

## Consolidated Statements of Cash Flows

Years ended March 31, 2011 and 2010

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Cash Flows from Operating Activities:		
Income (loss) before income taxes and minority interests	¥ 1,933	¥ (4,966)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,874	1,995
Amortization of negative goodwill	(160)	(235)
Increase (decrease) in provision for employees' retirement benefits	353	523
Increase (decrease) in provision for directors' retirement benefits	(5)	(3)
Increase (decrease) in provision for employees' bonuses	165	(227)
Increase (decrease) in provision for directors' bonuses	(1)	(3)
Increase (decrease) in allowance for doubtful accounts	(9)	(23)
Increase (decrease) in provision for loss on disaster	288	—
Interest and dividend income	(72)	(74)
Interest expenses	300	275
Foreign exchange losses	26	0
(Gain) on sales and retirement of property, plant and equipment	(403)	(255)
Equity in (earnings) losses of affiliates	(26)	39
(Gain) on sales of investment securities	—	(0)
Loss on valuation of investment securities	154	—
Loss on adoption of accounting standard for asset retirement obligations	45	—
Special retirement expenses	520	—
Litigation settlement	—	4,142
Change in assets and liabilities:		
Decrease (increase) in notes and accounts receivable - trade	(49)	2,610
Decrease (increase) in inventories	(948)	474
Increase (decrease) in notes and accounts payable - trade	(865)	(695)
Other, net	223	371
Subtotal	3,341	3,947
Interest and dividend income received	76	82
Interest expenses paid	(309)	(233)
Litigation settlement paid	—	(4,142)
Income taxes paid	(197)	(169)
Net cash provided by (used in) operating activities	2,911	(515)
Cash Flows from Investing Activities:		
Payments into time deposits	(50)	(51)
Proceeds from withdrawal of time deposits	100	101
Purchases of property, plant and equipment	(848)	(718)
Proceeds from sales of property, plant and equipment	574	2,054
Purchase of intangible assets	(104)	(112)
Purchase of investment securities	(27)	(7)
Proceeds from sales of investment securities	—	0
Payments of loans receivable	(17)	(44)
Collection of loans receivable	27	39
Other, net	176	(35)
Net cash provided by (used in) investing activities	(169)	1,225
Cash Flows from Financing Activities:		
Increase in short-term loans payable	4,859	6,110
Decrease in short-term loans payable	(5,614)	(7,307)
Proceeds from long-term loans payable	950	5,700
Repayment of long-term loans payable	(950)	(161)
Decrease in current portion of bonds	—	(3,900)
Purchase of treasury stock	(1)	(1)
Purchase of treasury stock of subsidiaries in consolidation	(48)	(145)
Cash dividends paid to minority shareholders	—	(3)
Other, net	(27)	(17)
Net cash provided by (used in) financing activities	(830)	272
Effect of exchange rate change on cash and cash equivalents	(149)	63
Net increase in cash and cash equivalents	1,761	1,046
Cash and cash equivalents at beginning of year	11,168	10,122
Cash and cash equivalents of the end of year	¥ 12,929	¥ 11,168

See accompanying notes to consolidated financial statements.