

## Consolidated Interim Statements of Cash Flows

Six months ended September 30, 2003 and 2002 (unaudited)

|   | Millions of yen |                 | Thousands of<br>U.S. dollars<br>(Note 1) |
|---|-----------------|-----------------|--|
|   | 2003            | 2002            | 2003                                     |
| <i>Cash flows from operating activities</i>                         |                 |                 |  |
| Income before income taxes  | 17,177          | 11,236          | 154,400                                  |
| Depreciation  | 39,229          | 43,577          | 352,620                                  |
| Interest and dividend income  | (1,185)         | (1,104)         | (10,652)                                 |
| Interest expense  | 13,333          | 15,127          | 119,847                                  |
| Gain on sale of securities  | (5,520)         | (6,440)         | (49,618)                                 |
| Equity in income of unconsolidated subsidiaries and affiliates      | (3,479)         | (2,138)         | (31,272)                                 |
| Special employees' retirement benefits                              | —               | 980             | —  |
| Reversal of allowance for special repairs                           | —               | (5,913)         | —  |
| Business transfer gain  | —               | (2,351)         | —  |
| Effect of applying new accounting standard for retirement benefits  | 6,368           | 6,383           | 57,241                                   |
| Amortization of prior service credits of pension plans              | (3,488)         | (3,488)         | (31,353)                                 |
| Loss on sale or disposal of plant and equipment                     | 2,636           | 2,823           | 23,694                                   |
| Decrease in trade receivables from customers                        | 19,090          | 26,352          | 171,596                                  |
| Increase in inventories   | (12,075)        | (6,097)         | (108,539)                                |
| Decrease in trade payables to customers                             | (12,750)        | (8,217)         | (114,607)                                |
| Other   | (10,244)        | 3,621           | (92,081)                                 |
| Subtotal  | <u>49,092</u>   | <u>74,351</u>   | <u>441,276</u>                           |
| Cash received for interest and dividends                            | 2,152           | 2,068           | 19,344                                   |
| Cash paid for interest  | (13,190)        | (14,342)        | (118,562)                                |
| Cash paid for special employees' retirement benefits                | —               | (1,645)         | —  |
| Cash paid for income taxes  | (4,317)         | (3,048)         | (38,804)                                 |
| Net cash provided by operating activities                           | <u>33,737</u>   | <u>57,384</u>   | <u>303,254</u>                           |
| <i>Cash flows from investing activities</i>                         |                 |                 |  |
| Purchase of plant, equipment and other assets                       | (23,172)        | (28,785)        | (208,288)                                |
| Proceeds from sale of plant, equipment and other assets             | 6,689           | 22,911          | 60,126                                   |
| Purchase of investments in securities                               | (5,014)         | (2,701)         | (45,070)                                 |
| Proceeds from sale of investments in securities                     | 9,010           | 7,633           | 80,989                                   |
| Decrease (increase) in short-term loans receivable                  | (503)           | 918             | (4,521)                                  |
| Long-term loans receivable  | (569)           | (309)           | (5,115)                                  |
| Proceeds from collection of long-term loans                         | 806             | 532             | 7,245                                    |
| Net proceeds from sale of a former consolidated subsidiary          | 2,227           | —               | 20,018                                   |
| Proceeds from transfer of business                                  | —               | 21,055          | —  |
| Other   | 707             | 254             | 6,355                                    |
| Net cash provided by (used in) investing activities                 | <u>(9,819)</u>  | <u>21,508</u>   | <u>(88,261)</u>                          |
| <i>Cash flows from financing activities</i>                         |                 |                 |  |
| Decrease in short-term borrowings                                   | (272)           | (31,454)        | (2,445)                                  |
| Proceeds from issuance of long-term debt                            | 15,939          | 49,702          | 143,272                                  |
| Repayment of long-term debt   | (79,217)        | (70,206)        | (712,063)                                |
| Proceeds from issuance of bonds                                     | 53,808          | —               | 483,667                                  |
| Repayment of bonds  | (3,886)         | (36,404)        | (34,930)                                 |
| Other   | (5,423)         | (4,855)         | (48,746)                                 |
| Net cash used in financing activities                               | <u>(19,051)</u> | <u>(93,217)</u> | <u>(171,245)</u>                         |
| <i>Effect of exchange rate changes on cash and cash equivalents</i> |                 |                 |  |
|   | <u>994</u>      | <u>(1,047)</u>  | <u>8,935</u>                             |
| <i>Increase (decrease) in cash and cash equivalents</i>             | <u>5,861</u>    | <u>(15,372)</u> | <u>52,683</u>                            |
| <i>Cash and cash equivalents at the beginning of the six months</i> | 81,809          | 115,292         | 735,362                                  |
| <i>Cash and cash equivalents of newly consolidated subsidiaries</i> | <u>696</u>      | <u>107</u>      | <u>6,256</u>                             |
| <i>Cash and cash equivalents at the end of the six months</i>       | <u>88,366</u>   | <u>100,027</u>  | <u>794,301</u>                           |

See accompanying notes.