

CONSOLIDATED STATEMENTS OF CASH FLOWS

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	¥ (7,768)	¥ 9,637	\$ (83,491)
Depreciation and amortization	20,002	23,068	214,983
Amortization of goodwill.....	242	242	2,601
Loss on impairment of property, plant and equipment and intangible assets ..	7,553	–	81,180
Increase in accrued pension and severance costs	2,810	3,401	30,202
Decrease in prepaid pension expenses	570	52	6,126
Increase in allowance for doubtful accounts	121	7,333	1,301
Increase (decrease) in accrued employees' bonuses.....	1,079	(7,762)	11,597
Decrease in accrued warranty expenses	(837)	(3,346)	(8,996)
Interest and dividend income.....	(1,055)	(1,806)	(11,339)
Interest expenses.....	47	175	505
Gain on sale of property, plant and equipment.....	(283)	(67)	(3,042)
Loss on disposal of property, plant and equipment	978	352	10,511
Loss on devaluation of investment securities.....	72	2,432	774
(Increase) decrease in trade notes and accounts receivable.....	(4,890)	102,413	(52,558)
(Increase) decrease in inventories.....	(4,869)	21,282	(52,332)
Decrease in prepaid consumption tax	568	4,509	6,105
Increase (decrease) in trade notes and accounts payable.....	27,975	(29,942)	300,677
Increase (decrease) in customer advances	(6,380)	5,322	(68,573)
Increase in specific doubtful receivables.....	(140)	(7,355)	(1,505)
Other, net	5,686	(9,620)	61,114
Subtotal.....	41,481	120,320	445,840
Receipts from interest and dividends.....	1,171	1,749	12,586
Interest paid.....	(46)	(202)	(494)
Income taxes (paid) refunded	5,679	(40,837)	61,038
Net cash provided by operating activities.....	48,285	81,030	518,970
Cash flows from investing activities:			
Purchases of short-term investments	(449,000)	(353,804)	(4,825,881)
Proceeds from short-term investments.....	473,347	219,429	5,087,564
Payment for purchase of property, plant and equipment.....	(14,195)	(17,228)	(152,569)
Proceeds from sale of property, plant and equipment	488	656	5,245
Payment for acquisition of intangible assets.....	(786)	(1,182)	(8,448)
Payment for purchase of investment securities.....	(18)	(7,815)	(193)
Other, net	(223)	(678)	(2,397)
Net cash provided by (used in) investing activities.....	9,613	(160,622)	103,321
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings.....	1,299	(2,263)	13,962
Redemption of unsecured bonds.....	–	(30,000)	–
(Increase) decrease in treasury stock, net	132	(21)	1,419
Dividends paid.....	(1,432)	(13,420)	(15,392)
Other, net	(286)	(312)	(3,074)
Net cash used in financing activities.....	(287)	(46,016)	(3,085)
Effect of exchange rate changes on cash and cash equivalents.....	446	(2,069)	4,794
Net increase (decrease) in cash and cash equivalents.....	58,057	(127,677)	624,000
Cash and cash equivalents at beginning of year	65,883	193,493	708,115
Effect of newly consolidated subsidiaries.....	–	67	–
Cash and cash equivalents at end of year	¥ 123,940	¥ 65,883	\$ 1,332,115

See accompanying Notes to Consolidated Financial Statements.