

NON-CONSOLIDATED STATEMENT OF CASH FLOWS

TOA CORPORATION

For the years ended March 31, 2000 and 1999

	Millions of Japanese Yen	Thousands of U.S. Dollars (Note 2)
	2000	2000
Cash flows from operating activities:		
Net income (loss) before income taxes	¥ 4,453	\$ 42,014
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,115	19,953
(Gain)/loss on disposal of P.P. & E	(512)	(4,827)
(Gain)/loss on liquidation affiliates	—	—
Gain on sales of marketable securities	(1,989)	(18,763)
Devaluation of marketable securities and investment securities	746	7,034
Provision for retirement and severance benefits	584	5,508
Provision for allowance for doubtful accounts	862	8,130
Changes in:		
Trade receivables	716	6,758
Inventories	(1,465)	(13,822)
Cost of contracts in progress	(1,407)	(13,272)
Prepaid expenses and other current assets	(588)	(5,543)
Trade payables	6,300	59,432
Accrued income taxes	(316)	(2,978)
Advances on contracts in progress	(1,796)	(16,947)
Other current liabilities	(402)	(3,789)
Other, net	(6,533)	(61,634)
Net cash provided by/(used in) operating activities	<u>768</u>	<u>7,253</u>
Cash flows from investing activities:		
Net income/(decrease) in marketable securities	3,205	30,233
Proceeds from sale of investments in securities	—	—
Acquisition of investment in securities	(98)	(923)
Acquisition of P.P. & E	(1,270)	(11,984)
Proceeds from sale or disposal of P.P. & E	894	8,433
(Increase)/decrease in investments in, short-and long-term loans to subsidiaries and affiliates	(379)	(3,575)
Other, net	(459)	(4,328)
Net cash provided by/(used in) investing activities	<u>1,893</u>	<u>17,856</u>
Cash flows from financing activities:		
Proceeds from long-term debt	1,000	9,434
Net decrease in short-term borrowings	(485)	(4,575)
Net increase/(decrease) commercial paper	—	—
Redemption of bonds	(2,000)	(18,868)
Repayment of long-term debt	(3,744)	(35,321)
Cash dividends paid	(582)	(5,488)
Bonuses to directors and statutory auditors	—	—
Other, net	(1,000)	(9,434)
Net cash provided by/(used in) financing activities	<u>(6,811)</u>	<u>(64,252)</u>
Effect of exchange rate changes on cash and cash equivalent ...	<u>(401)</u>	<u>(3,789)</u>
Net increase/(decrease) in cash and cash equivalent	<u>(4,551)</u>	<u>(42,932)</u>
Cash and cash equivalent at beginning of year	<u>40,243</u>	<u>379,647</u>
Cash and cash equivalent at end of year	<u>¥ 35,692</u>	<u>\$ 336,715</u>