

# Consolidated Statements of Cash Flows

Years ended March 31, 2007 and 2006 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests .....	¥ 41,383	¥ 39,671	\$ 350,703
Depreciation (including software) .....	31,613	26,629	267,907
Amortization of goodwill .....	—	57	—
Loss on disposal and sales of property, plant and equipment .....	751	603	6,364
Gain on devaluation and sales of investment securities .....	(1,102)	(31)	(9,339)
Gain on sales of consolidated subsidiaries and affiliates .....	(231)	(1,928)	(1,958)
Government grants .....	(360)	—	(3,051)
Increase (Decrease) in liabilities for the employees' severance and retirement benefits .....	(411)	395	(3,483)
Increase in retirement benefits for directors and corporate auditors .....	600	487	5,085
Interest and dividends income .....	(2,713)	(1,858)	(22,992)
Interest expense .....	1,607	1,300	13,619
Foreign exchange gain .....	(1,158)	(1,220)	(9,814)
Equity in gains of affiliates .....	(135)	(138)	(1,144)
Changes in assets and liabilities:			
Increase in notes and accounts receivable .....	(21,208)	(10,696)	(179,729)
Decrease (Increase) in inventories .....	(7,652)	7,093	(64,846)
Increase in other current assets .....	(3,756)	(3,450)	(31,831)
Increase in notes and accounts payable .....	10,076	6,121	85,390
Increase (Decrease) in consumption tax payable .....	7	(502)	59
Increase in other current liabilities .....	4,410	1,994	37,373
Increase (Decrease) in trade notes and export drafts discounted .....	(559)	40	(4,737)
Payments of bonuses to directors and corporate auditors .....	(208)	(206)	(1,763)
Other .....	(1,898)	(3,862)	(16,084)
<b>Total</b> .....	<b>49,056</b>	<b>60,499</b>	<b>415,729</b>
Interest and dividends received .....	2,737	1,790	23,195
Interest paid .....	(1,636)	(1,291)	(13,864)
Income taxes paid .....	(14,208)	(17,123)	(120,407)
<b>Net cash provided by operating activities</b> .....	<b>35,949</b>	<b>43,875</b>	<b>304,653</b>
<b>Cash flows from investing activities:</b>			
Deposits in time deposits .....	(1,135)	(688)	(9,619)
Withdrawals from time deposits .....	1,132	647	9,593
Payments for acquisitions of tangible fixed assets .....	(16,865)	(19,935)	(142,924)
Proceeds from sales of tangible fixed assets .....	595	1,039	5,042
Payments for acquisitions of intangible fixed assets .....	(17,942)	(11,815)	(152,051)
Proceeds from sales of intangible fixed assets .....	—	1	—
Payments for purchases of investment securities .....	(9,039)	(3,353)	(76,602)
Proceeds from sales and redemption of investment securities .....	4,717	1,703	39,975
Proceeds from sales of consolidated subsidiaries and affiliates .....	319	2,958	2,703
Payments for long-term loans receivable .....	(45)	(18)	(381)
Collections from long-term loans receivable .....	30	64	254
Net decrease in loans receivable .....	1	587	9
Other .....	553	(872)	4,687
<b>Net cash used in investing activities</b> .....	<b>(37,679)</b>	<b>(29,682)</b>	<b>(319,314)</b>
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term borrowings .....	4,285	(1,519)	36,314
Proceeds from long-term debt .....	—	6,000	—
Payments for long-term debt .....	(20,747)	(9,688)	(175,822)
Redemption of bonds .....	—	(30,000)	—
Payments for acquisitions of treasury stock .....	(6,557)	(47)	(55,568)
Proceeds from sales of treasury stock .....	338	359	2,864
Payments for cash dividends .....	(5,319)	(4,515)	(45,076)
Other .....	(713)	(408)	(6,043)
<b>Net cash used in financing activities</b> .....	<b>(28,713)</b>	<b>(39,818)</b>	<b>(243,331)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b> .....	<b>2,450</b>	<b>3,268</b>	<b>20,763</b>
<b>Net decrease in cash and cash equivalents</b> .....	<b>(27,993)</b>	<b>(22,357)</b>	<b>(237,229)</b>
<b>Cash and cash equivalents at beginning of year (Note 3)</b> .....	<b>125,232</b>	<b>147,589</b>	<b>1,061,288</b>
<b>Cash and cash equivalents at end of year (Note 3)</b> .....	<b>¥ 97,239</b>	<b>¥125,232</b>	<b>\$ 824,059</b>

See accompanying notes.