

Consolidated Statements of Cash Flows

(Millions of yen)

| | Six months ended September 30, 2006 | Six months ended September 30, 2005 | Year ended March 31, 2006 |
|---|--|--|------------------------------|
| Cash flows from operating activities: | | | |
| Income before income taxes and minority interests | 20,444 | 17,285 | 39,671 |
| Depreciation (including software) | 13,625 | 12,004 | 26,629 |
| Loss on disposal and sales of fixed assets | 500 | 262 | 603 |
| Gain on sales of investment securities | (848) | (38) | (75) |
| Loss on devaluation of investment securities | 143 | 12 | 44 |
| Gain on sales of consolidated subsidiaries and affiliates | (231) | | (1,928) |
| Increase (Decrease) in liabilities for the employees' severance and retirement benefits | (216) | 242 | 395 |
| Interest and dividends income | (1,265) | (737) | (1,858) |
| Interest expense | 811 | 668 | 1,300 |
| Foreign exchange gain | (445) | (610) | (1,220) |
| Increase in notes and accounts receivable | (18,218) | (8,755) | (10,696) |
| Decrease (Increase) in inventories | (13,656) | (1,493) | 7,093 |
| Increase in notes and accounts payable | 14,555 | 13,953 | 6,121 |
| Other | 1,942 | (5,464) | (5,580) |
| Total | 17,141 | 27,329 | 60,499 |
| Interest and dividends received | 1,344 | 713 | 1,790 |
| Interest paid | (780) | (694) | (1,291) |
| Income taxes paid | (7,487) | (10,837) | (17,123) |
| Net cash provided by operating activities | 10,218 | 16,511 | 43,875 |
| Cash flows from investing activities: | | | |
| Deposits in time deposits | (459) | (580) | (688) |
| Withdrawals from time deposits | 758 | 449 | 647 |
| Payments for acquisitions of tangible fixed assets | (8,788) | (8,672) | (19,935) |
| Proceeds from sales of tangible fixed assets | 115 | 706 | 1,039 |
| Net increase in intangible fixed assets | (7,813) | (6,021) | (11,814) |
| Net increase in investment securities | (3,685) | (936) | (1,650) |
| Proceeds from sales of consolidated subsidiaries and affiliates | 319 | | 2,958 |
| Other | (82) | (801) | (239) |
| Net cash used in investing activities | (19,635) | (15,855) | (29,682) |
| Cash flows from financing activities: | | | |
| Net increase (decrease) in short-term borrowings | 2,467 | 39 | (1,519) |
| Proceeds from long-term borrowings | | | 6,000 |
| Payments for long-term borrowings | (480) | (6,075) | (9,688) |
| Redemption of bonds | | (30,000) | (30,000) |
| Payments for acquisitions of treasury stock | (27) | (21) | (47) |
| Proceeds from sales of treasury stock | 135 | 140 | 359 |
| Payments for cash dividends | (5,319) | (4,515) | (4,515) |
| Other | (663) | (341) | (408) |
| Net cash used in financing activities | (3,887) | (40,773) | (39,818) |
| Effect of exchange rate changes on cash and cash equivalents | 789 | 1,391 | 3,268 |
| Net decrease in cash and cash equivalents | (12,515) | (38,726) | (22,357) |
| Cash and cash equivalents at beginning of period | 125,232 | 147,589 | 147,589 |
| Cash and cash equivalents at end of period | 112,717 | 108,863 | 125,232 |

Note: Cash and cash equivalents at September 30, 2006 and 2005, and March 31, 2006 for the Consolidated Statements of Cash Flows consist of the followings:

| | (September 30, 2006) | (September 30, 2005) | (March 31, 2006) |
|---|----------------------|----------------------|------------------|
| Cash and time deposits | 48,586 | 69,680 | 71,818 |
| Time deposits over three months | (444) | (771) | (757) |
| Marketable securities within three months | 39,575 | 14,954 | 29,171 |
| Short-term loans receivable with resale agreement | 25,000 | 25,000 | 25,000 |
| Cash and cash equivalents | 112,717 | 108,863 | 125,232 |