

Consolidated Statements of Cash Flows

Years ended March 31	1999	2000	Yen (millions) 2001	U.S. Dollars (thousands) (Note 3) 2001
Cash flows from operating activities (A):				
Income before income taxes and minority interests	¥ 49,625	¥ 74,857	¥ 157,564	\$1,270,677
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	371,195	359,808	389,090	3,137,823
Goodwill amortization	21,754	27,621	64,757	522,234
Accrual for retirement benefits, less payments	14,235	13,883	(73,172)	(590,097)
Provision for loss on repurchase of computers	48,638	45,736	38,075	307,056
Reversal of provision for loss on repurchase of computers	(53,124)	(48,489)	(38,222)	(308,242)
Interest charges	58,240	49,505	48,955	394,798
Interest and dividend income	(12,499)	(12,583)	(14,291)	(115,250)
Equity in earnings of affiliates, net	(22,475)	(17,025)	(13,429)	(108,298)
Disposal of non-current assets	38,378	27,726	45,678	368,371
(Increase) decrease in receivables, trade	29,874	72,396	(5,057)	(40,782)
(Increase) decrease in inventories	40,321	20,998	(71,459)	(576,282)
(Increase) decrease in other current assets	(61,775)	(41,764)	53,964	435,194
Increase in payables, trade	48,769	35,665	110,687	892,637
Increase (decrease) in other current liabilities	(3,704)	15,535	10,720	86,452
Other, net	(30,519)	(53,282)	1,760	14,193
Cash generated from operations	536,933	570,587	705,620	5,690,484
Interest paid	(60,395)	(50,617)	(48,794)	(393,500)
Interest received	5,257	12,387	6,435	51,895
Dividends received	6,329	4,264	6,414	51,726
Income taxes paid	(88,413)	(59,579)	(73,213)	(590,428)
Net cash provided by operating activities	399,711	477,042	596,462	4,810,177
Cash flows from investing activities (B):				
Purchases of property, plant and equipment	(279,226)	(322,794)	(406,928)	(3,281,677)
Proceeds from sales of property, plant and equipment	25,325	30,921	2,136	17,226
Purchases of intangible assets	(61,848)	(68,256)	(73,832)	(595,419)
(Increase) in investments and long-term loans	(102,595)	(42,117)	(34,078)	(274,823)
(Increase) decrease in short-term investments	(20,452)	34,322	2,265	18,266
Other, net	30,057	19,636	43,628	351,839
Net cash used in investing activities	(408,739)	(348,288)	(466,809)	(3,764,588)
A+B (*)	(9,028)	128,754	129,653	1,045,589
Cash flows from financing activities:				
Proceeds from long-term debt	204,899	107,807	57,167	461,024
Repayment of long-term debt	(185,031)	(133,934)	(171,179)	(1,380,476)
Increase (decrease) in short-term borrowings	42,682	(329,348)	2,467	19,895
Increase (decrease) in minority interests	11,513	17,056	(5,544)	(44,710)
Dividends paid	(18,686)	(19,112)	(19,642)	(158,403)
Other, net	13,822	86,284	(917)	(7,395)
Net cash provided by (used in) financing activities	69,199	(271,247)	(137,648)	(1,110,065)
Effect of exchange rate changes on cash and cash equivalents	(2,851)	9,159	1,803	14,541
Net increase (decrease) in cash and cash equivalents	57,320	(133,334)	(6,192)	(49,935)
Cash and cash equivalents at beginning of year	392,190	449,510	316,176	2,549,806
Cash and cash equivalents at end of year	¥449,510	¥316,176	¥309,984	\$2,499,871
Noncash financing activities:				
Conversion of bonds into common stock and capital surplus	¥ 361	¥ 20,790	¥ 2,798	\$ 22,565

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

(*) This is referred to as "free cash flow" in "Management's Discussion and Analysis of Operations."