

Consolidated Statements of Cash Flows

	Millions of yen			Thousands of U.S. dollars
	Year ended March 31			Year ended March 31
	2006	2005	2004	2006
Cash flows from operating activities:				
Income before income taxes	¥ 4,534	¥ 2,950	¥ 5,900	\$ 38,599
Adjustments—				
Depreciation and amortization	4,955	4,497	4,587	42,185
Amortization of goodwill	82	78	74	706
Equity in gain of affiliates	(222)	(136)	(112)	(1,894)
Increase (decrease) in allowance for doubtful accounts	(67)	2,591	226	(576)
Increase in accrued pension and severance costs, less payment	382	629	881	3,260
Interest and dividend income	(270)	(255)	(253)	(2,306)
Interest expense	835	1,501	2,339	7,114
Devaluation of investments in securities	54	96	15	467
Gain on sales of investments in securities	(1,373)	(78)	(384)	(11,689)
Gain on sales of property, plant and equipment	(2,000)	(55)	(58)	(17,029)
Impairment loss on fixed assets	1,335	270	—	11,367
Changes in assets and liabilities:				
Decrease (increase) in notes and accounts receivable	1,446	(3,671)	(1,628)	12,317
(Increase) decrease in inventories	(732)	(210)	4,932	(6,238)
Increase in notes and accounts payable	553	331	1,920	4,708
Others, net	780	1,193	431	6,647
Subtotal	10,295	9,734	18,872	87,640
Interest and dividend received	270	255	247	2,306
Interest paid	(849)	(1,448)	(2,401)	(7,234)
Income taxes paid	(479)	(502)	(659)	(4,081)
Net cash provided by operating activities	9,236	8,038	16,058	78,631
Cash flows from investing activities:				
Increase in time deposits	(134)	(43)	(10)	(1,147)
Decrease in time deposits	—	—	780	—
Payment for purchases of property, plant and equipment	(8,106)	(3,066)	(1,816)	(69,009)
Proceeds from sales of property, plant and equipment	7,802	77	942	66,421
Payment for purchases of intangible assets	(3,092)	(2,709)	(1,713)	(26,328)
Proceeds from sales of investments in securities	2,430	329	1,616	20,694
Increase in loans receivable	(6)	(9)	(8)	(54)
Decrease in loans receivable	65	95	110	555
Payment for acquisition of shares from minority shareholders	—	(690)	(14)	—
Others, net	(13)	(15)	(46)	(113)
Net cash used in investing activities	(1,055)	(6,030)	(158)	(8,982)
Cash flows from financing activities:				
Decrease in short-term loans, net	(10,880)	(19,540)	(12,010)	(92,622)
Proceeds from long-term loans	10,000	20,019	6,840	85,128
Repayment of long-term loans	(7,047)	(17,886)	(8,241)	(59,993)
Payment for redemption of debentures	—	—	(3,000)	—
Others, net	(10)	(130)	(55)	(87)
Net cash used in financing activities	(7,938)	(17,537)	(16,467)	(67,575)
Effect of exchange rate changes on cash and cash equivalents	694	540	(1,223)	5,911
Net increase (decrease) in cash and cash equivalents	937	(14,989)	(1,790)	7,984
Cash and cash equivalents at beginning of year	11,016	26,005	27,795	93,781
Cash and cash equivalents at end of year (Note 13)	¥11,954	¥11,016	¥26,005	\$101,765

The accompanying notes are an integral part of these consolidated financial statements.