

**Tosoh Corporation**  
**Consolidated Statements of Cash Flow**

JPY millions

	FY 2001	FY 2000
<b>Cash Flow from Operating Activities:</b>		
Income Before Income Taxes	2,834	16,201
Adjustments to Reconcile Income Before Income Taxes to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	25,927	25,418
Interest and Dividend Income	(439)	(910)
Interest Expense	6,725	7,480
Equity Income	(919)	(1,781)
Write-down of Financial Securities	4,246	1,214
Gain on Sales of Property, Plant, and Equipment	11	(824)
Decrease (Increase) in Trade Receivables	31,601	(15,068)
Decrease (Increase) in Inventories	3,129	(2,827)
Increase (Decrease) in Trade Payables	(16,944)	11,189
Other, Net	(914)	6,083
<b>Subtotal</b>	<b>55,260</b>	<b>46,175</b>
Interest and Dividends Received	1,012	1,202
Interest Paid	(6,961)	(7,362)
Income Taxes Paid	(9,917)	(7,599)
<b>Net Cash Provided by Operating Activities</b>	<b>39,393</b>	<b>32,416</b>
<b>Cash Flow from Investing Activities:</b>		
Payments for Purchases of Property, Plant and Equipment	(16,475)	(18,935)
Proceeds from Sales of Property, Plant and Equipment	2,084	1,679
Proceeds from (Payments for) Purchases of Financial Securities	1,159	(9,959)
Proceeds from Sales of Financial Securities	2,221	3,528
Proceeds from Sales of Shares in Subsidiaries/Affiliates	-	4,414
Other, Net	649	(150)
<b>Net Cash Used in Investing Activities</b>	<b>(10,360)</b>	<b>(19,423)</b>
<b>Cash Flow from Financing Activities:</b>		
Net Increase in Short-term Debt	(1,432)	8,671
Proceeds from Long-term Debt	54,780	37,235
Repayments of Long-term Debt	(69,672)	(56,508)
Cash Dividends Paid	(3,489)	(3,027)
Proceeds from Issuance of Bonds	7,000	-
Expenditures on the Redemption of Bonds	(8,184)	-
Proceeds from Issuance of Common Stock to Minority Shareholders	-	229
Other, Net	(62)	(32)
<b>Net Cash Used in Financing Activities</b>	<b>(21,059)</b>	<b>(13,432)</b>
<b>Effect of Exchange Rate on Cash and Cash Equivalents</b>	<b>373</b>	<b>229</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>8,347</b>	<b>(209)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>17,534</b>	<b>17,700</b>
<b>Increase in Cash and Cash Equivalents due to Changes in Consolidated Subsidiaries</b>	<b>-</b>	<b>42</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>25,881</b>	<b>17,534</b>