

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Oki Electric Industry Company, Limited and consolidated subsidiaries  
Years ended March 31, 2000, 1999 and 1998

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2000	1999	1998	2000
<b>Cash flows from operating activities:</b>				
Net income (loss) .....	¥ 1,146	¥(47,421)	¥ (8,074)	\$ 10,814
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:				
Depreciation and amortization .....	47,854	45,065	69,408	451,454
Provision for severance indemnities, net of payment .....	(772)	1,882	1,121	(7,285)
(Gain) loss on sale and disposition of marketable securities, investments in subsidiaries and other investments in securities .....	(8,975)	11,505	(2,481)	(84,677)
Loss on sale and disposition of property, plant and equipment .....	425	1,020	249	4,009
Deferred income taxes .....	2,626	(23,885)	—	24,780
Other .....	2,472	(1,350)	1,304	23,324
Changes in operating assets and liabilities:				
Notes and accounts receivable .....	2,436	(21,347)	17,340	22,984
Inventories .....	8,263	40,175	(14,679)	77,961
Other current assets .....	—	(4,080)	(2,300)	—
Notes and accounts payable .....	11	(10,887)	5,032	110
Accrued income taxes .....	(215)	(2,668)	11,283	(2,036)
Other accrued expenses .....	(4,164)	(2,103)	(68)	(39,286)
Other current liabilities .....	—	4,535	209	—
Other assets and liabilities .....	4,810	—	—	45,386
<b>Net cash provided by (used in) operating activities .....</b>	<b>55,919</b>	<b>(9,561)</b>	<b>78,346</b>	<b>527,539</b>
<b>Cash flows from investing activities:</b>				
(Increase) decrease in time deposits and marketable securities .....	(9,535)	4,326	(2,448)	(89,952)
(Increase) decrease in investments and other long-term receivables .....	(7,850)	9,701	(875)	(74,062)
Purchases of property, plant and equipment .....	(28,119)	(41,510)	(71,569)	(265,279)
Proceeds from sale of property, plant and equipment .....	2,042	8,087	5,159	19,264
Increase in other assets .....	—	(1,089)	(2,481)	—
<b>Net cash used in investing activities .....</b>	<b>(43,463)</b>	<b>(20,485)</b>	<b>(72,216)</b>	<b>(410,031)</b>
<b>Cash flows from financing activities:</b>				
Increase (decrease) in short-term borrowings .....	(23,451)	(5,051)	324	(221,238)
Issuance of long-term debt .....	11,749	69,239	76,690	110,847
Reduction of long-term debt .....	(42,755)	(26,323)	(55,684)	(403,352)
Cash dividends paid and bonuses to directors and statutory auditors .....	(51)	(2,236)	(4,450)	(485)
<b>Net cash (used in) provided by financing activities .....</b>	<b>(54,508)</b>	<b>35,626</b>	<b>16,881</b>	<b>(514,228)</b>
Effect of exchange rate changes on cash .....	(1,440)	(906)	136	(13,586)
(Decrease) increase in cash and cash equivalents .....	(43,492)	4,672	23,147	(410,306)
Cash and cash equivalents at beginning of the year (Note 1 (d) and 12) .....	108,501	86,750	63,602	1,023,599
Cash of newly consolidated subsidiaries at beginning of the year .....	1,767	—	—	16,674
<b>Cash and cash equivalents at end of the year .....</b>	<b>¥ 66,776</b>	<b>¥ 91,423</b>	<b>¥ 86,750</b>	<b>\$ 629,967</b>
<b>Supplemental disclosures of cash flow information</b>				
Cash paid (refunded) during the year for:				
Interest .....	¥ 12,360	¥ 13,759	¥ 14,340	\$ 116,603
Income taxes .....	2,645	6,215	(6,509)	24,957

The accompanying notes are an integral part of these statements.