779)
Proceeds from return of loans receivable	2,963	939	24,651
Payment for acquisition of investment securities	(706)	(216)	(5,874)
Proceeds from sales of investment in securities	746	697	6,206
Payment for other investments	(3,533)	(3,641)	(29,393)
Other	(18)	806	(150)
Net cash used in investing activities	(37,328)	(39,496)	(310,549)
Cash Flows from Financing Activities:			
Net short-term debt	(19,551)	22,986	(162,654)
Proceeds from long-term debt	16,000	8,223	133,111
Redemption of long-term debt	(3,300)	(33,512)	(27,454)
Proceeds from the issuance of bonds	—	2,000	—
Redemption of bonds	(15,354)	(15,150)	(127,737)
Proceeds from capital increase from minority interest	1,300	—	10,815
Payment for repurchase of treasury stocks	(204)	(19)	(1,697)
Dividends paid	(3,576)	(3,576)	(29,750)
Net cash used in financing activities	(24,685)	(19,049)	(205,366)
Effect of exchange rate changes on cash and cash equivalents	(206)	904	(1,714)
Increase (decrease) in cash and cash equivalents (decrease: minus)	4,216	(9,515)	35,075
Cash and cash equivalents at beginning of the year	47,659	56,573	396,498
Increase in cash and cash equivalents by new consolidation	—	602	—
Cash and cash equivalents at fiscal year-end	¥ 51,876	¥ 47,659	\$ 431,581

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