

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of JPY)

	Year ended September 30, 1999	Year ended September 30, 2000
OPERATING		
Net income before minority interest and taxes	-141,872	1,570,058
Depreciation expense	100,322	139,997
Amortization of consolidation adjustment	-8,322	0
Allowance for doubtful account	32,705	27,317
Accrued bonus	81,863	162,235
Accrued retirement allowance	9,042	5,911
Accrued directors' retirement allowance	19,831	5,323
Interest and dividend income	-5,143	-5,794
Interest expense	58,180	88,823
Gain on sale of fixed assets	0	-1,041
Loss on sale/disposal of fixed assets	4,098	7,236
Amorization of bond discount	5,014	521
Share and bond issuance costs	12,612	11,524
Loss on investments in unions	44,242	3,549
Write-off of receivables	120,494	5,960
Loss on write down of investments	0	8,410
Loss on write down of golf membership	0	14,000
Equity in loss of associated companies	0	52,689
Gain on sale of parent company shares held by subsidiary	-5,920	0
Increase in accounts receivable	-595,533	-1,328,333
Increase in inventories	-17,672	1,944
Increase in accounts payable	125,267	162,421
Other	-55,541	529,849
	<u>-216,328</u>	<u>1,462,606</u>
Interest and dividends received	3,627	7,311
Interest paid	-62,078	-88,511
Income taxes paid	-287,469	-125,442
Cash flows from operating activities	<u>-562,249</u>	<u>1,255,964</u>
INVESTING		
Acquisition of tangible fixed assets	-18,834	-1,874,117
Proceeds from sale of tangible fixed assets	512	3,572
Acquisition of intangible fixed assets	0	-251,500
Acquisition of investments	-51,143	-910,502
Proceeds from sale of parent company shared held by subsidiary	6,920	0
Loans provided	-56,241	-53,383
Principal repayment of loans provided	17,699	121,594
Other	-1,726	43,723
Cash flows from investing activities	<u>-102,813</u>	<u>-2,920,614</u>
FINANCING		
Increase in short-term borrowings	374,136	711,216
Incurrence of long-term debt	310,000	2,500,000
Principal repayment of long-term debt	-415,265	-725,378
Proceeds from issuance of bond with warrant	77,678	50,000
Proceeds from issuance of convertible bonds	47,640	268,850
Proceeds from issuance of shares	862,729	1,950,024
Other	-19,043	-234,885
Cash flows from financing activities	<u>1,237,875</u>	<u>4,519,827</u>
Net increase in cash and cash equivalents	<u>572,812</u>	<u>2,855,178</u>
Cash and cash equivalents at beginning of year	404,923	977,736
Decrease in cash and cash equivalents from change in consolidation scope	0	310,695
Cash and cash equivalents at end of year	<u>977,736</u>	<u>3,522,219</u>