

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Nikon Corporation and Consolidated Subsidiaries  
Years ended March 31, 2000 and 1999

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2000	1999	2000
<b>Operating activities:</b>			
Income (loss) before income taxes and minority interest	¥ 11,479	¥ (17,447)	\$ 108,136
Adjustments for:			
Income taxes-paid	(2,561)	(4,721)	(24,130)
Depreciation and amortization	17,251	20,110	162,515
Reversal of doubtful receivables	(352)	(877)	(3,315)
Loss on sales or disposal of property, plant and equipment	1,004	1,003	9,454
Equity in earnings of non-consolidated subsidiaries and associated companies	(174)	(96)	(1,637)
Other-net	398	(4,163)	3,748
Change in assets and liabilities:			
Decrease (increase) in notes and accounts receivable — trade	(27,372)	39,751	(257,865)
Decrease (increase) in inventories	(7,311)	3,075	(68,869)
Increase (decrease) in notes and accounts payable — trade	38,874	(17,865)	366,218
Other-net	6,248	3,318	58,867
Total adjustments	26,005	39,535	244,986
Net cash provided by operating activities	37,484	22,088	353,122
<b>Investing activities:</b>			
Capital expenditures	(11,161)	(25,636)	(105,144)
Proceeds from sales of property, plant and equipment	2,682	2,592	25,264
Purchases of investments in securities	(5,630)	(4,775)	(53,034)
Proceeds from sales of investments in securities	1,282	707	12,076
Proceeds from sales of investments in consolidated subsidiaries	3,079		29,005
Net decrease (increase) in loans receivable	(3,961)	1,670	(37,318)
Proceeds from transfer of business	2,401		22,620
Other-net	6,882	1,946	64,833
Net cash used in investing activities	(4,426)	(23,496)	(41,698)
<b>Financing activities:</b>			
Proceeds from long-term debt	10,629	17,933	100,133
Repayments of long-term debt	(12,340)	(13,590)	(116,251)
Net increase (decrease) in short-term borrowings	(19,033)	2,616	(179,304)
Dividends paid	(2,037)	(1,480)	(19,188)
Other-net	(28)		(264)
Net cash provided by (used in) financing activities	(22,809)	5,479	(214,874)
Foreign currency translation adjustments on cash and cash equivalents	(1,081)	(758)	(10,188)
Net increase in cash and cash equivalents	9,168	3,313	86,362
Cash and cash equivalents of newly consolidated subsidiaries			
at beginning of year	39	646	366
Cash and cash equivalents of exclusive consolidated subsidiaries			
at end of year	(52)		(494)
Cash and cash equivalents at beginning of year	23,419	19,460	220,630
Cash and cash equivalents at end of year	¥ 32,574	¥ 23,419	\$ 306,864
<b>Non-cash investing and financing activities</b>			
Assets increased by consolidation of subsidiary previously unconsolidated	¥ 159	¥ 647	\$ 1,494
Liabilities increased by consolidation of subsidiary previously unconsolidated	62	124	581

See Notes to Consolidated Financial Statements.