

CONSOLIDATED STATEMENTS OF CASH FLOWS

TDK Corporation and Subsidiaries
years ended March 31, 2001, 2000 and 1999

	Yen (Millions)			U.S. Dollars (Thousands) (Note 2)
	2001	2000	1999	2001
Cash flows from operating activities:				
Net income	¥ 43,983	50,730	46,345	\$ 354,702
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	67,973	53,846	50,960	548,170
Loss on disposal of property and equipment	5,144	2,156	2,328	41,484
Deferred income taxes	(10,986)	(3,375)	4,935	(88,597)
Loss (gain) on securities	(13,450)	(1,452)	659	(108,468)
Contribution of cash and cash equivalents to pension trust	(15,315)	–	–	(123,508)
Changes in assets and liabilities:				
Decrease (increase) in trade receivables	22,365	(24,427)	11,741	180,363
Decrease (increase) in inventories	(23,607)	(9,408)	7,795	(190,379)
Increase (decrease) in trade payables	(18,969)	20,002	3,832	(152,976)
Increase in income taxes	4,766	2,566	39	38,435
Other – net	5,693	3,270	(2,310)	45,911
Net cash provided by operating activities	67,597	93,908	126,324	545,137
Cash flows from investing activities:				
Capital expenditures	(99,452)	(84,780)	(54,330)	(802,032)
Proceeds from sale of investments	2,492	4,256	26,418	20,097
Payment for purchase of investments	(692)	(17,189)	(27,539)	(5,581)
Proceeds from sale and settlement of marketable securities	–	–	4,171	–
Proceeds from maturities of marketable securities	3,761	–	6,263	30,331
Payment for purchase of marketable securities	–	(1,993)	(18,250)	–
Other – net	1,353	929	458	10,911
Net cash used in investing activities	(92,538)	(98,777)	(62,809)	(746,274)
Cash flows from financing activities:				
Proceeds from long-term debt	614	72	83	4,952
Repayment of long-term debt	(1,536)	(2,505)	(1,512)	(12,387)
Increase (decrease) in short-term debt	2,761	(1,694)	(1,699)	22,267
Payment to acquire treasury stock	(2,666)	–	–	(21,500)
Dividends paid	(7,987)	(8,658)	(7,992)	(64,412)
Net cash used in financing activities	(8,814)	(12,785)	(11,120)	(71,080)
Effect of exchange rate changes on cash and cash equivalents	10,153	(7,946)	(6,742)	81,879
Net increase (decrease) in cash and cash equivalents	(23,602)	(25,600)	45,653	(190,338)
Cash and cash equivalents at beginning of period	174,519	200,119	154,466	1,407,411
Cash and cash equivalents at end of period	¥150,917	174,519	200,119	\$1,217,073

See accompanying notes to consolidated financial statements.