



Consolidated Statements of Cash Flows

Noritz Corporation and Consolidated Subsidiaries
Years ended December 31, 2005 and 2006

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2006	2006
Cash flows from operating activities:			
Income before income taxes	¥ 7,695	¥ 6,022	\$ 50,554
Depreciation	5,643	5,229	43,897
Loss on impairment of fixed assets	20	9	76
Interest and dividend income	(266)	(322)	(2,703)
Interest expense	81	77	646
Write-down of securities	2	141	1,184
Loss on sales and disposal of property, plant and equipment	691	332	2,787
Income from sales of property, plant and equipment	(4)	(1)	(8)
Increase / decrease in trade notes and accounts receivable	(1,638)	1,009	8,470
Increase in inventories	(714)	(1,213)	(10,183)
Decrease / increase in allowance for doubtful receivables	(160)	15	126
Increase in trade notes and accounts payable	1,366	2,823	23,699
Decrease in employees' retirement benefits	(1,075)	(1,301)	(10,922)
Other	(1,363)	(1,433)	(12,030)
Subtotal	10,278	11,387	95,593
Interest and dividends received	257	323	2,712
Interest paid	(81)	(74)	(621)
Income taxes paid	(2,374)	(2,940)	(24,682)
Net cash provided by operating activities	8,080	8,696	73,002
Cash flows from investing activities:			
Investments in time deposits	(2,001)	(11)	(92)
Proceeds from time deposits	3,000	—	—
Additions to securities	(6,924)	(3,635)	(30,515)
Proceeds from sales of securities	1,459	3,813	32,010
Additions to property, plant and equipment	(5,116)	(6,336)	(53,190)
Proceeds from sales of property, plant and equipment	49	29	243
Payments for loans receivable	(7)	(625)	(5,247)
Proceeds from loans receivable	138	728	6,111
Other	(294)	(480)	(4,030)
Net cash used in investing activities	(9,696)	(6,517)	(54,710)
Cash flows from financing activities:			
Net decrease / increase in short-term bank loans	(4)	213	1,788
Payments for purchases of treasury stock	(2,180)	(11)	(92)
Dividends paid	(1,371)	(1,337)	(11,224)
Dividends paid to minority shareholders of consolidated subsidiaries	(6)	(5)	(42)
Net cash used in financing activities	(3,561)	(1,140)	(9,570)
Foreign currency adjustments	(11)	127	1,066
Net decrease / increase in cash and cash equivalents	(5,188)	1,166	9,788
Cash and cash equivalents at beginning of year	21,075	15,887	133,370
Increase in cash and cash equivalents due to newly consolidated subsidiaries	—	270	2,267
Cash and cash equivalents at end of year	¥15,887	¥17,323	\$145,425

See accompanying notes.