

Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2005	Six months ended September 30, 2004	Year ended March 31, 2005
Cash flows from operating activities:			
Income before income taxes and minority interests	17,285	14,661	33,093
Depreciation (including software)	12,004	9,848	22,927
Loss on impairment of fixed assets		1,494	1,494
Loss on disposal and sales of fixed assets	262	572	727
Gain on sales of investment securities	(38)	(61)	(205)
Loss on devaluation of investment securities	12	36	78
Gain on sales of investment securities in a consolidated subsidiary			(293)
Gain on change in interests in a consolidated subsidiary			(1,918)
Increase in liabilities for the employees' severance and retirement benefits	242	467	782
Interest and dividends income	(737)	(468)	(1,047)
Interest expense	668	816	1,494
Foreign exchange gain	(610)	(1,085)	(1,370)
Decrease (Increase) in notes and accounts receivable	(8,755)	8,280	8,762
Decrease (Increase) in inventories	(1,493)	(3,889)	3,777
Increase (Decrease) in notes and accounts payable	13,953	(188)	(15,104)
Other	(5,464)	3,186	17,292
Total	27,329	33,669	70,489
Interest and dividends received	713	460	1,019
Interest paid	(694)	(816)	(1,538)
Income taxes paid	(10,837)	(2,722)	(5,015)
Net cash provided by operating activities	16,511	30,591	64,955
Cash flows from investing activities:			
Deposits in time deposits	(580)	(67)	(91)
Withdrawals from time deposits	449	485	827
Payments for acquisitions of tangible fixed assets	(8,672)	(10,405)	(20,065)
Proceeds from sales of tangible fixed assets	706	136	392
Net increase in intangible fixed assets	(6,021)	(4,179)	(8,966)
Net decrease (increase) in investment securities	(936)	9	(1,073)
Other	(801)	16	140
Net cash used in investing activities	(15,855)	(14,005)	(28,836)
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	39	919	(275)
Proceeds from long-term borrowings			1,500
Payments for long-term borrowings	(6,075)	(921)	(1,792)
Redemption of bonds	(30,000)	(1,000)	(11,000)
Proceeds from minority shareholders			3,343
Payments for acquisitions and proceeds from sales of treasury stock, net	119	(1,278)	(1,251)
Payments for cash dividends	(4,515)	(3,992)	(3,992)
Other	(341)	(48)	(62)
Net cash used in financing activities	(40,773)	(6,320)	(13,529)
Effect of exchange rate changes on cash and cash equivalents	1,391	1,943	1,858
Net increase (decrease) in cash and cash equivalents	(38,726)	12,209	24,448
Cash and cash equivalents at beginning of period	147,589	123,141	123,141
Cash and cash equivalents at end of period	108,863	135,350	147,589

Note: Cash and cash equivalents at September 30, 2005 and 2004, and March 31, 2005 for the Consolidated Statements of Cash Flows consist of the followings:

	(September 30, 2005)	(September 30, 2004)	(March 31, 2005)
Cash and time deposits	69,680	92,692	83,528
Time deposits over three months	(771)	(932)	(617)
Marketable securities within three months	14,954	43,590	44,678
Short-term loans receivable with resale agreement	25,000		20,000
Cash and cash equivalents	108,863	135,350	147,589