

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOA CORPORATION and its consolidated subsidiaries
For the years ended March 31, 2001 and 2000

	Millions of Japanese Yen		Thousands of U.S. Dollars (Note 2)
	2001	2000	2001
Cash flows from operating activities:			
Net income (loss) before income taxes	¥ (5,783)	¥ 6,222	\$ (46,639)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,295	3,272	26,571
Gain on sales or disposal of P.P. & E	(318)	(491)	(2,567)
Gain on sales of securities	(219)	(1,896)	(1,765)
Devaluation of marketable securities and investment securities	413	748	3,331
Devaluation of real estate for sale and other	4,326	3,544	34,888
Provision for severance indemnities	11,200	644	90,323
Provision for allowance for doubtful accounts	263	756	2,124
Changes in:			
Trade receivables	(11,454)	4,209	(92,374)
Inventories	(786)	(1,844)	(6,342)
Cost of contracts in progress	315	(1,794)	2,542
Prepaid expenses and other current assets	(2,623)	3,468	(21,159)
Trade payables	16,940	(4,878)	136,616
Accrued consumption tax	—	(625)	—
Advances on contracts in progress	(4,575)	(3,059)	(36,893)
Other current liabilities	3,378	(4,836)	27,237
Other, net	767	2,365	6,195
Sub-total	15,139	5,805	122,088
Interest and dividends income received	541	617	4,365
Interest paid	(1,693)	(1,909)	(13,648)
Income taxes paid	(2,820)	(808)	(22,745)
Net cash provided by operating activities	11,167	3,705	90,060
Cash flows from investing activities:			
Payment for purchases of securities	(239)	(483)	(1,929)
Proceeds from sale of marketable and investment securities	1,124	3,692	9,066
Acquisition of investment in securities	(1,552)	(99)	(12,519)
Acquisition of P.P. & E	(4,510)	(2,089)	(36,373)
Proceeds from sale or disposal of P.P. & E	953	887	7,685
Purchase of intangible assets	(260)	(260)	(2,095)
Other, net	294	(629)	2,371
Net cash provided by/(used in) investing activities	(4,190)	1,019	(33,794)
Cash flows from financing activities:			
Proceeds from long-term debt	2,113	2,490	17,042
Net decrease in short-term borrowings	(7,908)	(1,048)	(63,777)
Redemption of bonds	(300)	(2,000)	(2,419)
Repayment of long-term debt	(5,184)	(4,534)	(41,805)
Cash dividends paid	(997)	(580)	(8,040)
Redemption of commercial paper	—	(1,000)	—
Other, net	(157)	(64)	(1,264)
Net cash used in financing activities	(12,433)	(6,736)	(100,263)
Effect of exchange rate changes on cash and cash equivalents..	259	(402)	2,087
Net decrease in cash and cash equivalents	(5,197)	(2,414)	(41,910)
Increase in cash due to additions of consolidated subsidiaries	—	2,458	—
Cash and cash equivalents at beginning of the year	40,907	40,863	329,895
Cash and cash equivalents at end of the year	¥ 35,710	¥ 40,907	\$ 287,985

The accompanying notes to the financial statements are an integral part of these statements.