

Tosoh Corporation
Consolidated Statements of Cash Flow

JPY millions

	FY2005	FY2004
Cash Flows from Operating Activities:		
Income Before Income Taxes and Minority Interests	49,458	51,864
Adjustments to Reconcile Income Before Income Taxes and Minority Interests to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	29,173	23,594
Impairment Loss on Fixed Assets	2,819	1,459
Decrease in Retirement and Severance Benefits	(2,578)	(2,580)
Interest and Dividend Income	(968)	(698)
Interest Expense	3,919	4,135
Equity in Earnings of Affiliates	(2,365)	(776)
Net Gain on Sales of Property, Plant and Equipment	(662)	(1,854)
Net Gain on Sales of Investment Securities	(3,255)	(465)
Loss on Disposal of Property, Plant and Equipment	1,001	1,443
Increase in Trade Receivables	(9,580)	(19,238)
Increase in Inventories	(8,382)	(13,634)
Increase in Trade Payables	1,154	13,124
Other, net	(1,178)	3,240
Subtotal	58,554	59,613
Interest and Dividends Received	2,114	1,423
Interest Paid	(3,934)	(4,240)
Income Taxes Paid	(23,049)	(12,018)
Net Cash Provided by Operating Activities	33,685	44,779
Cash Flows from Investing Activities:		
Payments for Purchases of Property, Plant and Equipment	(37,960)	(38,792)
Proceeds from Sales of Property, Plant Equipment	1,203	4,824
Purchases of Investment Securities	(1,081)	(1,765)
Proceeds from Sales of Investment Securities	7,553	1,457
Advances of Long-term Loans Receivable	(1,737)	(763)
Other, net	(1,594)	(1,054)
Net Cash Used in Investing Activities	(33,617)	(36,093)
Cash Flows from Financing Activities:		
Net Increase in Short-term Bank Loans	3,178	4,000
Proceeds from Long-term Debt	39,307	39,683
Repayments of Long-term Debt	(37,373)	(48,032)
Cash Dividends Paid	(5,390)	(3,005)
Other, net	(422)	161
Net Cash Used in Financing Activities	(699)	(7,192)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	440	152
Net Increase (Decrease) in Cash and Cash Equivalents	(191)	1,646
Cash and Cash Equivalents at Beginning of Year	18,572	16,949
Increase in Cash and Cash Equivalents Resulting from Changes in Number of Consolidated Subsidiaries	40	-
Decrease in Cash and Cash Equivalents Due to Change in Subsidiaries' Year-ends	(12)	(23)
Cash and Cash Equivalents at End of Year	18,408	18,572