

## Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2006	Six months ended September 30, 2007	Year ended March 31, 2007
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	20,444	8,966	41,383
Depreciation (including software)	13,625	16,888	31,613
Loss on disposal and sales of fixed assets	500	426	751
Gain on sales of investment securities	(848)	(7)	(1,247)
Loss on devaluation of investment securities	143	169	145
Gain on sales of consolidated subsidiaries and affiliates	(231)		(231)
Government grants		(540)	(360)
Decrease in liabilities for the employees' severance and retirement benefits	(216)	(419)	(411)
Interest and dividends income	(1,265)	(1,538)	(2,713)
Interest expense	811	781	1,607
Foreign exchange gain	(445)	(120)	(1,158)
Decrease (Increase) in notes and accounts receivable	(18,218)	7,406	(21,208)
Decrease (Increase) in inventories	(13,656)	3,037	(7,652)
Increase (Decrease) in notes and accounts payable	14,555	(16,718)	10,076
Other	1,942	(610)	(1,539)
Total	17,141	17,721	49,056
Interest and dividends received	1,344	1,631	2,737
Interest paid	(780)	(763)	(1,636)
Income taxes paid	(7,487)	(9,366)	(14,208)
<b>Net cash provided by operating activities</b>	<b>10,218</b>	<b>9,223</b>	<b>35,949</b>
<b>Cash flows from investing activities:</b>			
Deposits in time deposits	(459)	(436)	(1,135)
Withdrawals from time deposits	758	765	1,132
Payments for acquisitions of tangible fixed assets	(8,788)	(16,127)	(16,865)
Proceeds from sales of tangible fixed assets	115	47	595
Payments for acquisitions of intangible fixed assets	(7,813)	(10,691)	(17,942)
Net proceeds from (payments for) purchases, sales and redemption of investment securities	(3,685)	1,225	(4,322)
Payments for acquisitions of consolidated subsidiaries and affiliates		(1,900)	
Proceeds from sales of consolidated subsidiaries and affiliates	319		319
Other	(82)	(104)	539
<b>Net cash used in investing activities</b>	<b>(19,635)</b>	<b>(27,221)</b>	<b>(37,679)</b>
<b>Cash flows from financing activities:</b>			
Net increase in short-term borrowings	2,467	5,940	4,285
Proceeds from long-term borrowings		8,000	
Payments for long-term borrowings	(480)	(20,250)	(20,747)
Payments for acquisitions of treasury stock	(27)	(21)	(6,557)
Proceeds from sales of treasury stock	135	37	338
Payments for cash dividends	(5,319)	(6,346)	(5,319)
Proceeds from minority shareholders		600	
Other	(663)	(45)	(713)
<b>Net cash used in financing activities</b>	<b>(3,887)</b>	<b>(12,085)</b>	<b>(28,713)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>789</b>	<b>681</b>	<b>2,450</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,515)</b>	<b>(29,402)</b>	<b>(27,993)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>125,232</b>	<b>97,239</b>	<b>125,232</b>
<b>Cash and cash equivalents at end of period</b>	<b>112,717</b>	<b>67,837</b>	<b>97,239</b>

Note: Cash and cash equivalents at September 30, 2006 and 2007, and March 31, 2007 for the Consolidated Statements of Cash Flows consist of the followings:

	(September 30, 2006)	(September 30, 2007)	(March 31, 2007)
Cash and time deposits	48,586	49,169	52,768
Time deposits over three months	(444)	(3,492)	(784)
Marketable securities within three months	39,575	10,894	34,605
Short-term loans receivable with resale agreement	25,000	11,266	10,650
Cash and cash equivalents	112,717	67,837	97,239