

# Consolidated Statements of Cash Flows

Kubota Corporation and Subsidiaries Years Ended March 31, 2003, 2002, and 2001

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2003	2002	2001	2003
<b>Operating activities:</b>				
Net income (loss)	¥ (8,004)	¥ 9,530	¥ 9,795	\$ (66,700)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Cumulative effect of an accounting change	—	—	21,559	—
Depreciation and amortization	38,804	40,535	43,926	323,366
Provision for doubtful receivables	817	210	1,090	6,808
Provision for (reversal of) accrued retirement and pension costs	(4,416)	1,267	3,896	(36,800)
Loss (gain) on sales of securities	5	(2,578)	(821)	42
Valuation losses on short-term and other investments	24,822	9,166	2,922	206,850
Loss (gain) on disposals of fixed assets	2,484	1,725	(1,532)	20,700
Impairment loss on fixed assets	17,403	4,734	—	145,025
Gain on contribution of securities to the employee retirement benefit trust	—	—	(19,277)	—
Equity in net loss (income) of affiliated companies	(233)	179	(235)	(1,942)
Deferred income taxes	(9,242)	(5,591)	3,038	(77,016)
Change in assets and liabilities, net of effects from sales of businesses:				
Decrease (increase) in notes and accounts receivable	31,649	12,752	(46,549)	263,742
Decrease in inventories	2,455	23,260	3,474	20,458
Decrease (increase) in other current assets	(5,637)	75	854	(46,975)
Increase (decrease) in trade notes and accounts payable	(20,315)	(9,958)	19,053	(169,292)
Increase (decrease) in income taxes payable	(2,332)	(1,310)	2,526	(19,433)
Decrease in other current liabilities	(3,340)	(3,575)	(3,919)	(27,833)
Other	(667)	(2,595)	8,727	(5,558)
Net cash provided by operating activities	64,253	77,826	48,527	535,442
<b>Investing activities:</b>				
Purchases of fixed assets	(33,838)	(32,473)	(36,250)	(281,984)
Purchases of investments and change in advances	(2,056)	(2,333)	(327)	(17,133)
Proceeds from sales of property, plant, and equipment	1,803	2,002	5,519	15,025
Proceeds from sales of investments	5,153	7,916	2,955	42,942
Net decrease in short-term investments	1,384	1,102	5,565	11,533
Cash transferred in sale of business	—	(10,237)	—	—
Other	(39)	(435)	(486)	(325)
Net cash used in investing activities	(27,593)	(34,458)	(23,024)	(229,942)
<b>Financing activities:</b>				
Proceeds from issuance of long-term debt	65,627	28,202	11,416	546,892
Repayments of long-term debt	(45,447)	(71,034)	(49,365)	(378,725)
Net increase (decrease) in short-term borrowings	(26,548)	(2,846)	20,460	(221,233)
Cash dividends	(8,289)	(8,459)	(8,458)	(69,075)
Purchases of treasury stock	(15,011)	(6,926)	—	(125,092)
Other	(341)	(231)	(171)	(2,842)
Net cash used in financing activities	(30,009)	(61,294)	(26,118)	(250,075)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(272)</b>	<b>276</b>	<b>606</b>	<b>(2,267)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,379</b>	<b>(17,650)</b>	<b>(9)</b>	<b>53,158</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>60,983</b>	<b>78,633</b>	<b>78,642</b>	<b>508,192</b>
<b>Cash and cash equivalents, end of year</b>	<b>¥67,362</b>	<b>¥60,983</b>	<b>¥78,633</b>	<b>\$561,350</b>