

## Consolidated Statements of Cash Flows

(Million Yen)

	FY2007 Half year (Apr. 2006 through Sep. 2006)	FY2008 Half year (Apr. 2007 through Sep. 2007)	Increase (Decrease)	FY2007 (Apr. 2006 through Mar. 2007)
<b>I Cash flows from operating activities</b>				
Income before income taxes and minority interests	54,695	84,882	30,187	134,287
Depreciation and amortization	70,419	82,176	11,757	145,276
Increase(Decrease) in allowance for retirement benefits	766	( 1,073 )	( 1,839 )	2,186
Interest and dividend income	( 2,408 )	( 3,169 )	( 761 )	( 4,735 )
Interest expense	1,434	2,234	800	3,546
Equity income	( 3,059 )	( 4,261 )	( 1,202 )	( 6,302 )
Loss on disposal of property, plant and equipment	1,667	1,459	( 208 )	5,687
(Increase)Decrease in trade notes and accounts receivable	7,854	( 7,820 )	( 15,674 )	( 20,736 )
(Increase)Decrease in inventories	( 8,448 )	376	8,824	( 14,423 )
Increase(Decrease) in trade notes and accounts payable	( 9,739 )	( 8,881 )	858	26,186
Others	( 9,123 )	( 10,549 )	( 1,426 )	( 769 )
Subtotal	104,056	135,372	31,316	270,202
Interest and dividend income received	3,373	4,953	1,580	5,753
Interest paid	( 958 )	( 2,154 )	( 1,196 )	( 2,814 )
Income taxes paid	( 35,189 )	( 45,320 )	( 10,131 )	( 44,738 )
<b>Net cash provided by operating activities</b>	<b>71,281</b>	<b>92,851</b>	<b>21,570</b>	<b>228,402</b>
<b>II Cash flows from investing activities</b>				
(Increase)Decrease in time deposit and short-term investments	( 6,589 )	2,224	8,813	( 6,575 )
Payments for purchase of property, plant and equipment	( 122,513 )	( 96,507 )	26,006	( 224,433 )
Proceeds from sales of property, plant and equipment	5,563	3,111	( 2,452 )	7,850
Payments for purchase of investments in securities	( 8,827 )	( 10,038 )	( 1,211 )	( 11,708 )
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	( 508 )	—	508	( 2,085 )
Proceeds from sales of investments in securities	54	382	328	1,396
Proceeds upon maturity of security investments	2,219	3,075	856	5,496
Repayments for loans made	( 2,208 )	( 618 )	1,590	( 1,399 )
Proceeds from collections of loans	459	775	316	938
Others	( 2,375 )	( 2,161 )	214	( 6,092 )
<b>Net cash used in investing activities</b>	<b>( 134,725 )</b>	<b>( 99,755 )</b>	<b>34,970</b>	<b>( 236,614 )</b>
<b>III Cash flows from financing activities</b>				
Increase(Decrease) in commercial paper and short-term borrowings	15,432	( 3,081 )	( 18,513 )	( 5,299 )
Proceeds from long-term debt	36,670	10,646	( 26,024 )	50,209
Repayments of long-term debt	( 12,250 )	( 5,285 )	6,965	( 18,995 )
Repayments of bonds payable	( 500 )	—	500	( 650 )
Contributions from minority shareholders	52	644	592	52
Cash dividends paid	( 5,397 )	( 6,835 )	( 1,438 )	( 9,952 )
Cash dividends paid for minority shareholders	( 2,727 )	( 3,829 )	( 1,102 )	( 3,663 )
Payments for purchase of treasury stock	( 12 )	( 26 )	( 14 )	( 33 )
Proceeds from disposal of treasury stock	1,257	1,650	393	1,695
<b>Net cash provided by (used in) financing activities</b>	<b>32,524</b>	<b>( 6,117 )</b>	<b>( 38,641 )</b>	<b>13,361</b>
<b>IV Translation adjustment of cash and cash equivalents</b>	<b>17</b>	<b>2,597</b>	<b>2,580</b>	<b>2,946</b>
<b>V Net increase in cash and cash equivalents</b>	<b>( 30,901 )</b>	<b>( 10,424 )</b>	<b>20,477</b>	<b>8,094</b>
<b>VI Cash and cash equivalents at the beginning of the year</b>	<b>128,212</b>	<b>136,307</b>	<b>8,095</b>	<b>128,212</b>
<b>VII Cash and cash equivalents at half year end or the end of the year</b>	<b>97,311</b>	<b>125,883</b>	<b>28,572</b>	<b>136,307</b>

Note: Reconciliation between Cash & Cash Equivalents and accounts on the consolidated balance sheet

Cash and Cash Equivalents	94,089	94,428	339	98,628
Marketable Securities	16,025	42,634	26,609	38,622
Other Current Assets	40,514	50,710	10,196	49,974
<b>Subtotal</b>	<b>150,630</b>	<b>187,773</b>	<b>37,143</b>	<b>187,225</b>
Saving accounts over three months	( 9,850 )	( 5,686 )	4,164	( 4,986 )
Short-term investments of over three months until due date	( 6,285 )	( 16,897 )	( 10,612 )	( 10,666 )
Other current assets beside Cash & Cash Equivalents	( 37,182 )	( 39,306 )	( 2,124 )	( 35,265 )
<b>Cash and Cash Equivalents</b>	<b>97,311</b>	<b>125,883</b>	<b>28,572</b>	<b>136,307</b>