

**I-6) Statements of cash flows**

Term Item	FY2007	FY2008	
	(April 1, 2006 - March 31, 2007)	(April 1, 2007 - March 31, 2008)	
	(Yen millions)	(Yen millions)	(U.S.\$ thousands)
<b>Cash flows from operating activities:</b>			
Net income	70,125	71,461	714,610
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	65,337	71,297	712,970
Loss on disposal of property and equipment	2,649	2,955	29,550
Deferred income taxes	(1,878)	(1,885)	(18,850)
Loss (gain) on securities, net	212	2,081	20,810
Gain on business transfer to Imation Corp.	-	(15,340)	(153,400)
Gain on sale of a subsidiary	-	(274)	(2,740)
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables	11,241	(8,253)	(82,530)
Decrease (increase) in inventories	892	(14,576)	(145,760)
Decrease (increase) in other current assets	6,202	(12,025)	(120,250)
Increase (decrease) in trade payables	(5,272)	8,027	80,270
Increase (decrease) in accrued expenses	(7,068)	10,966	109,660
Increase (decrease) in income taxes payables, net	4,004	(6,271)	(62,710)
Increase (decrease) in other current liabilities	(1,808)	1,944	19,440
Increase (decrease) in retirement and severance benefits, net	(74)	933	9,330
Other-net	921	8,681	86,810
<b>Net cash provided by operating activities</b>	<b>145,483</b>	<b>119,721</b>	<b>1,197,210</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(70,440)	(84,312)	(843,120)
Proceeds from sale and maturity of short-term investments	20,046	18,508	185,080
Payment for purchase of short-term investments	(31,089)	(8,540)	(85,400)
Proceeds from sale of investments in securities	23	178	1,780
Proceeds from maturity of investments in securities	-	999	9,990
Acquisitions of businesses and assets	-	(36,900)	(369,000)
Payment for purchase of investments in securities	(3,638)	(17,834)	(178,340)
Transfer of businesses	-	2,364	23,640
Proceeds from sale of a subsidiary	-	900	9,000
Acquisition of subsidiaries, net of cash acquired	-	(18,182)	(181,820)
Acquisition of affiliates	-	(2,206)	(22,060)
Proceeds from sales of tangible and intangible assets	3,678	3,000	30,000
Acquisition of minority interests	(6)	(15,855)	(158,550)
Other-net	(62)	(175)	(1,750)
<b>Net cash used in investing activities</b>	<b>(81,488)</b>	<b>(158,055)</b>	<b>(1,580,550)</b>
<b>Cash flows from financing activities:</b>			
Repayment of long-term debt	(2,143)	(9,242)	(92,420)
Increase (decrease) in short-term debt, net	(1,456)	3,574	35,740
Proceeds from exercise of stock options	1,159	882	8,820
Cash paid to acquire treasury stock	(32)	(39,250)	(392,500)
Dividends paid	(13,230)	(15,683)	(156,830)
Other-net	(160)	(367)	(3,670)
<b>Net cash used in financing activities</b>	<b>(15,862)</b>	<b>(60,086)</b>	<b>(600,860)</b>
Effect of exchange rate changes on cash and cash equivalents	2,019	(24,644)	(246,440)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>50,152</b>	<b>(123,064)</b>	<b>(1,230,640)</b>
Cash and cash equivalents at beginning of period	239,017	289,169	2,891,690
Cash and cash equivalents at end of period	289,169	166,105	1,661,050

**Note:**

U.S.\$1=Yen 100, for convenience only.