

**Fullcast Co., Ltd.**  
**Consolidated Statements of Cash Flows**

Years ended September 30, 2006 and 2007

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2006	2007	2007
<b>Cash Flows from Operating Activities:</b>			
Income (loss) before income taxes and minority interests	¥4,701	¥(293)	\$(2,534)
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	710	852	7,377
Allowance for doubtful accounts	43	(13)	(111)
Accrued bonuses	120	205	1,773
Accrued severance and retirement cost	58	23	202
Interest and dividend income	(12)	(34)	(296)
Interest expense	64	209	1,806
Loss on sales and disposal of property and equipment, net	40	160	1,386
Loss on valuation of investment securities	-	7	63
Gain (Loss) on change in share-holding ratio	(372)	6	48
Equity in losses (profits) of affiliates	(36)	39	341
Amortization of goodwill	128	219	1,900
Impairment loss	-	151	1,311
Other, net	23	(660)	(5,718)
Changes in current assets and liabilities:			
Trade notes and accounts receivable	(2,298)	2,122	18,384
Accounts payable	914	950	8,231
Other, net	848	(272)	(2,361)
Sub total	4,931	3,671	31,802
Interest and dividends received	11	43	374
Interest paid	(64)	(199)	(1,723)
Income taxes paid	(2,311)	(1,969)	(17,063)
Net cash provided by operating activities	¥2,567	¥1,546	\$13,390

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

**Fullcast Co., Ltd.**  
**Consolidated Statements of Cash Flows (Continued)**

Years ended September 30, 2006 and 2007

	Millions of yen		Thousand of U.S. dollars (Note 1)
	2006	2007	2007
<b>Cash Flows from Investing Activities:</b>			
Increase in time deposits	¥ (8)	¥ (105)	\$ (909)
Proceeds from withdrawal of time deposits	77	33	287
Expenditures for property and equipment	(603)	(501)	(4,338)
Proceeds from sales of property and equipment	13	53	461
Purchase of intangible fixed assets	(529)	(544)	(4,716)
Purchase of investment securities	(949)	(1,444)	(12,511)
Proceeds from sales of investment securities	38	15	129
Proceeds from collection of equity in investment securities	29	25	214
Purchase of stock issued by a subsidiary	(15)	(540)	(4,674)
Payment for loans receivable	(86)	(20)	(171)
Collection of loans receivable	88	563	4,875
Expenditures resulting from sales of shares of consolidated subsidiaries with change in the scope of consolidation (Note 12)	(37)	(23)	(199)
Proceeds (expenditures) resulting from acquisition of shares of consolidated subsidiaries with change in the scope of consolidation (Note 12)	(1,597)	771	6,676
Other, net	31	(1)	(5)
Net cash used in investing activities	<u>(3,548)</u>	<u>(1,718)</u>	<u>(14,881)</u>
<b>Cash Flows from Financing Activities:</b>			
Net increase in short-term borrowings	1,612	664	5,757
Proceeds from long-term debt	6,800	9,000	77,969
Repayment of long-term debt	(1,668)	(4,462)	(38,652)
Repayments of bonds	(300)	-	-
Proceeds from disposal of treasury stock corresponding to exercise of stock option rights	109	10	85
Payment for purchase of treasury stock	-	(3,203)	(27,751)
Contribution from minority shareholders of a consolidated subsidiary	909	12	105
Payment of dividends	(682)	(934)	(8,093)
Payments of dividends to minority shareholders from a consolidated subsidiary	(41)	(77)	(668)
Other, net	(20)	(1)	(9)
Net cash provided by financing activities	<u>6,719</u>	<u>1,009</u>	<u>8,743</u>
<b>Net increase in Cash and Cash Equivalents</b>	5,738	837	7,252
<b>Cash and Cash Equivalents at Beginning of Period</b>	6,097	11,906	103,146
<b>Increase in Cash and Cash Equivalents Due to Newly Consolidated Subsidiaries</b>	71	21	182
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	(0)	0	0
<b>Cash and Cash Equivalents at End of Period</b>	<u>¥11,906</u>	<u>¥12,764</u>	<u>\$110,580</u>

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