

Consolidated Statements of Cash Flows

Noritz Corporation and Consolidated Subsidiaries
Years ended December 31, 2006 and 2007

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2006	2007	2007
Cash flows from operating activities:			
Income (loss) before income taxes	¥ 6,022	¥ (696)	\$ (6,097)
Depreciation	5,229	5,971	52,304
Loss on impairment of fixed assets	9	1,165	10,205
Interest and dividend income	(322)	(442)	(3,872)
Interest expense	77	58	508
Loss on write-down of securities	141	78	683
Loss on sales and disposal of property, plant and equipment	332	281	2,462
Income from sales of property, plant and equipment	(1)	(1)	(9)
Decrease in trade notes and accounts receivable	1,009	1,875	16,424
Increase in inventories	(1,213)	(2,475)	(21,680)
Increase in allowance for accounts payable	15	313	2,742
Increase/decrease in trade notes and accounts payable	2,823	(3,624)	(31,745)
Decrease in employees' retirement benefits	(1,301)	(434)	(3,802)
Increase in provision for the repair of products on recall	—	739	6,473
Other	(1,433)	1,408	12,335
Subtotal	11,387	4,216	36,931
Interest and dividends received	323	443	3,881
Interest paid	(74)	(55)	(482)
Income taxes paid	(2,940)	(1,848)	(16,188)
Net cash provided by operating activities	8,696	2,756	24,142
Cash flows from investing activities:			
Investments in time deposits	(11)	(2,764)	(24,212)
Proceeds from time deposits	—	182	1,594
Additions to securities	(3,635)	(9,396)	(82,306)
Proceeds from sales of securities	3,813	2,525	22,118
Additions to property, plant and equipment	(6,336)	(7,692)	(67,379)
Proceeds from sales of property, plant and equipment	29	20	175
Payments for loans receivable	(625)	(495)	(4,336)
Proceeds from loans receivable	728	468	4,100
Other	(480)	(879)	(7,699)
Net cash used in investing activities	(6,517)	(18,031)	(157,945)
Cash flows from financing activities:			
Net increase in short-term bank loans	213	10,202	89,366
Payments for purchases of treasury stock	(11)	(9)	(79)
Dividends paid	(1,337)	(1,342)	(11,755)
Dividends paid to minority shareholders of consolidated subsidiaries	(5)	(4)	(36)
Net cash provided by/used in financing activities	(1,140)	8,847	77,496
Foreign currency adjustments	127	79	692
Net increase/decrease in cash and cash equivalents	1,166	(6,349)	(55,615)
Cash and cash equivalents at beginning of year	15,887	17,323	151,743
Increase in cash and cash equivalents due to newly consolidated subsidiaries	270	735	6,439
Cash and cash equivalents at end of year	¥17,323	¥11,709	\$102,567

See accompanying notes.