

Consolidated Statements of Cash Flows

Years ended March 31, 2005 and 2004 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 33,093	¥ 22,536	\$ 309,280
Depreciation (including software)	22,927	19,465	214,271
Loss on impairment of fixed assets (Note 16)	1,494	—	13,963
Amortization of goodwill	119	116	1,112
Loss on disposal and sales of property, plant and equipment	727	1,661	6,794
Gain on devaluation and sales of investment securities	(127)	(979)	(1,187)
Gain on sales of investment securities in a consolidated subsidiary	(293)	—	(2,739)
Gain on change in interests in a consolidated subsidiary	(1,918)	—	(17,925)
Increase in liabilities for the employees' severance and retirement benefits	782	859	7,309
Increase in retirement benefits for directors and corporate auditors	593	216	5,542
Interest and dividends income	(1,047)	(828)	(9,785)
Interest expense	1,494	2,390	13,963
Foreign exchange loss (gain)	(1,370)	83	(12,804)
Equity in gains of affiliated companies	(96)	(180)	(897)
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable	8,762	(9,148)	81,888
Decrease in inventories	3,777	7,528	35,299
Decrease (Increase) in other current assets	15,539	(10,103)	145,224
Increase (Decrease) in notes and accounts payable	(15,104)	22,411	(141,159)
Increase (Decrease) in consumption tax payable	1,228	(1,513)	11,477
Increase in other current liabilities	1,039	9,835	9,710
Increase (Decrease) in trade notes and export drafts discounted	(692)	928	(6,467)
Payments of bonuses to directors and corporate auditors	(190)	(166)	(1,776)
Other	(248)	2,194	(2,317)
Total	70,489	67,305	658,776
Interest and dividends received	1,019	734	9,523
Interest paid	(1,538)	(2,365)	(14,374)
Income taxes paid	(5,015)	(3,897)	(46,869)
Net cash provided by operating activities	64,955	61,777	607,056
Cash flows from investing activities:			
Deposits in time deposits	(91)	(1,184)	(850)
Withdrawals from time deposits	827	550	7,729
Deposits in long-term time deposits	—	(3,000)	—
Proceeds from sales of marketable securities	—	6,005	—
Payments for acquisitions of tangible fixed assets	(20,065)	(13,365)	(187,523)
Proceeds from sales of tangible fixed assets	392	623	3,664
Payments for acquisitions of intangible fixed assets	(9,187)	(6,699)	(85,860)
Proceeds from sales of intangible fixed assets	221	633	2,065
Payments for purchases of investment securities	(2,804)	(17,119)	(26,206)
Proceeds from sales and redemption of investment securities	1,731	17,264	16,178
Proceeds from sales of investment securities in consolidated subsidiaries	437	—	4,084
Payments for long-term loans receivable	(28)	(18)	(262)
Collections from long-term loans receivable	28	1,088	262
Net decrease in loans receivable	17	138	159
Other	(314)	(610)	(2,935)
Net cash used in investing activities	(28,836)	(15,694)	(269,495)
Cash flows from financing activities:			
Net decrease in short-term borrowings	(275)	(2,846)	(2,570)
Proceeds from long-term debt	1,500	—	14,019
Payments for long-term debt	(1,792)	(2,723)	(16,748)
Proceeds from issuance of bonds	—	20,260	—
Redemption of bonds	(11,000)	(24,811)	(102,804)
Proceeds from minority shareholders	3,343	—	31,243
Payments for acquisitions of treasury stock	(1,728)	(4,131)	(16,150)
Proceeds from sales of treasury stock	477	—	4,458
Payments for cash dividends	(3,992)	(3,375)	(37,308)
Other	(62)	(67)	(579)
Net cash used in financing activities	(13,529)	(17,693)	(126,439)
Effect of exchange rate changes on cash and cash equivalents	1,858	(1,685)	17,364
Net increase in cash and cash equivalents	24,448	26,705	228,486
Cash and cash equivalents at beginning of year (Note 3)	123,141	96,436	1,150,850
Cash and cash equivalents at end of year (Note 3)	¥147,589	¥123,141	\$1,379,336

See accompanying notes.