

Consolidated Statements of Cash Flows

Fujitsu Limited and Consolidated Subsidiaries

Years ended March 31	Notes	Yen (millions)			U.S. Dollars (thousands) (Note 2)
		2008	2009	2010	2010
Cash flows from operating activities (A):					
Income (loss) before income taxes and minority interests		¥ 109,444	¥(113,314)	¥ 112,706	\$ 1,211,892
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:					
Depreciation and amortization		257,127	282,111	231,741	2,491,839
Amortization of goodwill		22,171	16,292	23,317	250,720
Impairment loss		18,756	75,192	2,902	31,204
Increase (decrease) in provisions		(24,611)	(12,112)	(29,831)	(320,763)
Interest and dividend income		(17,759)	(19,358)	(8,017)	(86,204)
Interest charges		21,277	17,516	16,321	175,495
Equity in earnings of affiliates, net		(9,192)	34,049	(2,805)	(30,161)
Loss on disposal of non-current assets		17,314	9,499	10,535	113,280
Gain on sales of investment securities, net		(17,308)	(3,484)	(89,657)	(964,054)
Loss on revaluation of investment securities		25,132	18,729	—	—
Loss on revaluation of inventories at the beginning of period		25,045	—	—	—
(Increase) decrease in receivables, trade		(26,452)	127,090	48,937	526,204
(Increase) decrease in inventories		(8,361)	63,516	18,793	202,075
Increase (decrease) in payables, trade		(22,892)	(224,870)	(23,047)	(247,817)
Other, net		(1,087)	(1,497)	15,773	169,602
Cash generated from operations		368,604	269,359	327,668	3,523,312
Interest and dividends received		17,874	29,378	8,969	96,441
Interest paid		(19,388)	(18,532)	(17,879)	(192,247)
Income taxes paid		(45,018)	(32,107)	(23,369)	(251,280)
Net cash provided by operating activities		322,072	248,098	295,389	3,176,226
Cash flows from investing activities (B):					
Purchases of property, plant and equipment		(268,955)	(175,851)	(114,525)	(1,231,452)
Proceeds from sales of property, plant and equipment		3,986	18,649	9,177	98,677
Purchases of intangible assets		(62,085)	(66,117)	(58,825)	(632,527)
Purchases of investment securities		(20,985)	(17,022)	(23,662)	(254,430)
Proceeds from sales of investment securities		55,470	15,604	116,814	1,256,065
Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation	18	—	—	50,416	542,108
Proceeds from transfer of business	18	—	—	17,549	188,699
Other, net		8,643	126	4,076	43,828
Net cash provided by (used in) investing activities		(283,926)	(224,611)	1,020	10,968
A+B*		38,146	23,487	296,409	3,187,194
Cash flows from financing activities:					
Increase (decrease) in short-term borrowings		16,099	81,423	(80,861)	(869,473)
Proceeds from long-term debt		336,862	109,244	82,047	882,226
Repayment of long-term debt		(202,707)	(172,012)	(326,605)	(3,511,882)
Proceeds from sales of treasury stock		134	155	25	269
Purchase of treasury stock		(27,232)	(1,492)	(22,691)	(243,989)
Dividends paid		(15,875)	(24,460)	(13,842)	(148,839)
Other, net		(44,956)	(40,752)	(43,383)	(466,484)
Net cash provided by (used in) financing activities		62,325	(47,894)	(405,310)	(4,358,172)
Effect of exchange rate changes on cash and cash equivalents		(2,313)	(4,035)	(983)	(10,570)
Net increase (decrease) in cash and cash equivalents		98,158	(28,442)	(109,884)	(1,181,548)
Cash and cash equivalents at beginning of year		448,705	547,844	528,174	5,679,290
Cash and cash equivalents of newly consolidated subsidiaries		981	8,772	1,876	20,172
Cash and cash equivalents at end of year		¥ 547,844	¥ 528,174	¥ 420,166	\$ 4,517,914
Non-cash investing and financing activities:					
Acquisition of assets under finance leases		¥ 19,015	¥ 25,326	¥ 20,580	\$ 221,290

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.