

7) Statements of cash flows

| Item | Term | FY2003 | | FY2002 |
|--|------|----------------------------------|--------------------|---------------------------------|
| | | (April 1, 2002 - March 31, 2003) | | (April 1, 2001 - Mar. 31, 2002) |
| | | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Cash flows from operating activities: | | | | |
| Net income (loss) | | 12,019 | 100,158 | (25,771) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | |
| Depreciation and amortization | | 57,789 | 481,575 | 61,920 |
| Loss on disposal of property and equipment | | 4,845 | 40,375 | 6,436 |
| Deferred income taxes | | 2,435 | 20,292 | (13,797) |
| Loss on securities | | 3,298 | 27,483 | 207 |
| Changes in assets and liabilities: | | | | |
| Decrease (increase) in trade receivables | | (2,256) | (18,800) | 18,517 |
| Decrease in inventories | | 14,277 | 118,975 | 28,776 |
| Increase (decrease) in trade payables | | 6,691 | 55,758 | (14,806) |
| Decrease in income taxes | | (1,393) | (11,608) | (17,181) |
| Other-net | | 6,653 | 55,442 | (2,797) |
| Net cash provided by operating activities | | 104,358 | 869,650 | 41,504 |
| Cash flows from investing activities: | | | | |
| Capital expenditures | | (41,451) | (345,425) | (58,777) |
| Proceeds from sale of investments | | 1,511 | 12,592 | 323 |
| Payment for purchase of investments | | (7,306) | (60,883) | (3,116) |
| Other-net | | 601 | 5,008 | 3,667 |
| Net cash used in investing activities | | (46,645) | (388,708) | (57,903) |
| Cash flows from financing activities: | | | | |
| Proceeds from long-term debt | | 211 | 1,758 | 46 |
| Repayment of long-term debt | | (646) | (5,383) | (777) |
| Decrease in short-term debt | | (254) | (2,117) | (3,568) |
| Payment to acquire treasury stock | | (1,263) | (10,525) | (926) |
| Dividends paid | | (5,973) | (49,775) | (7,977) |
| Net cash used in financing activities | | (7,925) | (66,042) | (13,202) |
| Effect of exchange rate changes on cash and cash equivalents | | (4,998) | (41,650) | 4,445 |
| Net increase (decrease) in cash and cash equivalents | | 44,790 | 373,250 | (25,156) |
| Cash and cash equivalents at beginning of period | | 125,761 | 1,048,008 | 150,917 |
| Cash and cash equivalents at end of period | | 170,551 | 1,421,258 | 125,761 |

Note: U.S.\$1=Yen 120