

# Consolidated Statements of Cash Flows

Years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2003	2002	2003
<b>Cash flows from operating activities:</b>			
Income (loss) before income taxes	¥16,004	¥(31,428)	\$133,145
Depreciation	85,090	86,915	707,903
Interest and dividend income	(2,871)	(3,937)	(23,885)
Interest expense	29,726	31,560	247,304
Gain on sale of securities	(5,143)	(11,665)	(42,787)
Loss on write-down of securities, investments and golf memberships	11,280	19,668	93,844
Equity in income of unconsolidated subsidiaries and affiliates	(5,586)	(1,241)	(46,473)
Special employees' retirement benefits	988	7,531	8,220
Business transfer gain	(2,387)	—	(19,859)
Reversal of allowance for special repairs	(5,913)	—	(49,193)
Effect of applying new accounting standard for retirement benefits	12,798	12,966	106,473
Gain on securities contributed to employees' retirement benefit trust	—	(9,021)	—
Amortization of prior service costs of pension plans	(6,975)	(6,975)	(58,028)
Loss (gain) on sale or disposal of plant and equipment	2,142	(1,186)	17,820
Decrease (increase) in trade receivables from customers	(7,897)	57,741	(65,699)
Decrease (increase) in inventories	(2,937)	20,775	(24,434)
Increase (decrease) in trade payables to customers	24,988	(37,635)	207,887
Other	8,957	(22,335)	74,517
Subtotal	<u>152,264</u>	<u>111,733</u>	<u>1,266,755</u>
Cash received for interest and dividends	2,895	5,475	24,085
Cash paid for interest	(30,126)	(33,341)	(250,632)
Cash paid for special employees' retirement benefits	(1,653)	(16,993)	(13,752)
Cash paid for income taxes	(7,688)	(7,764)	(63,960)
Net cash provided by operating activities	<u>115,692</u>	<u>59,110</u>	<u>962,496</u>
<b>Cash flows from investing activities:</b>			
Purchase of plant, equipment and other assets	(45,011)	(142,648)	(374,468)
Proceeds from sale of plant, equipment and other assets	44,376	58,661	369,185
Purchase of investments in securities	(13,014)	(9,463)	(108,270)
Proceeds from sale of investments in securities	10,929	29,310	90,923
Decrease (increase) in short-term loans receivable	2,630	(5,629)	21,880
Long-term loans receivable	(643)	(4,197)	(5,349)
Proceeds from collection of long-term loans	1,038	1,953	8,636
Net proceeds from sale of a former consolidated subsidiary	—	10,640	—
Proceeds from transfer of business	20,188	21,313	167,953
Other	6,528	3,578	54,310
Net cash used in investing activities	<u>27,021</u>	<u>(36,482)</u>	<u>224,800</u>
<b>Cash flows from financing activities:</b>			
Decrease in short-term borrowings	(51,122)	(5,092)	(425,308)
Proceeds from issuance of long-term debt	109,960	110,799	914,809
Repayment of long-term debt	(137,446)	(148,704)	(1,143,478)
Proceeds from issuance of bonds	500	32,173	4,160
Repayment of bonds	(93,348)	(22,280)	(776,606)
Proceeds from issuance of stock	5,992	—	49,850
Other	(9,533)	(3,711)	(79,309)
Net cash used in financing activities	<u>(174,997)</u>	<u>(36,815)</u>	<u>(1,455,882)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(1,441)</u>	<u>1,891</u>	<u>(11,988)</u>
<b>Decrease in cash and cash equivalents</b>	<u>(33,725)</u>	<u>(12,296)</u>	<u>(280,574)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>115,292</u>	<u>126,187</u>	<u>959,168</u>
<b>Cash and cash equivalents of newly consolidated subsidiaries</b>	<u>242</u>	<u>1,401</u>	<u>2,013</u>
<b>Cash and cash equivalents at end of year (Note 12)</b>	<u>¥81,809</u>	<u>¥115,292</u>	<u>\$680,607</u>

See accompanying notes.