

Consolidated Statements of Cash Flows

Fullcast Co., Ltd. and Consolidated Subsidiaries—Years ended September 30, 2000 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2000	2001	2001
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥1,570	¥1,609	\$13,476
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation.....	140	192	1,608
Allowance for doubtful accounts	27	57	477
Accrued bonuses	162	33	277
Accrued severance and retirement cost, net	11	37	310
Interest and dividend income	(6)	(7)	(59)
Interest expense.....	89	128	1,072
Initial public offering expenses.....	—	79	662
Loss on sales and disposal of property, net	6	27	226
Loss on valuation of investment securities	8	120	1,005
Equity in losses of affiliates	53	51	427
Other, net	36	(9)	(75)
Changes in current assets and liabilities:			
Trade notes and accounts receivable	(1,328)	6	50
Accounts payable.....	163	43	360
Other, net	532	(111)	(930)
Subtotal.....	1,463	2,255	18,886
Interest paid.....	7	18	151
Interest and dividends received.....	(89)	(125)	(1,047)
Income taxes paid.....	(125)	(1,336)	(11,189)
Net cash provided by operating activities	1,256	812	6,801
Cash Flows from Investing Activities:			
Purchase of marketable securities	—	(499)	(4,179)
Expenditures for property and equipment	(1,874)	(148)	(1,239)
Proceeds from sales of property and equipment	3	17	142
Purchase of intangible assets.....	(252)	(256)	(2,144)
Purchase of investment securities	(911)	(88)	(737)
Proceeds from sales of investment securities.....	—	139	1,164
Purchase of subsidiary's securities.....	—	(18)	(151)
Advance for loans receivable.....	(53)	(34)	(285)
Collection of loans receivable	122	28	235
Other, net.....	44	35	293
Net cash used in investing activities	(2,921)	(824)	(6,901)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term borrowings.....	711	(1,273)	(10,662)
Proceeds from long-term debt	2,500	380	3,183
Repayments of long-term debt	(725)	(780)	(6,533)
Issuance of bond with detachable warrant	50	440	3,685
Repayments of bonds with warrants.....	—	(436)	(3,652)
Issuance of convertible bonds.....	269	—	0
Issuance of common stock	1,950	3,164	26,499
Other, net.....	(235)	(55)	(460)
Net cash provided by financing activities	4,520	1,440	12,060
Net Increase in Cash and Cash Equivalents	2,855	1,428	11,960
Cash and Cash Equivalents at Beginning of Period	978	3,522	29,497
Effect of Changes in Consolidation Scope on			
Cash and Cash Equivalents	(311)	(9)	(75)
Cash and Cash Equivalents at End of Period	¥3,522	¥4,941	\$41,382

The accompanying notes to the consolidated financial statements are an integral part of these statements.