

## 5) Statements of cash flows

Term Item	The 1st Qtr. of FY2007 (April 1, 2006 - June 30, 2006)		The 1st Qtr. of FY2006 (April 1, 2005 - June 30, 2005)
	(Yen millions)	(U.S.\$ thousands)	(Yen millions)
<b>Cash flows from operating activities:</b>			
Net income	13,276	115,443	10,874
Income from discontinued operations, net of tax	-	-	(187)
Income from continuing operations	13,276	115,443	10,687
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	15,115	131,435	13,036
Loss on disposal of property and equipment	(6)	(52)	240
Deferred income taxes	(292)	(2,539)	(555)
Loss (gain) on securities, net	-	-	(443)
Changes in assets and liabilities:			
Decrease (increase) in trade receivables	10,196	88,661	(59)
Increase in inventories	(3,298)	(28,678)	(7,219)
Increase in other current assets	(381)	(3,313)	(4,093)
Increase in trade payables	2,059	17,904	166
Decrease in accrued expenses	(6,442)	(56,018)	(300)
Increase (decrease) in income taxes payables, net	(1,798)	(15,635)	(5,268)
Increase in other current liabilities	1,702	14,800	2,341
Increase (decrease) in retirement and severance benefits, net	190	1,652	(600)
Other-net	254	2,209	188
<b>Net cash provided by operating activities</b>	<b>30,575</b>	<b>265,869</b>	<b>8,121</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(16,093)	(139,939)	(12,573)
Proceeds from sale and maturity of investments in securities	-	-	774
Payment for purchase of investments in securities	(1,348)	(11,722)	-
Acquisition of business, net of cash acquired	-	-	(8,666)
Proceeds from sale of property, plant and equipment	1,089	9,470	537
Other-net	(125)	(1,087)	(72)
<b>Net cash used in investing activities</b>	<b>(16,477)</b>	<b>(143,278)</b>	<b>(20,000)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term debt	7	61	4
Repayment of long-term debt	(36)	(313)	(23)
Increase (decrease) in short-term debt, net	(2,191)	(19,052)	-
Sale (purchase) of treasury stock, net	301	2,617	141
Dividends paid	(6,613)	(57,504)	(5,290)
Other-net	(44)	(383)	-
<b>Net cash used in financing activities</b>	<b>(8,576)</b>	<b>(74,574)</b>	<b>(5,168)</b>
<b>Net cash provided by discontinued operations</b>	<b>-</b>	<b>-</b>	<b>405</b>
Effect of exchange rate changes on cash and cash equivalents	(1,814)	(15,774)	2,936
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,708</b>	<b>32,243</b>	<b>(13,706)</b>
Cash and cash equivalents at beginning of period	239,017	2,078,409	251,508
Cash and cash equivalents at end of period	242,725	2,110,652	237,802

## Notes:

1. Above statements of cash flows for the 1st quarter of FY2007 and FY2006 are unaudited by independent accountant.
2. U.S.\$1=Yen 115, for convenience only.