



Summary of Consolidated Financial Results for the Year ended March 31, 2008

April 25, 2008

Hitachi Maxell, Ltd.

Stock Code:	6810	URL http://www.maxell.com/	
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Planned date of the Ordinary General Meeting of Shareholders	June 19, 2008	Planned date of beginning payment of dividends	May 30, 2008
Planned date of submittal of financial statement report	June 19, 2008		

(Figures are rounded off to the nearest 1 million yen)

1. Business Results and Financial Position for the period ended March 31, 2008 (April 1, 2007 through March 31, 2008)

(1) Operating Results (% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2008	209,359	3.5	6,464	(18.6)	5,534	(38.9)	1,671	(42.3)
March 31, 2007	202,240	(0.9)	7,940	42.0	9,062	24.8	2,896	(10.5)

	Net income per share	Net income per share (Diluted)	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
March 31, 2008	17.40	-	0.9	2.1	3.1
March 31, 2007	30.16	-	1.5	3.3	3.9

Note: Equity in earnings of affiliates: March 31, 2008 ¥152 million; March 31, 2007 ¥136 million

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2008	262,491	192,074	73.2	1,999.65
March 31, 2007	262,640	195,862	74.6	2,039.77

Note: Shareholders' equity: March 31, 2008 ¥192,074 million; March 31, 2007 ¥195,862 million

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2008	15,131	1,732	(5,439)	46,340
March 31, 2007	12,854	2,273	(23,346)	36,683

2. Dividend

Period	Dividend per share			Total dividend paid (full year)	Consolidated dividend payout ratio	Dividend to net assets (consolidated)
	Interim	Year-end	Full year			
	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2007	10.00	10.00	20.00	1,920	66.3	1.0
March 31, 2008	10.00	10.00	20.00	1,921	114.9	1.0
March 31, 2009 (Forecast)	10.00	10.00	20.00		80.0	

3. Business Forecast for the year ending March 31, 2009 (April 1, 2008 through March 31, 2009)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	106,000	4.1	2,300	(8.7)	2,400	(0.4)	200	(45.1)	2.08
Full year	220,000	5.1	6,500	0.6	7,000	26.5	2,400	43.6	24.99

4. Other

- (1) Transfer of significant subsidiary during the period (transfer of a certain subsidiary resulting in a change in the scope of consolidation) : None
- (2) Changes in accounting principles/procedures, representation methods in the preparation of consolidated financial statements (changes in significant items that form the basis for the preparation of consolidated financial statements)
- 1) Changes as a result of revision of accounting standards : Yes
- 2) Changes other than 1) : Yes
- (3) Number of shares issued and outstanding (common stock)
- 1) Number of shares issued and outstanding at end of period (including treasury stock) : March 31, 2008 99,532,133 shares ; March 31, 2007 99,532,133 shares
- 2) Number of shares of treasury stock at end of period : March 31, 2008 3,478,106 shares ; March 31, 2007 3,510,623 shares

*** Explanation regarding the appropriate use of forecasts of business results and other special instructions**

Forecasts of business results and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Actual business results may differ significantly due to a variety of factors. For further information on the abovementioned forecast preconditions and other related matters, please see page 3, "1. Business Performance (1) Analysis of Business Performance."

1. Business Performance

(1) Analysis of Business Performance

1) Overview

(Unless otherwise stated, all comparisons are with operating results in the previous year, from April 1, 2006 to March 31, 2007.)

The fiscal year under review, from April 1, 2007 to March 31, 2008, saw a lackluster global economy stemming from lower housing investment and slumping consumer spending in the United States. The European economy remained steady as capital investment offset decelerating consumer spending. Asian economy expanded on solid exports and high growth rates in China. The Japanese business climate was sluggish, with stagnating consumer spending and flattening capital investment.

The Maxell Group faced tough business conditions characterized by falling product prices and hikes in raw material costs.

Against that backdrop, net sales rose 3.5%, to ¥209,359 million, due to higher sales from the Battery segment and the Material-Device-Electronic Appliance segment, counteracting a decline in sales from the Information Storage Media segment. Falling prices for information storage products resulted in decreases of 18.6% in operating income, to ¥6,464 million; 38.9% in ordinary income, to ¥5,534 million; and 42.3% in net income, to ¥1,671 million. Net income per share was ¥17.40.

The average foreign exchange rates over the year under review were US\$1=¥114 and €1=¥162. Operating results by segment were as follows.

Information Storage Media

The segment posted increased sales from computer tapes thanks to a rise in shipment volume of high-storage-capacity products—centered on LTO Ultrium3 and LTO Ultrium4 data cartridges—which absorbed falling prices. Meanwhile, in optical discs, sales declined as a result of falling prices for recordable DVDs and CD-R discs. Further, sales from audio tapes and video tapes decreased markedly because of market contraction. As a result, the Information Storage Media segment's net sales were down 9.2%, to ¥105,934 million. Due to the effect of falling product prices, operating income decreased ¥2,440 million, to ¥4,133 million.

* Linear Tape-Open, LTO, and Ultrium are the trademarks of Hewlett Packard, IBM, and Quantum Corporation in the United States and other countries.

Battery

In rechargeable batteries, sales rose significantly as thin-type, high-capacity prismatic lithium ion rechargeable batteries for cellular telephones and portable game consoles sold favorably. In primary batteries, sales was flat because reduced sales from dry alkaline batteries offset an upturn in sales of high-value-added micro batteries such as heat-resistant, coin-type lithium manganese dioxide batteries. As a result, Battery segment net sales were up 16.0%, to ¥54,588 million. Operating income rose ¥428 million, to ¥2,732 million, due to increased sales of rechargeable batteries and high-value-added primary batteries.

Material-Device-Electronic Appliance

For materials and devices, in optical components pickup lenses for optical discs performed strongly. Sales from functional materials rose markedly because the September 2007 conversion of Siontec Corporation into a subsidiary counteracted slumping sales of multifunctional optical films. Sales of electronic appliances slightly increased. As a result, the Material-Device-Electronic Appliance segment registered a 26.8% increase in sales, to ¥48,837 million. Operating loss improved ¥536 million, to ¥401 million, as the improved profitability of materials and devices counteracted lower earnings from electronic appliances.

Further, for information for the year under review on sales by region, capital expenditure, depreciation, and research and development expenses, please see the supplementary information on page 5.

2) Outlook

In the context of the global economy, the Maxell Group faces conditions that require careful ongoing monitoring given the expectations of a recession in the United States due to the sub-prime loans problem and other issues, hikes in raw material costs, and foreign exchange rate fluctuations as well as falling product prices due to intensifying competition focused on information storage media.

In light of those expected conditions, for the full year ending March 2009 the Maxell Group projects net sales of ¥220,000 million, operating income of ¥6,500 million, ordinary income of ¥7,000 million, and net income of ¥2,400 million. These projections are based on average foreign exchange rates of US\$1=¥105 and €1=¥155. For projections of business performance by segment, please refer to the supplementary information on page 5.

3) Supplementary information

Consolidated Financial Results and Forecast

(Millions of yen)

	3/2007	3/2008	Change* (%)	3/2009 Forecast	Change* (%)
Net sales	202,240	209,359	3.5	220,000	5.1
Operating income	7,940	6,464	(18.6)	6,500	0.6
Ordinary income	9,062	5,534	(38.9)	7,000	26.5
Net income	2,896	1,671	(42.3)	2,400	43.6
Exchange rate (\$1=)	117 yen	114 yen		105 yen	
(€1=)	151 yen	162 yen		155 yen	

* % change from the previous year

Sales and Operating Income by Segment

	3/2007		3/2008		Change* (%)	3/2009 Forecast		Change* (%)
	Millions of yen	Composition (%)	Millions of yen	Composition (%)		Millions of yen	Composition (%)	
Net sales	202,240	100	209,359	100	3.5	220,000	100	5.1
Information Storage Media	116,681	58	105,934	51	(9.2)	90,000	41	(15.0)
Battery	47,051	23	54,588	26	16.0	66,000	30	20.9
Material-Device- Electronic Appliance	38,508	19	48,837	23	26.8	64,000	29	31.0
Operating income	7,940	100	6,464	100	(18.6)	6,500	100	0.6
Information Storage Media	6,573	83	4,133	64	(37.1)	3,000	46	(27.4)
Battery	2,304	29	2,732	42	18.6	2,300	35	(15.8)
Material-Device- Electronic Appliance	(937)	—	(401)	—	—	1,200	19	—

* % change from the previous year

Overseas sales

	3/2007		3/2008		Change* (%)
	Millions of yen	Composition (%)	Millions of yen	Composition (%)	
Overseas sales	129,936	64	134,901	64	3.8
America	61,688	30	54,771	26	(11.2)
Europe	35,778	18	36,617	17	2.3
Asia and other	32,470	16	43,513	21	34.0
Domestic sales	72,304	36	74,458	36	3.0
Total	202,240	100	209,359	100	3.5

* % change from the previous year

Capital expenditure, Depreciation, R&D expenses

(Millions of yen)

	3/2007	3/2008	Change* (%)	3/2009 Forecast	Change* (%)
Capital expenditure	11,378	12,451	9.4	22,000	76.7
Depreciation	9,792	11,120	13.6	12,000	7.9
R&D expenses	8,600	9,310	8.3	10,000	7.4

* % change from the previous year

(2) Analysis of Financial Position

Overview

Cash and cash equivalents at the end of the year under review stood at ¥46,340 million, up ¥9,657 million from the end of the previous fiscal year. That increase was attributable to net cash provided by operating activities of ¥15,131 million and net cash provided by investing activities of ¥1,732 million, which offset net cash used in financing activities of ¥5,439 million. Respective cash flows were as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥15,131 million, which was mainly associated with capital inflows from income before income taxes of ¥3,150 million, depreciation of ¥11,120 million, decrease in trade notes and accounts receivable and increase in trade notes and accounts payables that absorbed capital outflows resulting from decrease in accrued expenses.

Cash Flows from Investing Activities

Net cash provided by investing activities amounted to ¥1,732 million, which was primarily the result of capital inflows of ¥19,874 million associated with proceeds from sales of marketable securities and proceeds from sales of investment securities and ¥6,761 million associated with proceeds from sales of tangible fixed assets that counteracted capital outflows related to purchase of tangible fixed assets of ¥11,802 million and payments for acquisition of investments in newly consolidated subsidiary, Sliontec Corporation of ¥11,047 million.

Cash Flows from Financing Activities

Net cash used in financing activities was ¥5,439 million, which was mainly due to capital outflows associated with short-term bank loans of ¥3,563 million and dividends paid to shareholders of ¥1,921 million.

Trends in the Group's cash flow indices are as follows:

	3/2004	3/2005	3/2006	3/2007	3/2008
Shareholders' equity ratio (%)	65.1	67.9	67.5	74.6	73.2
Shareholders' equity ratio at market value (%)	53.3	49.2	65.3	59.0	37.6
Cash flow versus interest-bearing debt ratio (year)	1.3	3.6	1.7	1.0	0.8
Interest coverage ratio	22.1	9.0	19.8	20.7	31.8

Shareholders' equity ratio: shareholders' equity/total assets

Shareholders' equity ratio at market value: market capitalization/total assets

Cash flow versus interest-bearing debt ratio: interest-bearing debt/operating cash flow

Interest coverage ratio: operating cash flow/interest payment

Note:

* All indices are calculated on a consolidated basis.

* Market capitalization is the final share price multiplied by the number of shares issued and outstanding at the end of the period.

* Operating cash flow is cash flows from operating activities in consolidated statements of cash flows. Interest-bearing debt is all interest-bearing debt in consolidated balance sheets. Interest payments are payments of interest in consolidated statements of cash flows.

(3) Basic Policy on Profit Distribution and Dividends for the Year under Review and the Coming Fiscal Year

The Company's basic aim is to return profits to shareholders on an ongoing basis and in a stable and appropriate manner. Specifically, the Company's basic dividend policy is to pay dividends that reflect business results, in light of a comprehensive consideration of various factors including financial position and forward-looking investment.

The Company regards the purchase of treasury stock as an effective means of returning profits to its shareholders and will respond appropriately in light of share price trends and financial position.

For the year under review, the Company set a dividend of ¥10.00 for the interim period and for the end of the year under review respectively, giving a planned full-year dividend of ¥20.00 (payment of the interim dividend has been completed). For the coming fiscal year, the Company plans an interim dividend and a year-end dividend of ¥10.00, giving a full-year dividend of ¥20.00, continuously from the previous fiscal year.

2. Management Policies

(1) Basic Management Policy, (2) Management Targets and Medium-to-Long-Term Company Strategies

The Company omits the two items above because their content has not changed significantly since their inclusion in the Company's summary of consolidated financial results for the first half ended September 30, 2007 (disclosed October 30, 2007).

The summary of consolidated financial results for the first half ended September 30, 2007, can be viewed at the following URLs.

(The Company's web site)

<http://www.maxell.co.jp/e/pdf/summary20071030.pdf>

(Web site of Tokyo Stock Exchange Group, Inc. (page for searching for information on listed companies))

<http://www.tse.or.jp/english/index.html>

(3) Issues the Company Should Address

Other issues that the Maxell Group should address in order to implement its medium-to-long-term strategies are as follows.

Strengthening the Cultivation of Personnel

The Company regards the effective utilization of personnel within the organization as one of the highest priority issues in corporate management. In response to changes in the management environment, the Company will deploy personnel efficiently and use them effectively. At the same time, we will establish an equitable and transparent personnel evaluation system, globalize the Company's organization and personnel, and aim to create an energetic, lively company.

Corporate Management with Awareness of Corporate Social Responsibility

The Company regards enhancing corporate value through awareness of corporate social responsibility to be one of the highest priority issues in corporate management. The Company will pursue environmental management that seeks to preserve the environment and construct a sustainable resource-recycling society as well as actively benefiting society with a view to existing in harmony with local communities. At the same time, the Company will strengthen risk management systems and implement strict compliance management to further develop internal control systems. In particular, the Company will forcefully ensure stringent compliance with antitrust laws and other laws and statutory regulations not only in Japan but also in Europe, North America and Asia. Through the above measures, the Company aims to be a corporate group that earns the trust of all its stakeholders.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Description	As of March 31, 2008		As of March 31, 2007		Increase/decrease Millions of yen
	Amount Millions of yen	Composition %	Amount Millions of yen	Composition %	
Current assets	134,709	51.3	116,300	44.3	18,409
Cash and deposits	15,830		11,086		4,744
Trade notes and accounts receivable	39,327		40,109		(782)
Marketable securities	9,948		6,847		3,101
Inventories	25,616		26,762		(1,146)
Deferred tax assets	5,350		4,377		973
Cash pooling deposits	30,154		21,890		8,264
Other current assets	8,984		5,592		3,392
Allowance for doubtful accounts	(500)		(363)		(137)
Fixed assets	127,782	48.7	146,340	55.7	(18,558)
Tangible fixed assets	88,003	33.5	81,647	31.1	6,356
Buildings and structures	20,991		23,307		(2,316)
Machinery and equipment	19,936		19,865		71
Land	42,289		32,004		10,285
Construction in progress	1,862		2,993		(1,131)
Other fixed assets	2,925		3,478		(553)
Intangible fixed assets	2,080	0.8	1,568	0.6	512
Investments and other fixed assets	37,699	14.4	63,125	24.0	(25,426)
Investment securities	26,963		53,709		(26,746)
Deferred tax assets	8,064		7,645		419
Other investments	2,688		1,786		902
Allowance for doubtful accounts	(16)		(15)		(1)
Total assets	262,491	100.0	262,640	100.0	(149)

Description	As of March 31, 2008		As of March 31, 2007		Increase/decrease Millions of yen
	Amount Millions of yen	Composition %	Amount Millions of yen	Composition %	
Current liabilities	46,118	17.6	46,260	17.6	(142)
Trade notes and accounts payable	22,670		19,322		3,348
Short-term bank loans	1,193		1,571		(378)
Accounts payable	4,048		5,338		(1,290)
Accrued expenses	14,213		17,003		(2,790)
Accrued income taxes	1,722		851		871
Other current liabilities	2,272		2,175		97
Long-term liabilities	24,299	9.2	20,518	7.8	3,781
Bonds	10,000		10,000		—
Allowance for retirement benefits	8,919		9,251		(332)
Allowance for directors' retirement bonus	548		599		(51)
Differed tax liabilities	4,030		—		4,030
Other long-term liabilities	802		668		134
Total liabilities	70,417	26.8	66,778	25.4	3,639
Shareholders' equity	199,233	75.9	199,251	75.9	(18)
Common stock	12,203	4.7	12,203	4.7	—
Capital surplus	22,326	8.5	22,327	8.5	(1)
Retained earnings	169,653	64.6	169,716	64.6	(63)
Cost of treasury stock	(4,949)	(1.9)	(4,995)	(1.9)	46
Total valuation and translation adjustments	(7,159)	(2.7)	(3,389)	(1.3)	(3,770)
Net unrealized holding gain (loss) on securities	(1,751)	(0.7)	(1,396)	(0.5)	(355)
Gain (loss) on deferred hedge transactions	—	—	(139)	(0.1)	139
Foreign currency translation adjustments	(5,408)	(2.0)	(1,854)	(0.7)	(3,554)
Total net assets	192,074	73.2	195,862	74.6	(3,788)
Total liabilities and net assets	262,491	100.0	262,640	100.0	(149)

(2) Consolidated Statements of Income

Description	April 1, 2007 through March 31, 2008		April 1, 2006 through March 31, 2007		Increase/ decrease	Change
	Amount	Composition	Amount	Composition		
	Millions of yen	%	Millions of yen	%		
Net sales	209,359	100.0	202,240	100.0	7,119	103.5
Cost of sales	147,865	70.6	139,664	69.1	8,201	105.9
Gross profit	61,494	29.4	62,576	30.9	(1,082)	98.3
Selling, general and administrative expenses	55,030	26.3	54,636	27.0	394	100.7
Operating income	6,464	3.1	7,940	3.9	(1,476)	81.4
Non-operating income	3,486	1.6	3,654	1.8	(168)	95.4
Interest and dividend income	1,606		1,882		(276)	
Equity in earnings of non-consolidated subsidiaries and affiliates	152		136		16	
Miscellaneous income	1,728		1,636		92	
Non-operating expenses	4,416	2.1	2,532	1.2	1,884	174.4
Interest expenses	973		597		376	
Exchange loss	882		—		882	
Miscellaneous expenses	2,561		1,935		626	
Ordinary income	5,534	2.6	9,062	4.5	(3,528)	61.1
Extraordinary gains	7,385	3.5	1,942	1.0	5,443	380.3
Gain on sales of fixed assets	6,056		290		5,766	
Gain from reversal of accrued expenses	972		1,477		(505)	
Other	357		175		182	
Extraordinary losses	9,769	4.6	1,919	1.0	7,850	509.1
Loss on disposal of fixed assets	1,011		731		280	
Impairment loss of long-lived assets	83		15		68	
Loss on revaluation of investment securities	1,495		1,148		347	
Restructuring charges	7,083		—		7,083	
Other	97		25		72	
Income before income taxes and minority interests	3,150	1.5	9,085	4.5	(5,935)	34.7
Income taxes - current	2,262	1.1	831	0.4	1,431	272.2
Income taxes – deferred	(783)	(0.4)	5,358	2.7	(6,141)	(14.6)
Net income	1,671	0.8	2,896	1.4	(1,225)	57.7

(3) Consolidated Statements of Changes in Shareholders' Equity
April 1, 2007 through March 31, 2008

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Cost of treasury stock	Total shareholders' equity
Balance at March 31, 2007	12,203	22,327	169,716	(4,995)	199,251
Changes during the fiscal 2007					
Decrease in retained earnings	—	—	(1,921)	—	(1,921)
Net income	—	—	1,671	—	1,671
PBO of foreign subsidiary	—	—	187	—	187
Acquisition of treasury stock	—	—	—	(2)	(2)
Retirement of treasury stock	—	(1)	—	48	47
Total changes during the fiscal 2007	—	(1)	(63)	46	(18)
Balance at March 31, 2008	12,203	22,326	169,653	(4,949)	199,233

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gain (loss) on securities	Gain (loss) on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2007	(1,396)	(139)	(1,854)	(3,389)	195,862
Changes during the fiscal 2007					
Decrease in retained earnings	—	—	—	—	(1,921)
Net income	—	—	—	—	1,671
PBO of foreign subsidiary	—	—	—	—	187
Acquisition of treasury stock	—	—	—	—	(2)
Retirement of treasury stock	—	—	—	—	47
Net changes during the fiscal 2007 of non-shareholders' equity items	(355)	139	(3,554)	(3,770)	(3,770)
Total changes during the fiscal 2007	(355)	139	(3,554)	(3,770)	(3,788)
Balance at March 31, 2008	(1,751)	—	(5,408)	(7,159)	192,074

April 1, 2006 through March 31, 2007

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Cost of treasury stock	Total shareholders' equity
Balance at March 31, 2006	12,203	22,325	168,726	(5,024)	198,230
Changes during the fiscal 2006					
Decrease in retained earnings	—	—	(1,872)	—	(1,872)
Directors' bonus by appropriation of retained earnings	—	—	(34)	—	(34)
Net income	—	—	2,896	—	2,896
Acquisition of treasury stock	—	—	—	(4)	(4)
Retirement of treasury stock	—	2	—	33	35
Total changes during the fiscal 2006	—	2	990	29	1,021
Balance at March 31, 2007	12,203	22,327	169,716	(4,995)	199,251

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gain (loss) on securities	Gain (loss) on deferred hedge transactions	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance at March 31, 2006	(1,661)	—	(3,361)	(5,022)	193,208
Changes during the fiscal 2006					
Decrease in retained earnings	—	—	—	—	(1,872)
Directors' bonus by appropriation of retained earnings	—	—	—	—	(34)
Net income	—	—	—	—	2,896
Acquisition of treasury stock	—	—	—	—	(4)
Retirement of treasury stock	—	—	—	—	35
Net changes during the fiscal 2006 of non-shareholders' equity items	265	(139)	1,507	1,633	1,633
Total changes during the fiscal 2006	265	(139)	1,507	1,633	2,654
Balance at March 31, 2007	(1,396)	(139)	(1,854)	(3,389)	195,862

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Description	April 1, 2007 through March 31, 2008	April 1, 2006 through March 31, 2007
	Amount	Amount
I Cash flows from operating activities		
Net profit before income taxes	3,150	9,085
Depreciation	11,120	9,792
Impairment loss of long-lived assets	5,532	15
Increase (decrease) in allowance for retirement benefits	(640)	(29)
Increase (decrease) in allowance for directors' retirement bonus	(111)	(24)
Increase (decrease) in allowance for doubtful accounts	(44)	(249)
Interest and dividend income	(1,606)	(1,882)
Interest expenses	973	597
Equity in earnings of non-consolidated subsidiaries and affiliates	(152)	(136)
Loss on revaluation of investment securities	1,495	1,148
Gain on sales of investment securities	(269)	—
Loss on disposal of fixed assets	1,244	731
Gain on sales of fixed assets	(6,056)	—
Decrease (increase) in trade notes and accounts receivable	193	863
Decrease (increase) in inventories	681	(84)
Increase in trade notes and accounts payable	5,156	1,454
Increase (decrease) in accrued expenses	(3,399)	(4,500)
Decrease (increase) in accrued revenue	(3,236)	(1,841)
Payments of directors' bonus	—	(34)
Other	1,014	(1,265)
Subtotal	15,045	13,641
Proceeds from interest and dividend income	2,001	1,956
Payments of interest	(476)	(622)
Refund (payments) of income taxes	(1,439)	(2,121)
Net cash provided by (used in) operating activities	15,131	12,854
II Cash flows from investing activities		
Proceeds from sales of marketable securities	3,500	11,800
Purchase of tangible fixed assets	(11,802)	(10,566)
Proceeds from sales of tangible fixed assets	6,761	511
Purchase of investment securities	(1,092)	(5,568)
Proceeds from sales of investment securities	16,374	6,187
Payments for acquisition of investments in newly consolidated subsidiary	(11,047)	—
Proceeds from liquidation of non-consolidated subsidiary	—	83
Payments of loan receivables	(613)	(474)
Collections of loan receivables	536	454
Other	(885)	(154)
Net cash provided by (used in) investing activities	1,732	2,273

III Cash flows from financing activities		
Decrease in short-term debt	(3,563)	(418)
Expenditures for redemption of bonds	—	(20,000)
Dividends paid to shareholders	(1,921)	(1,872)
Expenditures of currency swap expiration	—	(1,087)
Purchase of treasury stock	(3)	(4)
Proceeds from sales of treasury stock	48	35
Net cash provided by (used in) financing activities	(5,439)	(23,346)
IV Effect of exchange rate changes on cash and cash equivalents	(1,767)	226
V Net increase (decrease) in cash and cash equivalents	9,657	(7,993)
VI Cash and cash equivalents at beginning of year	36,683	44,676
VII Cash and cash equivalents at end of period	46,340	36,683

4. Geographic Segment Information

April 1, 2007 through March 31, 2008

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
1. Sales and operating expenses							
Sales							
(1) Outside customers	86,076	66,367	35,169	21,747	209,359	—	209,359
(2) Intersegment transactions	67,402	324	22	10,817	78,565	(78,565)	—
Total sales	153,478	66,691	35,191	32,564	287,924	(78,565)	209,359
Operating expenses	149,574	65,472	35,112	31,828	281,986	(79,091)	202,895
Operating income	3,904	1,219	79	736	5,938	526	6,464
2. Total assets	117,953	15,026	16,930	13,991	163,900	98,591	262,491

April 1, 2006 through March 31, 2007

(Millions of yen)

	Japan	America	Europe	Asia and other	Total	Corporate (Elimination)	Consolidated total
1. Sales and operating expenses							
Sales							
(1) Outside customers	78,908	66,742	36,107	20,483	202,240	—	202,240
(2) Intersegment transactions	62,351	380	11	11,099	73,841	(73,841)	—
Total sales	141,259	67,122	36,118	31,582	276,081	(73,841)	202,240
Operating expenses	134,534	66,110	36,427	31,024	268,095	(73,795)	194,300
Operating income	6,725	1,012	(309)	558	7,986	(46)	7,940
2. Total assets	123,146	19,186	20,838	9,636	172,806	89,834	262,640

Overseas sales

	America		Europe		Asia and other		Subtotal		Consolidated total
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen
April 1, 2007 through March 31, 2008	54,771	26.1	36,617	17.5	43,513	20.8	134,901	64.4	209,359
April 1, 2006 through March 31, 2007	61,688	30.5	35,778	17.7	32,470	16.0	129,936	64.2	202,240

Note: Overseas sales are the consolidated sales to other than Japan.