

Consolidated Statements of Cash Flows

Years Ended March 31, 2007 and 2006

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 66,825	¥ 7,712	\$ 566,078
Adjustments for:			
Income taxes—paid	(37,785)	(35,325)	(320,080)
Depreciation and amortization	40,150	35,003	340,109
Loss on disposal of property, plant and equipment	919	1,121	7,783
Loss on impairment of long-lived assets	1,127	2,177	9,550
Loss on devaluation of land		60,161	
Gain on sales of marketable and investment securities	(628)	(45)	(5,321)
Changes in assets and liabilities, net of effects from newly consolidated subsidiaries:			
Decrease (increase) in notes and accounts receivable	3,568	(5,124)	30,229
Decrease in inventories	582	114	4,933
Increase in notes and accounts payable	4,209	9,812	35,650
Increase in liability for employees' retirement benefits	3,207	9,729	27,162
Other—net	(1,411)	(660)	(11,952)
Total adjustments	13,938	76,963	118,063
Net cash provided by operating activities	80,763	84,675	684,141
INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment	1,144	724	9,693
Purchases of property, plant and equipment	(47,117)	(41,566)	(399,125)
Proceeds from sales of marketable and investment securities	4,435	436	37,571
Purchases of marketable and investment securities	(16,030)	(7,029)	(135,793)
(Increase) decrease in investments in and advances to non-consolidated subsidiaries and affiliates	(1,270)	73	(10,760)
Acquisition of new subsidiaries' shares, net of cash owned by those subsidiaries		(4,780)	
Cash collected from long-term loans	2,159	2,523	18,292
Cash advanced for long-term loans	(2,332)	(2,457)	(19,758)
Other	(1,887)	(2,195)	(15,989)
Net cash used in investing activities	(60,898)	(54,271)	(515,869)
FINANCING ACTIVITIES:			
Proceeds from short-term bank loans	37,521	42,000	317,840
Repayments of short-term bank loans	(48,033)	(80,752)	(406,887)
Proceeds from long-term debt	9,944	36,740	84,231
Repayments of long-term debt	(680)	(4,780)	(5,760)
Dividends paid	(9,565)	(8,138)	(81,021)
Paid in from minority shareholders		35	
Repurchase of treasury stocks	(4,312)	(10,511)	(36,529)
Other	(47)	51	(395)
Net cash used in financing activities	(15,172)	(25,355)	(128,521)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	47	263	398
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,740	5,312	40,149
CASH AND CASH EQUIVALENTS OF NEWLY CONSOLIDATED SUBSIDIARIES, BEGINNING OF YEAR	84	162	714
CASH AND CASH EQUIVALENTS DECREASED BY EXCEPTION OF CONSOLIDATED SUBSIDIARIES	(190)		(1,606)
CASH AND CASH EQUIVALENTS INCREASED BY CORPORATE DIVISION	7		60
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	125,504	120,030	1,063,141
CASH AND CASH EQUIVALENTS, END OF YEAR	¥130,145	¥125,504	\$1,102,458

See notes to consolidated financial statements.