

# CONSOLIDATED STATEMENTS OF CASH FLOWS

TDK Corporation and Subsidiaries years ended March 31, 2002, 2001 and 2000

	Yen (Millions)			U.S. Dollars (Thousands) (Note 2)
	2002	2001	2000	2002
<b>Cash flows from operating activities:</b>				
Net income (loss) . . . . .	¥ (25,771)	43,983	50,730	\$ (193,767)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization . . . . .	61,920	67,973	53,846	465,564
Loss on disposal of property and equipment . . . . .	6,436	5,144	2,156	48,391
Deferred income taxes . . . . .	(13,797)	(10,986)	(3,375)	(103,737)
Loss (gain) on securities . . . . .	207	(13,450)	(1,452)	1,556
Contribution of cash and cash equivalents to pension trust . . . . .	-	(15,315)	-	-
Changes in assets and liabilities:				
Decrease (increase) in trade receivables . . . . .	18,517	22,365	(24,427)	139,226
Decrease (increase) in inventories . . . . .	28,776	(23,607)	(9,408)	216,361
Increase (decrease) in trade payables . . . . .	(14,806)	(18,969)	20,002	(111,323)
Increase (decrease) in income taxes . . . . .	(17,181)	4,766	2,566	(129,181)
Other – net . . . . .	(2,797)	5,693	3,270	(21,030)
Net cash provided by operating activities . . . . .	<u>41,504</u>	<u>67,597</u>	<u>93,908</u>	<u>312,060</u>
<b>Cash flows from investing activities:</b>				
Capital expenditures . . . . .	(58,777)	(99,452)	(84,780)	(441,932)
Proceeds from sale of investments . . . . .	323	2,492	4,256	2,429
Payment for purchase of investments . . . . .	(3,116)	(692)	(17,189)	(23,429)
Proceeds from maturities of marketable securities . . . . .	-	3,761	-	-
Payment for purchase of marketable securities . . . . .	-	-	(1,993)	-
Other – net . . . . .	3,667	1,353	929	27,571
Net cash used in investing activities . . . . .	<u>(57,903)</u>	<u>(92,538)</u>	<u>(98,777)</u>	<u>(435,361)</u>
<b>Cash flows from financing activities:</b>				
Proceeds from long-term debt . . . . .	46	614	72	346
Repayment of long-term debt . . . . .	(777)	(1,536)	(2,505)	(5,842)
Increase (decrease) in short-term debt . . . . .	(3,568)	2,761	(1,694)	(26,827)
Payment to acquire treasury stock . . . . .	(926)	(2,666)	-	(6,962)
Dividends paid . . . . .	(7,977)	(7,987)	(8,658)	(59,978)
Net cash used in financing activities . . . . .	<u>(13,202)</u>	<u>(8,814)</u>	<u>(12,785)</u>	<u>(99,263)</u>
Effect of exchange rate changes on cash and cash equivalents . . . . .	4,445	10,153	(7,946)	33,421
Net decrease in cash and cash equivalents . . . . .	<u>(25,156)</u>	<u>(23,602)</u>	<u>(25,600)</u>	<u>(189,143)</u>
Cash and cash equivalents at beginning of period . . . . .	<u>150,917</u>	<u>174,519</u>	<u>200,119</u>	<u>1,134,715</u>
Cash and cash equivalents at end of period . . . . .	<u>¥125,761</u>	<u>150,917</u>	<u>174,519</u>	<u>\$ 945,572</u>

See accompanying notes to consolidated financial statements.