

3. Consolidated Statement of Cash Flow Highlights

[Millions of yen]

	Nine months ended December 31, 2006	Nine months ended December 31, 2005	Fiscal year ended March 31, 2006
I. Cash flows from operating activities			
Net income (loss) before income taxes and minority interests	78,320	36,339	(35,934)
Depreciation and amortization	37,513	37,815	51,198
Impairment loss on fixed assets	—	23,299	4,143
Amortization of consolidated goodwill	—	4,182	5,595
Amortization of goodwill	5,073	—	—
Increase (decrease) in allowance for doubtful accounts	(2,961)	955	465
Increase (decrease) in retirement and severance benefits	(4,213)	—	—
Increase (decrease) in reserve for dissolution of business	(22,095)	—	—
Interest and dividend income	(1,700)	(1,345)	(1,756)
Interest expense	3,968	4,166	5,427
Loss (gain) on disposals and sale of tangible fixed assets	(3,684)	1,467	2,434
Valuation loss (gain) on investment securities	(1,534)	(936)	(1,099)
Loss (gain) on sales of affiliate companies	(1,200)	—	—
Restructuring expenses	—	1,776	—
Amortization of consolidated goodwill	—	—	2,361
Other extraordinary losses	—	2,372	2,372
Payment for dissolution of business	—	—	96,625
Special additional severance benefits	—	—	6,484
(Increase) decrease in trade notes and accounts receivable	14,905	(4,076)	7,257
(Increase) decrease in inventories	6,422	(1,599)	22,032
Increase (decrease) in trade notes and accounts payable	(1,938)	(13,221)	(31,855)
Increase (decrease) in accrued consumption tax payable	(1,332)	610	400
Increase (decrease) on transfer of lease assets used in sales activities	(6,960)	(7,920)	(11,278)
Other	(21,452)	(3,515)	(11,821)
Subtotal	77,129	80,370	113,051
Interest and dividends received	1,926	1,390	1,524
Interest paid	(3,937)	(4,195)	(5,488)
Special severance payments for early retired employees	(6,484)	—	—
Income taxes paid	(25,078)	(29,085)	(30,162)
Net cash provided by operating activities	43,555	48,479	78,924
II. Cash flows from investing activities			
Payment for acquisition of tangible fixed assets	(44,990)	(39,339)	(51,904)
Proceeds from sale of tangible fixed assets	8,966	3,585	5,551
Payment for acquisition of intangible fixed assets	(3,147)	(5,630)	(8,809)
Proceeds from sale of business	—	—	8,599
Payment for acquisition of new consolidated subsidiary	—	—	(1,729)
Proceeds for acquisition of new consolidated subsidiary	2,331	—	—
Payment for additional acquisition of consolidated subsidiary	(2,744)	—	—
Payment for loans receivable	(645)	(647)	(541)
Proceeds from return of loan receivable	560	1,097	1,556
Payment for acquisition of investment securities	(1,405)	(27)	(42)
Proceeds from sale of investment securities	2,633	4,738	5,057
Payment for other investments	(1,231)	(2,186)	(3,236)
Other	1,477	(291)	2,352
Net cash used in investing activities	(38,195)	(38,703)	(43,146)

III. Cash flows from financing activities			
Net (decrease) increase in short-term loans payable	(53,231)	8,202	(25,819)
Proceeds from long-term loans payable	—	10,000	27,502
Repayment of long-term loans payable	(5,220)	(3,933)	(7,396)
Proceeds from issuing of bonds	70,300	9,087	9,184
Redemption of bonds	(13,939)	(17,457)	(17,536)
Payment to execute buyback of Company's stock	7	10	10
Proceeds from sale of Company's stock	(157)	(84)	(135)
Dividend payments	(8)	(2,654)	(2,661)
Amount paid of dividends for minority shareholders	(70)	—	—
<i>Cash used in financing activities</i>	(2,321)	3,170	(16,850)
IV. Effect of exchange rate changes on cash and cash equivalents	211	1,246	2,463
V. Increase (decrease) in cash and cash equivalents	3,250	14,193	21,391
VI. Cash and cash equivalents at beginning of the period	80,878	59,485	59,485
VII. Increase in cash and cash equivalents due to newly consolidated subsidiaries and others	241	1	1
VIII. Cash and cash equivalents at end of the period	84,370	73,680	80,878