

Consolidated Statements of Cash Flows

Oki Electric Industry Co., Ltd., and consolidated subsidiaries
Years ended March 31, 2003, 2002 and 2001

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2003	2002	2001	2003
Cash flows from operating activities:				
Net (loss) income	¥ (6,560)	¥(34,077)	¥ 8,944	\$ (54,671)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	39,927	48,053	49,251	332,733
Provision for retirement benefits, net of payments	6,685	204	7,915	55,711
Write-downs of investments in subsidiaries and other investments in securities	7,221	18,173	3,041	60,175
Write-downs of inventories	—	8,372	—	—
Gain on sale and disposition of marketable securities, investments in subsidiaries and other investments in securities	(1,489)	(12,078)	(4,687)	(12,416)
(Gain) loss on sale and disposition of property, plant and equipment	(17,273)	1,995	597	(143,941)
Deferred income taxes	298	(25,179)	6,773	2,489
Other	7,657	(2,630)	(1,567)	63,816
Changes in operating assets and liabilities:				
Notes and accounts receivable	(24,606)	44,811	(20,280)	(205,055)
Inventories	(10,431)	8,696	(8,889)	(86,930)
Notes and accounts payable	1,146	(28,609)	14,621	9,551
Accrued income taxes	1,333	(1,440)	2,140	11,112
Other accrued expenses	(4,157)	(7,589)	(93)	(34,645)
Other assets and liabilities	474	(1,775)	4,638	3,953
Net cash provided by operating activities	225	16,927	62,405	1,882
Cash flows from investing activities:				
Decrease in time deposits and marketable securities	50	2,710	20,518	418
(Increase) decrease in investments and other long-term receivables	(7,676)	3,712	5,117	(63,970)
Purchases of property, plant and equipment	(23,553)	(32,583)	(40,865)	(196,275)
Proceeds from sale of property, plant and equipment	35,497	312	1,291	295,809
Net cash provided by (used in) investing activities	4,317	(25,848)	(13,938)	35,982
Cash flows from financing activities:				
Increase (decrease) in short-term borrowings	966	(10,436)	(8,110)	8,052
Issuance of long-term debt	31,719	53,864	6,348	264,329
Repayment of long-term debt	(52,632)	(44,998)	(61,754)	(438,604)
Other	(130)	1,890	(39)	(1,089)
Net cash (used in) provided by financing activities	(20,077)	320	(63,557)	(167,311)
Effect of exchange rate changes on cash	(717)	590	497	(5,977)
Decrease in cash and cash equivalents	(16,250)	(8,010)	(14,592)	(135,424)
Cash and cash equivalents at beginning of the year	45,445	52,885	66,776	378,710
Cash of initially consolidated subsidiaries at beginning of the year	99	569	702	833
Cash and cash equivalents at end of the year	¥ 29,294	¥ 45,445	¥ 52,885	\$ 244,118
Supplemental disclosures of cash flow information:				
Cash paid during the year for:				
Interest	¥ 7,669	¥ 8,254	¥ 10,697	\$ 63,915
Income taxes	1,092	3,406	1,315	9,104

The accompanying notes are an integral part of these statements.