

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Nikon Corporation and Consolidated Subsidiaries  
Years ended March 31, 2001 and 2000

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2001	2000	2001
<b>Operating activities:</b>			
Income before income taxes and minority interest	¥ 29,827	¥ 11,479	\$ 240,738
Adjustments for:			
Income taxes-paid	(8,592)	(2,561)	(69,348)
Depreciation and amortization	16,007	17,251	129,197
Provision for employees' retirement benefits	10,024		80,903
Loss on sales or disposal of property, plant and equipment	1,251	1,004	10,094
Gain on sales of property, plant and equipment	(4,575)	(736)	(36,925)
Other-net	7,938	608	64,070
Change in assets and liabilities:			
Increase in notes and accounts receivable — trade	(12,633)	(27,372)	(101,958)
Increase in inventories	(41,944)	(7,311)	(338,531)
Increase in notes and accounts payable — trade	22,534	38,874	181,876
Other-net	15,087	6,248	121,764
Total adjustments	5,097	26,005	41,142
Net cash provided by operating activities	34,924	37,484	281,880
<b>Investing activities:</b>			
Capital expenditures	(18,184)	(11,161)	(146,762)
Proceeds from sales of property, plant and equipment	5,452	2,682	44,006
Purchases of investments in securities	(5,090)	(5,630)	(41,078)
Proceeds from sales of investments in securities	2,203	1,282	17,781
Net decrease (increase) in loans receivable	3,250	(3,961)	26,228
Other-net	(3,325)	12,362	(26,837)
Net cash used in investing activities	(15,694)	(4,426)	(126,662)
<b>Financing activities:</b>			
Net decrease in short-term borrowings	(2,943)	(19,033)	(23,755)
Proceeds from long-term debt	1,317	10,629	10,629
Repayments of long-term debt	(16,617)	(12,340)	(134,119)
Dividends paid	(2,392)	(2,037)	(19,303)
Other-net	1	(28)	9
Net cash used in financing activities	(20,634)	(22,809)	(166,539)
Foreign currency translation adjustments on cash and cash equivalents	1,495	(1,081)	12,066
Net increase in cash and cash equivalents	91	9,168	745
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	1,067	39	8,609
Cash and cash equivalents of exclusive consolidated subsidiaries at end of year		(52)	
Cash and cash equivalents at beginning of year	32,574	23,419	262,902
Cash and cash equivalents at end of year	¥ 33,732	¥ 32,574	\$ 272,256
<b>Non-cash investing and financing activities</b>			
Assets increased by consolidation of subsidiaries previously unconsolidated	¥ 16,258	¥ 159	\$ 131,217
Liabilities increased by consolidation of subsidiaries previously unconsolidated	231	62	1,861

See Notes to Consolidated Financial Statements.