

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(Million yen)

| Years ended March 31  | 1998      | 1999      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Cash flows from operating activities</b>   |           |           |           |           |           |           |           |           |           |
| Net income (loss)   | ¥(99,242) | ¥(40,633) | ¥24,833   | ¥124,786  | ¥(77,970) | ¥(11,825) | ¥44,839   | ¥71,175   | ¥95,692   |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities |           |           |           |           |           |           |           |           |           |
| Depreciation of tangible fixed assets and other   | 237,546   | 230,600   | 215,969   | 235,031   | 230,518   | 208,884   | 118,386   | 111,330   | 135,821   |
| Deferred income taxes   | 2,801     | (91,733)  | (13,882)  | 39,226    | (115,715) | (27,669)  | 20,119    | 17,001    | 22,796    |
| Decrease (increase) in trade receivables  | (7,125)   | (54,133)  | 42,304    | (40,106)  | 170,543   | (36,183)  | (1,316)   | (29,665)  | (19,359)  |
| Decrease (increase) in inventories  | (12,130)  | 99,622    | 2,444     | (110,456) | 83,135    | 96,715    | 50,686    | (41,223)  | (9,379)   |
| Decrease (increase) in prepaid expenses and other assets                                | (8,134)   | 31,876    | 1,707     | 2,400     | 18,434    | (1,702)   | (21,308)  | 18,855    | (3,308)   |
| Increase (decrease) in trade payables   | 3,122     | (50,879)  | 56,405    | 109,756   | (226,930) | 53,813    | 17,758    | 14,927    | 60,170    |
| Increase (decrease) in other liabilities  | (72,603)  | 33,770    | 61,551    | 71,826    | (3,214)   | (38,877)  | 18,874    | 34,480    | 35,346    |
| Other, net  | 3,676     | 12,247    | 1,467     | (36,465)  | 34,628    | (4,691)   | (4,527)   | (7,956)   | (12,938)  |
| Net cash provided by operating activities   | 47,911    | 170,737   | 392,798   | 395,998   | 113,429   | 238,465   | 243,511   | 188,924   | 304,841   |
| <b>Cash flows from investing activities</b>   |           |           |           |           |           |           |           |           |           |
| Capital expenditure   | (326,116) | (261,178) | (190,289) | (296,996) | (221,092) | (133,223) | (96,253)  | (125,657) | (134,413) |
| Proceeds from sale of property, plant and equipment                                     | 17,917    | 24,701    | 14,366    | 16,237    | 16,344    | 17,449    | 17,722    | 16,492    | 5,374     |
| Purchase of short-term investments and investment securities                            | (85,952)  | (143,419) | (65,407)  | (61,372)  | (54,998)  | (37,068)  | (71,233)  | (52,489)  | (33,590)  |
| Proceeds from sale of short-term investments and investment securities                  | 67,982    | 222,274   | 69,379    | 76,993    | 75,760    | 56,463    | 75,252    | 58,978    | 32,937    |
| Other, net  | 6,395     | (555)     | 4,076     | 5,019     | (169)     | 2,694     | 4,425     | 1,541     | (26,517)  |
| Net cash used in investing activities   | (319,774) | (158,177) | (167,875) | (260,119) | (184,155) | (93,685)  | (70,087)  | (101,135) | (156,209) |
| <b>Cash flows from financing activities</b>   |           |           |           |           |           |           |           |           |           |
| Proceeds from long-term debt  | 346,426   | 283,357   | 79,846    | 152,939   | 439,388   | 304,814   | 97,183    | 49,590    | 62,675    |
| Repayment of long-term debt   | (78,885)  | (228,790) | (100,762) | (247,938) | (320,417) | (415,445) | (274,355) | (116,698) | (100,024) |
| Increase (decrease) in bank loans, net  | 24,687    | (110,032) | (220,800) | 31,874    | 16,955    | (118,853) | (15,280)  | (94,214)  | (43,794)  |
| Dividends paid  | (19,323)  | –         | (11,809)  | (13,956)  | (12,883)  | –         | (6,440)   | (12,877)  | (15,000)  |
| Purchase of treasury stock  | –         | –         | –         | –         | –         | (491)     | (310)     | (58)      | (4,583)   |
| Reissuance of treasury stock  | –         | –         | –         | –         | –         | –         | 6         | 50        | 125       |
| Net cash provided by (used in) financing activities                                     | 272,905   | (55,465)  | (253,525) | (77,081)  | 123,043   | (229,975) | (199,196) | (174,207) | (100,601) |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                     | 4,704     | (10,686)  | (13,052)  | 9,248     | 8,198     | (6,100)   | (7,227)   | 2,385     | 9,920     |
| <b>Net increase (decrease) in cash and cash equivalents</b>                             | 5,746     | (53,591)  | (41,654)  | 68,046    | 60,515    | (91,295)  | (32,999)  | (84,033)  | 57,951    |
| <b>Cash and cash equivalents at beginning of year</b>                                   | 415,828   | 421,574   | 367,983   | 326,329   | 394,375   | 454,890   | 363,595   | 330,596   | 246,563   |
| <b>Cash and cash equivalents at end of year</b>   | ¥421,574  | ¥367,983  | ¥326,329  | ¥394,375  | ¥454,890  | ¥363,595  | ¥330,596  | ¥246,563  | ¥304,514  |