

Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2004	Six months ended September 30, 2003	Year ended March 31, 2004
Cash flows from operating activities:			
Income before income taxes and minority interests	14,661	8,507	22,536
Depreciation (including software)	9,848	9,056	19,465
Loss on impairment of fixed assets	1,494		
Loss on disposal and sales of fixed assets	572	513	1,661
Gain on sales of investment securities	(61)	(941)	(1,115)
Loss on devaluation of investment securities	36	105	136
Increase in liabilities for the employees' severance and retirement benefits	467	2,313	859
Interest and dividends income	(468)	(325)	(828)
Interest expense	816	1,302	2,390
Foreign exchange loss (gain)	(1,085)	378	83
Decrease (Increase) in notes and accounts receivable	8,280	3,242	(9,148)
Decrease (Increase) in inventories	(3,889)	1,301	7,528
Increase (Decrease) in notes and accounts payable	(188)	1,647	22,411
Other	3,186	(1,282)	1,327
Total	33,669	25,816	67,305
Interest and dividends received	460	364	734
Interest paid	(816)	(1,052)	(2,365)
Income taxes paid	(2,722)	(2,197)	(3,897)
Net cash provided by operating activities	30,591	22,931	61,777
Cash flows from investing activities:			
Deposits in time deposits	(67)	(783)	(1,184)
Withdrawals from time deposits	485	152	550
Deposits in long-term time deposits		(3,000)	(3,000)
Net decrease in marketable securities		2,997	6,005
Payments for acquisitions of tangible fixed assets	(10,405)	(8,031)	(13,365)
Proceeds from sales of tangible fixed assets	136	135	623
Net increase in intangible fixed assets	(4,179)	(3,130)	(6,066)
Net decrease in investment securities	9	8,702	145
Other	16	(46)	598
Net cash used in investing activities	(14,005)	(3,004)	(15,694)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	919	(1,109)	(2,846)
Payments for long-term borrowings	(921)	(802)	(2,723)
Proceeds from issuance of bonds			20,260
Redemption of bonds	(1,000)		(24,811)
Payments for acquisitions and proceeds from sales of treasury stock, net	(1,278)	(1,207)	(4,131)
Payments for cash dividends	(3,992)	(3,375)	(3,375)
Other	(48)	(23)	(67)
Net cash used in financing activities	(6,320)	(6,516)	(17,693)
Effect of exchange rate changes on cash and cash equivalents	1,943	(1,090)	(1,685)
Net increase in cash and cash equivalents	12,209	12,321	26,705
Cash and cash equivalents at beginning of period	123,141	96,436	96,436
Cash and cash equivalents at end of period	135,350	108,757	123,141

Note: Cash and cash equivalents at September 30, 2004 and 2003, and March 31, 2004 for the Consolidated Statements of Cash Flows consist of the followings:

	(September 30, 2004)	(September 30, 2003)	(March 31, 2004)
Cash and time deposits	92,692	70,155	79,977
Time deposits over three months	(932)	(1,398)	(1,336)
Marketable securities within three months	43,590	40,000	44,500
Cash and cash equivalents	135,350	108,757	123,141