

Consolidated Statements of Cash Flows

For the first Half of FY2014 (April 1 - September 30, 2014)

| | Millions of yen | | Millions of U.S. dollars |
|---|-----------------|-----------|-----------------------------|
| | 1H FY2014 | 1H FY2013 | 1H FY2014 |
| I Cash flows from operating activities | | | |
| Income before income taxes and minority interests | 5,427 | 2,360 | 50 |
| Depreciation and amortization | 16,511 | 14,576 | 151 |
| Interest and dividends income | (1,232) | (787) | (11) |
| Interest expenses | 1,288 | 1,424 | 12 |
| Loss (gain) on sales of noncurrent assets | (53) | (378) | (0) |
| Loss (gain) on sales of investment securities | (46) | (253) | (0) |
| Loss (gain) on disposal of noncurrent assets | 464 | 271 | 4 |
| Loss (gain) on devaluation of investment securities | 255 | 1 | 2 |
| Decrease (increase) in notes and accounts receivable-trade | 51,152 | 55,048 | 469 |
| Decrease (increase) in inventories | (36,251) | (32,234) | (333) |
| Increase (decrease) in notes and accounts payable-trade | (11,728) | (14,398) | (108) |
| Increase (decrease) in advances received | 10,389 | 1,699 | 95 |
| Other, net | (4,318) | (1,969) | (40) |
| Subtotal | 31,858 | 25,359 | 292 |
| Interest and dividends income received | 1,269 | 806 | 12 |
| Interest expenses paid | (1,286) | (1,466) | (12) |
| Income taxes paid | (5,062) | (3,027) | (46) |
| Net cash provided by operating activities | 26,779 | 21,673 | 246 |
| II Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | (6,113) | (6,811) | (56) |
| Proceeds from sales of property, plant and equipment | 624 | 647 | 6 |
| Purchase of investment securities | (67) | (321) | (1) |
| Proceeds from sales of investment securities | 481 | 520 | 4 |
| Payments of loans receivable | (2,905) | (3,946) | (27) |
| Collection of loans receivable | 3,068 | 3,759 | 28 |
| Other, net | (1,449) | (1,427) | (13) |
| Net cash used in investing activities | (6,362) | (7,579) | (58) |
| III Cash flows from financing activities | | | |
| Net increase (decrease) in short-term loans payable | (10,469) | (233) | (96) |
| Increase (decrease) in commercial papers | - | (26,000) | - |
| Proceeds from long-term loans payable | 139 | 62 | 1 |
| Repayment of long-term loans payable | (3,486) | (5,213) | (32) |
| Proceeds from issuance of bonds | - | 20,000 | - |
| Redemption of bonds | - | (10,000) | - |
| Repayments of lease obligations | (7,443) | (6,383) | (68) |
| Proceeds from sales of treasury stock | 0 | - | 0 |
| Purchase of treasury stock | (17) | (8) | (0) |
| Cash dividends paid | (2,857) | (2,143) | (26) |
| Cash dividends paid to minority shareholders | (789) | (458) | (7) |
| Other, net | - | (91) | - |
| Net cash used in financing activities | (24,924) | (30,469) | (229) |
| IV Effect of exchange rate change on cash and cash equivalents | 954 | (345) | 9 |
| V Net increase (decrease) in cash and cash equivalents (I + II + III + IV) | (3,553) | (16,721) | (33) |
| VI Cash and cash equivalents at beginning of period | 33,412 | 39,688 | 307 |
| VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 1,680 | 725 | 15 |
| VIII Cash and cash equivalents at end of period | 31,539 | 23,693 | 289 |