

I-7) Statements of cash flows

Item	Term		The first half of FY2007	The first half of FY2006	FY2006
			(April 1, 2006 - Sep. 30, 2006)	(April 1, 2005 - Sep. 30, 2005)	(April 1, 2005 - Mar. 31, 2006)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)	(Yen millions)	
Cash flows from operating activities:					
Net income	29,622	251,034	21,666	44,101	
Income from discontinued operations, net of tax	-	-	(16)	310	
Income from continuing operations	29,622	251,034	21,650	44,411	
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	30,884	261,729	26,537	58,540	
Loss on disposal of property and equipment	1,011	8,568	966	3,220	
Deferred income taxes	(727)	(6,161)	1,316	(696)	
Loss (gain) on securities, net	195	1,653	(414)	286	
Changes in assets and liabilities, net of effects of acquisition of businesses:					
Decrease (increase) in trade receivables	5,140	43,559	(9,821)	(16,886)	
Increase in inventories	(2,547)	(21,585)	(9,217)	(287)	
Decrease (increase) in other current assets	3,826	32,424	(7,322)	(8,748)	
Increase in trade payables	8,552	72,475	8,817	7,101	
Increase (decrease) in accrued expenses	(1,639)	(13,890)	3,432	12,347	
Increase (decrease) in income taxes payables, net	1,579	13,381	(15,906)	(10,689)	
Increase (decrease) in retirement and severance benefits, net	302	2,559	373	981	
Other-net	2,520	21,356	(1,711)	(462)	
Net cash provided by operating activities	78,718	667,102	18,700	89,118	
Cash flows from investing activities:					
Capital expenditures	(35,980)	(304,915)	(34,288)	(73,911)	
Proceeds from sale of short-term investments	5,016	42,508	-	-	
Payment for purchase of short-term investments	(15,028)	(127,356)	-	-	
Proceeds from sale and maturity of investments in securities	7	59	2,056	4,263	
Payment for purchase of investments in securities	(1,348)	(11,424)	(3,517)	(4,227)	
Acquisition of business, net of cash acquired	-	-	(8,666)	(32,868)	
Proceeds from sales of property, plant and equipment	2,024	17,153	628	3,373	
Acquisition of minority interests	(6)	(51)	(2,523)	(2,587)	
Proceeds from sales of discontinued operations	-	-	1,538	1,538	
Other-net	30	254	(297)	(363)	
Net cash used in investing activities	(45,285)	(383,772)	(45,069)	(104,782)	
Cash flows from financing activities:					
Proceeds from long-term debt	123	1,043	104	269	
Repayment of long-term debt	(130)	(1,102)	(58)	(218)	
Increase (decrease) in short-term debt, net	(2,771)	(23,483)	-	3,688	
Proceeds from exercise of stock options	500	4,237	420	887	
Cash paid to acquire treasury stock	(15)	(127)	(939)	(955)	
Dividends paid	(6,613)	(56,042)	(5,290)	(10,578)	
Other-net	(115)	(975)	(173)	(218)	
Net cash used in financing activities	(9,021)	(76,449)	(5,936)	(7,125)	
Net cash used in discontinued operations	-	-	(88)	(414)	
Effect of exchange rate changes on cash and cash equivalents	1,404	11,898	5,530	10,712	
Net increase (decrease) in cash and cash equivalents	25,816	218,779	(26,863)	(12,491)	
Cash and cash equivalents at beginning of period	239,017	2,025,568	251,508	251,508	
Cash and cash equivalents at end of period	264,833	2,244,347	224,645	239,017	

Note:

U.S.\$1=Yen 118, for convenience only.