

Fullcast Co., Ltd.
Consolidated Statements of Cash Flows

Years ended September 30, 2005 and 2006

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2005	2006	2006
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥4,012	¥4,701	\$39,876
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	396	710	6,025
Allowance for doubtful accounts	44	43	363
Accrued bonuses	124	120	1,014
Accrued severance and retirement cost	62	58	489
Interest and dividend income	(8)	(12)	(101)
Interest expense	30	64	545
Loss on sales and disposal of property and equipment, net	52	40	337
Gain (Loss) on change in shareholding ratio	-	(372)	(3,158)
Equity in profits of affiliates	(9)	(36)	(303)
Amortization of goodwill	-	128	1,084
Amortization of consolidated goodwill	551	-	-
Other, net	(53)	23	191
Changes in current assets and liabilities:			
Trade notes and accounts receivable	(1,549)	(2,298)	(19,490)
Accounts payable	(290)	914	7,757
Other, net	(469)	848	7,198
Subtotal	2,893	4,931	41,827
Interest and dividends received	8	11	98
Interest paid	(30)	(64)	(545)
Income taxes paid	(1,407)	(2,311)	(19,603)
Net cash provided by operating activities	1,464	2,567	21,777
Cash Flows from Investing Activities:			
Increase in time deposits	(11)	(8)	(64)
Proceeds from withdrawal of time deposits	14	77	655
Expenditures for property and equipment	(384)	(603)	(5,119)
Proceeds from sales of property and equipment	2	13	112
Purchase of intangible assets	(192)	(529)	(4,491)
Proceeds from transfer of operations	26	-	-
Purchase of investment securities	(122)	(949)	(8,046)
Proceeds from sales of investment securities	43	38	323
Proceeds from collection on equity in investment securities	-	29	244
Purchase of subsidiary's securities	-	(15)	(127)
Advance for loans receivable	(207)	(86)	(732)
Collection of loans receivable	5	88	749
Expenditures from sales of shares of consolidated subsidiaries resulting from change in the scope of consolidation (Note 10)	-	(37)	(312)

Payment for acquisition of shares of newly consolidated subsidiaries (Note 10)	(412)	(1,597)	(13,544)
Other, net	-	31	256
Net cash used in investing activities	<u>(1,238)</u>	<u>(3,548)</u>	<u>(30,096)</u>
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term borrowings	485	1,612	13,671
Proceeds from long-term debt	-	6,800	57,681
Repayment of long-term debt	(138)	(1,668)	(14,147)
Repayments of bonds	-	(300)	(2,545)
Proceeds from disposal of treasury stocks (exercise of stock option rights)	-	109	922
Contribution from minority shareholders of a consolidated subsidiary	-	909	7,712
Payment of dividends	(545)	(682)	(5,789)
Payments of dividends to minority shareholders from a consolidated subsidiary	(8)	(41)	(347)
Other, net	(12)	(20)	(165)
Net cash (used in) provided by financing activities	<u>(218)</u>	<u>6,719</u>	<u>56,993</u>
Net increase in Cash and Cash Equivalents	8	5,738	48,674
Cash and Cash Equivalents at Beginning of Period	6,089	6,097	51,714
Increase in Cash and Cash Equivalents Due to Newly Consolidated Subsidiaries	-	71	608
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(0)	(0)	(2)
Cash and Cash Equivalents at End of Period	<u>¥6,097</u>	<u>¥11,906</u>	<u>\$100,994</u>

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