

Fullcast Co., Ltd.
Consolidated Statements of Cash Flows

Years ended September 30, 2003 and 2004

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2003	2004	2004
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥2,552	¥2,966	\$26,710
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation	237	299	2,692
Allowance for doubtful accounts	16	(11)	(99)
Accrued bonuses	136	65	587
Accrued severance and retirement cost	28	0	0
Interest and dividend income	(43)	(10)	(91)
Interest expense	53	32	291
Loss on sales and disposal of property and equipment, net	(60)	9	82
Loss on valuation of investment securities	44	11	100
Equity in losses (profits) of affiliates	(7)	(2)	(16)
Amortization of consolidation goodwill	29	297	2,670
Other, net	(79)	(52)	(475)
Changes in current assets and liabilities:			
Trade notes and accounts receivable	(1,090)	(1,541)	(13,875)
Accounts payable	287	(74)	(666)
Other, net	241	(95)	(855)
Subtotal	2,344	1,894	17,055
Interest and dividends received	38	9	81
Interest paid	(51)	(32)	(289)
Income taxes paid	(785)	(1,876)	(16,892)
Net cash provided by (used in) operating activities	1,546	(5)	(45)
Cash Flows from Investing Activities:			
Increase in time deposits	-	(17)	(151)
Proceeds from withdrawal of time deposits	-	11	99
Purchase of short-term investments	(300)	(299)	(2,688)
Proceeds from sales of short-term investment securities	200	600	5,403
Expenditures for property and equipment	(189)	(398)	(3,588)
Proceeds from sales of property and equipment	1,960	65	586
Purchase of intangible assets	(295)	(298)	(2,687)
Proceeds from sales of intangible assets	-	6	56
Purchase of investment securities	(323)	(15)	(131)
Proceeds from sales of investment securities	81	52	469
Purchase of subsidiary's securities	(27)	(1)	(13)
Advance for loans receivable	(7)	(40)	(364)
Collection of loans receivable	505	39	353
Acquisition of cash owned by new subsidiaries, net of payment for purchase of subsidiaries' shares	-	221	1,991

Other, net	(1)	0	0
Net cash provided by (used in) investing activities	<u>1,604</u>	<u>(74)</u>	<u>(665)</u>
Cash Flows from Financing Activities:			
Increase (decrease) in short-term borrowings	(429)	1,200	10,807
Proceeds from long-term debt	200	-	-
Repayment of long-term debt	(1,486)	(271)	(2,440)
Issuance of common stock	55	350	3,147
Contribution from minority shareholders of a consolidated subsidiary	-	119	1,067
Repayments of bonds	-	(10)	(89)
Proceeds from sales of treasury stock	80	-	-
Payment of dividends	(107)	(310)	(2,789)
Payments of dividends to minority shareholders from a consolidated subsidiary	-	(8)	(72)
Other, net	(54)	(53)	(474)
Net cash provided by (used in) financing activities	<u>(1,741)</u>	<u>1,017</u>	<u>9,157</u>
Net increase in Cash and Cash Equivalents	1,409	938	8,447
Cash and Cash Equivalents at Beginning of Period	3,742	5,151	46,384
Effect of Changes in Consolidation Scope on Cash and Cash Equivalents	-	0	0
Cash and Cash Equivalents at End of Period	<u>¥5,151</u>	<u>¥6,089</u>	<u>\$54,831</u>

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