

CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the year ended March 31, 2000

	Millions of Japanese Yen	Thousands of U.S. Dollars (Note 2)
	2000	2000
Cash flows from operating activities:		
Net income before income taxes	¥ 6,222	\$ 58,700
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,272	30,870
Gain on sales or disposal of P.P. & E	(491)	(4,635)
Gain on sales of marketable securities	(1,896)	(17,883)
Devaluation of marketable securities and investment securities	748	7,052
Devaluation of real estate for sale and other	3,544	33,432
Provision for retirement and severance benefits	644	6,073
Provision for allowance for doubtful accounts	756	7,136
Changes in:		
Trade receivables	4,209	39,706
Inventories	(1,844)	(17,394)
Cost of contracts in progress	(1,794)	(16,924)
Prepaid expenses and other current assets	3,468	32,715
Trade payables	(4,878)	(46,016)
Accrued consumption tax	(625)	(5,895)
Advances on contracts in progress	(3,059)	(28,856)
Other current liabilities	(4,836)	(45,628)
Other, net	265	2,496
Net cash provided by/(used in) operating activities	<u>3,705</u>	<u>34,949</u>
Cash flows from investing activities:		
Payment for purchases of marketable securities	(483)	(4,556)
Proceeds from sale of marketable and investment securities	3,692	34,834
Acquisition of investment in securities	(99)	(935)
Acquisition of P.P. & E	(2,089)	(19,708)
Proceeds from sale or disposal of P.P. & E	887	8,371
Purchase of intangible assets	(260)	(2,455)
Other, net	(629)	(5,938)
Net cash provided by/(used in) investing activities	<u>1,019</u>	<u>9,613</u>
Cash flows from financing activities:		
Proceeds from long-term debt	2,490	23,495
Net decrease in short-term borrowings	(1,048)	(9,890)
Redemption of bonds	(2,000)	(18,868)
Repayment of long-term debt	(4,534)	(42,778)
Cash dividends paid	(580)	(5,472)
Redemption of commercial paper	(1,000)	(9,434)
Other, net	(64)	(603)
Net cash provided by/(used in) financing activities	<u>(6,736)</u>	<u>(63,550)</u>
Effect of exchange rate changes on cash and cash equivalent	<u>(402)</u>	<u>(3,789)</u>
Net decrease in cash and cash equivalent	<u>(2,414)</u>	<u>(22,777)</u>
Increase in cash and cash equivalent due to additions of consolidated subsidiaries	<u>2,458</u>	<u>23,186</u>
Cash and cash equivalent at beginning of the year	<u>40,863</u>	<u>385,506</u>
Cash and cash equivalent at end of the year	<u>¥ 40,907</u>	<u>\$ 385,915</u>