

Consolidated Statements of Cash Flows

Years ended March 31

	1996	1997	1998
Cash flows from operating activities:			
Net income (loss)	¥ 143,135	¥ 89,802	¥ 12,163
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	556,671	543,560	550,393
Amortization	—	—	—
Impairment losses for long-lived assets	—	44,289	35,504
Deferred income taxes	(30,154)	(61,099)	(14,667)
Equity in (earnings) losses of affiliated companies, net	—	—	—
Gain on sale of investments and subsidiaries' common stock	(40,746)	(24,262)	(117,998)
Impairment of investments in securities	—	—	—
Loss (gain) on disposal of rental assets and other property	—	24,200	12,078
Income (loss) applicable to minority interests	41,093	36,498	26,886
(Increase) decrease in receivables	(295,990)	(197,337)	13,175
(Increase) decrease in inventories	(102,694)	162,473	(53,703)
(Increase) decrease in prepaid expenses and other current assets	(15,145)	4,335	(12,847)
Increase (decrease) in payables	104,944	994	(7,254)
Increase (decrease) in accrued expenses and retirement and severance benefits	57,730	(3,428)	5,132
Increase (decrease) in accrued income taxes	21,141	(14,461)	(28,880)
Increase (decrease) in other liabilities	25,620	(98,271)	6,892
Net change in inventory-related receivables from financial services	—	—	—
Other	7,828	(20,569)	(6,133)
Net cash provided by operating activities (note 2)	473,433	486,724	420,741
Cash flows from investing activities:			
(Increase) decrease in short-term investments	(8,216)	(169,644)	49,462
Capital expenditures	(717,085)	(750,066)	(690,419)
Purchase of assets to be leased (note 1)	—	—	—
Collection of investments in leases (note 1)	—	—	—
Proceeds from disposal of rental assets and other property	61,925	49,075	32,334
Proceeds from sale of investments and subsidiaries' common stock	33,665	34,760	144,127
Purchase of investments and subsidiaries' common stock	(38,914)	(43,751)	(165,898)
Purchase of software	—	—	—
Other	(4,201)	9,123	(7,932)
Net cash used in investing activities (note 2)	(672,826)	(870,503)	(638,326)
Cash flows from financing activities:			
Increase (decrease) in short-term debt, net	17,964	60,490	97,057
Proceeds from long-term debt	332,559	201,985	279,866
Payments on long-term debt	(118,716)	(168,597)	(223,517)
Proceeds (payments) on subsidiaries' common stock, net	3,460	5,305	7,423
Dividends paid to stockholders	(36,337)	(36,520)	(36,600)
Dividends paid to minority stockholders of subsidiaries	(9,805)	(10,599)	(11,838)
Purchase and retirement of common shares by subsidiaries	—	—	—
Acquisition of common stock for treasury	—	—	—
Proceeds from sales of treasury stock	—	—	—
Net cash provided by (used in) financing activities	189,125	52,064	112,391
Effect of exchange rate changes on cash and cash equivalents	17,048	13,948	(5,215)
Net increase (decrease) in cash and cash equivalents	6,780	(317,767)	(110,409)
Cash and cash equivalents at beginning of year	1,620,936	1,627,716	1,309,949
Cash and cash equivalents at end of year	¥1,627,716	¥1,309,949	¥1,199,540

Notes: 1. According to the importance of lease assets, the Company divided the amount of "Capital expenditures" into two categories; "Capital expenditures" and "Purchase of assets to be leased." Figures for 1999 and 2000 have also been restated using the same method.
2. Cash flows from financing services related to products that the Company and its subsidiaries manufactured under lease agreement were classified "Cash flows from investing activities" in prior years. The Company has reclassified cash flows from such transactions as "Cash flows from operating activities." The reclassification has also been made to the presentation of the years ended March 31, 2004 and 2003, respectively.
3. See notes on inside cover.

Millions of yen

1999	2000	2001	2002	2003	2004	2005	2006
¥ (327,611)	¥ 16,922	¥ 104,380	¥ (483,837)	¥ 27,867	¥ 15,876	¥ 51,496	¥ 37,320
547,022	541,253	505,507	529,418	480,274	436,053	425,080	451,170
—	—	—	69,210	86,095	117,561	132,370	138,727
2,740	9,310	—	46,115	8,474	26,085	26,797	27,408
(22,976)	(67,179)	12,505	(182,072)	(35,526)	77,056	45,310	33,815
—	6,426	(2,559)	35,756	15,803	(10,120)	162	(8,688)
(3,938)	(36,215)	(17,437)	(4,035)	(54,849)	(137,925)	(54,741)	(46,468)
—	4,784	6,876	76,867	65,828	12,893	9,665	4,858
69,996	19,921	19,165	59,687	(14,064)	13,274	15,202	8,983
8,777	14,811	54,414	(31,121)	16,299	22,618	63,020	83,196
(2,549)	(107,685)	(72,035)	450,904	2,280	(187,545)	103,246	(94,078)
127,802	(26,273)	(128,477)	261,229	7,994	(67,026)	(95,191)	(107,069)
(1,133)	(9,931)	(38,234)	(999)	3,170	(3,075)	(29,973)	35,947
(45,274)	78,728	95,855	(271,698)	96,777	145,234	(53,785)	107,271
19,400	3,846	8,171	70,813	(71,969)	109,152	(26,823)	(30,505)
(25,135)	15,884	26,337	(48,174)	(5,825)	27,741	(18,861)	2,047
25,338	(41,385)	(62,858)	(69,671)	11,989	5,276	(408)	44,060
—	—	—	—	11,041	(3,140)	(22,036)	14,328
16,420	28,233	23,823	(25,526)	5,901	3,415	(5,174)	(11,447)
388,879	451,450	535,433	482,866	657,559	603,403	565,356	690,875
153,382	(15,155)	198,610	253,236	(8,162)	10,035	47,179	1,104
(406,685)	(365,744)	(463,585)	(429,835)	(323,825)	(289,753)	(368,896)	(382,386)
(212,657)	(211,185)	(532,142)	(444,931)	(381,326)	(439,047)	(483,192)	(466,681)
—	—	421,527	469,108	307,392	340,376	301,614	419,956
26,427	133,806	70,442	59,574	142,973	122,258	90,726	80,718
16,542	67,971	50,473	55,354	167,350	301,553	112,932	99,717
(13,837)	(40,463)	(125,473)	(129,527)	(262,424)	(110,837)	(61,711)	(67,643)
—	(38,096)	(36,405)	(112,506)	(137,113)	(117,896)	(121,415)	(121,983)
(13,721)	33,275	45,836	6,656	(135,191)	(84,102)	(44,225)	(64,164)
(450,549)	(435,591)	(370,717)	(272,871)	(630,326)	(267,413)	(526,988)	(501,362)
(1,845)	43,155	(5,153)	(408,514)	(12,490)	(193,286)	27,029	5,121
375,344	315,408	518,872	573,373	375,802	460,144	533,442	342,309
(230,273)	(194,038)	(642,594)	(743,385)	(547,759)	(587,335)	(599,637)	(551,265)
701	9,046	13,342	42,466	1,872	9,984	(8,431)	(3,139)
(18,412)	(27,762)	(28,235)	(28,318)	(9,973)	(19,961)	(34,815)	(36,509)
(11,722)	(12,033)	(15,739)	(13,401)	(13,108)	(13,714)	(16,671)	(17,591)
—	(7,946)	—	—	—	—	—	—
—	—	—	(333)	(1,514)	(30,464)	(1,177)	(1,058)
—	—	—	—	—	197	831	494
113,793	125,830	(159,507)	(578,112)	(207,170)	(374,435)	(99,429)	(261,638)
(14,136)	(21,784)	18,962	15,888	(21,266)	(25,330)	5,380	21,665
37,987	119,905	24,171	(352,229)	(201,203)	(63,775)	(55,681)	(50,460)
1,199,540	1,237,527	1,357,432	1,381,603	1,029,374	828,171	764,396	708,715
¥1,237,527	¥1,357,432	¥1,381,603	¥1,029,374	¥ 828,171	¥764,396	¥708,715	¥ 658,255