

4. Consolidated Interim Statements of Cash Flows

	Interim 2007	Interim 2008	Fiscal 2007
	(January to June 2007)	(January to June 2008)	(January to December 2007)
	Millions of yen	Millions of yen	Millions of yen
I. Cash flows from operating activities			
Income before income taxes	2,690	2,787	9,564
Depreciation and amortization	4,502	6,154	10,590
Impairment loss	67	60	74
Decrease in accrued retirement benefits	(3,858)	(2,719)	(5,067)
Interest and dividend income	(269)	(359)	(431)
Interest expense	227	561	744
Loss (gain) on disposal of property, plant and equipment	184	35	(809)
Loss on sale of investment securities	—	—	56
Loss on devaluation of investment securities	—	168	372
Equity in earnings of non-consolidated subsidiaries and affiliates	(936)	(481)	(1,045)
Decrease in trade notes and accounts receivable	4,956	7,173	2,731
Increase in inventories	(2,857)	(940)	(1,322)
Decrease in trade notes and accounts payable	(218)	(9,456)	(5,428)
(Decrease) increase in accrued expenses and other payables	(88)	(3,801)	1,890
(Decrease) increase in other current liabilities	3,833	(1,744)	3,384
Other, net	621	401	1,201
Subtotal	8,854	(2,159)	16,506
Interest and dividends received	1,694	843	2,634
Interest paid	(257)	(596)	(439)
Income taxes paid	(1,938)	(1,142)	(2,670)
Net cash provided by operating activities	8,353	(3,054)	16,030
II. Cash flows from investing activities			
Decrease (increase) in time deposits	12	105	(144)
Purchases of property, plant and equipment	(4,696)	(5,585)	(8,966)
Proceeds from sale of property, plant and equipment	63	17	1,695
Purchases of intangible assets	(139)	(86)	(30,638)
Purchases of investment securities	(1,236)	(841)	(2,127)
Proceeds from sale of investment securities	0	2	79
Additions to loans receivable	(35)	(38)	(74)
Proceeds from loans receivable	93	43	144
Other, net	(301)	58	530
Net cash used in investing activities	(6,237)	(6,323)	(39,500)
III. Cash flows from financing activities			
Increase in short-term loans payable	3,632	3,681	9,127
Repayment of short-term loans payable	(5,420)	(3,622)	(11,233)
Increase in long-term loans payable	—	—	35,000
Repayment of long-term loans payable	(52)	(45)	(53)
Repayment of commercial paper payable	(237)	—	(233)
Purchases of odd-lot shares, net	(75)	1	(73)
Proceeds from sale of treasury stock	195	74	266
Cash dividends	(1,342)	(1,343)	(2,694)
Cash dividends to minority shareholders	(180)	(178)	(259)

Net cash used in financing activities	(3,479)	(1,432)	29,844
IV. Effect of exchange rate changes on cash and cash equivalents	214	(346)	62
V. Net change in cash and cash equivalents	(1,149)	(11,156)	6,437
VI. Cash and cash equivalents at beginning of period	26,782	33,219	26,782
VIII. Cash and cash equivalents at end of period	25,633	22,062	33,219