

Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2006
Cash flows from operating activities:		
Income before income taxes and minority interests	41,383	39,671
Depreciation (including software)	31,613	26,629
Loss on disposal and sales of fixed assets	751	603
Gain on sales of investment securities	(1,247)	(75)
Loss on devaluation of investment securities	145	44
Gain on sales of consolidated subsidiaries and affiliates	(231)	(1,928)
Government grants	(360)	
Increase (Decrease) in liabilities for the employees' severance and retirement benefits	(411)	395
Interest and dividends income	(2,713)	(1,858)
Interest expense	1,607	1,300
Foreign exchange gain	(1,158)	(1,220)
Increase in notes and accounts receivable	(21,208)	(10,696)
Decrease (Increase) in inventories	(7,652)	7,093
Increase in notes and accounts payable	10,076	6,121
Other	(1,539)	(5,580)
Total	49,056	60,499
Interest and dividends received	2,737	1,790
Interest paid	(1,636)	(1,291)
Income taxes paid	(14,208)	(17,123)
Net cash provided by operating activities	35,949	43,875
Cash flows from investing activities:		
Deposits in time deposits	(1,135)	(688)
Withdrawals from time deposits	1,132	647
Payments for acquisitions of tangible fixed assets	(16,865)	(19,935)
Proceeds from sales of tangible fixed assets	595	1,039
Net increase in intangible fixed assets	(17,942)	(11,814)
Net increase in investment securities	(4,322)	(1,650)
Proceeds from sales of consolidated subsidiaries and affiliates	319	2,958
Other	539	(239)
Net cash used in investing activities	(37,679)	(29,682)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	4,285	(1,519)
Proceeds from long-term borrowings		6,000
Payments for long-term borrowings	(20,747)	(9,688)
Redemption of bonds		(30,000)
Payments for acquisitions of treasury stock	(6,557)	(47)
Proceeds from sales of treasury stock	338	359
Payments for cash dividends	(5,319)	(4,515)
Other	(713)	(408)
Net cash used in financing activities	(28,713)	(39,818)
Effect of exchange rate changes on cash and cash equivalents	2,450	3,268
Net decrease in cash and cash equivalents	(27,993)	(22,357)
Cash and cash equivalents at beginning of year	125,232	147,589
Cash and cash equivalents at end of year	97,239	125,232

Note: Cash and cash equivalents at March 31, 2007 and 2006 for the Consolidated Statements of Cash Flows consist of the followings:

	(March 31, 2007)	(March 31, 2006)
Cash and time deposits	52,768	71,818
Time deposits over three months	(784)	(757)
Marketable securities within three months	34,605	29,171
Short-term loans receivable with resale agreement	10,650	25,000
Cash and cash equivalents	97,239	125,232