

Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2010
Cash flows from operating activities		
Income before income taxes	9,784	10,652
Depreciation	12,457	12,597
Impairment loss	9	15
Depreciation of goodwill	—	37
Depreciation of negative goodwill	-80	-20
Increase/decrease(-) in allowance for doubtful accounts	-109	-31
Increase/decrease(-) in accrued retirement benefit for employees	—	-637
Increase/decrease(-) in allowance for bonuses	-0	46
Increase/decrease(-) in allowance for director's bonuses	-4	23
Interest income and dividend income	-706	-825
Interest expenses	604	626
Equity in earnings of affiliates	-364	-318
Loss on sales of fixed assets	—	-1
Loss on disposals of fixed assets	246	333
Profit on sales of investments in securities	-100	-73
Impairment loss on investment in securities	1,499	198
Loss on revaluation of derivatives	95	-41
Loss on adjustment for changes of accounting standard for asset retirement obligations	340	—
Increase(-)/decrease in accounts receivable	397	58
Increase(-)/decrease in inventories	-984	979
Decrease in accounts payable	-792	-627
Increase in prepaid pension	235	413
Decrease in assets and liabilities for Transportation Security Services	-7,646	-6,551
Other	517	923
Sub-total	15,327	17,779
Interest and dividend income, received	807	857
Interest expenses, paid	-610	-622
Income taxes, paid	-4,363	-4,162
Income tax, refund	949	1,185
Net cash provided by operating activities	12,110	15,038
Cash flows from investment activities		
Increase(-)/decrease of time deposits	639	477
Payments for purchases of tangible assets	-9,898	-9,155
Proceeds from sales of tangible assets	26	12
Payments for purchases of investments in securities	-1,966	-1,685
Proceeds from sales of investments in securities	2,052	1,411
Payment for purchase of subsidiaries's stocks (Note 2)	-2,451	-160
Increase(-)/decrease in short-term loans	0	6
Long-term loans made	-113	-105
Long-term loans collected	94	144
Other	-648	-6,799
Net cash used in investment activities	-12,265	-15,854

Contd.

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Cash flows from financing activities		
Increase/decrease(-) in short-term borrowings	-267	-94
Proceeds from long-term debt	14,050	500
Payments on repayment of long-term debt	-1,441	-2,662
Payments for redemption of bonds	-2,200	-2,200
Proceeds from minority shareholders	14	—
Payments for purchase of treasury stock	-0	-0
Repayments of lease obligations	-1,402	-1,037
Dividends paid	-2,010	-2,010
Dividends paid to minority shareholders	-273	-196
Net cash used in financing activities	6,469	-7,702
Effect of exchange rate changes on cash and cash equivalents	-8	0
Net decrease in cash and cash equivalents (Note1)	6,305	-8,517
Cash and cash equivalents at beginning of the year	37,349	45,866
Balance of cash and cash equivalents at the end of the period (Note 1)	43,654	37,349