

# Consolidated Statements of Cash Flows

Years Ended March 31, 2006 and 2005

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes and minority interests	¥ 7,712	¥ 61,741	\$ 65,647
Adjustments for:			
Income taxes—paid	(35,325)	(27,805)	(300,714)
Depreciation and amortization	35,003	37,146	297,973
Loss on disposal of property, plant and equipment	1,121	1,015	9,541
Loss on impairment of long-lived assets	2,177	4,597	18,537
Loss on devaluation of land	60,161		512,136
Gain on sales of marketable and investment securities	(45)	(427)	(383)
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:			
Increase in notes and accounts receivable	(5,124)	(19,719)	(43,622)
Decrease (increase) in inventories	114	(88)	972
Increase in notes and accounts payable	9,812	22,292	83,530
Increase (decrease) in liability for employees' retirement benefits	9,729	(5,255)	82,823
Other—net	(660)	3,145	(5,620)
Total adjustments	76,963	14,901	655,173
Net cash provided by operating activities	84,675	76,642	720,820
<b>INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment	724	143	6,165
Purchases of property, plant and equipment	(41,566)	(36,443)	(353,839)
Proceeds from sales of marketable and investment securities	436	8,480	3,709
Purchases of marketable and investment securities	(7,029)	(5,353)	(59,839)
Decrease (increase) in investments in and advances to non-consolidated subsidiaries and affiliates	73	(194)	621
Acquisition of new subsidiaries' shares, net of cash owned by those subsidiaries (Note 15)	(4,780)		(40,693)
Cash collected from long-term loans	2,523	2,942	21,478
Cash advanced for long-term loans	(2,457)	(2,443)	(20,917)
Other	(2,195)	(7,122)	(18,681)
Net cash used in investing activities	(54,271)	(39,990)	(461,996)
<b>FINANCING ACTIVITIES:</b>			
Proceeds from short-term bank loans	42,000		357,538
Repayments of short-term bank loans	(80,752)	(105)	(687,427)
Proceeds from long-term debt	36,740	1,988	312,761
Repayments of long-term debt	(4,780)	(17,000)	(40,691)
Dividends paid	(8,138)	(8,667)	(69,277)
Paid in from minority shareholders	35		294
Treasury stocks	(10,511)	(10,315)	(89,475)
Other	51	187	431
Net cash used in financing activities	(25,355)	(33,912)	(215,846)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>			
	263	(11)	2,242
<b>CASH AND CASH EQUIVALENTS INCREASED BY MERGER</b>			
		156	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,312</b>	<b>2,885</b>	<b>45,220</b>
<b>CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR</b>			
	162	114	1,380
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>120,030</b>	<b>117,031</b>	<b>1,021,790</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>¥125,504</b>	<b>¥120,030</b>	<b>\$1,068,390</b>

See notes to consolidated financial statements.