

# consolidated statements of cash flows

Nikon Corporation and Consolidated Subsidiaries  
For the years ended March 31, 1999, 1998 and 1997

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	1999	1998	1997	1999
<b>Operating activities:</b>				
Net income (loss)	¥(18,232)	¥ 8,318	¥ 19,936	\$ (151,247)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	20,110	18,407	15,635	166,819
Loss on sales or disposal of property, plant and equipment	1,003	546	910	8,324
Deferred income taxes	(709)	(880)	72	(5,889)
Equity in earnings of non-consolidated subsidiaries and associated companies	(96)	(116)	(29)	(799)
Other	(3,901)	2,571	(452)	(32,367)
Change in assets and liabilities:				
Decrease (increase) in notes and accounts receivable — trade	39,750	(14,434)	(3,219)	329,747
Decrease (increase) in inventories	3,075	(34,193)	(3,946)	25,513
Increase (decrease) in notes and accounts payable — trade and accrued expenses	(17,716)	13,987	(445)	(146,966)
Decrease in accrued income taxes	(4,343)	(3,603)	(6,060)	(36,031)
Other	3,169	(3,521)	475	26,293
Total adjustments	40,341	(21,236)	2,940	334,644
Net cash provided by (used in) operating activities	22,108	(12,918)	22,877	183,397
<b>Investing activities:</b>				
Capital expenditures	(20,718)	(26,168)	(33,757)	(171,868)
Decrease in loans receivable	1,670	708	1,848	13,854
Purchases of investments in securities	(4,775)	(1,948)	(3,280)	(39,611)
Other	(1,178)	(2,969)	6,323	(9,774)
Net cash used in investing activities	(25,001)	(30,378)	(28,866)	(207,399)
<b>Financing activities:</b>				
Proceeds from long-term debt	17,932	26,252	18,346	148,758
Repayments of long-term debt	(13,590)	(24,790)	(23,089)	(112,737)
Increase in short-term borrowings	2,616	33,646	21,402	21,701
Dividends paid	(1,479)	(2,959)	(2,774)	(12,275)
Other	(20)	(40)	(40)	(166)
Net cash provided by financing activities	5,458	32,108	13,845	45,281
Effect of exchange rate changes on cash and cash equivalents	(758)			(6,291)
Net increase (decrease) in cash and cash equivalents	1,806	(11,187)	7,856	14,988
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	646	768		5,365
Cash and cash equivalents at beginning of year	40,142	50,561	42,705	332,998
Cash and cash equivalents at end of year	¥ 42,596	¥ 40,142	¥ 50,561	\$ 353,351
<b>Additional cash flows information</b>				
Interest paid	¥ 5,559	¥ 4,693	¥ 6,284	\$ 46,115
Income taxes paid	4,720	13,025	23,488	39,162
<b>Non cash financing activities</b>				
Assets increased by newly consolidated subsidiaries	¥ 647	¥ 959	¥	\$ 5,370
Liabilities increased by newly consolidated subsidiaries	124	69		1,030