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Consolidated Financial and Performance Review for the First Quarter of Fiscal Year Ending March 2008

July 27, 2007

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(Amounts less than JPY 1 million are discarded.)

1. Consolidated Performance for the First Quarter of Fiscal Year Ending March 2008 (April 1 - June 30, 2007)

(1) Consolidated Operating Performance

(Quarterly figures shown in percentages are rate of change from the previous corresponding period.)

	Net Sales		Operating Profit		Ordinary Income		Quarterly/Annual Net Income	
	JPY in Million	%	JPY in Million	%	JPY in Million	%	JPY in Million	%
1st quarter of fiscal year ending March 31, 2008	42,618	4.0	1,188	-40.6	628	-57.0	556	-55.6
1st quarter of fiscal year ended March 31, 2007	40,966	-5.9	1,999	11.4	1,462	5.8	1,253	9.1
Full fiscal year ended March 31, 2007	169,194	-7.9	5,617	-35.3	2,339	-52.1	1,586	-74.0

	Quarterly/Annual Net Income per share	Quarterly/Annual Net Income per share after adjustment for latent shareholdings
	JPY	JPY
1st quarter of fiscal year ending March 31, 2008	1.52	-
1st quarter of fiscal year ended March 31, 2007	3.41	-
Full fiscal year ended March 31, 2007	4.32	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	JPY in Million	JPY in Million	%	JPY
1st quarter of fiscal year ending March 31, 2008	121,160	40,631	33.5	110.74
1st quarter of fiscal year ended March 31, 2007	110,002	37,630	34.2	102.53
Full fiscal year ended March 31, 2007	111,220	39,066	35.1	106.46

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the end
	JPY in Million	JPY in Million	JPY in Million	JPY in Million
1st quarter of fiscal year ending March 31, 2008	530	-9,416	9,033	17,738
1st quarter of fiscal year ended March 31, 2007	1,529	-1,432	1,515	15,604
Full fiscal year ended March 31, 2007	11,456	-5,218	-3,717	16,934

Note: Quarterly financial and performance figures have not been audited by an independent auditor.

2. Dividend Status

	Dividend per Share
Date of Record	End of 1st Quarter
	JPY
1st quarter of fiscal year ending March 31, 2008	-
1st quarter of fiscal year ended March 31, 2007	-

3. Consolidated Earnings Outlook for the Fiscal Year Ending March 2008 (April 1, 2007 – March 31, 2008) [Reference]

(Figures for full fiscal year and interim period shown in percentages are rates of change from the previous fiscal year and those from the previous interim period respectively.)

	Net Sales		Operating Profit		Ordinary Income		Net Income		Net Income per Share
	JPY in Million	%	JPY in Million	%	JPY in Million	%	JPY in Million	%	JPY
Interim Period	86,000	5.3	2,800	-12.1	1,500	-20.1	1,000	-20.2	2.73
Full Year	183,000	8.2	8,300	47.8	5,000	113.7	4,000	152.2	10.90

Note: Figures for net sales, operating profit, ordinary income and net income are in line with earnings forecast announced on May 15, 2007.

4. Others

(1) There is no change in the number of significant subsidiaries during the term (no change in the number of specific subsidiaries due to change in the scope of consolidation)

(2) Simplified accounting method is in effect.

(3) There is no change in the application of consolidated accounting principles from latest full fiscal year.

Note: For details, please refer to "4. Others" in the "Qualitative Information and Financial Statements" section, on page 7.

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Qualitative Information and Financial Statements

1. Qualitative information about consolidated operating results

(1) Performance review for the first quarter of the fiscal year ending March 2008

Concerning operating results of the Kenwood Group during the first quarter of the fiscal year ending March 2008, while the consumer electronics market continued to see intense competition, both net sales and profits were in line with our forecast due partly to the positive effect from the completion of acquisition of Zetron Inc., a U.S. based systems communications company, in May 2007.

(2) Consolidated earnings

*** Net Sales**

During the first quarter of the fiscal year ending March 2008, net sales of the Communications Equipment business grew for the second year in a row due partly to the positive effect from the acquisition of Zetron Inc.

Although net sales of the OEM business declined due to inactive sales of mainstay products for the Japanese market and sales termination of certain automobile types, net sales of the Car Electronics Consumer business were boosted due to expanded sales of car navigation systems for overseas markets, as a result of which net sales in the overall Car Electronics business remained unchanged from the previous corresponding period.

In the meantime, net sales in the Home Electronics business declined from the result of the previous corresponding period due to reasons such as a strategy change that was implemented in the previous fiscal year.

Consequently, net sales for the entire Company increased approximately JPY1.7 billion (or 4.0%) from the previous corresponding period to JPY42,618 million as were planned initially.

*** Operating profit**

In the Communications Equipment business, the provisional burden of expenses related to the acquisition of Zetron Inc. were absorbed by the strong wireless radio equipment and cellular phone sales businesses, so that profits for the entire business remained at the same level as in the previous corresponding period.

In addition, earnings in the Home Electronics business recovered due to the effect of a strategy change.

In the Car Electronics business, although the Car Electronics Consumer business maintained profits on a par with the level of the previous corresponding period, decreased sales in the OEM business caused overall earnings of the Car Electronics business to fall short of the result of the previous corresponding period.

As a result, operating profit for the entire Company decreased approximately JPY0.8 billion (or 40.6%) from the previous corresponding period to JPY1,188 million, which fell short of the result of the previous corresponding period but was in line with our forecast announced on May 15.

*** Ordinary income and quarterly net income**

With the decrease in operating profit, ordinary income declined nearly JPY0.8 billion (or 57.0%) from the same period in the previous fiscal year to JPY628 million, and quarterly net income declined almost JPY0.7 billion (or 55.6%) from the previous corresponding period to JPY556 million.

Consolidated sales and operating profit by business segment are as follows:

[April 1 - June 30, 2007] (JPY in Million)

Segment		1st quarter of fiscal year ending March 31, 2008	1st quarter of fiscal year ended March 31, 2007	Year-on-Year	
Car Electronics Business	Net Sales	23,909	24,070	-161	-0.7%
	Operating Profit	-273	646	-919	-
Communications Equipment Business	Net Sales	16,400	14,123	+2,277	+16.1%
	Operating Profit	1,879	1,830	+49	+2.7%
Home Electronics Business	Net Sales	1,751	2,303	-552	-24.0%
	Operating Profit	-432	-481	+49	-
Others	Net Sales	558	470	+88	+18.7%
	Operating Profit	14	4	+10	+250.0%
Total	Net Sales	42,618	40,966	+1,652	+4.0%
	Operating Profit	1,188	1,999	-811	-40.6%
	Ordinary Income	628	1,462	-833	-57.0%
	Quarterly Net Income	556	1,253	-696	-55.6%

*** Car Electronics Business**

Net sales of the OEM business declined due to inactive sales of mainstay line-fitted products for the Japanese market and sales termination of certain automobile types. However, net sales of the Car Electronics Consumer (Multimedia) business were boosted due to the effect of steady increases in sales of car navigation systems in overseas markets of which we enhanced line-up and expanded sales area worldwide, offsetting the influence of price reduction mainly of low-priced models for European and U.S. markets in the Car Electronics Consumer (Audio) business. As a result, net sales in the overall Car Electronics business were at approximately the same level as those of the previous corresponding period.

Although profits in the Car Electronics Consumer (Multimedia) business increased due to the effect of sales expansion, offsetting the effect of price reduction in the Car Electronics Consumer (Audio) business, operating profit in the overall Car Electronics business, while maintaining the forecasted level, fell significantly under that of the previous corresponding period due to a drop in sales in the OEM business.

*** Communications Equipment Business**

Net sales of the Communications Equipment business substantially exceeded the result of the previous corresponding period due to the effect of consolidation of sales of Zetron Inc., which was converted into a subsidiary of the Kenwood Group in the mainstay Land Mobile Radio business, and due to increased sales in the Personal Digital Cellular (PDC) phones sales business on the accompanying aggressive sales promotion measures implemented by PDC carriers and a strategy change by the Kenwood Group.

Despite the burden of expenses related to the acquisition of Zetron, Inc., increased sales in the PDC phones sales business helped operating profit for the entire Communications Equipment business remain unchanged from the previous corresponding period.

*** Home Electronics Business**

Net sales in the Home Electronics business declined from the result of the previous corresponding period due to the influence of cutting down the line-up of existing models of audio products on account of a strategy change. However, the effect of the strategy change became apparent and losses decreased despite a drop in sales.

2. Qualitative Information about Consolidated Financial Position

	End of the current 1st quarter	(Reference) End of the previous fiscal year	Year-on-Year	End of the previous 1st quarter
Total Assets (JPY in Million)	121,160	111,220	+9,940	110,002
Interest-Bearing Debts (JPY in Million)	33,836	23,754	+10,082	28,280
Net Debts (JPY in Million)	16,057	6,782	+9,275	12,641
Net Assets (JPY in Million)	40,631	39,066	+1,565	37,630
Shareholders' Equity Ratio (%)	33.5	35.1	-1.6	34.2
Shareholders' Equity Ratio at Market Value (%)	56.0	59.1	+3.1	71.4
Net Assets per Share (JPY)	110.74	106.46	+4.28	102.53
Retained Earnings (JPY in Million)	18,918	19,096	-178	18,776
Interest Coverage Ratio (times)	18.5	22.4	-3.8	14.6

(Calculation Method)
- Net Debts = Interest-bearing debts - Cash and cash equivalents
- Shareholders' Equity Ratio = Shareholders' equity (Net assets – Stock option – Minority interest) / Total assets
- Shareholders' Equity Ratio at Market Value = Market capitalization / Total assets
- Net Assets per Share = Net assets as of the end of the fiscal year under review available to common stocks / Number of outstanding shares as of the end of the fiscal year under review (after deducting the number of treasury shares)
- Interest Coverage Ratio = Operating cash flows / Interest payment

Notes:
- Each index is calculated based on consolidated financial figures.
- Market capitalization is calculated by multiplying closing stock price at the end of the fiscal year under review by the number of outstanding shares at the end of the fiscal year under review (after deducting the number of treasury shares).
- Interest-bearing debts include all debts whose interests are paid in the consolidated balance sheet. As for cash and cash equivalents, "Cash and cash equivalents" in the consolidated balance sheet is used.
- As for operating cash flow and interest payment figures, "Cash flows from operating activities" and "Interest paid" of the Consolidated Statements of Cash Flows are used.

(1) Analysis of Assets, Liabilities and Net Assets

Total assets for the first quarter of the fiscal year ending March 2008 increased approximately JPY9. 9 billion from the end of the previous year to JPY121,160 million mainly due to increases in assets accompanying the acquisition of Zetron, Inc.

Net assets rose almost JPY1.6 billion from the end of the previous fiscal year to JPY40,631 million due partly to an increase in the foreign currency translation adjustment account reflecting exchange-rate fluctuations. However, shareholders' equity ratio declined by 1.6 percentage points compared with the end of the previous fiscal year to 33.5% because total assets also increased.

Interest-bearing debts increased approximately JPY10.1 billion from the end of the previous fiscal year to JPY33,836 million because the Company appropriated borrowings from financial institutions for purposes such as funds for the acquisition of Zetron, Inc. Net debt rose approximately JPY9.3 billion from the end of the previous fiscal year to JPY16,057 million.

Retained earnings decreased approximately by JPY0.2 billion to JPY18,918 million from the end of the previous fiscal year, this is because the total amount of year-end dividends of JPY2 per share which was paid following the plan decided at the previous year with the increased quarterly net income of the current first quarter.

(2) Cash Flow Analysis

Cash flows from operating activities in the first quarter of the fiscal year ending March 2008 stood at JPY530 million, down approximately JPY1.0 billion from the previous corresponding period. This was mainly attributable to a decrease in trade payables.

Cash flows from investing activities increased approximately JPY8.0 billion from the previous corresponding period to JPY9,416 million, primarily due to the expenditure related to the acquisition of Zetron, Inc.

Cash flows from financing activities increased approximately JPY7.5 billion from the previous corresponding period to generate a net inflow of JPY9,033 million. This was mainly attributable to appropriation of borrowings from financial institutions for funds to acquire Zetron, Inc.

3. Qualitative Information about Consolidated Earnings Outlook for the Fiscal Year Ending March 2008

Earnings for the fiscal year ending March 2008 are expected to turn upward hit the bottom at previous year both in sales and profits from the previous fiscal year because of expected benefits from the effects of various measures for strategic development, up-front development, sales expansion and profit recovery on which we focused in the fiscal year ended March 2007, as well as due to the results of new growth strategies such as business alliances and M&A.

Most of the aforementioned results will become apparent in the second half of the fiscal year ending March 2008 and beyond. Therefore, as we announced on May 15, we forecast an increase in sales and a decrease in profits for the interim period for the fiscal year ending March 2008 but estimate increases both in sales and profits for the full fiscal year.

*** Equity Investment and Strategic Business Alliance in/with Victor Company of Japan, Limited**

Effect on earnings forecast

Concerning the capital and strategic business alliance with Victor Company of Japan, Limited (“JVC”), which were announced on July 24, we are discussing the details with timing of the commencement of cooperation slated for October 2007. While details discussed in “3.Consolidated Earnings Outlook for the Fiscal Year Ending March 2008” on page 2 are in line with our earnings forecast announced on May 15 and do not reflect the synergistic effects from the strategic business alliance, the Company will pursue further discussion on this matter so that we will be able to deliver results at the earliest possible date. We will make a further announcement when a specific estimate is available of the contribution of the strategic business alliance to earnings.

In the meantime, Kenwood plans to make the payment of JPY20 billion, using a credit line of loans from a financial institution having an existing contractual relationship with Kenwood.

Background and purpose of strategic business alliance

First step is to look forward to synergistic effects on close-range performance on a non-consolidated basis, and second step is to aim toward early management integration.

The Kenwood Group believes that, in mature industries where competition is fierce, M&A and business alliances enable the parties involved to achieve growth at a faster pace than when such parties attempt to grow independently, and therefore constitute effective means of creating and enhancing their corporate value. For this reason, Kenwood has been reviewing various options for the enhancement of the global competitiveness of the Japanese consumer electronics industry, taking into consideration possible realignment of the industry.

For first step of above plan, on July 24, the Kenwood Group established with JVC a strategic business alliance through an investment in an amount which will not exceed the equity method threshold (thereby increasing the shareholding ratio of Kenwood to 17%). Through this agreement, JVC will not be subject to consolidation with the Kenwood Group, and through a relationship in which the business performance of the two companies shall not directly affect each other, will be implemented in such a way that is believed to offer prospects for development of a significant synergy effect for both companies early on. In other words, Kenwood can expect synergy effect in Car Electronics and Home Electronics businesses, two of its three core businesses, which in turn produces nearly 70% of the net sales. In particular, by combining JVC’s consumer (audio) business with the Kenwood’s consumer (audio) business which constitutes approximately one-half of its overall Car Electronics business, accounting for 60% of net sales of the Company, the scale of the business will double and achieve the largest market share in the world.

A significant synergy effect, such as enhanced cost competitiveness, is also expected from economy of scale in the consumer (multimedia) business (including car navigation and home/portable audio systems) through joint development, joint materials procurement and mutual manufacturing services by a joint venture, etc.

The second step then will be to follow through and ensure the stable management and performance of both companies, and continue to examine progress with an aim toward integration of the management of both companies in a spirit of equality.

[Notes on Earnings Outlook]

The earnings outlook described above is an estimate of the future state of affairs reflecting the judgments that the Group has made on the basis of currently available information. Please note that actual results may vary materially from the results projected and presented in this outlook for a variety of reasons. Accordingly, the Group recommends that you refrain from making your investment decisions solely on the strength of this outlook.

4. Others

(1) Change in the number of significant subsidiaries during the term (change in the number of specific subsidiaries due to change in the scope of consolidation)
None.

(2) Adoption of simplified accounting method
Certain simplified methods were used in accounting financial instruments (at market value), allowances, tax effects, corporate taxes and other items.

(3) Changes in the application of consolidated accounting principles from the latest full fiscal year
None.

1. Summary of Consolidated Balance Sheet for the quarter

(JPY in Million)

Item	Current period (1st Quarter of FY2007)		Previous period (1st Quarter of FY2006)		Increase/ decrease		Reference (FY2006)	
	Amount	%	Amount	%	Amount	%	Amount	%
(Assets)								
I Current Assets								
1 Cash and cash equivalents	17,779		15,639		2,139		16,972	
2 Trade notes and accounts receivable	28,793		26,171		2,621		29,891	
3 Inventories	28,929		27,987		942		26,404	
4 Prepaid expenses	972		954		17		634	
5 Deferred tax assets	489		677		-188		452	
6 Other current assets	3,746		3,598		147		3,960	
7 Allowance for doubtful receivables	-807		-747		-59		-751	
Total Current Assets	79,902	65.9	74,281	67.5	5,620	7.6	77,563	69.8
II Fixed Assets								
(1) Tangible fixed assets								
1 Building and other structures	17,242		17,203		39		17,041	
2 Machinery and equipment	21,344		18,902		2,441		20,284	
3 Tools, furniture and fixtures	15,080		13,598		1,482		14,228	
4 Land	9,456		9,205		250		9,443	
5 Construction in progress	5		0		5		3	
Total	63,129		58,909		4,219		61,001	
Accumulated depreciation	-41,858		-37,473		-4,384		-39,930	
Total tangible fixed assets	21,271	17.6	21,436	19.5	-165	-0.8	21,070	18.9
(2) Intangible fixed assets								
1 Goodwill	7,641		311		7,330		201	
2 Software	5,882		5,617		265		5,942	
3 Other intangible fixed assets	426		527		-100		423	
Total Intangible fixed assets	13,950	11.5	6,456	5.9	7,494	116.1	6,567	5.9
(3) Investments and other assets								
1 Investment securities	3,931		5,628		-1,696		3,933	
2 Deferred tax assets	708		734		-26		675	
3 Other investments	1,440		1,429		11		1,457	
4 Allowance for doubtful receivables	-82		-87		4		-85	
Total investments and other assets	5,998	5.0	7,705	7.0	-1,707	-22.2	5,981	5.4
Total Fixed Assets	41,220	34.1	35,598	32.4	5,622	15.8	33,618	30.2
III Deferred Assets								
New stock issuing expenses	38		122		-84		38	
Total Deferred Assets	38	0.0	122	0.1	-84	-68.9	38	0.0
Total Assets	121,160	100.0	110,002	100.0	11,158	10.1	111,220	100.0

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(JPY in Million)

Item	Current period (1st Quarter of FY2007)		Previous period (1st Quarter of FY2006)		Increase/ decrease		Reference (FY2006)	
	Amount	%	Amount	%	Amount	%	Amount	%
(Liabilities)								
I Current Liabilities								
1 Trade notes and accounts payable	17,947		16,758		1,188		19,168	
2 Short term bank borrowings	13,836		28,280		-14,444		3,754	
3 Accounts payable (non trade)	6,627		4,676		1,951		7,567	
4 Income taxes payable	371		529		-158		529	
5 Accrued expenses	6,466		6,332		134		7,106	
6 Deferred tax liabilities	2		14		-12		2	
7 Other current liabilities	2,380		2,666		-285		1,205	
Total Current Liabilities	47,632	39.3	59,259	53.9	-11,626	-19.6	39,334	35.4
II Long Term Liabilities								
1 Long term debt	20,000		-		20,000		20,000	
2 Deferred tax liabilities as a result of land revaluations	2,027		2,027		-		2,027	
3 Deferred tax liabilities	808		1,452		-643		853	
4 Liability for employees' retirement benefits	9,719		9,458		260		9,609	
5 Other long term liabilities	340		173		166		329	
Total Long Term Liabilities	32,896	27.2	13,113	11.9	19,783	150.9	32,820	29.5
Total Liabilities	80,529	66.5	72,372	65.8	8,157	11.3	72,154	64.9
(Net Asset)								
I Shareholders' equity								
1 Paid-in capital	11,059		11,059		-		11,059	
2 Capital surplus	13,373		13,373		-		13,373	
3 Retained earnings	18,918		18,776		142		19,096	
4 Treasury stock	-110		-88		-22		-105	
Total Shareholders' equity	43,240	35.7	43,120	39.2	120	0.3	43,424	39.0
II Valuation and Translation adjustments								
1 Unrealized gain and loss on available-for-sale securities	1,096		1,889		-793		1,096	
2 Deferred hedge gain and loss	-		-		-		71	
3 Land revaluation surplus	2,954		2,954		-		2,954	
4 Foreign currency translation adjustments	-6,661		-10,334		3,673		-8,480	
Total Valuation and Translation adjustments	-2,609	-2.2	-5,490	-5.0	2,880	-52.5	-4,358	-3.9
Total Net Asset	40,631	33.5	37,630	34.2	3,000	8.0	39,066	35.1
Total Liabilities and Net Asset	121,160	100.0	110,002	100.0	11,158	10.1	111,220	100.0

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2. Summary of Consolidated Income Statements

(JPY in Million)

Item	Current period (1st Quarter of FY2007)		Previous period (1st Quarter of FY2006)		Increase/ decrease		Reference (FY2006)	
	Amount	%	Amount	%	Amount	%	Amount	%
I Net Sales	42,618	100.0	40,966	100.0	1,651	4.0	169,194	100.0
II Cost of Sales	31,840	74.7	30,260	73.9	1,580	5.2	127,796	75.5
Gross Profit	10,777	25.3	10,706	26.1	71	0.7	41,397	24.5
III Selling, General and Administrative expenses	9,589	22.5	8,706	21.2	882	10.1	35,780	21.2
Operating Profit	1,188	2.8	1,999	4.9	-811	-40.6	5,617	3.3
IV Non-operating Profit								
1 Interest income and dividends	77		105		-28		313	
2 Other non-operating profit	195		237		-41		435	
Sub-total	273	0.7	343	0.8	-69	-20.3	749	0.4
V Non-operating Expense								
1 Interest expense	120		125		-5		526	
2 Other non-operating expenses	712		754		-41		3,500	
Sub-total	832	2.0	879	2.1	-47	-5.4	4,026	2.3
Ordinary Income	628	1.5	1,462	3.6	-833	-57.0	2,339	1.4
VI Extraordinary Profit								
1 Gain on sales of fixed assets	25		12		12		86	
2 Reversal of allowance for doubtful receivables	0		-		0		1	
3 Gain on sale of investment securities	5		-		5		588	
Sub-total	31	0.1	12	0.0	18	143.9	676	0.4
VII Extraordinary Loss								
1 Loss on revision of profit and loss of previous year	-		-		-		95	
2 Loss on devaluation of golf membership	-		-		-		0	
3 Retirement allowance paid to directors	-		-		-		260	
4 Loss on devaluation of investment securities	-		14		-14		42	
5 Loss on disposal and sales of fixed assets	1		0		0		101	
Sub-total	1	0.0	15	0.0	-13	-90.1	499	0.3
Income before Income taxes	658	1.6	1,460	3.6	-801	-54.9	2,516	1.5
Income Tax, Corporate Inhabitant Tax and Corporate Enterprise Tax	102	0.3	207	0.5	-105	-50.7	621	0.4
Corporate Tax and Other Adjustment	-	-	-	-	-	-	308	0.2
Net Income	556	1.3	1,253	3.1	-696	-55.6	1,586	0.9

3. Summary of Consolidated Statements of Cash Flows

(JPY in Million)

Item	Current period (1st Quarter of FY2007)	Previous period (1st Quarter of FY2006)	Reference (FY2006)
	Amount	Amount	Amount
I Cash Flows from Operating Activities:			
1 Income before income taxes	658	1,460	2,516
2 Depreciation	1,678	1,679	6,949
3 Amortization of goodwill	75	14	58
4 Decrease in allowance for doubtful accounts	-77	-67	-18
5 Increase in allowance for employees'retirement	100	92	209
6 Interest revenue and dividend income	-77	-105	-313
7 Interest expense	120	125	526
8 Gain on sale of investment securities	-5	-	-588
9 Loss on devaluation of investment securities	-	14	42
10 Loss on disposal of fixed assets	-	0	98
11 (Gain) loss on sales of fixed assets	-23	-12	-83
12 Decrease in trade notes and accounts receivable	3,183	2,905	826
13 (Increase) decrease in inventories	-977	-2,270	388
14 Increase (decrease) in accounts payable	-3,752	-2,376	1,474
15 Increase (decrease) in consumption tax payable	-52	24	86
16 (Increase) decrease in consumption tax refunds receivable	-92	-18	17
17 Amount paid as bonuses to directors	-	-	-59
18 Others	-107	258	195
Sub-Total	648	1,726	12,327
19 Interest and dividend received	77	106	313
20 Interest paid	-28	-105	-512
21 Income taxes paid	-167	-197	-647
22 Amount paid as retirement allowance to directors	-	-	-24
Net cash provided by operating activities	530	1,529	11,456
II Cash Flows from Investing Activities:			
1 Decrease in (withdrawal from) time deposits (Net)	0	3	6
2 Capital investment (real estate, plants and equipment)	-607	-446	-2,408
3 Proceeds from sales of property, plant and equipment	17	24	480
4 Purchase of intangible fixed assets	-809	-1,013	-4,102
5 Purchase of investment securities	-0	-0	-1
6 Proceeds from sales of investment securities	6	-	806
7 Purchase of shares of consolidated subsidiaries due to change in the scope of consolidation	-8,024	-	-
8 Others	0	0	0
Net cash used in investing activities	-9,416	-1,432	-5,218
III Cash Flows from Financing Activities:			
1 Increase (decrease) in short-term bank borrowings, net	9,483	2,006	-22,795
2 Proceeds from long-term bank borrowings	-	-	19,925
3 Dividend payment	-430	-464	-729
4 Others	-19	-27	-117
Net cash provided by (used in) financing activities	9,033	1,515	-3,717
IV Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents	657	-17	404
V Net Increase in Cash and Cash Equivalents	804	1,595	2,925
VI Cash and Cash Equivalents at beginning of year	16,934	14,008	14,008
VII Cash and Cash Equivalents at end of account settlement period	17,738	15,604	16,934