

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

TOA CORPORATION

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	¥ (7,055)	¥ 4,453	\$ (56,901)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,028	2,115	16,355
Gain on sales or disposal of P.P. & E	(507)	(512)	(4,088)
Gain on sales of securities	(212)	(1,989)	(1,710)
Devaluation of marketable securities and investment securities	406	746	3,273
Devaluation of real estate for sale and other	4,290	0	34,596
Provision for severance indemnities	11,139	584	89,828
Provision for allowance for doubtful accounts	192	862	1,548
Changes in:			
Trade receivables	(11,783)	716	(95,023)
Inventories	(242)	(1,465)	(1,949)
Cost of contracts in progress	2,076	(1,407)	16,744
Prepaid expenses and other current assets	184	(588)	1,486
Trade payables	12,407	6,300	100,055
Advances on contracts in progress	(3,970)	(1,796)	(32,018)
Other current liabilities	2,402	(402)	19,365
Other, net	1,552	(5,454)	12,530
Sub-total	12,907	2,163	104,091
Interest and dividends income received	587	630	4,730
Interest paid	(1,468)	(1,709)	(11,841)
Income taxes paid	(1,967)	(316)	(15,862)
Net cash provided by operating activities	10,059	768	81,118
Cash flows from investing activities:			
Net decrease in securities	—	3,205	—
Proceeds from sale of marketable and investment securities	1,214	—	9,792
Acquisition of investment in securities	(1,700)	(98)	(13,711)
Acquisition of P.P. & E	(3,355)	(1,270)	(27,058)
Proceeds from sale or disposal of P.P. & E	911	894	7,346
Increase in investments in, short and long-term loans	(202)	(379)	(1,630)
Other, net	62	(459)	505
Net cash provided by/(used in) investing activities	(3,070)	1,893	(24,756)
Cash flows from financing activities:			
Proceeds from long-term debt	1,512	1,000	12,193
Net decrease in short-term borrowings	(8,083)	(485)	(65,185)
Redemption of bonds	(200)	(2,000)	(1,613)
Repayment of long-term debt	(4,532)	(3,744)	(36,548)
Cash dividends paid	(997)	(582)	(8,040)
Other, net	0	(1,000)	0
Net cash used in financing activities	(12,300)	(6,811)	(99,193)
Effect of exchange rate changes on cash and cash equivalents..	259	(401)	2,087
Net decrease in cash and cash equivalents	(5,052)	(4,551)	(40,744)
Cash and cash equivalents at beginning of the year	35,692	40,243	287,837
Cash and cash equivalents at end of the year	¥ 30,640	¥ 35,692	\$ 247,093

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