

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Tokyo Electron Limited and Subsidiaries  
Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests .....	¥ 9,637	¥169,220	\$ 98,106
Depreciation and amortization .....	23,068	21,413	234,837
Amortization of goodwill .....	242	1,601	2,464
Loss on impairment of goodwill .....	–	4,072	–
Loss on impairment of property, plant and equipment .....	–	808	–
Increase in accrued pension and severance costs .....	3,401	3,753	34,623
(Increase) decrease in prepaid pension expenses .....	52	(4,036)	529
Increase in allowance for doubtful accounts .....	7,333	–	74,651
Decrease in accrued employees' bonuses .....	(7,762)	(1,404)	(79,019)
Decrease in accrued warranty expenses .....	(3,346)	(4,323)	(34,063)
Interest and dividend income .....	(1,806)	(1,491)	(18,385)
Interest expenses .....	175	343	1,782
Gain on sale of property, plant and equipment .....	(67)	(2,365)	(682)
Loss on disposal of property, plant and equipment .....	352	885	3,583
Loss on devaluation of investment securities .....	2,432	17	24,758
Gain on reversal of forfeited warrants .....	–	(467)	–
Decrease in trade notes and accounts receivable .....	102,413	2,473	1,042,584
Decrease in inventories .....	21,282	28,343	216,655
(Increase) decrease in prepaid consumption tax .....	4,509	(1,446)	45,902
Decrease in trade notes and accounts payable .....	(29,942)	(27,373)	(304,815)
Increase in customer advances .....	5,322	2,130	54,179
Increase in specific doubtful receivables .....	(7,355)	–	(74,875)
Other, net .....	(9,620)	(2,516)	(97,934)
<b>Subtotal</b> .....	<b>120,320</b>	<b>189,637</b>	<b>1,224,880</b>
Receipts from interest and dividends .....	1,749	1,372	17,805
Interest paid .....	(202)	(348)	(2,056)
Income taxes paid .....	(40,837)	(73,722)	(415,728)
<b>Net cash provided by operating activities</b> .....	<b>81,030</b>	<b>116,939</b>	<b>824,901</b>
<b>Cash flows from investing activities:</b>			
Purchases of short-term investments .....	(353,804)	(44,070)	(3,601,792)
Proceeds from short-term investments .....	219,429	34,000	2,233,829
Payment for purchase of property, plant and equipment .....	(17,228)	(19,338)	(175,384)
Proceeds from sale of property, plant and equipment .....	656	4,270	6,678
Payment for acquisition of intangible assets .....	(1,182)	(4,042)	(12,033)
Payment for purchase of investment securities .....	(7,815)	(458)	(79,558)
Other, net .....	(678)	(548)	(6,902)
<b>Net cash used in investing activities</b> .....	<b>(160,622)</b>	<b>(30,186)</b>	<b>(1,635,162)</b>
<b>Cash flows from financing activities:</b>			
Increase (decrease) in short-term borrowings .....	(2,263)	4,352	(23,038)
Redemption of unsecured bonds .....	(30,000)	(5,500)	(305,406)
(Increase) decrease in treasury stock, net .....	(21)	844	(214)
Dividends paid .....	(13,420)	(23,431)	(136,618)
Repayment of long-term debt .....	–	(3,000)	–
Other, net .....	(312)	(298)	(3,176)
<b>Net cash used in financing activities</b> .....	<b>(46,016)</b>	<b>(27,033)</b>	<b>(468,452)</b>
Effect of exchange rate changes on cash and cash equivalents .....	(2,069)	(617)	(21,063)
<b>Net increase (decrease) in cash and cash equivalents</b> .....	<b>(127,677)</b>	<b>59,103</b>	<b>(1,299,776)</b>
Cash and cash equivalents at beginning of year .....	193,493	134,390	1,969,795
Effect of newly consolidated subsidiaries .....	67	–	682
<b>Cash and cash equivalents at end of year</b> .....	<b>¥ 65,883</b>	<b>¥193,493</b>	<b>\$ 670,701</b>

See accompanying Notes to Consolidated Financial Statements.