

I-7) Statements of cash flows

Term Item	The first half of FY2006 (April 1, 2005 - Sep. 30, 2005)		The first half of FY2005 (April 1, 2004 - Sep. 30, 2004)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Cash flows from operating activities:			
Net income	21,666	191,735	19,869
Loss (income) from discontinued operations, net of tax	(16)	(142)	855
Income from continuing operations	21,650	191,593	20,724
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	26,537	234,841	25,175
Loss on disposal of property and equipment	966	8,549	233
Deferred income taxes	1,316	11,646	(3,311)
Loss (gain) on securities, net	(414)	(3,664)	(95)
Changes in assets and liabilities:			
Increase in trade receivables	(9,821)	(86,912)	(1,073)
Increase in inventories	(9,217)	(81,566)	(7,545)
Increase in other current assets	(7,322)	(64,797)	(6,855)
Increase (decrease) in trade payables	8,817	78,026	(2,249)
Increase in accrued expenses	3,432	30,372	3,227
Increase (decrease) in income taxes payables, net	(15,906)	(140,761)	6,583
Increase (decrease) in retirement and severance benefits, net	373	3,301	3,194
Other-net	(1,849)	(16,363)	1,024
Net cash provided by operating activities	18,562	164,265	39,032
Cash flows from investing activities:			
Capital expenditures	(34,288)	(303,434)	(29,755)
Proceeds from sales and maturities of investments in securities	2,056	18,195	210
Payment for purchase of investments in securities	(3,517)	(31,124)	(200)
Payment for purchase of a subsidiary, net of cash acquired	(8,701)	(77,000)	-
Payment for purchase of other investments	(297)	(2,628)	(128)
Proceeds from sales of property, plant and equipment	628	5,557	867
Acquisition of minority interests	(2,523)	(22,327)	-
Proceeds from sales of discontinued operations	1,538	13,611	-
Net cash used in investing activities	(45,104)	(399,150)	(29,006)
Cash flows from financing activities:			
Proceeds from long-term debt	104	920	137
Repayment of long-term debt	(58)	(513)	(53)
Increase (decrease) in short-term debt, net	-	-	(325)
Sale (purchase) of treasury stock, net	(519)	(4,593)	(1,488)
Dividends paid	(5,290)	(46,814)	(3,972)
Net cash used in financing activities	(5,763)	(51,000)	(5,701)
Net cash used in discontinued operations	(88)	(779)	(718)
Effect of exchange rate changes on cash and cash equivalents	5,530	48,938	5,207
Net increase (decrease) in cash and cash equivalents	(26,863)	(237,726)	8,814
Cash and cash equivalents at beginning of period	251,508	2,225,735	227,155
Cash and cash equivalents at end of period	224,645	1,988,009	235,969

Notes:

- In accordance with SFAS No.144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the figures for the first half of FY2005 relating to discontinued operations have been reclassified accordingly.
- U.S.\$1=Yen 113