

Consolidated Statements of Cash Flows

Minolta Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2003 and 2002

	Millions of yen		Thousands of U.S. dollars
	2003	2002	2003
Cash Flows from Operating Activities:			
Income (loss) before income taxes and minority interests	¥ 15,316	¥(33,569)	\$ 127,633
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	25,337	26,399	211,142
Amortization of goodwill on consolidation	896	4,467	7,467
(Decrease) increase in accrued retirement and severance benefits	(7,958)	9,348	(66,317)
Interest and dividend income	(714)	(669)	(5,950)
Interest expense	7,075	8,302	58,958
Equity in (earnings) loss of unconsolidated subsidiaries and affiliates	(72)	75	(600)
(Gain) loss on sales of investments in securities	(9)	1,628	(75)
Loss on valuation of investments in securities	6,448	13,983	53,733
Gain on sales of property, plant and equipment	(368)	(1,647)	(3,067)
Changes in operating assets and liabilities:			
Notes and accounts receivable	15,403	3,431	128,358
Inventories	19,853	45,064	165,442
Notes and accounts payable	(612)	(16,656)	(5,100)
Accrued consumption taxes	222	716	1,850
Other, net	6,484	(10,484)	54,034
Subtotal	87,301	50,388	727,508
Interest and dividend income received	713	604	5,942
Interest expense paid	(7,310)	(8,354)	(60,917)
Income taxes paid	(1,678)	(5,362)	(13,983)
Net cash provided by operating activities	79,026	37,276	658,550
Cash Flows from Investing Activities:			
Proceeds from sales of marketable securities	—	45	—
Purchases of property, plant and equipment	(12,331)	(20,804)	(102,758)
Proceeds from sales of property, plant and equipment	2,568	4,710	21,400
Purchases of investments in securities	(3,019)	(2,423)	(25,158)
Proceeds from sales of investments in securities	1,171	1,747	9,758
Additional acquisition of subsidiaries' shares	(3)	(234)	(25)
Repayment of loans receivable	(35)	(47)	(292)
Collection of loans receivable	335	80	2,792
Other, net	(3,962)	(5,450)	(33,017)
Net cash used in investing activities	(15,276)	(22,376)	(127,300)
Cash Flows from Financing Activities:			
(Decrease) increase in short-term bank loans	(51,068)	3,443	(425,567)
Proceeds from long-term borrowings	14,402	8,925	120,017
Repayment of long-term borrowings	(15,659)	(14,638)	(130,492)
Redemption of unsecured bonds	(15,500)	(1,200)	(129,167)
Dividends paid	(9)	(845)	(75)
Dividends paid to minority interests	(89)	(84)	(742)
Other, net	(1,466)	(248)	(12,216)
Net cash used in financing activities	(69,389)	(4,647)	(578,242)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(649)	884	(5,408)
(Decrease) increase in Cash and Cash Equivalents	(6,288)	11,137	(52,400)
Cash and Cash Equivalents at Beginning of Year	38,505	27,114	320,875
Cash and Cash Equivalents of Initially Consolidated Subsidiaries at Beginning of Year	1,143	254	9,525
Cash and Cash Equivalents at End of Year	¥ 33,360	¥ 38,505	\$ 278,000