

4. Consolidated Interim Statements of Cash Flows

	Interim 2006 (January to June 2006)	Interim 2007 (January to June 2007)	Fiscal 2006 (January to December 2006)
	Millions of yen	Millions of yen	Millions of yen
I. Cash flows from operating activities			
Income before income taxes	5,136	<u>2,690</u>	13,020
Depreciation and amortization	4,715	4,502	9,634
Impairment loss	197	67	481
(Decrease) increase in accrued retirement benefits	(3,421)	(3,858)	(7,636)
Interest and dividend income	(375)	(269)	(524)
Interest expense	153	227	344
Gain (loss) on disposal of property, plant and equipment	(5,482)	184	(4,860)
Gain on sale of investment securities	(0)	—	(8,387)
Equity in earnings of affiliates	(814)	(936)	(1,555)
Decrease (increase) in trade notes and accounts receivable	3,599	4,956	4,768
Increase in inventories	(249)	<u>(2,857)</u>	1,520
Increase (decrease) in trade notes and accounts payable	(12,162)	(218)	(5,183)
Increase (decrease) in accrued expenses and other payables	2,742	<u>(88)</u>	1,387
Other, net	314	4,454	321
Subtotal	(5,648)	8,854	3,329
Interest and dividends received	1,857	1,694	1,962
Interest paid	(159)	(257)	(274)
Income taxes paid	(1,026)	(1,938)	(1,674)
Net cash provided by operating activities	(4,976)	8,353	3,343
II. Cash flows from investing activities			
Decrease in time deposits	85	12	(57)
Redemption of short-term investments	500	—	500
Purchases of property, plant and equipment	(5,305)	(4,696)	(10,034)
Proceeds from sale of property, plant and equipment	6,039	63	7,738
Purchases of intangible assets	(408)	(139)	(570)
Purchases of investment securities	(1,749)	(1,236)	(2,412)
Proceeds from sale of investment securities	3	0	14,242
Purchase of subsidiary shares	(2)	(724)	(3)
Proceeds from sale of subsidiary shares	—	307	734
Additions to loans receivable	(105)	(35)	(170)
Proceeds from loans receivable	64	93	143
Other, net	(257)	115	982
Net cash used in investing activities	(1,135)	(6,237)	11,092
III. Cash flows from financing activities			
Increase in short-term loans payable	5,579	3,632	6,460
Repayment of short-term loans payable	(4,887)	(5,420)	(7,046)
Increase in long-term loans payable	—	—	7,500
Repayment of long-term loans payable	(64)	(52)	(200)
Increase in commercial paper payable	13,697	—	26,054
Repayment of commercial paper payable	(6,197)	(237)	(26,019)

Purchases of odd-lot shares, net	(62)	(75)	(86)
Proceeds from sale of treasury stock	302	195	342
Purchases of treasury stock	—	—	(7,672)
Cash dividends	(1,415)	(1,342)	(2,835)
Cash dividends to minority shareholders	(107)	(180)	(107)
Net cash used in financing activities	6,843	(3,479)	(3,610)
IV. Effect of exchange rate changes on cash and cash equivalents	0	214	168
V. Net change in cash and cash equivalents	731	(1,149)	10,994
VI. Cash and cash equivalents at beginning of period	15,788	26,782	15,788
VIII. Cash and cash equivalents at end of period	16,520	25,633	26,782