

7) Statements of cash flows**[3rd quarter results]**

| Item | Term | The 3rd quarter of FY2008 | |
|---|------|---|--|
| | | The 3rd quarter of FY2007 (Oct. 1, 2006 - Dec. 31, 2006) | The 3rd quarter of FY2008 (October 1, 2007 - December 31, 2007) |
| | | (Yen millions) | (Yen millions) (U.S.\$ thousands) |
| Cash flows from operating activities: | | | |
| Net income | | 19,669 | 21,713 190,465 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | | 16,780 | 17,584 154,246 |
| Loss on disposal of property and equipment | | 273 | 640 5,614 |
| Deferred income taxes | | (894) | 576 5,053 |
| Changes in assets and liabilities, net of effects of acquisition of businesses: | | | |
| Decrease in trade receivables | | 1,842 | 822 7,211 |
| Increase in inventories | | (1,528) | (3,659) (32,097) |
| Decrease (increase) in other current assets | | 630 | (6,003) (52,658) |
| Increase (decrease) in trade payables | | (7,299) | 1,415 12,412 |
| Decrease in accrued expenses | | (1,431) | (6,945) (60,921) |
| Increase (decrease) in income taxes payables, net | | 1,866 | (533) (4,676) |
| Increase in other current liabilities | | 686 | 1,938 17,000 |
| Increase (decrease) in retirement and severance benefits, net | | 348 | 76 667 |
| Other-net | | (1,972) | (705) (6,184) |
| Net cash provided by operating activities | | 28,970 | 26,919 236,132 |
| Cash flows from investing activities: | | | |
| Capital expenditures | | (15,122) | (20,600) (180,702) |
| Proceeds from sale and maturity of short-term investments | | 5,016 | 13,506 118,474 |
| Payment for purchase of short-term investments | | (11,704) | (2,395) (21,009) |
| Proceeds from sale and maturity of investments in securities | | - | 999 8,763 |
| Payment for purchase of investments in securities | | - | (4,914) (43,105) |
| Acquisition of subsidiaries | | - | (17,873) (156,781) |
| Acquisition of affiliates | | - | (2,026) (17,772) |
| Proceeds from sale of property, plant and equipment | | 99 | 14 123 |
| Acquisition of minority interests | | - | (14,070) (123,421) |
| Other-net | | (36) | (146) (1,281) |
| Net cash used in investing activities | | (21,747) | (47,505) (416,711) |
| Cash flows from financing activities: | | | |
| Proceeds from long-term debt | | 12 | - - |
| Repayment of long-term debt | | (540) | (77) (676) |
| Increase (decrease) in short-term debt, net | | 498 | (195) (1,711) |
| Proceeds from exercise of stock options | | 254 | 10 88 |
| Cash paid to acquire treasury stock | | (7) | (8) (70) |
| Dividends paid | | (6,617) | (7,737) (67,868) |
| Other-net | | (45) | (45) (395) |
| Net cash used in financing activities | | (6,445) | (8,052) (70,632) |
| Effect of exchange rate changes on cash and cash equivalents | | 2,455 | (1,973) (17,307) |
| Net increase (decrease) in cash and cash equivalents | | 3,233 | (30,611) (268,518) |
| Cash and cash equivalents at beginning of period | | 264,833 | 229,466 2,012,860 |
| Cash and cash equivalents at end of period | | 268,066 | 198,855 1,744,342 |

Notes:

1. Statements of cash flows unaudited by independent auditors.
2. U.S.\$1=Yen 114, for convenience only.

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| 9-month-period results |
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| Item | Term | The 9-month-period of FY2008 | | FY2007 |
|---|------|-------------------------------------|--------------------|----------------------------------|
| | | (April 1, 2007 - December 31, 2007) | | (April 1, 2006 - March 31, 2007) |
| | | (Yen millions) | (U.S.\$ thousands) | (Yen millions) |
| Cash flows from operating activities: | | | | |
| Net income | | 49,291 | 494,202 | 70,125 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | | 47,664 | 444,702 | 65,337 |
| Loss on disposal of property and equipment | | 1,284 | 22,693 | 2,649 |
| Deferred income taxes | | (1,621) | (9,184) | (1,878) |
| Loss (gain) on securities, net | | 195 | 13,193 | 212 |
| Gain on business transfer to Imation Corp. | | - | (130,894) | - |
| Changes in assets and liabilities, net of effects of acquisition of businesses: | | | | |
| Decrease (increase) in trade receivables | | 6,982 | (212,158) | 11,241 |
| Decrease (increase) in inventories | | (4,075) | (127,026) | 892 |
| Decrease (increase) in other current assets | | 4,456 | (116,491) | 6,202 |
| Increase (decrease) in trade payables | | 1,253 | 174,438 | (5,272) |
| Increase (decrease) in accrued expenses | | (3,070) | 14,096 | (7,068) |
| Increase (decrease) in income taxes payables, net | | 3,445 | 49,035 | 4,004 |
| Increase (decrease) in other current liabilities | | (168) | 25,833 | (1,808) |
| Increase (decrease) in retirement and severance benefits, net | | 650 | 938 | (74) |
| Other-net | | 1,402 | (37,491) | 921 |
| Net cash provided by operating activities | | 107,688 | 605,886 | 145,483 |
| Cash flows from investing activities: | | | | |
| Capital expenditures | | (51,102) | (516,158) | (70,440) |
| Proceeds from sale and maturity of short-term investments | | 10,032 | 257,746 | 20,046 |
| Payment for purchase of short-term investments | | (26,732) | (273,851) | (31,089) |
| Proceeds from sale and maturity of investments in securities | | 7 | 8,851 | 23 |
| Payment for purchase of investments in securities | | (1,348) | (70,289) | (3,638) |
| Transfer of businesses | | - | (4,412) | - |
| Acquisition of subsidiaries | | - | (156,781) | - |
| Acquisition of affiliates | | - | (17,772) | - |
| Proceeds from sale of property, plant and equipment | | 2,123 | 24,561 | 3,678 |
| Acquisition of minority interests | | (6) | (123,421) | (6) |
| Other-net | | (6) | (1,684) | (62) |
| Net cash used in investing activities | | (67,032) | (873,210) | (81,488) |
| Cash flows from financing activities: | | | | |
| Proceeds from long-term debt | | 135 | - | - |
| Repayment of long-term debt | | (670) | (3,053) | (2,143) |
| Increase (decrease) in short-term debt, net | | (2,273) | (8,965) | (1,456) |
| Proceeds from exercise of stock options | | 754 | 7,632 | 1,159 |
| Cash paid to acquire treasury stock | | (22) | (344,272) | (32) |
| Dividends paid | | (13,230) | (137,570) | (13,230) |
| Other-net | | (160) | (3,246) | (160) |
| Net cash used in financing activities | | (15,466) | (489,474) | (15,862) |
| Effect of exchange rate changes on cash and cash equivalents | | 3,859 | (35,430) | 2,019 |
| Net increase (decrease) in cash and cash equivalents | | 29,049 | (792,228) | 50,152 |
| Cash and cash equivalents at beginning of period | | 239,017 | 2,536,570 | 239,017 |
| Cash and cash equivalents at end of period | | 268,066 | 1,744,342 | 289,169 |

Notes:

1. Statements of cash flows unaudited by independent auditors, FY2007 excepted.
2. U.S.\$1=Yen 114, for convenience only.