

## Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2007	Year ended March 31, 2008
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	41,383	23,888
Depreciation (including software)	31,613	33,959
Loss (Gain) on disposal and sales of fixed assets	751	(2,270)
Gain on sales of investment securities	(1,247)	(15)
Loss on devaluation of investment securities	145	591
Gain on sales of consolidated subsidiaries and affiliates	(231)	
Government grants	(360)	(540)
Decrease in liabilities for the employees' severance and retirement benefits	(411)	(772)
Interest and dividends income	(2,713)	(2,882)
Interest expense	1,607	1,380
Foreign exchange loss (gain)	(1,158)	619
Loss on transfer of business		7,922
Decrease (Increase) in notes and accounts receivable	(21,208)	22,988
Decrease (Increase) in inventories	(7,652)	8,150
Increase (Decrease) in notes and accounts payable	10,076	(4,531)
Other	(1,539)	(3,942)
Total	49,056	84,545
Interest and dividends received	2,737	3,007
Interest paid	(1,636)	(1,559)
Income taxes paid	(14,208)	(14,244)
<b>Net cash provided by operating activities</b>	<b>35,949</b>	<b>71,749</b>
<b>Cash flows from investing activities:</b>		
Deposits in time deposits	(1,135)	(1,282)
Withdrawals from time deposits	1,132	1,232
Payments for acquisitions of tangible fixed assets	(16,865)	(22,538)
Proceeds from sales of tangible fixed assets	595	6,539
Payments for acquisitions of intangible fixed assets	(17,942)	(15,521)
Net payments for purchases, sales and redemption of investment securities	(4,322)	(2,954)
Payments for acquisitions of consolidated subsidiaries and affiliates		(1,900)
Proceeds from sales of consolidated subsidiaries and affiliates	319	
Other	539	322
<b>Net cash used in investing activities</b>	<b>(37,679)</b>	<b>(36,102)</b>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings	4,285	(4,150)
Proceeds from long-term borrowings		8,000
Payments for long-term borrowings	(20,747)	(30,000)
Redemption of bonds		(10,000)
Payments for acquisitions of treasury stock	(6,557)	(25)
Proceeds from sales of treasury stock	338	59
Payments for cash dividends	(5,319)	(6,346)
Proceeds from minority shareholders		600
Other	(713)	(623)
<b>Net cash used in financing activities</b>	<b>(28,713)</b>	<b>(42,485)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,450</b>	<b>(2,444)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(27,993)</b>	<b>(9,282)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>125,232</b>	<b>97,239</b>
<b>Cash and cash equivalents at end of year</b>	<b>97,239</b>	<b>87,957</b>

Note: Cash and cash equivalents at March 31, 2007 and 2008 for the Consolidated Statements of Cash Flows consist of the followings:

	(March 31, 2007)	(March 31, 2008)
Cash and time deposits	52,768	45,688
Time deposits over three months	(784)	(3,800)
Marketable securities within three months	34,605	35,534
Short-term loans receivable with resale agreement	10,650	10,535
Cash and cash equivalents	97,239	87,957