

Years ended March 31	Yen (millions)			U.S. Dollars (thousands) (Note 3)
	1997	1998	1999	1999
Cash flows from operating activities:				
Income before income taxes and minority interests.....	¥146,821	¥123,855	¥ 49,625	\$ 410,124
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	288,996	316,766	329,082	2,719,686
Goodwill amortization.....	10,896	33,909	21,754	179,785
Accrual for severance benefits, less payments.....	14,781	10,443	14,235	117,645
Provision for loss on repurchase of computers	53,272	53,124	48,638	401,967
Reversal of provision for loss on repurchase of computers	(57,697)	(53,313)	(53,124)	(439,041)
Interest charges.....	49,276	56,615	58,240	481,322
Interest and dividend income	(9,758)	(12,760)	(12,499)	(103,298)
Equity in earnings of affiliates, net.....	(3,747)	(18,964)	(22,475)	(185,744)
Loss on disposal of property, plant and equipment.....	11,656	12,866	30,704	253,752
Decrease (increase) in receivables, trade	(155,299)	(96,607)	29,874	246,893
Decrease (increase) in inventories	(26,835)	(65,771)	40,748	336,760
(Increase) decrease in other current assets	1,018	1,646	(61,775)	(510,537)
Increase in payables, trade	103,991	68,166	48,769	403,050
(Decrease) increase in other current liabilities.....	(31,831)	4,260	(3,704)	(30,612)
Other, net	(6,374)	40,063	(30,574)	(252,678)
Cash generated from operations	389,166	474,298	487,518	4,029,074
Interest paid.....	(48,113)	(57,462)	(60,395)	(499,132)
Interest received	6,829	8,964	5,257	43,446
Dividends received	2,808	976	6,329	52,306
Income taxes paid	(68,450)	(102,920)	(88,413)	(730,686)
Net cash provided by operating activities.....	282,240	323,856	350,296	2,895,008
Cash flows from investing activities:				
Purchase of property, plant and equipment	(438,969)	(448,869)	(279,226)	(2,307,653)
Proceeds from sales of property, plant and equipment	8,250	17,418	25,325	209,298
(Increase) in investments and long-term loans.....	(22,699)	(14,209)	(112,870)	(932,810)
(Increase) decrease in short-term investments.....	(11,153)	33,385	(20,452)	(169,025)
Acquisition of Amdahl Corporation, net of cash acquired.....	—	(97,403)	—	—
Other, net	19,914	7,384	27,899	230,570
Net cash used in investing activities	(444,657)	(502,294)	(359,324)	(2,969,620)
Cash flows from financing activities:				
Proceeds from long-term debt.....	274,100	466,540	204,899	1,693,380
Repayment of long-term debt	(128,399)	(279,700)	(185,031)	(1,529,182)
Increase (decrease) in short-term borrowings.....	(1,416)	(23,630)	42,682	352,744
Increase (decrease) in minority interests.....	8,828	(4,483)	11,513	95,149
Dividends paid	(18,413)	(18,508)	(18,686)	(154,430)
Other, net	(4,929)	14,389	13,822	114,232
Net cash provided by financing activities	129,771	154,608	69,199	571,893
Effect of exchange rate changes on cash and cash equivalents.....	12,608	2,120	(2,851)	(23,562)
Net increase (decrease) in cash and cash equivalents.....	(20,038)	(21,710)	57,320	473,719
Cash and cash equivalents at beginning of year	433,938	413,900	392,190	3,241,240
Cash and cash equivalents at end of year.....	¥413,900	¥392,190	¥449,510	\$3,714,959
Noncash financing activities:				
Conversion of bonds into common stock and capital surplus	¥ 127	¥ 4,252	¥ 361	\$ 2,983

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.