

## 7) Statements of cash flows

Item	Term	1Q of FY2009	
		(April 1, 2007 - June 30, 2007)	(April 1, 2008 - June 30, 2008)
		(Yen millions)	(U.S.\$ thousands)
<b>Cash flows from operating activities:</b>			
Net income		16,022	4,446
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		16,153	18,398
Changes in assets and liabilities, net of effects of acquisition of businesses:			
Decrease (increase) in trade receivables		2,737	6,346
Decrease (increase) in inventories		(10,374)	(2,832)
Increase (decrease) in trade payables		3,077	(4,243)
Increase (decrease) in accrued expenses		(3,565)	(7,124)
Increase (decrease) in changes in other assets and liabilities, net		(3,200)	(2,223)
Other-net		1,428	1,479
<b>Net cash provided by operating activities</b>		<b>22,278</b>	<b>14,247</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures		(22,170)	(31,127)
Proceeds from sale and maturity of short-tem investments		5,025	1,165
Payment for purchase of short-term investments		(18,853)	(1,014)
Proceeds from sale and maturity of investments in securities		-	4,155
Payment for purchase of investments in securities		(2,793)	(786)
Other-net		279	1,352
<b>Net cash used in investing activities</b>		<b>(38,512)</b>	<b>(26,255)</b>
<b>Cash flows from financing activities:</b>			
Repayment of long-term debt		(116)	(81)
Increase (decrease) in short-term debt, net		(324)	31,379
Cash paid to acquire treasury stock		(39,232)	(2)
Dividends paid		(7,946)	(9,027)
Other-net		730	86
<b>Net cash provided by (used in) financing activities</b>		<b>(46,888)</b>	<b>22,355</b>
Effect of exchange rate changes on cash and cash equivalents		8,048	9,362
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(55,074)</b>	<b>19,709</b>
Cash and cash equivalents at beginning of period		289,169	166,105
Cash and cash equivalents at end of period		234,095	185,814

**Notes:**

U.S.\$1=Yen 106, for convenience only.