

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

(November 15, 2001)

Company Name: Konica Corporation  
Local Securities Code Number: 4902  
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An interim dividend is paid

Stock Exchange Listings: Tokyo, Osaka, Nagoya (First Sections)  
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Board of Directors Meeting for Interim Period: November 15, 2001

**1. 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	168,222	2.0	9,671	4.6	8,682	18.4
Interim period ended September 30, 2000	171,633	2.9	9,246	23.0	7,332	35.3
Fiscal year ended March 31, 2001	345,284		17,817		17,175	

	Net income (Million yen)		Net income per share (Yen)
Interim period ended September 30, 2001	4,386	505.8%	12.26
Interim period ended September 30, 2000	724	78.3	2.02
Fiscal year ended March 31, 2001	3,653		10.21

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

Interim period ended September 30, 2001: 357,655,368

Interim period ended September 30, 2000: 357,655,368

Fiscal 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**

	Interim net income (Million yen)	Annual dividend per share (Yen)
Interim period ended September 30, 2001	5.00	—
Interim period ended September 30, 2000	5.00	—
Fiscal year ended March 31, 2001	—	10.00

Note: There were no commemorative or extraordinary dividends for the interim period under review.

**(3) Financial Position**

	Assets (Million yen)	Shareholders' equity (Million yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (Yen)
Interim period ended September 30, 2001	400,493	198,850	49.7	555.98
Interim period ended September 30, 2000	395,373	196,561	49.7	549.58
Fiscal year ended March 31, 2001	395,122	196,930	49.8	550.61

Note: Number of shares outstanding at end of the period:  
Interim period ended September 30, 2001: 357,655,368  
Interim period ended September 30, 2000: 357,655,368  
Fiscal year ended March 31, 2001: 357,655,368

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

	Net sales (Million yen)	Recurring profit (Million yen)	Net income (Million yen)	Annual dividend per share (Yen)	
				End of fiscal year	
For entire fiscal year	340,000	14,000	7,000	5.00	10.00

(Estimated net income per share: ¥19.57)

## 10. FINANCIAL STATEMENTS

### (1) 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	168,222	100.0	171,633	100.0	345,284	100.0
Cost of sales	103,094	61.3	110,425	64.3	221,637	64.2
Gross profit	65,127	38.7	61,208	35.7	123,647	35.8
Selling, general and administrative expenses	55,456	33.0	51,962	30.3	105,830	30.7
<b>Operating income</b>	<b>9,671</b>	<b>5.7</b>	<b>9,246</b>	<b>5.4</b>	<b>17,817</b>	<b>5.2</b>
Non-operating income	(3,382)	2.0	(5,160)	3.0	(9,764)	2.8
Interest and dividend income	587		2,267		2,718	
Other	2,795		2,893		7,046	
Non-operating expenses	(4,370)	2.5	(7,073)	4.1	(10,406)	3.0
Interest expense	894		1,239		2,157	
Other	3,475		5,834		8,248	
<b>Recurring profit</b>	<b>8,682</b>	<b>5.2</b>	<b>7,332</b>	<b>4.3</b>	<b>17,175</b>	<b>5.0</b>
Extraordinary profit	(1)	0.0	(17,297)	10.0	(18,541)	5.4
Gain on sales of fixed assets	1		8,423		8,517	
Gains on securities contributed to employee retirement benefit trusts	—		8,873		8,873	
—	—		—		1,150	
Extraordinary losses	(1,349)	0.8	(24,215)	14.1	(30,413)	8.8
Loss on disposal and sale of fixed assets	532		575		1,574	
Valuation loss on investment securities	816		2,564		2,358	
Amortization of transition obligations due to adoption of new accounting standards for retirement benefits	—		20,451		20,451	
Loss on liquidation of subsidiaries	—		623		1,259	
Loss on sale of shares in affiliates	—		—		4,768	
<b>Income before income taxes and minority interests</b>	<b>7,355</b>	<b>4.4</b>	<b>414</b>	<b>0.2</b>	<b>5,303</b>	<b>1.5</b>
Income taxes	5,566		17		23	
Reversal in previous year's corporate, inhabitant's and income taxes	—		20		—	
Deferred income taxes	2,617		307		1,626	
<b>Net income</b>	<b>4,386</b>	<b>2.6</b>	<b>724</b>	<b>0.4</b>	<b>3,653</b>	<b>1.1</b>
Retained earnings at beginning of the period	3,653		3,708		3,708	
Interim dividend payment					1,788	
Accumulated capital reserve					178	
Unappropriated earnings for interim period	7,949		4,432		5,394	

## (2) 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>	(191,633)	(47.8)	(203,640)	(51.5)	(195,060)	(49.4)
Cash and deposits	17,387		30,060		21,224	
Trade notes receivable	11,231		18,075		15,656	
Accounts receivable	85,570		84,301		87,309	
Marketable securities	1,081		200		1,081	
Treasury stock	1		3		1	
Manufactured and finished goods	25,284		22,708		22,409	
Raw materials	10,026		9,800		9,865	
Unfinished goods	16,279		16,221		14,408	
Supplies	2,772		1,561		4,050	
Prepaid expenses	2,930		2,985		2,361	
Deferred tax assets	6,488		6,167		5,735	
Other receivables	10,541		9,126		9,818	
Other current assets	2,401		2,890		1,671	
Allowance for doubtful accounts	362		462		534	
<b>Fixed assets</b>	(208,859)	(52.2)	(191,733)	(48.5)	(200,061)	(50.6)
Tangible fixed assets	(80,709)	20.2	(74,028)	18.7	(77,343)	19.6
Buildings	24,832		25,739		25,136	
Structures	2,040		2,142		2,111	
Machinery and Equipments	28,608		29,056		28,551	
Vehicles	116		123		114	
Equipment	3,386		3,503		3,469	
Land	10,535		11,260		10,535	
Construction in progress	11,188		2,201		7,425	
Intangible fixed assets	(4,387)	1.1	(2,752)	0.7	(2,767)	0.7
Software	3,850		2,529		2,547	
Other intangible assets	537		223		219	
Investments and others	(123,762)	30.9	(114,952)	29.1	(119,950)	30.3
Investment securities	11,135		14,305		13,026	
Shares in affiliates	92,620		83,391		91,262	
Loans to affiliates	5,431		5,431		5,431	
Long-term loans	1,340		2,301		3,217	
Long-term prepaid expenses	922		1,628		1,220	
Deferred tax assets	7,738		6,356		5,414	
Other investments	10,666		6,082		5,989	
Allowance for doubtful accounts	6,094		4,545		5,613	
<b>Total assets</b>	<b>400,493</b>	<b>100.0</b>	<b>395,373</b>	<b>100.0</b>	<b>395,122</b>	<b>100.0</b>

(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>	(134,246)	(33.5)	(118,051)	(29.9)	(126,867)	(32.1)
Trade notes payable	13,727		10,539		13,476	
Accounts payable	45,222		49,993		47,248	
Short-term loans	13,760		13,590		13,390	
Long-term loans due within one year	3,518		6,238		3,520	
Bonds due within one year	15,000		5,000		15,000	
Other payables	6,686		4,578		7,700	
Accrued expenses	27,826		23,916		21,690	
Accrued income taxes	5,545		17		78	
Advances received	559		277		354	
Allowance for product warranties	1,195		1,452		1,361	
Reserve for costs of restructuring	988		1,735		988	
Other current liabilities	216		713		2,057	
<b>Long-term liabilities</b>	(67,396)	(16.8)	(80,760)	(20.4)	(71,324)	(18.1)
Bonds	40,000		55,000		45,000	
Long-term loans	4,642		3,568		4,652	
Long-term guarantee deposits received	241		199		227	
Reserve for retirement and severance benefits	22,513		21,992		21,444	
<b>Total liabilities</b>	201,642	(50.3)	198,812	(50.3)	198,192	(50.2)
Capital stock	37,519	9.4	37,519	9.5	37,519	9.5
Capital reserve	79,342	19.8	79,342	20.1	79,342	20.1
Legal reserves	7,760	1.9	7,397	1.9	7,576	1.9
Retained earnings	(73,383)	(18.4)	(70,506)	(17.8)	(71,468)	(18.1)
Special reserve for redemptions	195		182		182	
Deduction entry surplus reserve	5,727		2,027		2,027	
Other surplus reserve	59,964		63,864		63,864	
Unappropriated earnings for interim period (including net income)	7,949		4,432		5,394	
Other appraisal losses on securities	(4,386)		(724)		(3,653)	
Other appraisal losses on securities	390	0.1	1,795	0.5	1,022	0.3
<b>Total shareholders' equity</b>	198,850	(49.7)	196,561	(49.7)	196,930	49.8
Total liabilities and shareholders' equity	400,493	100.0	395,373	100.0	395,122	100.0

Note:

	Interim period	Previous interim period	Fiscal year
1. Accumulated depreciation on tangible fixed assets (Million yen)	179,860	175,103	178,495
2. Balance of guaranteed obligations (including guarantee) (Million yen)	54,209 (35,226)	45,346 (28,073)	50,652 (29,290)
3. Number of shares of treasury stock	1,779	3,725	2,593
4. Secured assets Land (Million yen)	-	133	-

## BASIS OF PRESENTING INTERIM 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.

*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.

(2) 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.

(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 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*

Reserves to cover the costs of reorganization and liquidation of businesses are based on estimates made at the time of the occurrence of such costs.

(4) 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.

(5) 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.

(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.