

CONSOLIDATED STATEMENTS OF CASH FLOWS

Tokyo Electron Limited and Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	¥ 99,579	¥ (7,768)	\$ 1,197,582
Depreciation and amortization	17,707	20,002	212,953
Amortization of goodwill.....	242	242	2,910
Loss on impairment of property, plant and equipment and intangible assets ..	811	7,553	9,753
Increase in accrued pension and severance costs	2,317	2,810	27,865
Decrease in prepaid pension expenses	282	570	3,391
Increase (decrease) in allowance for doubtful accounts	(4,341)	121	(52,207)
Increase in accrued employees' bonuses	5,087	1,079	61,179
Increase (decrease) in accrued warranty expenses	2,352	(837)	28,286
Interest and dividend income.....	(696)	(1,055)	(8,370)
Interest expenses.....	44	47	529
Gain on sale of property, plant and equipment	34	283	409
Loss on disposal of property, plant and equipment	625	978	7,517
Increase in trade notes and accounts receivable	(13,319)	(4,890)	(160,180)
Increase in inventories	(36,533)	(4,869)	(439,363)
(Increase) decrease in prepaid consumption tax	(8,025)	568	(96,512)
Increase in accrued consumption tax	2,305	1,127	27,721
Increase in trade notes and accounts payable	1,667	27,975	20,048
Increase (decrease) in customer advances	9,575	(6,380)	115,153
(Increase) decrease in specific doubtful receivables.....	5,303	(140)	63,776
Other, net	5,106	4,065	61,408
Subtotal.....	90,122	41,481	1,083,848
Receipts from interest and dividends.....	746	1,171	8,972
Interest paid.....	(46)	(46)	(553)
Income taxes (paid) refunded	(7,583)	5,679	(91,197)
Net cash provided by operating activities.....	83,239	48,285	1,001,070
Cash flows from investing activities:			
Payment for purchases of short-term investments.....	(360,000)	(449,000)	(4,329,525)
Proceeds from sale of short-term investments.....	360,000	473,347	4,329,525
Payment for purchase of property, plant and equipment.....	(33,542)	(14,195)	(403,391)
Proceeds from sale of property, plant and equipment	509	488	6,121
Payment for acquisition of intangible assets.....	(926)	(786)	(11,137)
Payment for purchase of investment securities.....	(643)	(18)	(7,733)
Other, net	(1,280)	(223)	(15,393)
Net cash provided by (used in) investing activities	(35,882)	9,613	(431,533)
Cash flows from financing activities:			
Increase in short-term borrowings	2,891	1,299	34,768
Decrease in treasury stock, net	428	132	5,147
Dividends paid.....	(8,236)	(1,432)	(99,050)
Other, net	(320)	(286)	(3,848)
Net cash used in financing activities.....	(5,237)	(287)	(62,983)
Effect of exchange rate changes on cash and cash equivalents.....	(1,009)	446	(12,134)
Net increase in cash and cash equivalents	41,111	58,057	494,420
Cash and cash equivalents at beginning of year	123,940	65,883	1,490,559
Cash and cash equivalents at end of year	¥ 165,051	¥ 123,940	\$ 1,984,979

See accompanying Notes to Consolidated Financial Statements.