

(3) Statements of Cash Flows

| Item | Term | 1H of FY2016 | |
|---|------|--------------------------------------|--------------------|
| | | (April 1, 2015 - September 30, 2015) | |
| | | (Yen millions) | (U.S.\$ thousands) |
| Cash flows from operating activities: | | | |
| Net income | | 19,587 | 272,617 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | | 39,183 | 346,250 |
| Changes in assets and liabilities: | | | |
| Decrease (increase) in trade receivables | | (18,634) | (169,967) |
| Decrease (increase) in inventories | | (8,925) | (98,875) |
| Increase (decrease) in trade payables | | 9,660 | 160,625 |
| Increase (decrease) in accrued expenses | | 1,125 | (2,800) |
| Decrease (increase) in other assets and liabilities, net | | (3,608) | (23,583) |
| Other-net | | 5,527 | 23,316 |
| Net cash provided by operating activities | | 43,915 | 507,583 |
| Cash flows from investing activities: | | | |
| Capital expenditures | | (42,802) | (604,017) |
| Proceeds from sale and maturity of short-term investments | | 6,369 | 145,509 |
| Payment for purchase of short-term investments | | (10,898) | (112,383) |
| Proceeds from sale and maturity of securities | | 135 | 28,808 |
| Payment for purchase of securities | | (225) | (4,083) |
| Acquisition of affiliates | | - | (19,275) |
| Proceeds from sales of tangible and intangible assets | | 1,727 | 3,958 |
| Other-net | | 682 | (75) |
| Net cash used in investing activities | | (45,012) | (561,558) |
| Cash flows from financing activities: | | | |
| Proceeds from long-term debt | | 18,650 | 112,283 |
| Repayment of long-term debt | | (1,538) | (2,092) |
| Increase (decrease) in short-term debt, net | | (18,826) | 151,767 |
| Dividends paid | | (5,033) | (52,483) |
| Acquisition of noncontrolling interests | | (14,995) | (237,534) |
| Other-net | | 2,817 | (233) |
| Net cash used in financing activities | | (18,925) | (28,292) |
| Effect of exchange rate changes on cash and cash equivalents | | 13,415 | (18,658) |
| Net decrease in cash and cash equivalents | | (6,607) | (100,925) |
| Cash and cash equivalents at beginning of period | | 250,848 | 2,209,200 |
| Cash and cash equivalents at end of period | | 244,241 | 2,108,275 |

Note:

U.S.\$1=Yen 120, for convenience only.