

CONSOLIDATED STATEMENTS OF CASH FLOWS

Kubota Corporation and Subsidiaries Years Ended March 31, 2000, 1999, and 1998

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2000	1999	1998	2000
Operating activities:				
Net income	¥16,428	¥15,106	¥27,683	\$154,981
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	45,164	45,636	39,746	426,075
Provision for (reversal of) doubtful receivables	(836)	403	(1,396)	(7,887)
Provision for retirement and pension costs, less payments	7,742	9,944	5,084	73,038
Gain on sales of securities	(2,814)	(4,859)	(18,598)	(26,547)
Gain on exchange of securities	—	(576)	(2,636)	—
Equity in net (income) loss of affiliated companies, less dividends	(1,427)	1,438	205	(13,462)
Loss from disposition of subsidiaries	—	—	19,438	—
Deferred income taxes	(11,952)	(7,513)	(6,109)	(112,755)
Unrealized foreign exchange (gain) loss—net	517	(552)	1,580	4,877
Decrease in notes and accounts receivable	27,093	18,399	16,504	255,594
Decrease (increase) in inventories	4,838	(733)	(5,536)	45,642
Decrease (increase) in other current assets	(16,433)	244	(729)	(155,028)
Increase (decrease) in trade notes and accounts payable	1,742	3,003	(23,037)	16,434
Increase (decrease) in income taxes payable	(3,062)	8,603	(18,464)	(28,887)
Increase (decrease) in other current liabilities	6,646	775	(6,675)	62,698
Other	5,633	(316)	864	53,142
Net cash provided by operating activities	79,279	89,002	27,924	747,915
Investing activities:				
Purchases of fixed assets	(45,962)	(43,769)	(52,723)	(433,604)
Purchases of investments and change in advances	384	(9,771)	(1,173)	3,622
Proceeds from sales of property, plant, and equipment	1,802	796	2,058	17,000
Proceeds from sales of investments	10,138	15,271	33,470	95,642
Proceeds from disposition of subsidiaries	—	—	1,330	—
Net decrease in short-term investments	4,126	10,989	11,318	38,924
Other	338	(958)	(346)	3,189
Net cash used in investing activities	(29,174)	(27,442)	(6,066)	(275,227)
Financing activities:				
Proceeds from issuance of long-term debt	12,807	60,357	35,404	120,821
Repayments of long-term debt	(44,352)	(74,368)	(38,648)	(418,415)
Net decrease in short-term borrowings	(25,303)	(24,222)	(23,285)	(238,708)
Cash dividends	(8,458)	(8,458)	(8,458)	(79,792)
Net cash used in financing activities	(65,306)	(46,691)	(34,987)	(616,094)
Effect of exchange rate changes on cash and cash equivalents	(872)	(369)	1,570	(8,226)
Net increase (decrease) in cash and cash equivalents	(16,073)	14,500	(11,559)	(151,632)
Cash and cash equivalents, beginning of year	94,715	80,215	91,774	893,538
Cash and cash equivalents, end of year	¥78,642	¥94,715	¥80,215	\$741,906

See notes to consolidated financial statements.