

# Consolidated Statements of Cash Flows

Years ended March 31, 2006 and 2005 Casio Computer Co., Ltd. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests .....	¥ 39,671	¥ 33,093	\$ 339,068
Depreciation (including software) .....	26,629	22,927	227,598
Loss on impairment of fixed assets (Note 16) .....	—	1,494	—
Amortization of goodwill .....	57	119	487
Loss on disposal and sales of property, plant and equipment .....	603	727	5,154
Gain on devaluation and sales of investment securities .....	(31)	(127)	(265)
Gain on sales of consolidated subsidiaries and affiliates .....	(1,928)	(293)	(16,479)
Gain on change in interests in consolidated subsidiaries .....	—	(1,918)	—
Increase in liabilities for the employees' severance and retirement benefits .....	395	782	3,376
Increase in retirement benefits for directors and corporate auditors .....	487	593	4,162
Interest and dividends income .....	(1,858)	(1,047)	(15,880)
Interest expense .....	1,300	1,494	11,111
Foreign exchange gain .....	(1,220)	(1,370)	(10,427)
Equity in gains of affiliates .....	(138)	(96)	(1,179)
Changes in assets and liabilities:			
Decrease (Increase) in notes and accounts receivable .....	(10,696)	8,762	(91,419)
Decrease in inventories .....	7,093	3,777	60,624
Decrease (Increase) in other current assets .....	(3,450)	15,539	(29,487)
Increase (Decrease) in notes and accounts payable .....	6,121	(15,104)	52,316
Increase (Decrease) in consumption tax payable .....	(502)	1,228	(4,291)
Increase in other current liabilities .....	1,994	1,039	17,043
Increase (Decrease) in trade notes and export drafts discounted .....	40	(692)	342
Payments of bonuses to directors and corporate auditors .....	(206)	(190)	(1,761)
Other .....	(3,862)	(248)	(33,008)
<b>Total</b> .....	<b>60,499</b>	<b>70,489</b>	<b>517,085</b>
Interest and dividends received .....	1,790	1,019	15,299
Interest paid .....	(1,291)	(1,538)	(11,034)
Income taxes paid .....	(17,123)	(5,015)	(146,350)
<b>Net cash provided by operating activities</b> .....	<b>43,875</b>	<b>64,955</b>	<b>375,000</b>
<b>Cash flows from investing activities:</b>			
Deposits in time deposits .....	(688)	(91)	(5,880)
Withdrawals from time deposits .....	647	827	5,530
Payments for acquisitions of tangible fixed assets .....	(19,935)	(20,065)	(170,385)
Proceeds from sales of tangible fixed assets .....	1,039	392	8,880
Payments for acquisitions of intangible fixed assets .....	(11,815)	(9,187)	(100,983)
Proceeds from sales of intangible fixed assets .....	1	221	9
Payments for purchases of investment securities .....	(3,353)	(2,804)	(28,658)
Proceeds from sales and redemption of investment securities .....	1,703	1,731	14,556
Proceeds from sales of consolidated subsidiaries and affiliates .....	2,958	437	25,282
Payments for long-term loans receivable .....	(18)	(28)	(154)
Collections from long-term loans receivable .....	64	28	547
Net decrease in loans receivable .....	587	17	5,017
Other .....	(872)	(314)	(7,453)
<b>Net cash used in investing activities</b> .....	<b>(29,682)</b>	<b>(28,836)</b>	<b>(253,692)</b>
<b>Cash flows from financing activities:</b>			
Net decrease in short-term borrowings .....	(1,519)	(275)	(12,983)
Proceeds from long-term debt .....	6,000	1,500	51,282
Payments for long-term debt .....	(9,688)	(1,792)	(82,803)
Redemption of bonds .....	(30,000)	(11,000)	(256,410)
Proceeds from minority shareholders .....	—	3,343	—
Payments for acquisitions of treasury stock .....	(47)	(1,728)	(402)
Proceeds from sales of treasury stock .....	359	477	3,068
Payments for cash dividends .....	(4,515)	(3,992)	(38,590)
Other .....	(408)	(62)	(3,487)
<b>Net cash used in financing activities</b> .....	<b>(39,818)</b>	<b>(13,529)</b>	<b>(340,325)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b> .....	<b>3,268</b>	<b>1,858</b>	<b>27,932</b>
<b>Net increase (decrease) in cash and cash equivalents</b> .....	<b>(22,357)</b>	<b>24,448</b>	<b>(191,085)</b>
<b>Cash and cash equivalents at beginning of year (Note 3)</b> .....	<b>147,589</b>	<b>123,141</b>	<b>1,261,444</b>
<b>Cash and cash equivalents at end of year (Note 3)</b> .....	<b>¥125,232</b>	<b>¥147,589</b>	<b>\$1,070,359</b>

See accompanying notes.