

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Oki Electric Industry Co., Ltd., and consolidated subsidiaries  
Years ended March 31, 2001, 2000 and 1999

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2001	2000	1999	2001
<b>Cash flows from operating activities:</b>				
Net income (loss) .....	¥ 8,944	¥ 1,146	¥(47,421)	\$ 72,129
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization .....	49,251	47,854	45,065	397,185
Provision for retirement benefits, net of payment .....	7,915	(772)	1,882	63,830
(Gain) loss on sale and disposition of marketable securities, investments in subsidiaries and other investments in securities .....	(4,687)	(8,975)	11,505	(37,799)
Loss on sale and disposition of property, plant and equipment .....	597	425	1,020	4,819
Deferred income taxes .....	6,773	2,626	(23,885)	54,623
Other .....	1,474	2,472	(1,350)	11,890
Changes in operating assets and liabilities:				
Notes and accounts receivable .....	(20,280)	2,436	(21,347)	(163,553)
Inventories .....	(8,889)	8,263	40,175	(71,685)
Other current assets .....	—	—	(4,080)	—
Notes and accounts payable .....	14,621	11	(10,887)	117,916
Accrued income taxes .....	2,140	(215)	(2,668)	17,262
Other accrued expenses .....	(93)	(4,164)	(2,103)	(755)
Other current liabilities .....	—	—	4,535	—
Other assets and liabilities .....	4,638	4,810	—	37,406
<b>Net cash provided by (used in) operating activities .....</b>	<b>62,405</b>	<b>55,919</b>	<b>(9,561)</b>	<b>503,270</b>
<b>Cash flows from investing activities:</b>				
Decrease (increase) in time deposits and marketable securities .....	20,518	(9,535)	4,326	165,474
Decrease (increase) in investments and other long-term receivables .....	5,117	(7,850)	9,701	41,269
Purchases of property, plant and equipment .....	(40,865)	(28,119)	(41,510)	(329,559)
Proceeds from sale of property, plant and equipment .....	1,291	2,042	8,087	10,412
Increase in other assets .....	—	—	(1,089)	—
<b>Net cash used in investing activities .....</b>	<b>(13,938)</b>	<b>(43,463)</b>	<b>(20,485)</b>	<b>(112,403)</b>
<b>Cash flows from financing activities:</b>				
Decrease in short-term borrowings .....	(8,110)	(23,451)	(5,051)	(65,410)
Issuance of long-term debt .....	6,348	11,749	69,239	51,193
Reduction of long-term debt .....	(61,754)	(42,755)	(26,323)	(498,023)
Cash dividends paid and bonuses to directors and statutory auditors .....	(39)	(51)	(2,236)	(322)
<b>Net cash (used in) provided by financing activities .....</b>	<b>(63,557)</b>	<b>(54,508)</b>	<b>35,626</b>	<b>(512,563)</b>
Effect of exchange rate changes on cash .....	497	(1,440)	(906)	4,011
(Decrease) increase in cash and cash equivalents .....	(14,592)	(43,492)	4,672	(117,685)
Cash and cash equivalents at beginning of the year .....	66,776	108,501	86,750	538,520
Cash of newly consolidated subsidiaries at beginning of the year .....	702	1,767	—	5,662
<b>Cash and cash equivalents at end of the year .....</b>	<b>¥ 52,885</b>	<b>¥ 66,776</b>	<b>¥ 91,423</b>	<b>\$ 426,498</b>
<b>Supplemental disclosures of cash flow information</b>				
Cash paid during the year for:				
Interest .....	¥ 10,697	¥ 12,360	¥ 13,759	\$ 86,271
Income taxes .....	1,315	2,645	6,215	10,606

The accompanying notes are an integral part of these statements.