

# Fullcast Co., Ltd.

## Consolidated Statements of Cash Flows

Years ended September 30, 2001 and 2002

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2001	2002	2002
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and minority interests	¥ 1,608	¥ 1,076	\$ 8,777
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation	192	238	1,941
Allowance for doubtful accounts	57	(47)	(383)
Accrued bonuses	33	(48)	(392)
Accrued severance and retirement cost	37	154	1,256
Interest and dividend income	(7)	(31)	(253)
Interest expense	128	81	661
Initial public offering expenses	79	-	-
Loss on sales and disposal of property and equipment, net	27	6	49
Loss on valuation of investment securities	120	360	2,936
Equity in losses of affiliates	51	7	57
Other, net	(8)	(75)	(612)
Changes in current assets and liabilities:			
Trade notes and accounts receivable	6	(1,125)	(9,176)
Accounts payable	43	350	2,855
Other, net	(111)	(420)	(3,426)
Subtotal	2,255	526	4,290
Interest and dividends received	18	33	269
Interest paid	(125)	(82)	(669)
Income taxes paid	(1,336)	(504)	(4,110)
Net cash provided by (used in) operating activities	812	(27)	(220)
<b>Cash Flows from Investing Activities:</b>			
Proceeds from withdrawal of time deposits (Note1)	35	195	1,591
Purchase of short-term investments	(499)	(99)	(808)
Proceeds from sales of short-term investments	-	500	4,078
Expenditures for property and equipment	(148)	(127)	(1,036)
Proceeds from sales of property and equipment	17	18	147
Purchase of intangible assets	(256)	(248)	(2,023)
Purchase of investment securities	(88)	(118)	(962)
Proceeds from sales of investment securities	139	132	1,077
Purchase of subsidiary's securities	(18)	(50)	(408)
Advance for loans receivable	(34)	(502)	(4,095)
Collection of loans receivable	28	3	24
Effect of changes in consolidation scope due to sales of a subsidiary		(22)	(179)
Other, net (Note1)	0	-	-
Net cash used in investing activities	(824)	(318)	(2,594)
<b>Cash Flows from Financing Activities:</b>			
Increase (decrease) in short-term borrowings	(1,273)	332	2,708
Proceeds from long-term debt	380	70	571
Repayments of long-term debt	(780)	(611)	(4,984)
Redemption of bonds with detachable warrants	440	-	-
Repayments of bonds with warrants	(436)	-	-
Issuance of common stock	3,164	14	114
Contribution from minority shareholders of a consolidated subsidiary	-	40	326
Purchase of treasury stock	-	(508)	(4,144)
Payments of dividends (Note1)	(16)	(134)	(1,092)
Other, net (Note1)	(39)	(57)	(465)
Net cash provided by (used in) financing activities	1,440	(854)	(6,966)
<b>Net Increase in Cash and Cash Equivalents</b>	1,428	(1,199)	(9,780)
<b>Cash and Cash Equivalents at Beginning of Period</b>	3,522	4,941	40,302
<b>Effect of Changes in Consolidation Scope on</b>			
<b>Cash and Cash Equivalents</b>	(9)	-	-
<b>Cash and Cash Equivalents at End of Period</b>	¥ 4,941	¥ 3,742	\$ 30,522

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