

Consolidated Statements of Cash Flows

Noritz Corporation and Consolidated Subsidiaries
Years ended December 31, 2004 and 2005

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2004	2005	2005
Cash flows from operating activities:			
Income before income taxes	¥ 8,944	¥ 7,695	\$ 65,173
Depreciation	5,599	5,643	47,794
Loss on impairment of fixed assets	—	20	169
Interest and dividend income	(192)	(266)	(2,253)
Interest expense	66	81	686
Write-down of securities	16	2	17
Loss on sales and disposal of property, plant and equipment	376	691	5,852
Income from sales of property, plant and equipment	(3)	(4)	(34)
Increase in trade notes and accounts receivable	(1,250)	(1,638)	(13,873)
Decrease (increase) in inventories	946	(714)	(6,047)
Increase (decrease) in allowance for doubtful receivables	242	(160)	(1,355)
Decrease (increase) in trade notes and accounts payable	(4,642)	1,366	11,569
Decrease in employees' retirement benefits	(3,339)	(1,075)	(9,105)
Other	1,529	(1,363)	(11,543)
Subtotal	8,292	10,278	87,050
Interest and dividends received	187	257	2,177
Interest paid	(66)	(81)	(686)
Income taxes paid	(3,358)	(2,374)	(20,107)
Net cash provided by operating activities	5,055	8,080	68,434
Cash flows from investing activities:			
Investments in time deposits	(3,570)	(2,001)	(16,948)
Proceeds from time deposits	60	3,000	25,409
Additions to securities	(10,439)	(6,924)	(58,643)
Proceeds from sales of securities	3,537	1,459	12,357
Additions to property, plant and equipment	(4,753)	(5,116)	(43,330)
Proceeds from sales of property, plant and equipment	135	49	415
Payments for loans receivable	(736)	(7)	(59)
Proceeds from loans receivable	137	138	1,169
Other	(639)	(294)	(2,491)
Net cash used in investing activities	(16,268)	(9,696)	(82,121)
Cash flows from financing activities:			
Net decrease in short-term bank loans	(585)	(4)	(34)
Payments for purchases of treasury stock	(1,924)	(2,180)	(18,464)
Dividends paid	(1,128)	(1,371)	(11,612)
Dividends paid to minority shareholders of consolidated subsidiaries	(8)	(6)	(50)
Net cash used in financing activities	(3,645)	(3,561)	(30,160)
Foreign currency adjustments	(8)	(11)	(93)
Net decrease in cash and cash equivalents	(14,866)	(5,188)	(43,940)
Cash and cash equivalents at beginning of year	35,872	21,075	178,496
Increase in cash and cash equivalents due to newly consolidated subsidiaries	69	—	—
Cash and cash equivalents at end of year	¥21,075	¥15,887	\$134,556

See accompanying notes.