

## CONSOLIDATED CASH FLOW STATEMENT

(In millions of yen)

|  | FY '08<br>1 <sup>st</sup> half<br>(A) | FY '07<br>1 <sup>st</sup> half<br>(B) | A – B    | FY '07    |
|--|---------------------------------------|---------------------------------------|----------|-----------|
| <b>I Cash flows from operating activities</b>                                      |                                       |                                       |          |           |
| 1 Net income   | 91,586                                | 56,492                                | 35,094   | 123,080   |
| 2 Adjustments to reconcile net income to net cash provided by operating activities |                                       |                                       |          |           |
| (1) Depreciation of tangible fixed assets and other                                | 59,159                                | 67,913                                | (8,754)  | 141,514   |
| (2) Decrease in deferred income taxes  | 1,957                                 | 4,502                                 | (2,545)  | 9,553     |
| (3) Decrease (increase) in trade receivables                                       | 110,972                               | 105,976                               | 4,996    | (35,474)  |
| (4) Decrease (increase) in inventories   | (70,410)                              | (48,916)                              | (21,494) | (15,954)  |
| (5) Decrease in prepaid expenses and other assets                                  | 7,266                                 | 11,708                                | (4,442)  | 964       |
| (6) Increase (decrease) in trade payables  | (53,111)                              | (62,820)                              | 9,709    | 19,252    |
| (7) Increase (decrease) in other liabilities                                       | (2,917)                               | 15,210                                | (18,127) | 44,382    |
| (8) Other, net   | (17,199)                              | (1,327)                               | (15,872) | (12,687)  |
| Net cash provided by operating activities  | 127,303                               | 148,738                               | (21,435) | 274,630   |
| <b>II Cash flows from investing activities</b>                                     |                                       |                                       |          |           |
| 1 Capital expenditure  | (63,169)                              | (70,235)                              | 7,066    | (140,557) |
| 2 Proceeds from sale of property, plant and equipment                              | 1,759                                 | 3,025                                 | (1,266)  | 4,782     |
| 3 Purchase of short-term investments and investment securities                     | (16,292)                              | (15,186)                              | (1,106)  | (24,115)  |
| 4 Proceeds from sale of short-term investments and investment securities           | 13,727                                | 15,402                                | (1,675)  | 28,163    |
| 5 Other, net   | 14,840                                | (9,082)                               | 23,922   | (23,872)  |
| Net cash used in investing activities  | (49,135)                              | (76,076)                              | 26,941   | (155,599) |
| <b>I + II Free cash flow</b>   | 78,168                                | 72,662                                | 5,506    | 119,031   |
| <b>III Cash flows from financing activities</b>                                    |                                       |                                       |          |           |
| 1 Proceeds from long-term debt   | 1,330                                 | 17,100                                | (15,770) | 32,200    |
| 2 Repayment of long-term debt  | (9,703)                               | (40,005)                              | 30,302   | (154,250) |
| 3 Increase (decrease) in bank loans, net   | (44,463)                              | 331                                   | (44,794) | 50,496    |
| 4 Dividends paid   | (12,879)                              | (10,731)                              | (2,148)  | (19,317)  |
| 5 Purchase of treasury stock   | (95)                                  | (50)                                  | (45)     | (132)     |
| 6 Reissuance of treasury stock   | 55                                    | 99                                    | (44)     | 162       |
| 7 Other, net   | -                                     | 2,107                                 | (2,107)  | 2,107     |
| Net cash provided by (used in) financing activities                                | (65,755)                              | (31,149)                              | (34,606) | (88,734)  |
| <b>IV Effect of exchange rate changes on cash and cash equivalents</b>             | 1,954                                 | 1,028                                 | 926      | 7,829     |
| <b>V Net increase in cash and cash equivalents</b>                                 | 14,367                                | 42,541                                | (28,174) | 38,126    |
| <b>VI Cash and cash equivalents at beginning of period</b>                         | 342,640                               | 304,514                               | 38,126   | 304,514   |
| <b>VII Cash and cash equivalents at end of period</b>                              | 357,007                               | 347,055                               | 9,952    | 342,640   |

FY '08 1<sup>st</sup> half: Apr. 1, 2007 – Sept. 30, 2007  
 FY '07 1<sup>st</sup> half: Apr. 1, 2006 – Sept. 30, 2006  
 FY '07: Apr. 1, 2006 – Mar. 31, 2007