

# Consolidated Statements of Cash Flows

Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and minority interests	¥ 61,741	¥ 87,293	\$ 574,921
Adjustments for:			
Income taxes—paid	(27,805)	(36,320)	(258,915)
Depreciation and amortization	37,146	35,663	345,899
Loss on disposal of property, plant and equipment	1,015	1,643	9,450
Loss on impairment of long-lived assets	4,597		42,807
Loss on devaluation of land		897	
Loss on devaluation of telephone subscription rights		1,519	
Gain on sales of marketable and investment securities	(427)	(4,093)	(3,975)
Equity in earnings of affiliated companies		(531)	
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:			
Increase in notes and accounts receivable	(19,719)	(9,470)	(183,620)
(Increase) decrease in inventories	(88)	977	(817)
Increase (decrease) in notes and accounts payable	22,292	(8,724)	207,577
Decrease in liability for employees' retirement benefits	(5,255)	(29,652)	(48,928)
Other—net	3,145	1,862	29,284
Total adjustments	14,901	(46,229)	138,762
Net cash provided by operating activities	76,642	41,064	713,683
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment	143	687	1,326
Purchases of property, plant and equipment	(36,443)	(46,946)	(339,350)
Proceeds from sales of marketable and investment securities	8,480	6,704	78,967
Purchases of marketable and investment securities	(5,353)	(8)	(49,850)
(Increase) decrease in investments in and advances to non-consolidated subsidiaries and affiliates	(194)	6,626	(1,804)
Cash collected from long-term loans	2,942	2,684	27,391
Cash advanced for long-term loans	(2,443)	(3,579)	(22,750)
Other	(7,122)	(6,852)	(66,316)
Net cash used in investing activities	(39,990)	(40,684)	(372,386)
<b>FINANCING ACTIVITIES:</b>			
Proceeds from short-term bank loans		97	
Repayments of short-term bank loans	(105)	(240)	(975)
Proceeds from long-term debt	1,988		18,512
Repayments of long-term debt	(17,000)		(158,302)
Dividends paid	(8,667)	(7,427)	(80,705)
Treasury stocks	(10,315)	(9,984)	(96,049)
Other	187	1,114	1,739
Net cash used in financing activities	(33,912)	(16,440)	(315,780)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS</b>			
ON CASH AND CASH EQUIVALENTS	(11)	(81)	(104)
CASH AND CASH EQUIVALENTS INCREASED BY MERGER	156		1,448
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,885	(16,141)	26,861
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR	114	779	1,061
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	117,031	132,393	1,089,777
CASH AND CASH EQUIVALENTS, END OF YEAR	¥120,030	¥117,031	\$1,117,699

See notes to consolidated financial statements.