

# Consolidated Statements of Cash Flows

Nihon Unisys, Ltd. and Consolidated Subsidiaries  
Years Ended March 31, 2011 and 2010

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2011	2010	2011
<b>Operating Activities:</b>			
Income before income taxes and minority interests-----	¥3,840	¥5,406	\$46,182
Adjustments for:			
Income taxes paid-----	(1,365)	(3,017)	(16,416)
Impairment loss-----	515	778	6,194
Depreciation and amortization-----	13,374	13,209	160,842
Amortization of goodwill-----	2,101	216	25,268
Amortization of negative goodwill-----	(44)	(16)	(529)
Gain on sales of property, plant and equipment-----	(79)	(1)	(950)
Loss (gain) on sales of investment securities-----	26	(233)	313
Gain on sales of investments in subsidiaries and associated companies-----	(1,289)	(12)	(15,502)
Loss on valuation of investment securities-----	61	32	734
Loss on adjustment for change of accounting standard for asset retirement obligations-----	449		5,400
Decrease (increase) in accounts receivable-trade-----	10,130	(3,968)	121,828
Decrease in inventories-----	1,496	2,826	17,992
Decrease in interest and dividends receivable-----	3	5	36
Decrease in accounts payable-trade-----	(3,165)	(1,519)	(38,064)
Decrease in interest payable-----	(22)	(15)	(265)
(Decrease) increase in allowance for retirement benefits-----	(657)	148	(7,901)
Decrease in allowance for restructuring charges-----	(2,609)	(3,552)	(31,377)
Other-net-----	(1,057)	4,213	(12,714)
Total adjustments-----	17,868	9,094	214,889
Net cash provided by operating activities-----	21,708	14,500	261,070
<b>Investing Activities:</b>			
Proceeds from sales of property, plant and equipment-----	95	30	1,143
Payments for purchases of property, plant and equipment---	(3,320)	(4,343)	(39,928)
Payments for purchases of software-----	(7,720)	(10,904)	(92,844)
Proceeds from sales of investment securities-----	87	1,193	1,046
Payments for purchases of investment securities-----	(473)	(763)	(5,689)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation-----	200	9	2,405
Other-net-----	(37)	77	(444)
Net cash used in investing activities-----	(11,168)	(14,701)	(134,312)
<b>Financing Activities:</b>			
Net decrease in short-term bank loans-----	(5,700)	(7,029)	(68,551)
Proceeds from long-term debt-----	15,988	15,800	192,279
Repayments of long-term debt-----	(16,652)	(15,352)	(200,265)
Repayments of other debt-----	(401)	(298)	(4,823)
Net increase (decrease) in commercial paper-----	4,000	(2,000)	48,106
Payments for purchases of treasury stock-----	(2,096)		(25,207)
Cash dividends-----	(719)	(1,436)	(8,647)
Cash dividends to minority interests-----	(7)	(5)	(84)
Other-----		(51)	
Net cash used in financing activities-----	(5,587)	(10,371)	(67,192)
<b>Effect of exchange rate changes on Cash and Cash Equivalents-----</b>			
		(13)	
Net increase (decrease) in Cash and Cash Equivalents-----	4,953	(10,585)	59,567
Cash and Cash Equivalents, Beginning of Year-----	25,461	36,046	306,206
Cash and Cash Equivalents, End of Year-----	¥30,414	¥25,461	\$365,773

See notes to consolidated financial statements.