5) Statements of cash flows

Item	Term	The 1st Qtr. of FY2005		The 1st Qtr. of FY2004
Cash flows from operating activities: Net income Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization Loss on disposal of property and equipment Deferred income taxes Core (276) (2,555) 916 Cos (gain) on securities Cos (decrease) in income taxes payables, net Increase (decrease) in accrued expenses Increase in retirement and severance benefits Cos (gain) Increase in retirement and severance benefits Cos (14,58) Increase in retirement and severance benefits Increase in retirement and severance benefits Increase in retirement and severance benefits Increase in retirement activities Increase in retirement activities Increase (14,345) Increase		(April 1, 2004 - June 30, 2004)		
Net income	Item	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Net income	Cook flows from an arating pativities			
Adjustments to reconcile net income to net cash provided by operating activities: Depreciation and amortization Loss on disposal of property and equipment Deferred income taxes (276) (2,555) 916 Loss (gain) on securities Changes in assets and liabilities: Decrease (increase) in trade receivables Increase in inventories Decrease (increase) in trade receivables Increase in trade payables (14,58) (35,000) (2,093) Increase (decrease) in accrued expenses Increase (decrease) in income taxes payables, net Increase in retirement and severance benefits Queen to the tax of tax of the tax of tax of the tax of tax of the tax of		10 163	94 102	8 025
net cash provided by operating activities: Depreciation and amortization 12,308 113,963 111,717 718 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 inventories (1,458) (13,500) (2,033) Increase (decrease) in accrued expenses 41 380 (1,280) 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 Net cash provided by operating activities 18,825 174,306 25,685 Cash flows from investing activities: (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 190 1,759 89 Payment for purchase of available-for-sale securities 190 1,759 340 Acquisition of minority interests 1 9 (10) Proceeds from sales of property, plant and equipment 291 2,695 340 Acquisition of minority interests 1 9 (10) Proceeds from financing activities (14,060) (130,185) (8,238) Cash flows from financing activities (14,060) (130,185) (8,238) Cash flows from financing activities (25) (232) (79) Increase (decrease) in short-term debt, net (51) (472) (15) Sale (purchase) of treasury stock, net 60 556 (11) Dividends paid (3,972) (36,778) (3,316) Net cash used in financing activities (3,866) (35,704) (3,378) Effect of exchange rate changes 0 cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents 3,462 32,056 14,700 Cash and cash equi		10,100	01,102	0,020
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 intrade 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 ertifement and severance benefits 2,009 18,602 2,522 Other-net (1,183) (10,954) 1,915 Net cash provided by operating activities 18,825 174,306 25,685 Cash flows from investing activities: (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 190 1,759 89 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 (1) (9) (2) Net cash used in investing activities: (14,060) (130,185) (8,238) Cash flows from financing activities: Proceeds from 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) Net cash used in financing activities 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents 4,207,155 2,103,287 170,551				
Deferred income taxes	Depreciation and amortization	12,308	113,963	11,717
Loss (gain) on securities	Loss on disposal of property and equipment	207	1,917	718
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 Net cash provided by operating activities 18,825 174,306 25,685 Cash flows from investing activities: 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 other investments 1 9 (10) Proceeds from sales of property, plant and equipment 291 2,695 340 Acquisition of minority interests 1 9 (10) Other-net (1) (9) (2) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities (14,060) (130,185) (8,238) Cash flows from financing activities (151) (472) (15) Sale (purchase) of treasury stock, net 60 556 (1) Dividends paid (3,972) (36,778) (3,316) Net cash used in financing activities (2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents 3,462 32,056	Deferred income taxes	(276)	(2,555)	916
Decrease (increase) in trade receivables	Loss (gain) on securities	(95)	(880)	1,180
Increase in inventories	Changes in assets and liabilities:			
Decrease in trade payables	Decrease (increase) in trade receivables	(411)	(3,806)	1,942
Increase (decrease) in accrued expenses	Increase in inventories	(3,780)	(35,000)	(2,518)
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 Net cash provided by operating activities 18,825 174,306 25,685	Decrease in trade payables	(1,458)	(13,500)	(2,093)
Increase in retirement and severance benefits				•
Other-net (1,183) (10,954) 1,915 Net cash provided by operating activities 18,825 174,306 25,685 Cash flows from investing activities: (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) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: 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	1 1			
Net cash provided by operating activities 18,825 174,306 25,685				
Cash flows from investing activities: (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 available-for-sale securities 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) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: (14,060) (130,185) (8,238) Cash flows from financing activities: (25) (232) (79) Increase (decrease) in short-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) Net			·	
Capital expenditures	Net cash provided by operating activities	18,825	174,306	25,685
Capital expenditures	Cook flows from investing activities			
Proceeds from sales and maturities of available-for-sale securities 190	1 1	(14.245)	(122 924)	(9.555)
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) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: 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) Net cash used in financing activities 2,553 23,639 631 Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462<		(14,343)	(132,024)	(0,333)
Payment for purchase of available-for-sale securities 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) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: 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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes 0 cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551		190	1,759	89
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) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: 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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551		(106)	(1.815)	_
Proceeds from sales of property, plant and equipment 291 2,695 340 Acquisition of minority interests - - (100) Other-net (1) (9) (2) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: 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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	1 1 -	* *		(10)
Acquisition of minority interests		•	_	
Other-net (1) (9) (2) Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: Proceeds from long-term debt 132 1,222 33 (79) Repayment of long-term debt (25) (232) (79) (79) (15) (472) (472)		231	2,000	
Net cash used in investing activities (14,060) (130,185) (8,238) Cash flows from financing activities: 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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551		(1)	(9)	
Cash flows from financing activities: 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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551				
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) (472) (15) (25)	The total and th	(,)	(100,100)	(=,===)
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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	Cash flows from financing activities:			
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) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes 0 n cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	Proceeds from long-term debt	132	1,222	33
Sale (purchase) of treasury stock, net 60 556 (1) Dividends paid (3,972) (36,778) (3,316) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	Repayment of long-term debt	(25)	(232)	(79)
Dividends paid (3,972) (36,778) (3,316) Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	Increase (decrease) in short-term debt, net	(51)	(472)	(15)
Net cash used in financing activities (3,856) (35,704) (3,378) Effect of exchange rate changes on cash and cash equivalents 2,553 23,639 631 Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	Sale (purchase) of treasury stock, net	60	556	(1)
Effect of exchange rate changes on cash and cash equivalents Net increase in cash and cash equivalents Cash and cash equivalents at beginning of period 2,553 23,639 631 14,700 227,155 2,103,287 170,551	Dividends paid	(3,972)	(36,778)	(3,316)
on cash and cash equivalents Net increase in cash and cash equivalents Cash and cash equivalents at beginning of period 2,553 23,639 14,700 227,155 2,103,287 170,551	Net cash used in financing activities	(3,856)	(35,704)	(3,378)
on cash and cash equivalents Net increase in cash and cash equivalents Cash and cash equivalents at beginning of period 2,553 23,639 14,700 227,155 2,103,287 170,551				
Net increase in cash and cash equivalents 3,462 32,056 14,700 Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551		2,553	23,639	631
Cash and cash equivalents at beginning of period 227,155 2,103,287 170,551	•	3,462	32,056	14,700
	· ·			
	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