

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Nikon Corporation and Consolidated Subsidiaries  
Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
<b>Operating activities:</b>			
Income before income taxes	¥ 39,180	¥116,704	\$ 398,861
Adjustments for:			
Income taxes-paid	(53,287)	(43,428)	(542,469)
Loss on impairment of fixed assets	721	274	7,337
Provision for (reversal of) doubtful receivables	4,306	262	43,838
Depreciation and amortization	32,892	25,548	334,847
Provision for employees' retirement benefits	1,021	(2,383)	10,399
Provision for retirement allowance for directors and corporate auditors	(63)	77	(641)
Loss (Gain) on sales of property, plant and equipment	(32)	(149)	(332)
Loss (Gain) on disposal of property, plant and equipment	1,891	920	19,255
Loss (Gain) on sales of investment securities		(1,541)	
Loss on valuation of investment securities	5,930	534	60,373
Other — net	2,636	5,798	26,823
Change in assets and liabilities:			
Increase (decrease) in notes and accounts receivable — trade	26,694	(16,982)	271,753
Increase in inventories	(7,849)	(26,285)	(79,911)
Increase (decrease) in notes and accounts payable — trade	(56,885)	40,705	(579,095)
Other — net	12,957	20,786	131,905
Total adjustments	(29,068)	4,136	(295,918)
Net cash provided by operating activities	10,112	120,840	102,943
<b>Investing activities:</b>			
Purchases of property, plant and equipment	(31,035)	(28,434)	(315,942)
Proceeds from sales of property, plant and equipment	587	1,501	5,972
Purchases of investment securities	(3,441)	(12,387)	(35,027)
Proceeds from sales of investment securities		2,477	
Net decrease (increase) in loans receivable	(325)	59	(3,305)
Other — net	(10,304)	(12,999)	(104,905)
Net cash used in investing activities	(44,518)	(49,783)	(453,207)
<b>Financing activities:</b>			
Net Increase (decrease) in short-term borrowings	27,432	(6,965)	279,264
Proceeds from long-term debt	11,700	501	119,108
Repayments of long-term debt	(7,819)	(22,048)	(79,604)
Purchase of treasury stock	(12,338)		(125,603)
Dividends paid	(10,338)	(9,187)	(105,243)
Other — net	(2,863)	(965)	(29,141)
Net cash provided by (used in) financing activities	5,774	(38,664)	58,781
Foreign currency translation adjustments on cash and cash equivalents	(4,520)	(3,753)	(46,003)
Net increase in cash and cash equivalents	(33,152)	28,640	(337,486)
Cash and cash equivalents of newly consolidated subsidiaries, beginning of year		469	
Cash and cash equivalents of merged previously non-consolidated subsidiary	(0)		(2)
Cash and cash equivalents, beginning of year	112,958	83,849	1,149,932
Cash and cash equivalents, end of year	¥ 79,806	¥112,958	\$ 812,444
<b>Non-cash investing and financing activities</b>			
Convertible bonds converted into common stock	¥ 800		\$ 8,144
Convertible bonds converted into capital surplus	800		8,144
Lease assets recognized under "Accounting Standard for Lease transactions"	11,921		121,361
Lease obligations recognized under "Accounting Standard for Lease transactions"	11,921		121,361

See Notes to Consolidated Financial Statements.