

Years ended March 31	Yen (millions)			U.S. Dollars (thousands) (Note 3)
	2001	2002	2003	2003
Cash flows from operating activities (A):				
Income (loss) before income taxes and minority interests	¥157,564	¥(594,733)	¥ (147,606)	\$(1,230,050)
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	389,090	417,867	325,618	2,713,483
Goodwill amortization	64,757	21,090	17,667	147,225
Accrual (payments) for retirement benefits	(73,172)	12,638	8,936	74,467
Provision for loss on repurchase of computers	38,075	30,594	26,063	217,192
Reversal of provision for loss on repurchase of computers	(38,222)	(35,279)	(35,191)	(293,258)
Interest charges	48,955	43,126	29,913	249,275
Interest and dividend income	(14,291)	(10,480)	(8,495)	(70,791)
Equity in earnings of affiliates, net	(13,429)	(2,676)	(570)	(4,750)
Disposal of non-current assets	45,678	177,152	53,855	448,792
(Increase) decrease in receivables, trade	(5,057)	294,617	63,246	527,050
(Increase) decrease in inventories	(71,459)	272,898	39,538	329,483
(Increase) decrease in other current assets	53,964	47,232	(33,062)	(275,517)
Increase (decrease) in payables, trade	110,687	(210,938)	(60,500)	(504,167)
Increase (decrease) in other current liabilities	10,720	40,215	(60,800)	(506,667)
Other, net	1,760	(49,101)	(45,611)	(380,092)
Cash generated from operations	705,620	454,222	173,001	1,441,675
Interest paid	(48,794)	(45,458)	(30,920)	(257,667)
Interest received	6,435	6,877	6,422	53,517
Dividends received	6,414	6,686	8,282	69,017
Income taxes paid	(73,213)	(115,756)	(38,988)	(324,900)
Net cash provided by (used in) operating activities	596,462	306,571	117,797	981,642
Cash flows from investing activities (B):				
Purchases of property, plant and equipment	(406,928)	(347,841)	(163,503)	(1,362,525)
Proceeds from sales of property, plant and equipment	2,136	15,184	91,779	764,825
Purchases of intangible assets	(73,832)	(71,375)	(66,524)	(554,367)
Purchases of investment securities	(41,617)	(26,220)	(34,279)	(285,658)
Proceeds from sales of investment securities	41,114	7,538	98,303	819,192
Other, net	12,318	13,251	9,809	81,741
Net cash provided by (used in) investing activities	(466,809)	(409,463)	(64,415)	(536,792)
A+B (*)	129,653	(102,892)	53,382	444,850
Cash flows from financing activities:				
Proceeds from long-term debt	57,167	448,947	358,615	2,988,458
Repayment of long-term debt	(171,179)	(296,718)	(222,779)	(1,856,491)
Increase (decrease) in short-term borrowings	2,467	(36,191)	(105,167)	(876,392)
Increase (decrease) in minority interests	(5,544)	17,032	(2,702)	(22,517)
Dividends paid	(19,642)	(14,842)	(5,005)	(41,708)
Other, net	(917)	(26,916)	(90,199)	(751,658)
Net cash provided by (used in) financing activities	(137,648)	91,312	(67,237)	(560,308)
Effect of exchange rate changes on cash and cash equivalents	1,803	1,014	(3,230)	(26,917)
Net Increase (decrease) in cash and cash equivalents	(6,192)	(10,566)	(17,085)	(142,375)
Cash and cash equivalents at beginning of year	316,176	309,984	299,418	2,495,150
Cash and cash equivalents at end of year	¥309,984	¥ 299,418	¥ 282,333	\$ 2,352,775
Noncash investing and financing activities:				
Acquisition of assets under finance leases	¥ 29,655	¥ 24,238	¥ 32,696	\$ 272,467
Conversion of bonds into common stock and capital surplus	2,798	19,414	—	—

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."