

Consolidated Statements of Cash Flows

Years ended March 31, 2005, 2004 and 2003

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2005	2004	2003	2005
Cash flows from operating activities:				
Income (Loss) before income taxes and minority interests	¥10,274	¥ 5,950	¥ (2,579)	\$ 95,670
Depreciation	3,983	3,718	5,153	37,089
Increase (Decrease) in employees' severance and retirement benefits	272	304	(5,384)	2,533
Interest and dividend income	(107)	(91)	(223)	(996)
Interest expense	219	211	439	2,039
Write-off of investment securities	—	—	385	—
Write-off of fixed assets	—	244	—	—
Gain on printing systems business transfer and loss on recycling of foreign currency translation adjustments	—	—	6,036	—
Decrease (Increase) in trade receivables	(3,137)	(4,802)	1,038	(29,211)
Increase in inventories	(3,243)	(1,317)	(1,880)	(30,198)
Increase in trade payables	722	1,345	643	6,723
Increase in accrued expenses and other payables	1,186	44	3,384	11,043
Others, net	170	484	(35)	1,583
	10,339	6,090	6,977	96,275
Interest and dividend received	113	119	147	1,052
Interest paid	(227)	(234)	(442)	(2,114)
Retirement benefits paid	—	(1,678)	(1,615)	—
Income taxes paid	(993)	(969)	(351)	(9,247)
Net cash provided by operating activities	9,232	3,328	4,716	85,966
Cash flows from investing activities:				
Purchase of investment securities	(3,122)	(60)	(40)	(29,072)
Proceeds from sale of investment securities	—	474	35	—
Payment for acquisition of shares of a company, which became a new consolidated subsidiary	(1,013)	—	—	(9,433)
Additional acquisition of shares of a consolidated subsidiary	(213)	—	—	(1,983)
Purchase of tangible assets	(4,008)	(2,830)	(3,518)	(37,322)
Proceeds from sale of tangible assets	511	1,560	383	4,758
Purchase of intangible assets	(407)	(381)	(306)	(3,790)
Proceeds from transfer of printing systems business	—	—	15,510	—
Others, net	209	219	36	1,946
Net cash provided by (used in) investing activities	(8,043)	(1,018)	12,100	(74,896)
Cash flows from financing activities:				
Increase (Decrease) in bank loans	696	(3,369)	(4,609)	6,481
Repayment of long-term debt	(54)	(600)	(112)	(503)
Payment for acquisition of treasury stock	(1,384)	(1,606)	(4,615)	(12,888)
Cash dividends paid	(1,804)	(1,083)	(974)	(16,799)
Others, net	(20)	(5)	(7)	(186)
Net cash used in financing activities	(2,566)	(6,663)	(10,317)	(23,895)
Effect of changes in exchange rate on cash and cash equivalents	(153)	(87)	(163)	(1,425)
Net increase (decrease) in cash and cash equivalents	(1,530)	(4,440)	6,336	(14,250)
Cash and cash equivalents at beginning of year	24,896	29,336	23,000	231,830
Cash and cash equivalents at end of year (Note 2)	¥23,366	¥24,896	¥29,336	\$217,580

See accompanying notes.