

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOSHIBA MACHINE CO., LTD. AND CONSOLIDATED SUBSIDIARIES

years ended March 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Operating Activities:			
Income before income taxes and minority interests	¥10,178	¥5,104	\$94,776
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation	1,825	1,800	16,994
Allowance for doubtful receivables	(115)	(54)	(1,071)
Employees' retirement benefit, less payments	903	(204)	8,409
Devaluation of marketable securities	—	40	—
Loss (gain) on sales and disposal of property, plant and equipment	232	(602)	2,160
Changes in operating assets and liabilities:			
Notes and accounts receivables, trade	(1,797)	(3,774)	(16,733)
Inventories	(3,416)	(1,420)	(31,809)
Notes and accounts payables, trade	2,582	6,985	24,043
Advances received	570	1,020	5,308
Accrued expenses	(553)	1,508	(5,149)
Income taxes paid	(1,016)	(334)	(9,461)
Others	(654)	(199)	(6,091)
Net cash provided by operating activities	8,739	9,870	81,376
Investing Activities:			
Purchase of property, plant and equipment	(1,448)	(1,541)	(13,484)
Sale of property, plant and equipment	248	889	2,309
Payment of long-term loan receivables	(36)	(7)	(335)
Repayment of long-term loan receivables	73	98	680
Investments to a subsidiaries	—	(719)	—
Others	(62)	(65)	(577)
Net cash used in investing activities	(1,225)	(1,345)	(11,407)
Financing Activities:			
Decrease in short-term bank loans	(14,897)	768	(138,719)
Proceeds from long-term debt	—	11,400	—
Repayment of long-term debt	(748)	(13,269)	(6,965)
Bond redemption	—	(3,000)	—
Purchases of treasury stock	(810)	—	(7,543)
Cash dividends paid	(1,001)	(500)	(9,321)
Net cash used in financing activities	(17,456)	(4,601)	(162,548)
Effect of exchange rate changes on cash and cash equivalents	(73)	(272)	(680)
Net cash increased in cash and cash equivalents	(10,015)	3,652	(93,259)
Cash and cash equivalent at the beginning of year	36,112	32,460	336,270
Increase in newly consolidated subsidiaries	528	—	4,917
Decrease on liquidation of consolidated subsidiaries	(6)	—	(56)
Cash and cash equivalents at end of year (Note 12)	¥26,619	¥36,112	\$247,872

See accompanying notes to financial statements.