

Japan Vilene Company, Ltd. and Subsidiaries

Consolidated Statements of Cash Flows Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 1,477	¥ 4,157	\$ 15,071
Adjustments for:			
Income taxes paid	(996)	(1,657)	(10,163)
Depreciation and amortization	2,770	2,565	28,265
Loss on sales and disposal of property, plant and equipment—net	60	69	612
Gain on sales of investment securities	(13)		(133)
Decrease in liability for retirement benefits	(342)	(552)	(3,490)
Increase in provision for contingent loss	83		847
Equity in earnings of associated companies, net of dividends received	473	420	4,827
Loss on impairment of long-lived assets	250	281	2,551
Changes in assets and liabilities:			
Decrease in trade notes and accounts receivable	3,805	901	38,827
Increase in inventories	(280)	(191)	(2,857)
Decrease in trade notes and accounts payable	(2,968)	(866)	(30,286)
Other—net	(236)	(362)	(2,408)
Total adjustments	2,606	608	26,592
Net cash provided by operating activities	4,083	4,765	41,663
INVESTING ACTIVITIES:			
Decrease in time deposits—net		4	
Capital expenditures	(2,213)	(3,278)	(22,582)
Proceeds from sales of property, plant and equipment	27	66	276
Purchase of investment securities	(20)	(86)	(204)
Proceeds from sales of investment securities	34	1	347
Disbursements for loans	(285)	(130)	(2,908)
Proceeds from repayment of loans		165	
Collection of investments in capital	20		204
Other—net	43	43	439
Net cash used in investing activities	(2,394)	(3,215)	(24,428)
FORWARD	¥ 1,689	¥ 1,550	\$ 17,235

Japan Vilene Company, Ltd. and Subsidiaries

Consolidated Statements of Cash Flows Years Ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
FORWARD	<u>¥ 1,689</u>	<u>¥ 1,550</u>	<u>\$ 17,235</u>
FINANCING ACTIVITIES:			
Increase in short-term bank loans—net	1,061	123	10,827
Proceeds from issuance of long-term debt	2,950		30,102
Repayments of long-term debt	(149)	(2,205)	(1,521)
Repurchase of treasury stock	(16)	(13)	(163)
Dividends paid	(779)	(779)	(7,949)
Dividends paid for minority interests	(15)	(13)	(153)
Net cash provided by (used in) financing activities	<u>3,052</u>	<u>(2,887)</u>	<u>31,143</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,741	(1,337)	48,378
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(179)	(42)	(1,827)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,739</u>	<u>4,118</u>	<u>27,949</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>¥ 7,301</u>	<u>¥ 2,739</u>	<u>\$ 74,500</u>

See notes to consolidated financial statements.