

## 5) Statements of cash flows

Term Item	The 1st Qtr. of FY2006 (April 1, 2005 - June 30, 2005)		The 1st Qtr. of FY2005 (April 1, 2004 - June 30, 2004)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
<b>Cash flows from operating activities:</b>			
Net income	10,874	97,964	10,163
Loss from discontinued operations	(187)	(1,685)	342
Income from continuing operations	10,687	96,279	10,505
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	13,036	117,441	12,211
Loss on disposal of property and equipment	240	2,162	207
Deferred income taxes	(555)	(5,000)	(276)
Loss (gain) on securities, net	(443)	(3,991)	(95)
Changes in assets and liabilities:			
Increase in trade receivables	(59)	(532)	(411)
Increase in inventories	(7,219)	(65,036)	(3,705)
Increase (decrease) in trade payables	166	1,496	(1,465)
Decrease in accrued expenses	(300)	(2,703)	-
Increase (decrease) in income taxes payables, net	(5,268)	(47,459)	1,279
Increase (decrease) in retirement and severance benefits, net	(600)	(5,405)	2,009
Other-net	341	3,072	(1,308)
<b>Net cash provided by operating activities</b>	<b>10,026</b>	<b>90,324</b>	<b>18,951</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(12,573)	(113,270)	(14,278)
Proceeds from sale and maturities of investments in securities	774	6,973	190
Payment for purchase of investments in securities	-	-	(196)
Payment for purchase of a subsidiary	(10,571)	(95,234)	-
Payment for purchase of other investments	(72)	(649)	1
Proceeds from sales of property, plant and equipment	537	4,838	291
Other-net	-	-	(1)
<b>Net cash used in investing activities</b>	<b>(21,905)</b>	<b>(197,342)</b>	<b>(13,993)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	4	36	132
Repayment of long-term debt	(23)	(207)	(25)
Increase (decrease) in short-term debt, net	-	-	(51)
Sale (purchase) of treasury stock, net	141	1,270	60
Dividends paid	(5,290)	(47,658)	(3,972)
<b>Net cash used in financing activities</b>	<b>(5,168)</b>	<b>(46,559)</b>	<b>(3,856)</b>
<b>Net cash provided by (used in) discontinued operations</b>	<b>405</b>	<b>3,649</b>	<b>(193)</b>
Effect of exchange rate changes on cash and cash equivalents	2,936	26,450	2,553
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,706)</b>	<b>(123,478)</b>	<b>3,462</b>
Cash and cash equivalents at beginning of period	251,508	2,265,838	227,155
Cash and cash equivalents at end of period	237,802	2,142,360	230,617

## Notes:

1. Above statements of cash flows for the 1st quarter of FY2006 and FY2005 are unaudited by independent accountant.
2. In accordance with SFAS No. 144, "Accounting for the impairment or Disposal of Long-Lived Assets", the figures for the 1st Qtr. of FY2005 relating to discontinued operations have been reclassified accordingly.
3. U.S.\$1=Yen 111