

Consolidated Statements of Cash Flows

TOYODA GOSEI CO., LTD. and Its Consolidated Subsidiaries
For the years ended March 31, 2006 and 2005

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2006	2005	2006
Cash flows from operating activities:			
Income before income taxes and minority interests:	¥19,054	¥17,309	\$162,209
Adjustments:			
Depreciation and amortization	32,549	28,518	277,086
(Decrease) increase in allowance for doubtful accounts, net	(1)	41	(9)
Increase in allowance for employees' retirement benefits	4,751	3,408	40,448
Increase in allowance for retirement and severance benefits for directors and corporate auditors	109	361	930
Loss on sales and disposal of property, plant and equipment, net	891	802	7,582
Interest and dividend income	(530)	(552)	(4,510)
Interest expense	1,224	990	10,417
Equity in earnings of affiliates	(124)	(163)	(1,052)
Increase in trade notes and accounts receivable	(9,055)	(1,837)	(77,087)
(Increase) decrease in inventories	(4,471)	1,020	(38,058)
Increase in trade notes and accounts payable	8,576	7,070	73,007
Increase in prepaid pension cost	(1,520)	—	(12,939)
Other, net	(1,724)	(4,893)	(14,686)
Subtotal	49,729	52,074	423,338
Proceeds from interest and dividend income	575	536	4,893
Payment of interest expense	(1,258)	(933)	(10,713)
Payment of income taxes	(6,620)	(11,353)	(56,353)
Net cash provided by operating activities	42,426	40,324	361,165
Cash flows from investing activities:			
Payment for investment in securities	(2,506)	(8,087)	(21,332)
Proceeds from investment in securities	1,059	13	9,018
Purchases of property, plant and equipment	(47,512)	(41,949)	(404,459)
Proceeds from sales of property, plant and equipment	1,007	1,233	8,575
Proceeds from long-term loans	361	113	3,070
Other, net	(975)	(14)	(8,307)
Net cash used in investing activities	(48,566)	(48,691)	(413,435)
Cash flows from financing activities:			
(Decrease) increase in short-term borrowings	(2,652)	5,504	(22,576)
Proceeds from long-term debt	11,461	1,298	97,565
Repayment of long-term debt	(582)	(2,126)	(4,958)
Contributions from minority shareholders	—	407	—
Proceeds from disposal of treasury stock	68	175	587
Purchases of treasury stock	(697)	(903)	(5,934)
Cash dividends paid	(2,659)	(2,559)	(22,635)
Net cash provided by financing activities	4,939	1,796	42,049
Effect of exchange rate changes on cash and cash equivalents	1,353	(42)	11,515
Net increase (decrease) in cash and cash equivalents	152	(6,613)	1,294
Cash and cash equivalents at beginning of year	29,383	35,996	250,135
Cash and cash equivalents at end of year	¥29,535	¥29,383	\$251,429

See accompanying notes to consolidated financial statements.