

3. Consolidated Statement of Cash Flow Highlights

(Millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2004	Fiscal year ended March 31, 2005
	Amount	Amount	Amount
I. Cash flows from operating activities			
Net income before income taxes and minority interests	13,502	16,134	35,430
Depreciation and amortization	12,421	12,039	52,953
Impairment loss on fixed assets	3,915	-	-
Amortization of consolidated goodwill	1,400	1,486	5,906
Increase (decrease) in allowance for doubtful accounts	96	93	101
Interest and dividend income	(483)	(373)	(1,353)
Interest expense	1,425	1,234	5,549
Loss (gain) on sales or disposals of tangible fixed assets	351	481	4,010
Loss (gain) on valuation loss (gain) on investment securities	(8)	(133)	(2,129)
Transition obligations due to adoption of new accounting standards for retirement benefits	-	68	521
Management integration rationalization expenses	-	433	4,020
Gain (loss) related to switch of defined contribution benefit plan	-	-	(160)
Restructuring expenses	-	-	4,851
Transfers to allowance for doubtful accounts	-	-	1,627
Amortization of consolidated goodwill	-	-	5,397
(Increase) decrease in trade notes and accounts receivable	16,017	6,407	(14,056)
(Increase) decrease in inventories	(5,757)	(11,124)	128
Increase (decrease) in trade notes and accounts payable	(3,035)	(3,889)	(9,239)
Increase (decrease) in accrued consumption tax payable	527	(1,640)	646
Other	(21,902)	(9,700)	(2,970)
Subtotal	18,471	11,519	91,235
Interest and dividends received	477	450	1,417
Interest paid	(1,477)	(1,445)	(5,524)
Income taxes paid	(21,094)	(15,907)	(31,447)
Net cash provided by operating activities	(3,623)	(5,383)	55,680
II. Cash flows from investing activities			
Payment for acquisition of tangible fixed assets	(11,866)	(13,237)	(46,585)
Proceeds from sale of tangible fixed assets	396	664	3,604
Payment for acquisition of intangible fixed assets	(1,057)	(2,296)	(9,088)
Payment for loans receivable	(24)	(522)	(1,670)
Proceeds from return of loan receivable	1,067	921	1,431
Payment for acquisition of investment securities	(2)	(29)	(348)
Proceeds from sale of investment securities	12	53	4,976
Payment for other investments	(789)	(760)	(3,395)
Other	289	10	1,732
Net cash used in by investing activities	(11,974)	(15,196)	(49,343)
III. Cash flows from financing activities			
Net (decrease) increase in short-term loans payable	19,561	23,349	(29,640)
Proceeds from long-term loans payable	-	-	29,257
Repayment of long-term loans payable	(1,539)	(3,333)	(14,535)
Proceeds from issuing of bonds	3,007	-	13,694
Redemption of bonds	(3,132)	(5,054)	(24,870)
Payment to execute buyback of Company's stock	3	2	24
Proceeds from sale of Company's stock	(13)	(44)	(233)
Dividend payments	(2,654)	(2,519)	(5,310)
Net Cash used in financing activities	15,232	12,401	(31,614)
IV. Effect of exchange rate changes on cash and cash equivalents	376	88	642
V. Increase in cash and cash equivalents	11	(8,089)	(24,635)
VI. Cash and cash equivalents at beginning of the period	59,485	83,704	83,704
VII. Increase in cash and cash equivalents due to newly consolidated subsidiaries	1	-	416
VIII. Cash and cash equivalents at end of the period	59,498	75,614	59,485