

CONSOLIDATED STATEMENTS OF CASH FLOWS

Noritz Corporation and Consolidated Subsidiaries
Years ended December 31, 2001 and 2002

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2001	2002	2002
Cash flows from operating activities:			
Income before income taxes	¥ 2,560	¥ 6,371	\$ 53,136
Depreciation	4,527	5,857	48,849
Interest and dividend income	(485)	(315)	(2,627)
Interest expense	95	61	509
Write-down of securities	1,128	171	1,426
Equity in losses of affiliates	159	148	1,234
Loss on sales and disposal of property, plant and equipment	1,027	593	4,946
Increase in trade notes and accounts receivable	(1,556)	(6,029)	(50,284)
Decrease in inventories	1,134	759	6,330
Increase (decrease) in allowance for doubtful receivables	(45)	66	551
Increase in trade notes and accounts payable	5,438	295	2,461
Increase in employees' retirement benefits	5,044	671	5,596
Decrease in long-term accrued debt	(709)	—	—
Other	(1,296)	805	6,714
Subtotal	17,021	9,453	78,841
Interest and dividends received	494	327	2,727
Interest paid	(94)	(60)	(500)
Income taxes paid	(3,026)	(3,111)	(25,947)
Net cash provided by operating activities	14,395	6,609	55,121
Cash flows from investing activities:			
Investments in time deposits	(7,023)	(7,785)	(64,929)
Proceeds from time deposits	8,121	11,936	99,550
Additions to securities	(8,544)	(3,338)	(27,840)
Proceeds from sales of securities	11,115	7,404	61,751
Additions to property, plant and equipment	(5,640)	(4,926)	(41,084)
Proceeds from sales of property, plant and equipment	41	173	1,443
Payments for loans receivable	(1,336)	(17)	(142)
Proceeds from loans receivable	358	68	567
Cash acquired (paid) in purchases of stock of subsidiaries	(1,513)	550	4,587
Other	(95)	(1,432)	(11,943)
Net cash used in investing activities	(4,516)	2,633	21,960
Cash flows from financing activities:			
Net increase (decrease) in short-term bank loans	(3,323)	721	6,013
Repayments of long-term debt	(4,364)	(300)	(2,502)
Payments for purchases of common stock retired	(1,984)	—	—
Dividends paid	(774)	(761)	(6,347)
Dividends paid to minority shareholders in consolidated subsidiaries	(8)	(15)	(125)
Other	—	(27)	(225)
Net cash used in financing activities	(10,453)	(382)	(3,186)
Foreign currency adjustments	—	(36)	(300)
Net increase (decrease) in cash and cash equivalents	(574)	8,824	73,595
Cash and cash equivalents at beginning of year	18,657	18,107	151,026
Increase in cash and cash equivalents due to:			
Merger of an unconsolidated and a consolidated subsidiary	24	—	—
Initial consolidation of subsidiaries	—	1,023	8,532
Cash and cash equivalents at end of year	¥18,107	¥27,954	\$233,153

See accompanying notes.