

I-7) Statements of cash flows

Term Item	FY2006 (April 1, 2005 - March 31, 2006)		FY2005 (April 1, 2004 - March 31, 2005)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
	Cash flows from operating activities:		
Net income	44,101	376,932	33,300
Loss from discontinued operations, net of tax	310	2,649	3,665
Income from continuing operations	44,411	379,581	36,965
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	58,540	500,342	52,806
Loss on disposal of property and equipment	3,220	27,521	1,190
Deferred income taxes	(696)	(5,949)	(5,532)
Loss (gain) on securities, net	286	2,445	142
Gain on sale of a subsidiary	-	-	(1,799)
Changes in assets and liabilities:			
Increase in trade receivables	(16,886)	(144,325)	(7,343)
Decrease (increase) in inventories	(287)	(2,453)	3,461
Decrease (increase) in other current assets	(8,748)	(74,769)	1,149
Increase in trade payables	7,101	60,692	245
Increase (decrease) in accrued expenses	12,347	105,530	(2,496)
Increase (decrease) in income taxes payables, net	(10,689)	(91,359)	14,464
Increase (decrease) in retirement and severance benefits, net	981	8,385	2,519
Other-net	(462)	(3,949)	(2,018)
Net cash provided by operating activities	89,118	761,692	93,753
Cash flows from investing activities:			
Capital expenditures	(73,911)	(631,718)	(61,005)
Proceeds from sales and maturities of investments in securities	4,263	36,436	1,788
Payment for purchase of investments in securities	(4,227)	(36,128)	(2,424)
Payment for purchase of subsidiaries, net of cash acquired	(32,868)	(280,923)	-
Proceeds from sales of property, plant and equipment	3,373	28,829	999
Acquisition of minority interests	(2,587)	(22,111)	-
Proceeds from sales of discontinued operations	1,538	13,145	-
Other-net	(363)	(3,103)	(221)
Net cash used in investing activities	(104,782)	(895,573)	(60,863)
Cash flows from financing activities:			
Proceeds from long-term debt	269	2,299	218
Repayment of long-term debt	(218)	(1,863)	(164)
Increase (decrease) in short-term debt, net	3,688	31,521	(330)
Sale (purchase) of treasury stock, net	(68)	(581)	(1,244)
Dividends paid	(10,578)	(90,410)	(7,938)
Other-net	(218)	(1,863)	(171)
Net cash used in financing activities	(7,125)	(60,897)	(9,629)
Net cash used in discontinued operations	(414)	(3,538)	(1,625)
Effect of exchange rate changes on cash and cash equivalents	10,712	91,555	2,717
Net increase (decrease) in cash and cash equivalents	(12,491)	(106,761)	24,353
Cash and cash equivalents at beginning of period	251,508	2,149,641	227,155
Cash and cash equivalents at end of period	239,017	2,042,880	251,508

Notes:

- As a result of the sale of a subsidiary, the operating results of the discontinued operation is presented as a separate line item in the consolidated statements of income in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets".
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