

Consolidated Statements of Cash Flows (Years ended December 31, 2007, 2008 and 2009)

	(Millions of yen)			(Thousands of U.S. dollars)*
	2007	2008	2009	2009
Cash flows from operating activities:				
Income (loss) before income taxes, minority interests and other adjustments	¥14,254	¥2,402	¥(10,446)	\$(112,322)
Depreciation and amortization	22,533	21,741	24,069	258,806
Impairment gains	282	—	6,092	65,505
Amortization of negative goodwill	(414)	(414)	(360)	(3,870)
Increase (decrease) in liabilities for directors' and corporate auditors' retirement benefits	(181)	(54)	9	96
Increase in liabilities for retirement benefits	410	271	107	1,150
Decrease (increase) in advanced payments for retirement expenses	(2,326)	(575)	1,701	18,290
Interest and dividend income	(696)	(489)	(348)	(3,741)
Interest expense	114	34	316	3,397
Equity in earnings (losses) of affiliates	(602)	215	74	795
Loss (gain) on sales of marketable and investment securities	(52)	(175)	(12)	(129)
Loss on sales of shares of subsidiaries	—	139	—	—
Loss (gain) on sales of shares of affiliates	—	(1)	—	—
Write-down of marketable and investment securities	2,252	4,509	51	548
Loss (gain) on sales of fixed assets	(265)	2	(4)	(43)
Loss on disposals of fixed assets	564	820	1,188	12,774
Decrease (increase) in accounts receivable	(828)	494	42	451
Decrease (increase) in inventories	56	(1,543)	(12,159)	(130,741)
Decrease (increase) in other assets	1,196	(4,549)	5,361	57,645
Increase (decrease) in accounts payable	1,407	(932)	13,291	142,913
Increase (decrease) in other liabilities	(553)	390	(432)	(4,645)
Other, net	145	286	216	2,322
Subtotal	37,297	22,572	28,759	309,236
Interest and dividends received	738	543	342	3,677
Interest paid	(115)	(34)	(295)	(3,172)
Income taxes paid	(4,920)	(6,900)	(3,287)	(35,344)
Income tax refunds	—	—	3,228	34,709
Net cash provided by operating activities	33,000	16,180	28,747	309,107
Cash flows from investing activities:				
Acquisition of marketable and investment securities	(53)	(1,390)	(33)	(354)
Proceeds from sales of marketable and investment securities	6,239	22,661	1,895	20,376
Acquisition of fixed assets	(20,238)	(19,920)	(24,613)	(264,655)
Proceeds from sales of fixed assets	1,947	1,435	579	6,225
Acquisition of shares of subsidiaries	—	(808)	—	—
Proceeds from recovery of investment	—	—	2,042	21,956
Expense for acquisition of subsidiary with change in scope of consolidation	—	—	(2,509)	(26,978)
Proceeds from sales of shares of subsidiaries with change in scope of consolidation	—	872	—	—
Acquisition of shares of affiliates	(11,016)	—	—	—
Proceeds from sales of shares of affiliates	—	2	—	—
Long-term loans	(202)	(704)	(1,086)	(11,677)
Proceeds from collection of long-term loans	17	12	372	4,000
Increase in time deposits	(40)	(20)	(191)	(2,053)
Proceeds from refund of time deposits	38	40	97	1,043
Other, net	2	(27)	—	—
Net cash used in (provided by) investing activities	(23,306)	2,153	(23,447)	(252,118)
Cash flows from financing activities:				
Increase (decrease) in short-term borrowings	10,495	(10,500)	—	—
Repayment of long-term debt	(2,300)	(2,000)	(194)	(2,086)
Proceeds from issuance of bonds	—	—	50,000	537,634
Expense for repayment of lease obligations	—	—	(2,200)	(23,655)
Payments for acquisition of treasury stock	(56)	(14,510)	(5)	(53)
Proceeds from sales of treasury stock	16	24	2	21
Dividends paid	(4,566)	(4,494)	(4,299)	(46,225)
Dividends paid to minority interests	(2)	(5)	(4)	(43)
Net cash used in (provided by) financing activities	3,586	(31,486)	43,297	465,559
Net increase (decrease) in cash and cash equivalents	13,280	(13,152)	48,596	522,537
Cash and cash equivalents, beginning of year	22,284	35,564	22,412	240,989
Increase in cash and cash equivalents due to change in scope of consolidation	—	—	212	2,279
Cash and cash equivalents at end of year	¥35,564	¥22,412	¥71,221	\$765,817

* U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥93.00=US\$1.00 (figures less than one unit are rounded).