

Consolidated Statements of Cash Flows

Kubota Corporation and Subsidiaries Years Ended March 31, 2002, 2001, and 2000

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2002	2001	2000	2002
Operating activities:				
Net income	¥ 9,530	¥ 9,795	¥16,428	\$ 71,654
Adjustments to reconcile net income to net cash provided by operating activities:				
Cumulative effect of an accounting change	—	21,559	—	—
Depreciation and amortization	40,535	43,926	45,164	304,775
Provision for (reversal of) doubtful receivables	210	1,090	(836)	1,579
Provision for retirement and pension costs, less payments	1,267	3,896	7,742	9,526
Gain on sales of securities	(2,578)	(821)	(2,814)	(19,383)
Loss from write-downs of securities	9,166	2,922	3,260	68,917
Loss (gain) on disposals of fixed assets	1,725	(1,532)	1,826	12,970
Gain on contribution of securities to the employee retirement benefit trust	—	(19,277)	—	—
Equity in net loss (income) of affiliated companies, less dividends	636	200	(1,427)	4,782
Deferred income taxes	(5,591)	3,038	(11,952)	(42,038)
Change in assets and liabilities, net of effects from sales of businesses:				
Decrease (increase) in notes and accounts receivable	12,752	(46,549)	27,093	95,880
Decrease in inventories	23,260	3,474	4,838	174,887
Decrease (increase) in other current assets	75	854	(16,433)	564
Increase (decrease) in trade notes and accounts payable	(9,958)	19,053	1,742	(74,872)
Increase (decrease) in income taxes payable	(1,310)	2,526	(3,062)	(9,850)
Increase (decrease) in other current liabilities	(3,575)	(3,919)	6,646	(26,880)
Other	1,682	8,292	1,064	12,647
Net cash provided by operating activities	77,826	48,527	79,279	585,158
Investing activities:				
Purchases of fixed assets	(32,473)	(36,250)	(45,962)	(244,158)
Purchases of investments and change in advances	(2,333)	(327)	384	(17,541)
Proceeds from sales of property, plant, and equipment	2,002	5,519	1,802	15,052
Proceeds from sales of investments	7,916	2,955	10,138	59,519
Net decrease in short-term investments	1,102	5,565	4,126	8,286
Cash transferred in sale of business	(10,237)	—	—	(76,970)
Other	(435)	(486)	338	(3,271)
Net cash used in investing activities	(34,458)	(23,024)	(29,174)	(259,083)
Financing activities:				
Proceeds from issuance of long-term debt	28,202	11,416	12,807	212,045
Repayments of long-term debt	(71,034)	(49,365)	(44,352)	(534,090)
Net increase (decrease) in short-term borrowings	(3,077)	20,289	(25,303)	(23,135)
Cash dividends	(8,459)	(8,458)	(8,458)	(63,602)
Purchases of treasury stock	(6,926)	—	—	(52,075)
Net cash used in financing activities	(61,294)	(26,118)	(65,306)	(460,857)
Effect of exchange rate changes on cash and cash equivalents	276	606	(872)	2,075
Net decrease in cash and cash equivalents	(17,650)	(9)	(16,073)	(132,707)
Cash and cash equivalents, beginning of year	78,633	78,642	94,715	591,226
Cash and cash equivalents, end of year	¥60,983	¥78,633	¥78,642	\$ 458,519

See notes to consolidated financial statements.