

I-7) Statements of cash flows

Item	Term	The first half of FY2005 (April 1, 2004 - Sep. 30, 2004)		The first half of FY2004 (April 1, 2003 - Sep. 30, 2003)
		(Yen millions)	(U.S.\$ thousands)	(Yen millions)
Cash flows from operating activities:				
Net income		19,869	179,000	19,257
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		25,368	228,540	23,642
Loss on disposal of property and equipment		233	2,099	1,231
Deferred income taxes		(3,311)	(29,829)	2,494
Loss (gain) on securities, net		(95)	(856)	1,068
Changes in assets and liabilities:				
Increase in trade receivables		(983)	(8,856)	(6,860)
Increase in inventories		(7,679)	(69,180)	(6,323)
Increase in other current assets		(6,764)	(60,937)	(277)
Increase (decrease) in trade payables		(2,270)	(20,450)	6,411
Increase in accrued expenses		3,338	30,072	2,881
Increase (decrease) in income taxes payables, net		7,193	64,802	2,072
Increase in retirement and severance benefits		3,194	28,775	4,377
Other-net		322	2,901	2,058
Net cash provided by operating activities		38,415	346,081	52,031
Cash flows from investing activities:				
Capital expenditures		(29,856)	(268,973)	(20,826)
Proceeds from sales and maturities of investments in securities		210	1,892	1,830
Payment for purchase of investments in securities		(200)	(1,802)	-
Payment for purchase of other investments		(128)	(1,153)	(96)
Proceeds from sales of property, plant and equipment		867	7,811	844
Acquisition of minority interests		-	-	(287)
Net cash used in investing activities		(29,107)	(262,225)	(18,535)
Cash flows from financing activities:				
Proceeds from long-term debt		137	1,234	35
Repayment of long-term debt		(53)	(477)	(212)
Increase (decrease) in short-term debt, net		(325)	(2,928)	(15)
Sale (purchase) of treasury stock, net		(1,488)	(13,405)	(1,784)
Dividends paid		(3,972)	(35,784)	(3,316)
Net cash used in financing activities		(5,701)	(51,360)	(5,292)
Effect of exchange rate changes on cash and cash equivalents		5,207	46,910	(5,349)
Net increase in cash and cash equivalents		8,814	79,406	22,855
Cash and cash equivalents at beginning of period		227,155	2,046,441	170,551
Cash and cash equivalents at end of period		235,969	2,125,847	193,406

Note: U.S.\$1=Yen 111