

Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2007 and 2006

Millions of Yen

	Year ended March 31, 2007	Year ended March 31, 2006	Increase (Decrease)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes and minority interests	27,635	21,751	5,884
Depreciation	15,989	13,734	2,255
Amortization of goodwill	13	(6)	19
Increase in allowance for doubtful accounts	2	33	(31)
Increase in accrued bonuses	292	68	224
Decrease (Increase) in reserve for product warranties	(2,998)	1,891	(4,889)
Decrease (Increase) in liability for retirement benefits	(315)	283	(598)
Increase in retirement allowances for directors and corporate auditors	78	56	22
Interest and dividend income	(519)	(363)	(156)
Interest expenses	400	219	181
Foreign exchange gain	(812)	(842)	30
Equity in earnings of associated companies	(390)	(539)	149
Loss on sales and dispositions of tangible fixed assets	442	500	(58)
Gain on sales of investments securities	-	(740)	740
Impairment loss	-	642	(642)
Increase in notes and accounts receivables	(7,734)	(6,410)	(1,324)
Increase in inventories	(296)	(1,424)	1,128
Increase in notes and accounts payable	2,004	7,785	(5,781)
Increase in consumption taxes payable	382	191	191
Bonuses to directors and corporate auditors	(230)	(181)	(49)
Others, net	1,289	444	845
Sub - Total	35,235	37,096	(1,861)
Interest and dividend income received	639	428	211
Interest expenses paid	(383)	(218)	(165)
Income taxes paid	(7,481)	(8,196)	715
Net cash provided by operating activities	28,010	29,111	(1,101)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of marketable securities	1,800	8,783	(6,983)
Purchases of tangible fixed assets	(19,553)	(20,399)	846
Proceeds from sales of tangible fixed assets	255	1,883	(1,628)
Purchases of investment securities	(9,458)	(385)	(9,073)
Proceeds from sales of investment securities	4	939	(935)
Purchases of affiliated companies	-	(40)	40
Proceeds from sales of affiliated companies	124	-	124
Disbursement for originating loans	(206)	(246)	40
Proceeds from collections of loans	223	247	(24)
Others, net	32	(1,123)	1,155
Net cash used in investing activities	(26,777)	(10,342)	(16,435)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in short-term borrowings, net	517	(1,888)	2,405
Dividends paid	(2,551)	(2,011)	(540)
Dividends paid to minority shareholders	(247)	(18)	(229)
Purchases of treasury stock	(6,514)	(25)	(6,489)
Others, net	405	413	(8)
Net cash provided by (used in) financing activities	(8,390)	(3,529)	(4,861)
EFFECT OF FOREIGN CURRENCY TRANSLATION	738	430	308
ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
NET (DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS	(6,418)	15,669	(22,087)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	36,312	20,642	15,670
CASH AND CASH EQUIVALENTS, END OF PERIOD	29,894	36,312	(6,418)