

## Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2005	Year ended March 31, 2004
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	33,093	22,536
Depreciation (including software)	22,927	19,465
Loss on impairment of fixed assets	1,494	
Loss on disposal and sales of fixed assets	727	1,661
Gain on sales of investment securities	(205)	(1,115)
Loss on devaluation of investment securities	78	136
Gain on sales of investment securities in consolidated subsidiaries	(293)	
Dilution gain	(1,918)	
Increase in liabilities for the employees' severance and retirement benefits	782	859
Interest and dividends income	(1,047)	(828)
Interest expense	1,494	2,390
Foreign exchange loss (gain)	(1,370)	83
Decrease (Increase) in notes and accounts receivable	8,762	(9,148)
Decrease in inventories	3,777	7,528
Increase (Decrease) in notes and accounts payable	(15,104)	22,411
Other	17,292	1,327
Total	70,489	67,305
Interest and dividends received	1,019	734
Interest paid	(1,538)	(2,365)
Income taxes paid	(5,015)	(3,897)
<b>Net cash provided by operating activities</b>	<b>64,955</b>	<b>61,777</b>
<b>Cash flows from investing activities:</b>		
Deposits in time deposits	(91)	(1,184)
Withdrawals from time deposits	827	550
Deposits in long-term time deposits		(3,000)
Net decrease in marketable securities		6,005
Payments for acquisitions of tangible fixed assets	(20,065)	(13,365)
Proceeds from sales of tangible fixed assets	392	623
Net increase in intangible fixed assets	(8,966)	(6,066)
Net decrease (increase) in investment securities	(1,073)	145
Other	140	598
<b>Net cash used in investing activities</b>	<b>(28,836)</b>	<b>(15,694)</b>
<b>Cash flows from financing activities:</b>		
Net decrease in short-term borrowings	(275)	(2,846)
Proceeds from long-term borrowings	1,500	
Payments for long-term borrowings	(1,792)	(2,723)
Proceeds from issuance of bonds		20,260
Redemption of bonds	(11,000)	(24,811)
Proceeds from minority shareholders	3,343	
Payments for acquisitions and proceeds from sales of treasury stock, net	(1,251)	(4,131)
Payments for cash dividends	(3,992)	(3,375)
Other	(62)	(67)
<b>Net cash used in financing activities</b>	<b>(13,529)</b>	<b>(17,693)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,858</b>	<b>(1,685)</b>
<b>Net increase in cash and cash equivalents</b>	<b>24,448</b>	<b>26,705</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>123,141</b>	<b>96,436</b>
<b>Cash and cash equivalents at end of year</b>	<b>147,589</b>	<b>123,141</b>

Note: Cash and cash equivalents at March 31, 2005 and 2004 for the Consolidated Statements of Cash Flows consist of the followings:

	(March 31, 2005)	(March 31, 2004)
Cash and time deposits	83,528	79,977
Time deposits over three months	(617)	(1,336)
Marketable securities within three months	44,678	44,500
Short-term loans receivable with resale agreement	20,000	
Cash and cash equivalents	147,589	123,141