

## 5) Statements of cash flows

Term Item	The 1st Qtr. of FY2005 (April 1, 2004 - June 30, 2004)		The 1st Qtr. of FY2004 (April 1, 2003 - June 30, 2003)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
<b>Cash flows from operating activities:</b>			
Net income	10,163	94,102	8,025
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,308	113,963	11,717
Loss on disposal of property and equipment	207	1,917	718
Deferred income taxes	(276)	(2,555)	916
Loss (gain) on securities	(95)	(880)	1,180
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	(411)	(3,806)	1,942
Increase in inventories	(3,780)	(35,000)	(2,518)
Decrease in trade payables	(1,458)	(13,500)	(2,093)
Increase (decrease) in accrued expenses	41	380	(1,280)
Increase (decrease) in income taxes payables, net	1,300	12,037	2,641
Increase in retirement and severance benefits	2,009	18,602	2,522
Other-net	(1,183)	(10,954)	1,915
<b>Net cash provided by operating activities</b>	<b>18,825</b>	<b>174,306</b>	<b>25,685</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(14,345)	(132,824)	(8,555)
Proceeds from sales and maturities of available-for-sale securities	190	1,759	89
Payment for purchase of available-for-sale securities	(196)	(1,815)	-
Payment for purchase of other investments	1	9	(10)
Proceeds from sales of property, plant and equipment	291	2,695	340
Acquisition of minority interests	-	-	(100)
Other-net	(1)	(9)	(2)
<b>Net cash used in investing activities</b>	<b>(14,060)</b>	<b>(130,185)</b>	<b>(8,238)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	132	1,222	33
Repayment of long-term debt	(25)	(232)	(79)
Increase (decrease) in short-term debt, net	(51)	(472)	(15)
Sale (purchase) of treasury stock, net	60	556	(1)
Dividends paid	(3,972)	(36,778)	(3,316)
<b>Net cash used in financing activities</b>	<b>(3,856)</b>	<b>(35,704)</b>	<b>(3,378)</b>
Effect of exchange rate changes on cash and cash equivalents	2,553	23,639	631
<b>Net increase in cash and cash equivalents</b>	<b>3,462</b>	<b>32,056</b>	<b>14,700</b>
Cash and cash equivalents at beginning of period	227,155	2,103,287	170,551
Cash and cash equivalents at end of period	230,617	2,135,343	185,251

## Notes:

1. Statements of cash flows for the 1st quarter of FY2005 and FY2004 are unaudited by independent accountant.
2. U.S.\$1=Yen 108