

Nippon Antenna
(6930, JASDAQ)

Summary of Financial Report 2008
(for the Year ended March 2008)

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Company Profile

Financial Highlights

Year ended March 31; Thousands of yen	2004	2005	2006	2007	2008
Consolidated					
Net sales	27,404,050	27,274,702	28,076,048	31,455,001	31,992,848
Ordinary income	1,463,586	1,232,610	776,287	1,559,849	1,818,226
Net income	774,794	603,318	367,712	925,499	405,470
Shareholders' equity	20,236,542	20,669,945	21,556,369	22,226,140	21,880,922
Total assets	28,492,694	28,700,597	29,965,257	31,528,631	30,896,110
Shareholders' equity per share (Yen)	1,479.73	1,512.56	1,579.05	1,630.08	1,604.82
Net income per share (Yen)	54.16	42.25	25.62	67.87	29.74
Net income per share, fully diluted (Yen)	—	—	—	—	—
Shareholders' equity ratio	71.02	72.02	71.94	70.50	70.82
Return on equity	3.85	2.95	1.74	4.23	1.84
Price earnings ratio	17.73	23.62	39.81	14.00	20.51
Net cash from operating activities	1,631,643	1,082,092	1,167,245	499,590	2,849,521
Net cash from investment activities	(1,303,872)	(1,006,029)	(1,244,716)	(1,095,048)	(944,057)
Net cash from financing activities	(479,211)	(293,972)	(294,835)	(291,330)	(287,080)
Cash and cash equivalents at end of period	6,826,835	6,649,427	6,391,336	5,662,819	7,250,290
Employees	1,153	1,366	1,951	1,882	2,052

Description of Business

The corporate group, which is composed of the Company (Nippon Antenna Co., Ltd.) and six subsidiaries, is engaged in the manufacture and sale of antennas for telecommunications, automobiles, and television, and of electronic equipment for television transmission. It is also involved in the construction for installation of telecommunication systems and related businesses.

The following outlines the activities of the corporate group and the involvement of each group company in these activities. The information is provided according to business segment.

Manufacturing

This division is engaged in the manufacture and sale of: satellite antennas, mobile phone antennas, and car antennas; telecommunications-related equipment and antennas; and TV receiving antennas and TV reception/transmission-related equipment and accessories.

The Company, Ishinomaki Atex Co, Ltd., Nippon Antenna Philippines, Inc., and Nippon Antenna (Shanghai) Co, Ltd., have manufacturing operations.

The Company, Nippon Antenna (Europe) GmbH, Nippon Antenna (America), Inc. and Nippon Antenna (Philippines), Inc. are engaged in selling the products manufactured by the group.

Construction

This division is involved in the construction including design and installation of CATV systems, CATV Internet systems, BS/CS receiving systems, and systems for the prevention of TV electromagnetic interference.

The Company provide construction-related services.

Other

NAC Development Corporation owns the land under the Company's factory in the Philippines { which is operated by Nippon Antenna (Philippines), Inc. }.

Major product in each business segment

Business segments	Sales segments	Major products
Manufacturing business	Antenna	Satellite antennas, mobile phone antennas, car antennas and related equipment, communications antennas and related equipment, TV antennas
	TV reception/transmission related electronic equipment	BS receiving equipment, cable TV transmission equipment, TV receiving related products (amplifiers, splitter, etc.)
Construction business	Electric & communications works	Cable TV related construction, cable Internet-related construction, satellite receiving-related construction, TV electromagnetic interference prevention construction

Group Companies

	Common stock	Percent ownership
Consolidated subsidiaries		
NIPPON ANTENNA (EUROPE) GmbH	EUR287,000	100.0
ISHINOMAKI ATEX CO, Ltd.	¥92,500,000	100.0
NIPPON ANTENNA (PHILIPPINES), INC.	PHP250,000,000	100.0
NIPPON ANTENNA (AMERICA), INC.	US\$1,000,000	100.0
NIPPON ANTENNA (Shanghai) CO, Ltd.	CNY107,024,000	100.0

Largest Shareholders

Name of shareholders	Thousands of shares owned	Percent of shares outstanding
Sayo Takizawa	2,773	19.40
Ichiro Takizawa	753	5.27
Yutaka Takizawa	564	3.95
Resona Bank, Ltd.	500	3.50
Mizuho Bank, Ltd.	499	3.49
Souzaburo Yokoyama	365	2.55
Clarion Co., Ltd.	365	2.55
Showa Leasing Co., Ltd.	336	2.35
Nippon Antenna Employees' Shareholding Association	326	2.28
The BANK of NEW YORK Non-treaty JASDEC account	324	2.27
	6,808	47.61

Directors and Statutory Auditors

Ichiro Takizawa	Chairman of the Board
Yutaka Takizawa	President and Representative Director
Kenji Tanaka	Senior Managing Director
Kenji Masuda	Managing Director
Takatsugu Ito	Director
Tetsumi Izawa	Director
Hiroshi Unami	Director
Koji Enomoto	Director
Mitsuya Makino	Director
Yukio Misawa	Standing Statutory Auditor
Minoru Hino	Statutory Auditor
Yuji Katsuki	Statutory Auditor

Business Overview

Results of Operations

During the consolidated fiscal year under review, Asian economies, particularly China and India, continued to expand, while the U.S. economy began to show increasing signs of a slowdown in the wake of the emergence of the subprime crisis, and which also affected European economies.

In Japan, capital expenditure continued to rise and the employment situation continued to improve on the back of higher corporate earnings, but in the second half the outlook became more uncertain due to the impact of factors such as fears of a recession in the U.S., soaring oil and materials prices, and a sharp rise in the value of the yen against the dollar.

Although our industry was supported by market trends such as an expansion in the number of households switching to digital terrestrial broadcasting, the business environment remained severe due to factors such as soaring materials prices, lower sales prices brought on by intensifying competition, and construction delays following a revision to the Building Standards Act.

Amid this environment, the Group pursued a basic policy of using proprietary technology to offer high-quality products and services, and emphasized operations related to digital terrestrial broadcasting, which has reached full bloom. We also continued endeavoring to develop new products and reduce costs, worked to increase productivity by expanding overseas production and local procurement, endeavored to make our sales activities more aggressive, strived to rationalize our expenses, and so on.

As a result of these efforts, sales for the consolidated fiscal year edged up 1.7% year-on-year to ¥31,992 million, operating income increased 12.3% y/y to ¥1,634 million, ordinary income climbed 16.6% y/y to ¥1,818 million, while net income dropped by 56.2% y/y to ¥405 million.

Results by business segment are as follows:

Manufacturing

Revenue from TV-receiving antennas increased year-on-year on the back of factors such as the launch of a new product: a slimline digital terrestrial antenna. Revenues from car antennas edged up slightly on strong domestic sales, while revenue from communications-use antennas increased by a large margin on strong sales of cellular-phone antennas both at home and abroad.

Revenue from TV reception/transmission-related electronic equipment declined due to weak sales of CATV-related equipment and a drop in sales stemming from construction delays following a revision to the Building Standards Act.

As a result, sales for the consolidated fiscal year increased 2.7% y/y to stand at ¥24,089 million, and operating income dropped 5.6% y/y to ¥1,580 million.

Construction

In the construction business division, projects to replace antennas with new ones for receiving digital terrestrial broadcasts and projects to tackle signal interference both held firm, while those related to the change of analog frequency came to an end. As a result, sales slipped 1.5% y/y to ¥7,903 million and operating income jumped 52.4% y/y to ¥1,029 million, respectively.

Results by geographical segment are as follows:

Japan

With strong sales of cellular-phone antennas for receiving digital terrestrial broadcasts, both sales and operating income increased, 2.7% y/y to ¥26,595 million and 14.2% y/y to ¥2,639 million, respectively.

Europe

Sales, which mainly come from car antennas, dipped 2.7% y/y to ¥2,256 million, and the operating loss widened from ¥7 million the previous fiscal year to ¥36 million due to factors such as losses on currency translation.

North America

Factors such as the impact of the stronger yen resulted in sales slipping 14.1% to ¥2,397 million. In addition, the operating loss widened from under ¥1 million the previous fiscal year to ¥265 million due to factors such as losses on currency translation.

Asia

Strong sales of car antennas and cellular-phone antennas resulted in sales jumping 64.9% y/y to ¥743 million and operating income of ¥186 million compared with less than ¥1 million the previous fiscal year.

Cash Flows

The Company had cash and cash equivalents (“cash”) in the amount of ¥7,250 million as of the end of the consolidated fiscal year, an increase of ¥1,587 million from the end of the previous consolidated fiscal year.

Cash flows for each category are as described below:

(Cash flows from operating activities)

Net cash generated from operations increased by 470.4% y/y to ¥2,849 million, the primary factors behind which were an increase from declines in depreciation expenses, trade payables, inventory assets, etc. and a decrease from a decline in trade payables, the payment of taxes, etc.

(Cash flows from investment activities)

Net cash used in investment activities dipped 13.8% to ¥944 million. The acquisition of tangible fixed assets in conjunction with an expansion in production facilities was the main

item of expenditure.

(Cash flows from financing activities)

Net cash used in financing activities dipped 1.5% to ¥287 million. Dividend payments represented the main outlay.

Issues Facing the Company

With society becoming increasingly dependent on information technology, the Group's basic policy is to use proprietary technology to offer high-quality products and services in a wide range of business fields such as antennas, related equipment of various types, and information and communication system construction, in order to earn a solid reputation in society, develop our business, and steadily raise our corporate value.

While prospects remain good for businesses related to the switch to digital terrestrial broadcasting, the integration of broadcasting and telecommunications, and so on, it is still impossible to predict the future impact of factors such as rising materials prices, intensifying price competition, delays in commencing construction work due to a revision in the Building Standards Act, and rapid changes in the market environment.

Given these circumstances, in the fiscal year under review the Group formulated a new mid-term management plan (Fiscal 2008-2010) called "Quality08," the pillar of which is to focus more on profitability with the aim of significantly strengthening our management practices. Under this plan, we are going to conduct a wholesale review of our entire production and sales structure.

After identifying the issues to be addressed, we settled on the following "mid-term management policies," and will be working hard to implement them:

(1) Use corporate resources more efficiently and allocate them more appropriately:

Deploy and reallocate corporate resources for profitability, for growth, and to match strategy

(2) Build and deploy a low-cost, short-lead-time production structure:

Review systems from the design phase to production and make costs visible

(3) Create a development and production structure that reflects changing market conditions:

Strengthen market research and analysis to identify the next big selling product and create a speedy development and production structure

(4) Develop a sales strategy and structure that reflects the depth of markets and customers:

Boost sales by actively responding to changing market needs

(5) Create an organization and human resources team that respond to changing times:

Create a learning organization and a strong corporate group

(6) Strengthen internal control systems and continue to promote compliance management:

Create a corporate culture of honesty, fairness, and transparency

Risk Factors

The primary risks that could emerge in the course of the Group's business are given below.

The Group recognizes that these risks exist and strives to prevent their occurrence and respond accordingly if they do occur. They include possible future developments and represent the risks seen as existing as of the end of the consolidated fiscal year. However, potential risks in the course of the Group's business are not limited to them.

(1) Changes in the Market Environment

The Group engages in sales and production activities globally in Japan, Europe, North America, and Asia. The Group's operating results may therefore be affected by economic trends and changes in political or social circumstances in Japan or other countries in which the Group operates.

(2) Changes in Product Prices

The Group is exposed to fierce competition in the markets in which it operates, and there is a trend of declining prices. Although the Group strives to maintain profit margins by, for example, introducing new products and reducing costs, operating results may be affected if competition becomes more intense or prolonged.

(3) Exchange-Rate Fluctuations

As the Group operates globally, its operating results may be affected by fluctuations in exchange rates.

(4) Product Defects

The Group manufactures its products in Japan and overseas in accordance with internationally recognized quality control standards. However, there is no guarantee that all products will be free of defects or that recalls will not be required in the future. The Group's operating results or financial position may therefore be adversely affected if a product defect occurs that necessitates a major recall or obligation to pay product liability compensation.

(5) Risks Relating to the Protection of Intellectual Property Rights

In cases where the Company is unable to adequately protect its intellectual property rights, there is a risk that a third party could use the Company's technology etc. and undermine the Group's competitiveness.

(6) Disaster Risk

Should a natural disaster (earthquake or typhoon) or other major disaster occur, it may have a profound impact on the Group, such as by harming personnel or property, paralyzing distribution functions, or causing a suspension in operations at production facilities where infrastructure functions have been impaired.

Important Agreements etc.

Not applicable.

Research and Development

The information and telecommunication industries are experiencing changes on an unprecedented scale. Significant technological innovations, particularly in digital technology, optical transmission, and satellite technology, have led to the rapid penetration of broadband networking and the integration of broadcasting and telecommunications. The entire Group is engaged in R&D activities aimed at developing proprietary, high-value-added products in order to respond quickly and appropriately to market trends and meet demand for information and telecommunications systems.

In view of global market trends, the Group has been working on basic research and the commercialization of many products in the area of antennas and transmission systems/equipment, and has been launching new products one after the other. During the consolidated fiscal year under review, the Group developed “ITS-related systems like antennas for automobile ETC, DSRC (Dedicated Short Range Communication) base stations, and low-profile Omni antennas for car-to-car communication,” “satellite radio antenna systems,” “small-sized multi-functional compound antennas for telematics,” “frequency-conversion-type digital head amps for digital terrestrial broadcasting,” “receivers for Fiber-To-The-Home systems,” “digital terrestrial broadcasting receivers,” “small-sized antennas for radio-clock signal-receiving systems,” “invisible antenna systems that employ glass, film, etc.,” “high-performance dual/triple antennas to cope with the diversification in communications devices,” “small-sized antennas for receiving digital terrestrial broadcasts (for outdoor use, indoor use, cars, cellular phones, and PDAs),” “antennas for 1seg-enabled cellular phones,” “antennas for communication modules,” and so on.

We are also going to increase capital expenditures in areas like new measuring equipment, with an eye toward future technological innovations such as greater use of optical and microwave transmission as signals increasingly become digital and higher speed. Going forward, we will expand our lineup of digital video transmission equipment, optical transmission equipment, and broadband networking equipment, and continue to develop and improve equipment for handling digital terrestrial broadcasts. We will be focusing in particular on developing equipment and systems for gapfiller systems, which will provide an excellent means of solving problems associated with the proliferation of digital terrestrial broadcasting in the future.

In addition, as a result of initiating R&D programs in China and training engineers there, reinforcing our overseas bases, making our workforce more international, and focusing on creating a structure capable of responding locally to Chinese domestic demand, we have received orders for glass antenna systems and roof antennas from local carmakers, and commenced mass production in the fiscal year under review. We have also been involved in the Japan Aerospace Exploration Agency’s Selene (Kaguya) lunar orbiter spacecraft project, providing antennas for the orbiter and its sub-satellites. The spacecraft was launched

successfully on September 14 of the fiscal year under review, and our antennas are now playing a role in its observations.

At present, R&D activities are primarily conducted by the technology unit (which includes the Technical Center) of the Manufacturing Division. As of March 31, 2008, 137 employees were engaged in these activities, which include the improvement of existing products. Total spending on R&D in the consolidated fiscal year under review was ¥1,373 million.

The Construction Division incurs no R&D expenses as its operations involve the installation of products developed and commercialized by the Manufacturing Division.

Production, Orders and Sales**1. Production**

Production (consolidated basis) at each business segment for the year ended March 31, 2008:

Thousands of yen	Value	YOY (%)
Manufacturing	21,782,902	107.9
Construction	7,903,166	98.5
Total	29,686,068	105.2

- (Notes)
1. Amounts are calculated based on net sales prices.
 2. Amounts are stated exclusive of consumption tax.

2. Orders

Orders (consolidated basis) at each business segment for the year ended March 31, 2008:

Thousands of yen	Value of orders	YOY (%)	Orders outstanding	YOY (%)
Manufacturing	14,362,946	94.7	1,186,634	114.0
Construction	8,983,296	93.6	3,230,612	86.7
Total	23,346,242	94.3	4,417,246	92.7

(Note) Amounts are stated exclusive of consumption tax.

3. Sales

Sales (consolidated basis) at each business segment for the year ended March 31, 2008:

Thousands of yen	Amounts	YOY (%)
Manufacturing	24,089,682	102.7
Construction	7,903,166	98.5
Total	31,992,848	101.7

(Note) Amounts are stated exclusive of consumption tax.

Consolidated Financial Statements**Consolidated Balance Sheets**

	(Thousands of yen)	
Years ended March 31;	2007	2008
Assets		
Current assets		
Cash and deposits	5,662,819	7,284,362
Notes and accounts receivable-trade	9,736,095	9,290,950
Short-term investment securities	200,000	—
Inventories	6,461,372	5,642,934
Deferred tax assets	303,782	243,947
Other current assets	949,738	915,182
Allowance for doubtful accounts	(29,404)	(25,055)
Total current assets	23,284,404	23,352,322
Fixed assets		
Tangible fixed assets		
Buildings and structures, net	2,351,412	2,257,433
Machinery, equipment and vehicles, net	1,306,850	1,156,383
Land	942,726	1,210,336
Construction in progress	145	24,738
Other tangible fixed assets	974,699	858,629
Total tangible fixed assets	5,575,834	5,507,521
Intangible fixed assets		
Software	89,577	81,047
Software in progress	—	66,192
Other intangible fixed assets	23,926	23,837
Total intangible fixed assets	113,504	171,077
Investments and other assets		
Long-term time deposits	500,000	500,000
Investment securities	1,646,179	737,547
Deferred tax assets	—	249,340
Other assets	437,137	397,623
Allowance for doubtful accounts	(28,427)	(19,321)
Total investments and other assets	2,554,888	1,865,189
Total fixed assets	8,244,227	7,543,788
Total assets	31,528,631	30,896,110

Nippon Antenna

(Thousands of yen)		
Years ended March 31;	2007	2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	5,149,914	5,176,134
Accounts payable-construction	1,076,010	779,223
Accrued expenses	321,343	274,023
Income taxes payable	381,087	168,639
Reserve for bonuses	519,818	501,059
Provision for warranties for completed construction	—	20,000
Other current liabilities	773,797	1,078,284
Total current liabilities	8,221,971	7,997,365
Long-term liabilities		
Allowance for employees' retirement benefits	729,176	743,602
Allowance for directors' retirement benefits	240,460	274,190
Deferred tax liabilities	110,847	—
Other long-term liabilities	36	30
Total long-term liabilities	1,080,519	1,017,822
Total liabilities	9,302,490	9,015,188
Net assets		
Shareholders' equity		
Common stock	4,673,616	4,673,616
Additional paid-in capital	6,318,554	6,318,554
Retained earnings	11,086,242	11,205,378
Treasury stock	(571,380)	(571,834)
Total shareholders' equity	21,507,031	21,625,713
Valuation and translation adjustments		
Unrealized gain on other securities	758,013	259,444
Foreign currency translation adjustment	(38,904)	(4,235)
Total valuation and translation adjustments	719,108	255,209
Total net assets	22,226,140	21,880,922
Total liabilities and net assets	31,528,631	30,896,110

Consolidated Statements of Income

(Thousands of yen)

Years ended March 31;	2007	2008
Net sales		
Net sales of finished goods	23,430,659	24,089,682
Net sales of completed construction contracts	8,024,341	7,903,166
	<u>31,455,001</u>	<u>31,992,848</u>
Cost of sales		
Cost of finished goods sold	17,337,530	18,157,066
Cost of sales of completed construction contracts	6,295,224	5,837,293
	<u>23,632,754</u>	<u>23,994,360</u>
Gross profit	7,822,246	7,998,488
Selling, general and administrative expenses	6,366,656	6,363,521
Operating income	1,455,590	1,634,966
Non-operating income		
Interest and dividends income	49,276	73,561
Foreign exchange gains	78,975	146,457
Other income	78,152	67,417
	<u>206,403</u>	<u>287,436</u>
Non-operating expenses		
Sales discounts	96,159	97,951
Other expenses	5,984	6,225
	<u>102,144</u>	<u>104,176</u>
Ordinary income	1,559,849	1,818,226
Extraordinary income		
Gain on sales of noncurrent assets	822	2,625
Gain on sales of investment securities	—	10,327
Reversal of allowance for doubtful accounts	—	10,219
Gain on prior period adjustment	59,558	—
	<u>60,381</u>	<u>23,172</u>
Extraordinary loss		
Loss on disposal of noncurrent assets	124,517	331,530
Loss on valuation of investment securities	22,796	8,043
Lump-sum payments due to the withdrawal from the employee's pension fund	—	596,901
Loss on prior period adjustment	—	18,811
Other extraordinary loss	1,970	—
	<u>149,283</u>	<u>955,286</u>
Income before income taxes and other adjustments	1,470,948	886,111
Corporate, inhabitant and enterprises taxes	544,709	438,949
Deferred income taxes	739	41,692
Net income	<u>925,499</u>	<u>405,470</u>

Consolidated Statements of Changes in Net Assets

FY2006(April 1,2006 to March 31, 2007)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	4,673,616	6,318,554	10,465,371	(566,897)	20,890,643
Changing during the period					
Dividends paid			(286,437)		(286,437)
Bonuses to directors and corporate auditors			(18,190)		(18,190)
Net income			925,499		925,499
Purchase of treasury stock				(4,483)	(4,483)
Changes in other than shareholder's equity during the period					
Total changes of the period	—	—	620,871	(4,483)	616,387
Balance as of March 31, 2007	4,673,616	6,318,554	11,086,242	(571,380)	21,507,031

	Valuation and translation adjustments			Total net assets
	Unrealized gain on other securities	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance as of March 31, 2006	883,612	(217,887)	665,725	21,556,369
Changing during the period				
Dividends paid				(286,437)
Bonuses to directors and corporate auditors				(18,190)
Net income				925,499
Purchase of treasury stock				(4,483)
Changes in other than shareholder's equity during the period	(125,599)	178,982	53,383	53,383
Total changes of the period	(125,599)	178,982	53,383	669,771
Balance as of March 31, 2007	758,013	(38,904)	719,108	22,226,140

Nippon Antenna

FY2007(April 1,2007 to March 31, 2008)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	4,673,616	6,318,554	11,086,242	(571,380)	21,507,031
Changing during the period					
Dividends paid			(286,335)		(286,335)
Net income			405,470		405,470
Purchase of treasury stock				(454)	(454)
Changes in other than shareholder's equity during the period					
Total changes of the period	—	—	119,135	(454)	118,681
Balance as of March 31, 2008	4,673,616	6,318,554	11,205,378	(571,834)	21,625,713

	Valuation and translation adjustments			Total net assets
	Unrealized gain on other securities	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance as of March 31, 2007	758,013	(38,904)	719,108	22,226,140
Changing during the period				
Dividends paid				(286,335)
Net income				405,470
Purchase of treasury stock				(454)
Changes in other than shareholder's equity during the period	(498,568)	34,669	(463,899)	(463,899)
Total changes of the period	(498,568)	34,669	(463,899)	(345,218)
Balance as of March 31, 2008	259,444	(4,235)	255,209	21,880,922

Consolidated Statements of Cash Flows

(Thousands of yen)

Years ended March 31;	2007	2008
Cash flows from operating activities		
Income before income taxes	1,470,948	886,111
Depreciation and amortization	782,815	871,504
Loss (gain) on valuation of investment securities	22,796	8,043
Loss (gain) on sales of investment securities	170	(10,327)
Increase (decrease) in allowance for retirement benefits	17,790	14,426
Increase (decrease) in allowance for directors' retirement benefits	(46,600)	33,730
Increase (decrease) in allowance for bonuses	(14,799)	(18,758)
Increase (decrease) in allowance for doubtful accounts	14,522	(13,478)
Interest and dividends income	(49,276)	(73,561)
Foreign exchange losses (gains)	1,895	3,224
Gain on sales of noncurrent assets	(822)	(2,625)
Loss (gain) on disposal of noncurrent assets	124,517	331,530
Decrease (increase) in trade receivables	(1,220,503)	712,565
Decrease (increase) in inventories	(843,973)	756,423
Increase (decrease) in trade payables	258,034	(157,132)
Directors' bonuses	(18,190)	—
Others	185,049	113,427
Subtotal	684,373	3,455,104
Interest and dividends income received	49,300	73,516
Income taxes paid	(234,083)	(679,100)
Net cash provided by (used in) operating activities	499,590	2,849,521
Cash flows from investing activities		
Payments for Long-term deposits	—	(34,071)
Payments for purchases of short-term investment securities	(200,000)	—
Proceeds from redemption of securities	—	200,000
Payments for purchases of investment securities	(1,198)	(5,674)
Proceeds from sales of investment securities	327	75,975
Payments for acquisition of tangible and intangible fixed assets	(926,651)	(1,210,898)
Proceeds from sales of tangible and intangible fixed assets	2,222	13,559
Payments for loans	(590)	(21,931)
Proceeds from collection of loans	30,842	38,983
Net cash provided by (used in) investment activities	(1,095,048)	(944,057)
Cash flows from financing activities		
Payments for purchases of treasury stock	(4,483)	(454)
Cash dividends paid	(286,846)	(286,625)
Net cash provided by (used in) financing activities	(291,330)	(287,080)
Effect of exchange rate change on cash and cash equivalents	158,271	(30,912)
Net Increase (decrease) in cash and cash equivalents	(728,517)	1,587,470
Cash and cash equivalents at beginning of period	6,391,336	5,662,819
Cash and cash equivalents at end of period	5,662,819	7,250,290

Segment Information

Business segment information

Thousands of yen	Manufacturing business	Construction business	Total	Eliminations and/or corporate	Consolidated
2007					
Sales					
Sales to external customers	23,430,659	8,024,341	31,455,001	—	31,455,001
Inter-segment transactions and transfers	14,569	—	14,569	(14,569)	—
	23,445,229	8,024,341	31,469,570	(14,569)	31,455,001
Operating expenses	21,770,950	7,349,013	29,119,964	879,446	29,999,410
Operating income	1,674,278	675,327	2,349,606	(894,016)	1,455,590
Identifiable assets	17,960,640	3,958,751	21,919,392	9,609,239	31,528,631
Depreciation and amortization	736,892	13,235	750,128	32,687	782,815
Capital expenditures	917,209	7,595	924,804	8,998	933,802
2008					
Sales					
Sales to external customers	24,089,682	7,903,166	31,992,848	—	31,992,848
Inter-segment transactions and transfers	—	—	—	—	—
	24,089,682	7,903,166	31,992,848	—	31,992,848
Operating expenses	22,509,092	6,874,007	29,383,099	974,782	30,357,881
Operating income	1,580,590	1,029,158	2,609,748	(974,782)	1,634,966
Identifiable assets	16,072,934	3,404,763	19,477,698	11,418,412	30,896,110
Depreciation and amortization	823,889	16,093	839,983	31,521	871,504
Capital expenditures	524,401	4,701	529,103	639,800	1,168,904

Basis of segmentation

The Group's business is divided into two segments based on the manufacturing of antennas, TV reception/transmission-related electronic equipment, and construction including telecommunications-related design and installation.

Overseas Sales

The geographical segments of the Company and its consolidated subsidiaries for the years ended March 31, 2008 and March 31, 2007, are summarized as follows:

Thousands of yen	Europe	North America	Asia	Other	Total
2007					
Overseas sales	2,318,802	2,791,378	633,687	139,856	5,883,725
Consolidated sales					31,455,001
As % of net sales	7.4	8.9	2.0	0.4	18.7

Thousands of yen	Europe	North America	Asia	Other	Total
2008					
Overseas sales	2,256,834	2,397,095	935,095	152,004	5,741,029
Consolidated sales					31,992,848
As % of net sales	7.1	7.4	2.9	0.5	17.9

1. Regions are classified on the basis of geographical proximity.
2. The major countries in each region are as follows.
 - (1) Europe: Germany, Great Britain
 - (2) North America: USA
 - (3) Asia: South Korea, China, Philippine
 - (4) Other: Australia, New Zealand
3. Overseas revenues are generated by the Company and its subsidiaries in countries and regions other than Japan.