

## Tosoh Corporation Consolidated Statements of Cash Flow

JPY millions

	FY2006	FY2005
<b>Cash Flow from Operating Activities:</b>		
Income Before Income Taxes	55,481	49,458
Adjustments to Reconcile Income Before Income		
Taxes to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	35,373	29,173
Impairment Loss on Fixed Assets	366	2,819
Decrease in Retirement and Severance Benefits	(4,158)	(2,578)
Interest and Dividend Income	(1,237)	(968)
Interest Expense	4,970	3,919
Equity in (Earnings)Losses of Affiliates	553	(2,365)
Net Gain on Sales of Investment Securities	(290)	(3,255)
Loss on Disposal of Property , Plant and Equipment	1,372	1,001
Increase in Trade Receivables	(35,269)	(9,580)
Increase in Inventories	(12,485)	(8,382)
Increase in Trade Payables	20,713	1,154
Other , Net	5,217	(1,841)
<b>Subtotal</b>	<b>70,606</b>	<b>58,554</b>
Interest and Dividends Received	2,028	2,114
Interest Paid	(4,767)	(3,934)
Income Taxes Paid	(16,739)	(23,049)
<b>Net Cash Provided by Operating Activities</b>	<b>51,127</b>	<b>33,685</b>
<b>Cash Flows from Investing Activities:</b>		
Payments for Purchases of Property ,Plant Equipment	(79,428)	(37,960)
Purchases of Investment Securities	(7,636)	(1,081)
Proceeds from Sales of Investment Securities	1,993	7,553
Proceeds from Purchases of Newly Consolidated Subsidiaries	3,566	-
Payments for Advances of Long-term Loans Receivable	(4,834)	(1,737)
Proceeds from Collections of Long-term Loans Receivable	3,253	255
Other, Net	(2,146)	(646)
<b>Net Cash Used in Investing Activities</b>	<b>(85,231)</b>	<b>(33,617)</b>
<b>Cash Flows from Financing Activities:</b>		
Net Increase (Decrease) in Short-term Debt	13,157	3,178
Proceeds form Long-term Debt	74,701	39,307
Repayments of Long-term Debt	(46,634)	(37,373)
Cash Dividends Paid	(4,578)	(5,684)
Contribution from Minority Shareholders	4,833	-
Other ,Net	868	(127)
<b>Net Cash Used in Financing Activities</b>	<b>42,348</b>	<b>(699)</b>
Effect of Exchange Rate on Cash and Cash Equivalents	130	440
Net Increase (Decrease) in Cash and Cash Equivalents	8,375	(191)
Cash and Cash Equivalents at Beginning of Year	18,408	18,572