

# CONSOLIDATED STATEMENTS OF CASH FLOWS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

years ended March 31, 2004 and 2003

	Millions of yen		Thousands of U.S. dollars
	2004	2003	2004
<b>Operating Activities:</b>			
Income before income taxes and minority interests	¥5,104	¥1,239	\$48,292
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	1,800	2,050	17,031
Allowance for doubtful receivables	(54)	(362)	(511)
Employees' retirement benefit, less payments	(204)	669	(1,930)
Devaluation of marketable securities	40	25	378
Loss (gain) on sales and disposal of property, plant and equipment	(602)	(524)	(5,696)
Changes in operating assets and liabilities:			
Notes and accounts receivables, trade	(3,774)	2,881	(35,708)
Inventories	(1,420)	(254)	(13,436)
Notes and accounts payables, trade	6,985	3,145	66,090
Advances received	1,020	(484)	9,651
Accrued expenses	1,508	431	14,268
Income taxes paid	(334)	(192)	(3,160)
Others	(199)	954	(1,883)
Net cash provided by operating activities	9,870	9,578	93,386
<b>Investing Activities:</b>			
Purchase of property, plant and equipment	(1,541)	(1,157)	(14,580)
Sale of property, plant and equipment	889	1,008	8,411
Payment of long-term loan receivables	(7)	(9)	(66)
Repayment of long-term loan receivables	98	108	927
Investments to a subsidiary	(719)	(470)	(6,803)
Others	(65)	(748)	(615)
Net cash used in investing activities	(1,345)	(1,268)	(12,726)
<b>Financing Activities:</b>			
Decrease in short-term bank loans	768	(1,901)	7,266
Proceeds from long-term debt	11,400	50	107,863
Repayment of long-term debt	(13,269)	(3,800)	(125,546)
Bond redemption	(3,000)	(2,000)	(28,385)
Cash dividends paid	(500)	—	(4,731)
Net cash used in financing activities	(4,601)	(7,651)	(43,533)
Effect of exchange rate changes on cash and cash equivalents	(272)	(175)	(2,574)
Net cash increased in cash and cash equivalents	3,652	484	(34,553)
Cash and cash equivalent at the beginning of year	32,460	31,611	307,125
Increase in consolidated subsidiaries	—	365	—
Cash and cash equivalents at end of year (Note 12)	¥36,112	¥32,460	\$341,678

See accompanying notes to financial statements.