

4. Consolidated Statements of Cash Flows

	FY 2006	FY 2007
	(January to December 2006)	(January to December 2007)
	Millions of yen	Millions of yen
I. Cash flows from operating activities		
Income before income taxes	13,020	9,564
Depreciation and amortization	9,634	10,590
Loss on impairment of fixed assets	481	74
Decrease in accrued retirement benefits	(7,636)	(5,067)
Interest and dividend income	(524)	(431)
Interest expense	344	744
Gain on disposal of property, plant and equipment	(4,860)	(809)
Loss (gain) on sale of investment securities	(8,387)	56
Loss on devaluation of investment securities	3	372
Equity in earnings of non-consolidated subsidiaries and affiliates	(1,555)	(1,045)
Decrease in trade notes and accounts receivable	4,768	2,731
(Increase) decrease in inventories	1,520	(1,322)
Decrease in trade notes and accounts payable	(5,183)	(5,428)
Increase in accrued expenses and other payables	1,387	1,890
(Decrease) increase in other current liabilities	(101)	3,384
Decrease (increase) in other current assets	(246)	1,904
Other, net	665	(702)
Subtotal	3,329	16,506
Interest and dividends received	1,962	2,634
Interest paid	(274)	(439)
Income taxes paid	(1,674)	(2,670)
Net cash provided by operating activities	3,343	16,030
II. Cash flows from investing activities		
Increase in time deposits	(57)	(144)
Redemption of short-term investments	500	—
Purchases of property, plant and equipment	(10,034)	(8,966)
Proceeds from sale of property, plant and equipment	7,738	1,695
Purchases of intangible assets	(570)	(30,638)
Purchases of investment securities	(2,412)	(2,127)
Proceeds from sale of investment securities	14,242	79
Additions to loans receivable	(170)	(74)
Proceeds from loans receivable	143	144
Other, net	1,713	530
Net cash (used in) provided by investing activities	11,092	(39,500)

III. Cash flows from financing activities		
Increase in short-term loans payable	6,460	9,127
Repayment of short-term loans payable	(7,046)	(11,233)
Increase in long-term loans payable	7,500	35,000
Repayment of long-term loans payable	(200)	(53)
Increase in commercial paper payable	26,054	—
Repayment of commercial paper payable	(26,019)	(233)
Purchases of odd-lot shares, net	(86)	(73)
Proceeds from sale of treasury stock	342	266
Purchases of treasury stock	(7,672)	—
Cash dividends	(2,835)	(2,694)
Cash dividends to minority shareholders	(107)	(259)
Net cash provided by (used in) financing activities	(3,610)	29,844
IV. Effect of exchange rate changes on cash and cash equivalents	168	62
V. Net change in cash and cash equivalents	10,994	6,437
VI. Cash and cash equivalents at beginning of period	15,788	26,782
VII. Cash and cash equivalents at end of period	26,782	33,219