

CONSOLIDATED STATEMENTS OF CASH FLOWS

Kubota Corporation and Subsidiaries Years Ended March 31, 2001, 2000, and 1999

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2001	2000	1999	2001
Operating activities:				
Net income	¥ 9,795	¥16,428	¥15,106	\$ 78,992
Adjustments to reconcile net income to net cash provided by operating activities:				
Cumulative effect of an accounting change	21,559	—	—	173,863
Depreciation and amortization	43,926	45,164	45,636	354,242
Provision for (reversal of) doubtful receivables	1,090	(836)	403	8,790
Provision for retirement and pension costs, less payments	3,896	7,742	9,944	31,419
Gain on sales of securities	(821)	(2,814)	(4,859)	(6,621)
Loss (gain) on disposals of fixed assets	(1,532)	1,826	1,819	(12,355)
Gain on contribution of securities to the employee retirement benefit trust	(19,277)	—	—	(155,459)
Gain on exchange of securities	—	—	(576)	—
Equity in net (income) loss of affiliated companies, less dividends	200	(1,427)	1,438	1,613
Deferred income taxes	3,038	(11,952)	(7,513)	24,500
Decrease (increase) in notes and accounts receivable	(46,549)	27,093	18,399	(375,395)
Decrease (increase) in inventories	3,474	4,838	(733)	28,016
Decrease (increase) in other current assets	854	(16,433)	244	6,887
Increase in trade notes and accounts payable	19,053	1,742	3,003	153,653
Increase (decrease) in income taxes payable	2,526	(3,062)	8,603	20,371
Increase (decrease) in other current liabilities	(3,919)	6,646	775	(31,605)
Other	11,214	4,324	(2,687)	90,436
Net cash provided by operating activities	48,527	79,279	89,002	391,347
Investing activities:				
Purchases of fixed assets	(36,250)	(45,962)	(43,769)	(292,339)
Purchases of investments and change in advances	(327)	384	(9,771)	(2,637)
Proceeds from sales of property, plant, and equipment	5,519	1,802	796	44,508
Proceeds from sales of investments	2,955	10,138	15,271	23,831
Net decrease in short-term investments	5,565	4,126	10,989	44,879
Other	(486)	338	(958)	(3,920)
Net cash used in investing activities	(23,024)	(29,174)	(27,442)	(185,678)
Financing activities:				
Proceeds from issuance of long-term debt	11,416	12,807	60,357	92,065
Repayments of long-term debt	(49,365)	(44,352)	(74,368)	(398,105)
Net increase (decrease) in short-term borrowings	20,289	(25,303)	(24,222)	163,621
Cash dividends	(8,458)	(8,458)	(8,458)	(68,210)
Net cash used in financing activities	(26,118)	(65,306)	(46,691)	(210,629)
Effect of exchange rate changes on cash and cash equivalents	606	(872)	(369)	4,887
Net increase (decrease) in cash and cash equivalents	(9)	(16,073)	14,500	(73)
Cash and cash equivalents, beginning of year	78,642	94,715	80,215	634,210
Cash and cash equivalents, end of year	¥78,633	¥78,642	¥94,715	\$634,137

See notes to consolidated financial statements.