

Consolidated Statements of Cash Flows

TOKAI RIKA Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2008 and 2007

Millions of Yen

	Year ended March 31, 2008	Year ended March 31, 2007	Increase (Decrease)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes and minority interests	32,639	27,635	5,004
Depreciation	17,824	15,989	1,835
Amortization of goodwill	8	13	(5)
Increase in allowance for doubtful accounts	3	2	1
Increase in accrued bonuses	848	292	556
Decrease (Increase) in reserve for product warranties	(591)	(2,998)	2,407
Decrease (Increase) in liability for retirement benefits	(553)	(315)	(238)
Increase in retirement allowances for directors and corporate auditors	34	78	(44)
Interest and dividend income	(829)	(519)	(310)
Interest expenses	557	400	157
Foreign exchange gain	(325)	(812)	487
Equity in earnings of associated companies	(451)	(390)	(61)
Loss on sales and dispositions of tangible fixed assets	289	442	(153)
Gain on sales of investments securities	(286)	-	(286)
Impairment loss	1,925	-	1,925
Increase in notes and accounts receivables	(410)	(7,734)	7,324
Increase in inventories	401	(296)	697
Increase in notes and accounts payable	(1,016)	2,004	(3,020)
Increase in consumption taxes payable	2	382	(380)
Bonuses to directors and corporate auditors	-	(230)	230
Others, net	2,524	1,289	1,235
Sub - Total	52,594	35,235	17,359
Interest and dividend income received	922	639	283
Interest expenses paid	(562)	(383)	(179)
Income taxes paid	(8,992)	(7,481)	(1,511)
Net cash provided by operating activities	43,961	28,010	15,951
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of marketable securities	14,400	1,800	12,600
Purchases of tangible fixed assets	(20,700)	(19,553)	(1,147)
Proceeds from sales of tangible fixed assets	205	255	(50)
Purchases of investment securities	(24,515)	(9,458)	(15,057)
Proceeds from sales of investment securities	384	4	380
Purchases of affiliated companies	(22)	-	(22)
Proceeds from sales of affiliated companies	-	124	(124)
Payment for purchase of affiliated companies, net of cash acquired	(318)	-	(318)
Disbursement for originating loans	(176)	(206)	30
Proceeds from collections of loans	216	223	(7)
Others, net	(1,256)	32	(1,288)
Net cash used in investing activities	(31,784)	(26,777)	(5,007)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in short-term borrowings, net	(1,297)	517	(1,814)
Dividends paid	(3,866)	(2,551)	(1,315)
Dividends paid to minority shareholders	(570)	(247)	(323)
Purchases of treasury stock	(13)	(6,514)	6,501
Others, net	658	405	253
Net cash provided by (used in) financing activities	(5,089)	(8,390)	3,301
EFFECT OF FOREIGN CURRENCY TRANSLATION	(1,562)	738	(2,300)
ADJUSTMENTS ON CASH AND CASH EQUIVALENTS			
NET (DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS	5,525	(6,418)	11,943
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	29,894	36,312	(6,418)
CASH AND CASH EQUIVALENTS, END OF PERIOD	35,419	29,894	5,525