

Brief notes on the consolidated interim statement of accounts as of March 2003

November 12, 2002

Listed company name : Sysmex Corporation
 Code : 6869
 Listed stock exchanges : Tokyo Stock Exchange
 Osaka Securities Exchange
 Head office : 1-5-1 Wakinohama-kaigandori, Chuo-ku, Kobe
 Company representative: Hisashi Ietsugu, President and CEO
 Contact : Eiichi Heki, Executive Vice President, Administration
 Phone : (078)265-0500
 Date of directors' meeting : November 12, 2002

1. Business performance during the period April 1, 2002 to September 30, 2002

1) Operating results

	Sales		Operating profit		Ordinary profit	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
First half FY2002	27,413	(36.9)	2,838	(80.4)	2,577	(65.1)
First half FY2001	20,031	(7.8)	1,573	(-5.1)	1,561	(20.4)
FY2001	47,532		3,417		4,029	

	Net income		Net income	Diluted net income
	(million yen)	(%)	per share (yen)	per share (yen)
First half FY2002	1,007	(102.1)	43.75	40.36
First half FY2001	498	(-9.0)	23.84	22.28
FY2001	1,308		62.57	58.37

(Notes)

(1) Equity in earnings or loss of investees:

First half FY2002 – 24 million yen / First half FY2001 – 59 million yen loss / FY2001 – 82 million yen loss

(2) Average number of shares: First half FY2002 – 23,025,635 / First half FY2001 – 20,909,149 / FY2001 – 20,909,149

(3) Change in accounting methods: none

(4) The Percentages for sales, operating profit, ordinary profit, and net income for the current interim period are the ratio in increase or decrease over the interim period for the previous year

2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	(million yen)	(million yen)	(%)	(yen)
First half FY2002	65,334	41,192	63.0	1,789.66
First half FY2001	67,688	34,451	50.9	1,647.67
FY2001	66,501	35,576	53.5	1,701.47

(Note) Issued number of shares: First half FY2002 – 23,016,687 / First half FY2001 – 20,909,149 / FY2001 – 20,909,149

3) Cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Total cash and cash equivalent at end of term
	(million yen)	(million yen)	(million yen)	(million yen)
First half FY2002	4,077	-785	-1,084	11,199
First half FY2001	1,578	-501	2,279	10,794
FY2001	4,234	-2,111	-568	9,181

4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries: 28

Number of nonconsolidated subsidiaries: 0 (subsidiaries to which the equity method is applicable)

Number of affiliates: 3 (affiliates to which the equity method is applicable)

5) Changes in the scope of consolidation and application of equity method

Additions in the consolidation: 1

Exclusions in the consolidation: 0

Additions in equity methods: 0

Exclusions in equity methods: 0

2. Business forecast for the current fiscal term (from April 1, 2002 to March 31, 2003)

	Sales	Ordinary profit	Net income
	(million yen)	(million yen)	(million yen)
Annual	58,000	5,500	2,500

(Reference) Net income forecast per share (annual): 108.59yen

MANAGEMENT POLICY

1. Basic Management Policy

The Sysmex Group has made the following “three confidences” as our basic management policy since our foundation:

- (1) Total customer confidence in all of our products.
- (2) Total confidence in our associates in all our business transactions.
- (3) Total confidence of our employees in themselves and all their work.

2. Basic Profit-Sharing Policy

We regard the return of profits to our shareholders as being one of our most important management policies, and make it our basic policy to distribute profits backed by achievement, with continuous and stable dividends foremost in mind. We will further continue striving to increase our performances and strengthen our management foundation in the future in order to meet the expectations of all our shareholders.

3. Mid- and Long-Term Management Strategy

In Japan, the United States, and the advanced countries of Europe, there has been a basic tendency of late to cut back on medical expenses. On the other hand, in the developing countries of Asia and other continents of the world, the medical care field is attracting attention as a growing industry of the 21st century thanks to the advent of new medical/diagnostic methods resulting from improvements in the medical care environment and technological renovation, as well as from the promotion of medical care that considers patients first. Under such conditions, the Sysmex Group is pushing ahead with the following business strategies with the aims of achieving further growth.

(1) Long-Term Vision

To enable the Sysmex group to advance as a global enterprise of distinction, we are striving to become leaders in the niche market of health care testing by providing customers with advanced technologies and solutions produced by taking advantage of our unique strengths. For this reason, we have entitled our long-term vision “A unique ‘global niche’ company.”

(2) Mid-Term Management Plan Outline

1) Business Enhancement and Expansion

The Sysmex Group aims to strengthen our corporate structure as a “solutions company” that can provide high-quality products and high value-added solutions by meeting the unique customer needs of each region. For this reason, in addition to the diagnostics (clinical testing) market that is the core of our business, we are striving to enter the POC (point of care) test market in which substantial growth is expected. Moreover, we are taking advantage of our global IT development system to combine IT with diagnostics and POC, and are striving to provide the most appropriate solutions for ever-increasing medical information needs.

2) Group Management Enhancement

The Group's overall operation capability is becoming increasingly important to succeed in business by coping well with the market globalization trends that are rapidly progressing in the medical industry as well. We are attempting not only to strengthen our strategies by expanding our corporate capabilities, but also to speed up our business development by promoting autonomous management of our overseas business partners in each region of the world.

3) New Core Technology Creation

Regarding the Sysmex Group's research and development, we are promoting research in various fields of advanced technology, including cancer diagnostics utilizing the genome technology, which was developed by the Central Laboratory. Based on these technologies, we are striving to establish new testing methods and expand our business into new fields.

4. Issues To Be Addressed

Global competition will likely become keener in the future than ever before, and it is becoming more and more important for the Group to strengthen our global competitiveness. For this reason, we have been improving the technological capabilities of the entire Group—including International Reagents Corporation, with whom we merged on May 1, 2002—and are providing our customers with solutions based on high value-added products that will help us increase our competitive edge. Additionally, in such regions as the North American market, which is currently the largest in the world, and the Chinese market, where substantial growth is expected, we are strengthening our efforts to promote sales in the hopes of increasing our global market share. Furthermore, with the aim of increasing the Sysmex Group's corporate value, we are improving management efficiency through the total renovation of our management system, as well as by fostering quality people, who are our most important management resource.

5. Management Achievements

We are aiming to achieve sales of 72 billion yen, recurring profits of 9 billion yen, and ROE of 7.5% in the final year of the Group's mid-term management plan (fiscal year 2004), on which our current business operations are based.

Management Results

1. Overview of the current interim period

(1) Outline of results for the current interim period

(Consolidated Results)

(unit: million yen)

	First half FY 2002	First half FY2001	Change	Rate of change
Net sales	27,413	20,031	7,382	36.9%
Operating income	2,838	1,573	1,265	80.4%
Ordinary income	2,577	1,561	1,015	65.1%
Interim (current) net income	1,007	498	508	102.1%

Influenced by problematic nonperforming loans and declined stock values, the Japanese economy during the current interim term has continued to function under difficult conditions, including little to no movement in both capital investment and private consumer spending. Abroad, the U.S. economy, still feeling the effects of the September 11th, 2001 terrorist attacks and influenced by declining stock values stemming from a lack of confidence in corporate accounting, has seen rising anxiety over the prospect of economic downturn. In Europe, while there has been some hope for economic recovery led by external foreign demand, economic conditions nonetheless remain fragile. In Asia, the Chinese economy has continued its ongoing expansion, with the other countries in the region also gaining economic strength.

In the medical market, in Japan, growing health care costs driven by the country's declining birth rate and aging population have been offset by measures to reduce medical fees, lending a welcome further degree of clarification to the direction being taken by health care costs controls overall. In the United States, while medical fee expenditures driven down by health care reforms have begun to recover, in the diagnostics market there is a burgeoning movement to apply systemization and information technologies to prevent the degradations in testing quality. In Europe, steadily rising health care costs continue to be combated by efforts to revise medical fees and curb expenditures. In Asia, rapid economic growth has contributed to improving medical standards in China and elsewhere in the region.

In this business environment, as the Sysmex Group we have been rebuilding our group business structure, including efforts to foster product lineup-enhancing strategic alliances and an exchange of stocks with International Reagent Corporation to bring that company under the Sysmex umbrella as a wholly owned subsidiary. Domestically, we have been implementing comprehensive suggestion-style business activities to distinguish the group as a comprehensive supplier of diagnostic equipment and reagent products, full service and support systems, and unique information technologies, in this way pursuing a revised business model that emphasizes the provision of total solutions and the creation of value for our customers. Abroad, we have been working to integrate our diagnostic and information technologies in order to be better able to respond to diverse customer needs.

These and other efforts have resulted in favorable sales results, both domestically in Japan and abroad in the U.S., Europe, China and the Asia-Pacific region, with consolidated earnings of 27,413 million yen (up 36.9% over the same period of the preceding year).

Regarding profits, cost reductions related to production increases and the reduction and control of expenses related to sales and general management contributed to a recurring profit of 2,577 million yen (up 65.1% over the same period of the previous year) and a net income for the interim term of 1,007 million yen (up 102.1% over the same period of the preceding year).

(2) Results for Geographic Segments

(Results for Geographic Segments)

(unit: million yen)

		First half FY2002	First half FY2001	Change	Rate of change
Japan	Net sales	14,734	9,956	4,777	48.0%
	Operating income	2,107	1,364	742	54.4%
American region	Net sales	3,247	2,544	703	27.6%
	Operating income	-127	- 189	62	-
European region	Net sales	7,298	6,072	1,226	20.2%
	Operating income	807	340	466	136.9%
Asia Pacific region	Net sales	2,133	1,458	674	46.3%
	Operating income	-31	- 74	43	-

Note: Net sales indicate sales to outside customers

<Japan>

The integration of International Reagent Corporation's sales division has increased reagent sales, expanding revenues considerably compared to the previous period, with net sales of 14,734 million yen (up 48.0% over the same period of the previous year).

The effects of increased revenue and the integration of International Reagent Corporation, as well as curbs on increasing sales- and general management-related expenditures, contributed to an operating profit of 2,107 million yen (up 54.4% over the previous period).

<United States>

Increased sales, primarily of blood coagulation analysis equipment, spurred also by growing IT-related sales and augmented by the effect of a weaker Japanese yen, brought net sales to 3,247 million yen (up 27.6% over the same period of the preceding year).

Continuing from the previous period, expenditure on development and on sales system reinforcement by Sysmex Information Systems America Inc. (our software development base) contributed to an operating loss of 127 million yen for our U.S. operations as a whole.

<Europe>

Growing sales of hematology analyzers such as the XE-2100 Automated Hematology Analyzer and associated reagents, as well as sales of automated blood coagulation analyzers, have brought net sales to 7,298 million yen (up 20.2% over the same period of the preceding year) and operating profits of 807 million yen (up 136.9% over the same period of the preceding year).

<Asia-Pacific>

In China, increased sales of hematology analyzers, blood coagulation analyzers, urine cell analyzers and associated reagents, as well as increased IT-related sales resulting from a tie-up with Sysmex Delphic Ltd. as a consolidated subsidiary, resulted in net sales of 2,133 million yen (up 46.3% over the same period of the previous year), however the burden generated by up-front investments and other factors resulted in an operating loss of 31 million yen.

(3) Cash Flow

(Overview of Cash Flow Account)

(unit: million yen)

	First half FY2002	First half FY2001	Period for March 2002
Cash flow from operating activities	4,077	1,578	2,498
Cash flow from investing activities	-785	- 501	-283
Cash flow from financing activities	-1,084	2,279	-3,364
Cash and cash equivalents at end of term	11,199	10,794	405

In the current interim term, while cash flows from operating activities increased significantly, net increase in cash and cash equivalents were 2,018 million yen (down 1,437 million yen from the same period of the previous year), due to decreases in both investing and financing activities. As a result, cash and cash equivalents at the end of the current interim term amounted to 11,199 million yen (up 405 million yen over the same term of the previous year). The various cash flows and the factors influencing them are described below.

<Cash Flows from Operating Activities>

Net cash provided by operating activities amounted to 4,077 million yen (up 2,498 million yen over the same period of the previous year).

The main factors for this, in addition to an increase in net income before income taxes (by 826 million yen over the same period of the previous year), included a shift from increase to decrease in the amount of accounts receivable (which in the previous period had reduced cash and cash equivalents) and a shift from decrease to increase in accounts payable.

<Cash Flows from Investing Activities>

Net cash used in investing activities amounted to 785 million yen (up 283 million yen over the same period of the previous year). The main reason for this was that proceeds and payments associated with the affiliated companies accounted for under the equity method, which had been a factor in increasing the cash and cash equivalents in the previous interim period, did not occur in the current interim with the change of the affiliated companies into subsidiaries,

<Cash Flows from Financing Activities>

Net cash used in financing activities amounted to 1,084 million yen (net cash provided by financing activities for the same period of the previous year was 2,279 million yen). The main reasons for this included both decreases in short-term borrowings, which had been a factor in increasing funds in the previous interim period, and increase in repayments of long-term debt.

(4) Financial Conditions

(Total assets & Shareholders' Equity)

(unit: million yen)

	First half FY2002	FY2001	Change	Rate of change
Total assets	65,334	66,501	-1,167	-1.8%
Shareholders' equity	41,192	35,576	5,615	15.8%
Shareholders' equity ratio	63.0	53.5	-	-

At the end of the current interim term, compared to the previous term end, cash balance increased by 2,260 million yen and inventory by 905 million yen, while accounts receivable decreased by 2,506 million yen. Further, tangible fixed assets decreased by 524 million yen and intangible fixed assets decreased by 799 million yen. As a result, total assets decreased by 1,167 million yen compared to the previous term end.

At the same time, the capital stock increased by 5,615 million yen because minority shareholders' equity was converted into capital stock through an exchange of shares with International Reagent Corporation.

2.Forecast for the Period

(Consolidated Results Forecast)

(unit: million yen)

	FY2002	FY2001	Change	Rate of change
Net sales	58,000	47,532	10,467	22.0%
Operating income	5,800	3,417	2,382	69.7%
Ordinary income	5,500	4,029	1,470	36.5%
Net income	2,500	1,308	1,191	91.1%

Regarding the outlook for the rest of the term under review, in Japan serious deflation is forecast to continue, in the U.S. and many European nations there remains concern about possible economic downturn, and in the world in general economic conditions remain as difficult to predict as ever.

In Japan, while measures to reduce medical fees starting in April this year have put the domestic Japanese medical industry on difficult footing, the issues at hand in the industry include not only cost reductions but also improving quality, and customer needs in health care are expected to become both more sophisticated and more diverse. As a result, new markets involving the expanded application of information technologies and genetic diagnosis and therapy are gradually becoming a reality.

Amidst such conditions, the Sysmex Group has been pouring effort into research and development on core and new technologies toward the creation of new life-science technologies such as those related to definitive diagnosis and risk diagnosis. We will also be concentrating on alliance-building and new R&D efforts geared toward strengthening our product lineup, as well as on promoting our business as a solutions provider toward strengthening our management and operational foundations.

Also, as part of our aggressive advance into the forecasted-to-expand POC (point of care) diagnostics market (including hospital emergency rooms, testing labs, and surgeries, and private medical practices), in the latter half of the term we will aim to expand sales through the introduction to the market of the "Poctem Influenza A/B" influenza virus antigen detection reagent.

Forecasts for the duration of the current term include net sales of 58,000 million yen, recurring profits of 5,500 million yen, and net income for the current term of 2,500 million yen. These calculations are based on rates of exchange including 1\$US = ¥126 and 1Euro= ¥117.50

Note:

Performance forecasts and future prospects stated in this report are forward-looking statements about the future performance of Sysmex based on the company's assumptions and beliefs in light of information currently available, and involve both known and unknown risks and uncertainties. Actual performance may differ from that anticipated in these statements.

Consolidated Balance Sheet

(unit: million yen)

Items	Period	Current term (as of September 30, 2002)		Previous term (as of September 30, 2001)		Fiscal 2001 (as of March 31, 2002)	
		Amount	%	Amount	%	Amount	%
(Assets)							
Current assets		41,506	63.5	42,559	62.9	40,915	61.5
Cash		11,122		9,688		8,862	
Notes and accounts receivable trade		15,350		16,710		17,857	
Marketable securities		154		1,526		461	
Inventories		12,106		12,142		11,200	
Deferred tax assets		1,570		1,236		1,511	
Prepaid expenses		481		387		356	
Short-term loans receivable		15		27		26	
Others		804		943		751	
Allowance for doubtful debts		-101		-103		-113	
Fixed assets		23,827	36.5	25,109	37.1	25,586	38.5
Tangible fixed assets		17,683	27.1	17,793	26.3	18,208	27.4
Buildings and structures		7,487		6,057		6,234	
Machinery, equipment and vehicles		1,237		881		905	
Tools, furniture and fixtures		2,845		3,606		3,309	
Land		5,903		5,900		5,902	
Construction in progress		209		1,347		1,855	
Intangible fixed assets		2,245	3.4	2,774	4.1	3,045	4.6
Goodwill		183		253		218	
Software		1,903		1,652		1,933	
Consolidation goodwill		-		752		715	
Others		159		116		177	
Investments		3,898	6.0	4,540	6.7	4,333	6.5
Investments in securities		1,599		1,606		1,825	
Long - term loans receivable		13		19		16	
Long - term prepaid expenses		266		382		313	
Prepaid pension cost		-		53		52	
Others		1,398		1,602		1,649	
Deferred tax assets		647		894		498	
Allowance for doubtful debts		-27		-19		-23	
Deferred assets		-		19	0.0	-	
Bond issue cost		-		19		-	
Total assets		65,334	100.0	67,688	100.0	66,501	100.0

(Note) fractions of one million yen are rounded off

Items	Period		Current term		Previous term		Fiscal 2001	
			(as of September 30, 2002)		(as of September 30, 2001)		(as of March 31, 2002)	
	Amount	%	Amount	%	Amount	%	Amount	%
(Liabilities)								
Current liabilities	14,652	22.4	16,171	23.9	15,099	22.7		
Notes and accounts payable trade	6,527		6,467		5,897			
Short-term loans payable	2,623		4,656		3,033			
Corporation taxes payable	1,261		1,029		1,165			
Deferred tax liabilities	-		55		1			
Accrued expenses	841		633		716			
Reserve for bonuses	1,269		1,123		1,155			
Reserve for product warranties	76		64		76			
Provision for loss on sales returns	-		13		10			
Others	2,053		2,127		3,043			
Fixed liabilities	9,426	14.5	10,535	15.6	9,474	14.2		
Convertible bonds	4,999		5,000		5,000			
Long-term loan payable	2,445		3,898		3,028			
Deferred tax liabilities	292		404		320			
Reserve for retirement benefits	395		119		21			
Reserve for officers' retirement benefits	278		271		297			
Consolidation goodwill	418		-		-			
Others	596		842		806			
Total liabilities	24,078	36.9	26,706	39.5	24,574	36.9		
(Minority interest)								
Minority interest	63	0.1	6,530	9.6	6,351	9.6		
(Shareholders' equity)								
Capital stock	-	-	3,384	5.0	3,384	5.1		
Capital reserve	-	-	5,560	8.2	5,560	8.4		
Consolidated retained earnings	-	-	25,654	38.0	26,233	39.4		
Unrealized gain or loss of investments in securities	-	-	-171	-0.3	91	0.1		
Foreign currency translation adjustment	-	-	22	0.0	310	0.5		
Treasury stock	-	-	-0	-0.0	-5	-0.0		
Total shareholders' equity	-	-	34,451	50.9	35,576	53.5		
Capital stock	5,509	8.4	-	-	-	-		
Capital surplus	8,736	13.4	-	-	-	-		
Earned surplus	26,923	41.2	-	-	-	-		
Unrealized gain or loss of investments in securities	-14	-0.0	-	-	-	-		
Foreign currency translation adjustment	79	0.1	-	-	-	-		
Treasury stock	-42	-0.1	-	-	-	-		
Total shareholders' equity	41,192	63.0	-	-	-	-		
Total liabilities, minority interest and shareholders' equity	65,334	100.0	67,688	100.0	66,501	100.0		

(Note) fractions of one million yen are rounded off

Consolidated interim Statements of Income

(unit: million yen)

Items	Current term		Previous term		Fiscal 2001	
	(April to September, 2002)		(April to September, 2001)		(April, 2001 to March, 2002)	
	Amount	%	Amount	%	Amount	%
(Ordinary income)						
Operating income						
Operating income						
Sales	27,413	100.0	20,031	100.0	47,532	100.0
Operating expenses						
Cost of sales	10,703	39.1	8,065	40.3	19,769	41.6
Selling, general and administrative expenses	13,871	50.6	10,392	51.8	24,345	51.2
Operating profit	2,838	10.3	1,573	7.9	3,417	7.2
Non-operating income						
Non-operating income	211	0.8	328	1.6	1,119	2.4
(Interest income and dividends earned)	(65)		(109)		(183)	
(Royalties earned)	(17)		(125)		(152)	
(Exchange gain)	(-)		(-)		(543)	
(Equity in earnings of investees)	(24)		(-)		(-)	
(Amortization of consolidation goodwill)	(20)		(-)		(-)	
(Others)	(83)		(94)		(239)	
Non-operating expenses	473	1.7	341	1.7	507	1.1
(Interest expense)	(69)		(77)		(168)	
(Amortization of bond issue cost)	(-)		(19)		(39)	
(Amortization of goodwill)	(35)		(35)		(70)	
(Exchange loss)	(255)		(114)		(-)	
(Equity in loss of investees)	(-)		(59)		(82)	
(Others)	(112)		(34)		(145)	
Ordinary profit	2,577	9.4	1,561	7.8	4,029	8.5
(Extraordinary income)						
Extraordinary profits	49	0.2	-	-	153	0.3
(Gain on sales of fixed assete)	(5)		(-)		(-)	
(Gain on sales of investment securities)	(27)		(-)		(10)	
(Reversal of allowance for doubtful debts)	(17)		(-)		(10)	
(Income from compromise on loyalty)	(-)		(-)		(132)	
Extraordinary losses	492	1.8	253	1.3	1,108	2.3
(Write - down of securities)	(-)		(185)		(423)	
(Write-down of inventories)	(-)		(-)		(179)	
(Loss on disposal of fixed assets)	(257)		(12)		(223)	
(Estimated loss from termination of retirement benefit plan)	(-)		(-)		(172)	
(Loss from termination of retirement benefit plan)	(180)		(-)		(-)	
(Provision of reserve for retirement benefits)	(55)		(55)		(110)	
Income before income taxes and minority	2,134	7.8	1,308	6.5	3,074	6.5

interests						
Income taxes	1,337	4.9	1,011	5.0	2,272	4.8
Deferred income taxes	-211	-0.8	-201	-1.0	-365	-0.8
Minority interest	1	0.0	-0	-0.0	-140	-0.3
Net income	1,007	3.7	498	2.5	1,308	2.8

(Note) fractions of one million yen are rounded off

Consolidated interim Statements of Retained Earnings

(unit: million yen)

Items	Period		Current term		Previous term		Fiscal 2001	
			(April to September, 2002)		(April to September, 2001)		(as of September 30, 2001)	
Consolidated Retained Earnings At Beginning of period				-		25,480		25,480
Consolidated Decrease in Retained Earnings								
Dividend Payments			-		250		480	
Bonuses to Directors			-		73		73	
(including auditors)			(-)	-	(9)	324	(9)	554
Net Income for Current Period				-		498		1,308
Consolidated Retained Earnings At End of term						25,654		26,233
(Capital Surplus)								
Capital Surplus At Beginning of period				5,560		-		-
Increase in Capital Surplus								
Inclusion from exchange of stocks			3,175		-		-	
Inclusion from Conversion of bond			0	3,175	-	-	-	-
Capital Surplus At End of term				8,736		-		-
(Earned Surplus)								
Earned Surplus At Beginning of period				26,233		-		-
Increase in Earned Surplus								
Net Income for Current Period			1,007	1,007	-	-	-	-
Decrease in Earned Surplus								
Dividend Payments			230		-		-	
Bonuses to Directors			78		-		-	
(including auditors)			(10)		(-)		(-)	
Loss on Disposal of Treasury Stocks			8	317	-	-	-	-
Earned Surplus At End of term				26,923		-		-

(Note) fractions of one million yen are rounded off

Consolidated interim Statements of Cash Flow

(unit: million yen)

Items	Period	Current term (April to September, 2002)	Previous term (April to September, 2001)	Fiscal 2001 (April, 2001 to March, 2002)
I Cash flow from operating activities				
Income before income taxes and minority interests		2,134	1,308	3,074
Depreciation and amortization		1,460	1,169	2,810
Amortization of consolidation goodwill		-20	42	132
Increase/decrease in reserve for bonuses		113	(-)	65
Increase / decrease in reserve for retirement benefits		374	131	15
Increase/decrease in prepaid pension cost		52	(-)	-35
Increase / decrease in reserve for officers' retirement benefits		-18	-11	14
Increase / decrease in allowance for doubtful debts		-6	-26	-22
Interest income and dividends earned		-65	-109	-183
Interest expense		69	77	168
Equity in earnings / loss of investees		-24	59	82
Gains on sales of investment securities		-27	(-)	-10
Write - down of securities		-	185	423
Write-down of inventories		-	-	179
Loss on disposal of fixed assets		257	12	223
Estimated loss from termination of retirement benefit plan		-	-	172
Loss from termination of retirement benefit plan		180	-	-
Increase / Decrease in notes and accounts receivable		2,270	-190	-752
Increase / Decrease in inventories		-1,025	13	1,192
Increase / Decrease in notes and accounts payable		834	-281	-1,636
Increase / Decrease in other receivable		173	(-)	-
Increase / Decrease in other payable		-972	(-)	-
Increase / Decrease in consumption taxes payable		-233	306	328
Bonuses to directors		-78	-73	-73
Others		-109	-33	280
Subtotal		5,338	2,578	6,449
Interest and dividends received		56	166	221
Interest paid		-73	-66	-196
Corporation taxes paid		-1,244	-1,100	-2,241
Cash flow from operating activities		4,077	1,578	4,234
II Cash flow from investing activities				
Gains on securities sold		-	-	44
Capital expenditures		-666	-623	-2,093
Payments for purchases of intangible fixed assets		-358	-299	-924
Payments for purchases of investment securities		-	-	-32

Gains on investment securities sold	95	-	-
	-	-	-85
Payment for equity investment in subsidiaries			
Cash flow from investments in subsidiarization of affiliates			
Payment for equity investment in affiliates	-	-2,626	-2,626
Inflow of cash and cash equivalent from subsidiaries	-	2,957	2,957
Others	144	90	647
Cash flow from investing activities	-785	-501	-2,111
III Cash flow from financing activities			
Net increase / decrease of short-term loans	-310	2,593	828
Proceeds from borrowing of long - term loans	304	50	50
Repayment of long-term loans	-927	-114	-914
Gains on paid-in capital from minority shareholders	1	1	1
	-42	-	-9
Payments for purchases of treasury stocks			
Gains on disposal of treasury stocks	163	-	-
Dividend paid	-230	-250	-480
Dividend paid for minority shareholders	-42	-	-43
Cash flow from financing activities	-1,084	2,279	-568
IV Effect of exchange rate changes on cash and cash equivalent			
	-189	98	289
V Net increase / decrease in cash and cash equivalent			
	2,018	3,455	1,842
VI Cash and cash equivalent at beginning of year			
	9,181	7,338	7,338
VII Cash and cash equivalent at end of term			
	11,199	10,794	9,181

(Note) fractions of one million yen are rounded off