

Financial Section

Consolidated Statements of Cash Flows

Oki Electric Industry Co., Ltd. and consolidated subsidiaries
Years ended March 31, 2004, 2003 and 2002

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2004	2003	2002	2004
Cash flows from operating activities:				
Net income (loss)	¥ 1,328	¥ (6,560)	¥(34,077)	\$ 12,651
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	33,577	39,927	48,053	319,784
Provision for retirement benefits, net of payments	1,990	6,685	204	18,959
Write-downs of investments in subsidiaries and other investments in securities	1,676	7,221	18,173	15,962
Write-downs of inventories	—	—	8,372	—
Gain on sale and disposition of marketable securities, investments in subsidiaries and other investments in securities	(1,597)	(1,489)	(12,078)	(15,218)
Loss (gain) on sale and disposition of property, plant and equipment	4,630	(17,273)	1,995	44,099
Deferred income taxes	(1,720)	298	(25,179)	(16,382)
Other	4,685	7,657	(2,630)	44,627
Changes in operating assets and liabilities:				
Notes and accounts receivable	10,098	(24,606)	44,811	96,179
Inventories	17,087	(10,431)	8,696	162,737
Notes and accounts payable	12,912	1,146	(28,609)	122,975
Accrued income taxes	(303)	1,333	(1,440)	(2,886)
Other accrued expenses	7,183	(4,157)	(7,589)	68,409
Other assets and liabilities	720	474	(1,775)	6,862
Net cash provided by operating activities	92,269	225	16,927	878,761
Cash flows from investing activities:				
(Increase) decrease in time deposits and marketable securities	(19)	50	2,710	(190)
(Increase) decrease in investments and other long-term receivables	(6,273)	(7,676)	3,712	(59,749)
Purchases of property, plant and equipment	(24,026)	(23,553)	(32,583)	(228,824)
Proceeds from sale of property, plant and equipment	11,117	35,497	312	105,882
Net cash (used in) provided by investing activities	(19,202)	4,317	(25,848)	(182,881)
Cash flows from financing activities:				
(Decrease) increase in short-term borrowings	(12,355)	966	(10,436)	(117,673)
Issuance of long-term debt	31,544	31,719	53,864	300,421
Repayment of long-term debt	(58,552)	(52,632)	(44,998)	(557,640)
Other	(4,200)	(130)	1,890	(40,007)
Net cash (used in) provided by financing activities	(43,564)	(20,077)	320	(414,899)
Effect of exchange rate changes on cash	(759)	(717)	590	(7,230)
Increase (decrease) in cash and cash equivalents	28,743	(16,250)	(8,010)	273,749
Cash and cash equivalents at beginning of the year	29,294	45,445	52,885	278,993
Cash of initially consolidated subsidiaries at beginning of the year	37	99	569	358
Cash and cash equivalents at end of the year	¥ 58,075	¥ 29,294	¥ 45,445	\$ 553,101
Supplemental disclosures of cash flow information:				
Cash paid during the year for:				
Interest	¥ 7,509	¥ 7,669	¥ 8,254	\$ 71,515
Income taxes	2,858	1,092	3,406	27,225

The accompanying notes are an integral part of these statements.