

Tosoh Corporation
Consolidated Statements of Cash Flow

JPY millions

	FY2004	FY2003
Cash Flow from Operating Activities:		
Income Before Income Taxes	51,864	16,393
Adjustments to Reconcile Income Before Income		
Taxes to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	23,594	24,539
Impairment Loss on Fixed Assets	1,459	10,841
Increase(Decrease)in Retirement and Severance Benefits	(2,580)	(7,851)
Interest and Dividend Income	(698)	(509)
Interest Expense	4,135	4,624
Equity in (Earnings)Losses	(776)	1,004
Net Gain on Sales of Property, Plant and Equipment	(1,854)	(52)
Loss on Disposal of Property, Plant and Equipment	1,443	1,143
Increase in Trade Receivables	(19,238)	(5,564)
Increase in Inventories	(13,634)	(3,337)
Increase in Trade Payables	13,124	3,654
Other, net	2,775	(236)
Subtotal	59,613	44,650
Interest and Dividends Received	1,423	945
Interest Paid	(4,240)	(4,734)
Income Taxes Paid	(12,018)	(6,940)
Net Cash Provided by Operating Activities	44,779	33,920
Cash Flows from Investing Activities		
Payments for Purchases of Property, Plant Equipment	(38,792)	(20,280)
Proceeds from Sales of Property, Plant Equipment	4,824	753
Purchases of Investment Securities	(1,765)	(2,788)
Proceeds from Sales of Investment Securities	1,457	2,645
Proceed from Purchases of Newly Consolidated Subsidiaries	-	899
Payments for Purchases of Newly Consolidated Subsidiaries	(1,220)	-
Other, net	(597)	(743)
Net Cash Used in Investing Activities	(36,093)	(19,515)
Cash Flows from Financing Activities		
Net Increase (Decrease) in Short-term Debt	4,000	(1,615)
Proceeds from Long-term Debt	39,683	34,548
Repayments of Long-term Debt	(48,032)	(38,221)
Cash Dividends Paid	(3,005)	(3,003)
Other, net	162	(10,109)
Net Cash Used in Financing Activities	(7,192)	(18,401)
Effect of Exchange Rate on Cash and Cash Equivalents	152	(163)
Net Increase (Decrease) in Cash and Cash Equivalents	1,646	(4,159)
Cash and Cash Equivalents at Beginning of Year	16,949	21,100
Increase in Cash and Cash Equivalents Resulting from Changes in Number of Consolidated Subsidiaries	-	8
Decrease in Cash and Cash Equivalents Due to Change in Subsidiaries' Year-ends	(23)	-
Cash and Cash Equivalents at End of Year	18,572	16,949