

KUBOTA CORP  
Form 6-K  
June 05, 2006  
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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 6 - K**

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**Report of Foreign Private Issuer**  
**Pursuant to Rule 13a-16 or 15d-16 of**  
**the Securities Exchange Act of 1934**

**For the month of May 2006**

**Commission File Number: 1-07294**

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**KUBOTA CORPORATION**

**(Translation of registrant's name into English)**

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**2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, Japan**

**(Address of principal executive offices)**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F :

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1) : \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7) : \_\_\_\_\_

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 :

Yes  No

If  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) : 82-\_\_\_\_\_

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Information furnished on this form:

**EXHIBITS**

**Exhibit Number**

1. Results of operations for the year ended March 31, 2006 reported by Kubota Corporation (Friday, May 12, 2006)
2. Notice on restatement of previously reported earning releases (Friday, May 12, 2006)
3. Notice on amendment to Articles of Incorporation (Friday, May 12, 2006)

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FOR IMMEDIATE RELEASE (FRIDAY, MAY 12, 2006)

**RESULTS OF OPERATIONS FOR THE YEAR ENDED****MARCH 31, 2006 REPORTED BY KUBOTA CORPORATION**

OSAKA, JAPAN, May 12, 2006 Kubota Corporation reported today its consolidated and non-consolidated results of operations for the year ended March 31, 2006.

**Consolidated Financial Highlights**

(Unaudited)

	In millions of yen and thousands of U.S. dollars except per American Depository Share ( ADS ) amounts			
	Year ended	%	Year ended	%
	March 31, 2006	(*)	March 31, 2005	(*)
(1) Results of operations				
Net sales	¥ 1,051,040	6.9	¥ 983,226	5.7
	\$ [8,983,248]			
Operating income	¥ 113,500	30.8	¥ 86,773	283.8
	\$ [970,085]			
% of net sales	10.8%		8.8%	
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥ 140,406	(10.0)	¥ 156,035	459.4
	\$ [1,200,051]			
% of net sales	13.4%		15.9%	
Net income	¥ 81,034	(31.3)	¥ 117,901	907.7
	\$ [692,598]			
% of net sales	7.7%		12.0%	
Net income per ADS (5 common shares)				
Basic	¥ 311		¥ 446	
	\$ [2.66]			
Diluted	¥ 308		¥ 434	
	\$ [2.63]			
Ratio of net income from continuing operations to shareholders equity	14.9%		27.0%	
Ratio of income to shareholders equity before income taxes to total assets	10.8%		13.5%	

Notes. 1 : (\*) represents percentage change from the comparable previous period.

2 : Weighted-average number of shares outstanding during the year ended March 31, 2006 1,304,097,050

Weighted-average number of shares outstanding during the year ended March 31, 2005 1,323,067,882

3 : Equity in net income of affiliated companies for the year ended March 31, 2006 and 2005 was ¥1,633 million and ¥2,324 million, respectively.



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## (2) Financial position

(In millions of yen and thousands of U.S. dollars  
except per ADS amounts)

	<b>March 31, 2006</b>	<b>March 31, 2005</b>
Total assets	¥ 1,405,402 \$ [12,011,983]	¥ 1,193,056
Shareholders' equity	¥ 606,484 \$ [5,183,624]	¥ 481,019
Ratio of shareholders' equity to total assets	43.2%	40.3%
Shareholders' equity per ADS	¥ 2,334 \$ [19.95]	¥ 1,850

Notes to financial position:

Number of shares outstanding as of March 31, 2006	1,299,487,964
Number of shares outstanding as of March 31, 2005	1,300,413,082

## (3) Summary of statements of cash flows

(In millions of yen and thousands of U.S. dollars)

	<b>Year ended March 31, 2006</b>	<b>Year ended March 31, 2005</b>
Net cash provided by operating activities	¥ 87,857 \$ [750,915]	¥ 66,908
Net cash used in investing activities	¥ (61,292) \$ [(523,863)]	¥ (78,228)
Net cash provided by (used in) financing activities	¥ (10,186) \$ [(87,060)]	¥ 4,508
Cash & cash equivalents, end of year	¥ 91,858 \$ [785,111]	¥ 74,563

(4) 122 subsidiaries are consolidated, and 25 affiliated companies are accounted for under the equity method.

(5) The number of newly consolidated companies during the period	: 6
The number of newly unconsolidated companies during the period	: 5
The number of newly affiliated companies during the period	: 1
The number of newly unaffiliated companies during the period	: 5

## (6) Anticipated results of operations for the year ending March 31, 2007

(In millions of yen)

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	Six months ending	Year ending
	September 30, 2006	March 31, 2007
Net sales	¥ 540,000	¥ 1,090,000
Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥ 72,000	¥ 131,500
Net income	¥ 42,000	¥ 77,000

Basic net income per ADS for the year ending March 31, 2007 is anticipated to be ¥296.

Please refer to page 9 for further information related to the above mentioned anticipated results of operations.

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**1. Management Policies**

**1. Basic management policy**

More than a century since its founding, Kubota Corporation and subsidiaries (collectively the Company ) has continued to help improve people's quality of life, by offering products and services including farm equipment, pipes for water supply and sewage systems, environmental control plants, industrial castings, and building materials. The Company has its management principle that the Company contributes to the development of society and the preservation of the earth's environment through its products, technology, and services that provide the foundation for society and for affluent lifestyles. While adhering to this management principle, the Company is implementing management policies that are focused on prioritizing allocation of its resources, emphasizing agility in its operations and strengthening consolidated operations. Through these measures, the Company aims to improve its adaptability to respond with flexibility to the changing times, resulting in a high enterprise value.

**2. Basic policy related to the Company's profit allocation**

The Company's basic policy for the allocation of profit is to maintain stable or increasing dividends. The Company's policy is to determine the most appropriate use of retained earnings, considering requirements of maintaining stable current business operations as well as adapting to the future business environment.

**3. Basic policy regarding reduction of trading unit of the Company's stock**

The Company is fully aware that reduction of trading unit of the Company's stock might cause positive impacts on the diversity of shareholders and the liquidity of the Company's stock. However, the Company believes that the implementation of reduction of trading unit should be examined in careful consideration of price and liquidity of the Company's stock, and financial results of the Company.

**4. Principal Business Policies for Medium- to Long-Term Growth in Profit**

To attain further development in the medium-to-long term, as a growing, profitable, and stable company, the Company is giving priority to the following business policies.

**(1) Accelerating Business Expansion in Overseas Operations**

The primary engine driving the Company's growth and the most important source of profit in the years ahead will be the overseas operations in Internal Combustion Engine and Machinery. The Company plans to move forward with plans for giving priority to investing resources in all aspects of these operations, including the development of new products, opening up peripheral markets, expanding production capacity and expanding its marketing network. With these plan the Company has made efforts to expand its business through strengthening the Kubota brand and increasing market share. The Company is committed to focusing its full efforts at an accelerated pace on continuing to expand these overseas operations by responding to the changing times agilely and appropriately.



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In product development, the Company is combining its small-sized diesel engines, which are globally competitive, and its various top-level vehicle technologies, to aggressively move forward with the development and introduction of new models in the fields of tractors, construction machinery, rice-farming machinery, and utility vehicles (four-wheel multipurpose vehicles). The Company is also working to expand business domains by concentrating on supplying engines to other manufacturers and developing products for peripheral applications.

By region, the Company intends to expand its business worldwide further than ever before. In North America and the EU, mainstay of business in Internal Combustion Engine and Machinery, the Company devotes to strengthen its supply chains of products and services. In Asia, where growth is expected going forward, the Company is aggressively working to strengthen its manufacturing and marketing bases, especially in Thailand and China.

Also, in response to the rapid expansion in overseas activities, the Company is beginning to make capital investments in a broad range of locations in Japan and overseas to expand production capacity for engines, tractors, construction machinery, combines, and other products. A major issue for the time being will be to launch these investment projects as quickly as possible.

**2) Restructuring the Public Works Related Businesses**

In the circumstance of continuously declining domestic public works spending, the public works related businesses (Pipes, Valves, and Industrial Castings segment and Environmental Engineering segment) of the Company are facing very severe conditions of their business. The Company regards the deterioration in the market for the public works related businesses as a structural issue and is aiming to restructure its activities in these areas in response to changes in the operating environment. For the countermeasure of price decline in the circumstance of decreasing budgets for public works, the Company is taking an aggressive approach to the challenges of restructuring by making drastic reductions in costs and dramatic improvements in productivity as well as implementing other policies to actively introduce changes that will make its operations more oriented toward the market and market mechanisms.

In Pipes, Valves, and Industrial Castings, the Company is achieving steady results as a result of implementing these policies and making progress toward improvements in profitability. However, in Environmental Engineering, conditions have deteriorated and competition has grown more intense than anticipated, and its efforts at restructuring and reform are still lagging behind the pace of change in the operating environment. Going forward, the Company attempt to enhance its competitiveness by taking changes of direction and rapidity in its business environments in advance. Furthermore, the Company intends to conduct a thorough analysis of the market environment, its resources, and its strengths and weaknesses. Also, while promoting thoroughgoing cost reductions based on the application of the manufacturing and development technologies the Company has accumulated in Internal Combustion Engine and Machinery, endeavoring to differentiate its products and services from those of competitors in terms of technology, strengthening its capabilities for making proposals to customers, and implementing other measures. The Company intends to devote its full efforts to shifting the focus of its activities to meeting private-sector demand and overseas business operations so that the Company might not be affected by negative impact from decrease of public works spending.

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**(3) Management Based on Corporate Social Responsibility (CSR)**

To attain sustainable growth and development, the Company believes that it is necessary for the Company not only to aim to its growth on business continuously but also to meet various expectations and trust from each stakeholder on a constant basis. The Company must be a trusted member of the community contributing to and acting in harmony with society. Based on this fundamental awareness, the Company states management based on corporate social responsibility (CSR) as a principal management issue at highest priority, and intends to behave with strong awareness of CSR on every business activity.

The Company has reviewed its Corporate Mission Statement, Charter for Action, and Code of Conduct from a viewpoint of CSR, and, in the light of the demands of society today, the Company issued revised versions of these corporate statements in April 2006. Going forward, the Company plans to inform these corporate statements and put them into practice throughout all Group companies.

**5. Items concerning its parent company**

The Company has no parent company.

**2. Review of Operations and Financial Condition**

**1. Review of operations**

**(1) Summary of the results of operations for the year under review**

For the year under review, net sales of the Company rose 6.9 %, to ¥1,051.0 billion. In the domestic market, sales in Internal Combustion Engine and Machinery increased due to steady sales of engines and construction machinery, and sales in Pipes, Valves and Industrial Castings increased due to favorable sales of industrial castings and business integration in plastic pipes business. However, sales in Environmental Engineering decreased due to severe conditions of the public works related business and sales in Other decreased resulting from a sale of a subsidiary at the beginning of this fiscal year. Total domestic sales decreased 1.1 %, to ¥630.8 billion from the prior year.

On the other hand, sales in overseas markets increased largely as a result of sustained high growth in the Company's overseas operations in Internal Combustion Engine and Machinery. Sales in North America increased due to steady sales of tractors and brisk sales of engines and construction machinery. In Europe, sales of tractors, construction machinery and engines increased largely from the prior year. In Asia, sales of rice-farming equipment rose substantially. As a consequence, overseas sales increased 21.7 %, to ¥420.2 billion from the prior year. The percentage of overseas sales accounted for 40.0 % of net sales, 4.9 percentage points higher than the prior year.

Operating income also rose, by 30.8 %, to ¥113.5 billion, exceeding ¥100 billion for the first time in the history of the Company. The Company achieved higher operating income due to increased sales of Internal Combustion Engine and Machinery and a reduction of costs for the public works related business. The ratio of operating income to net sales also recorded the new high of 10.8%. On the other hand, income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies declined 10.0 %, to ¥140.4 billion. While there was an increase in operating income and a gain of ¥15.9 billion on nonmonetary exchange of securities of UFJ Holdings, Inc. resulting from the merger of Mitsubishi Tokyo Financial Group, Inc., and UFJ Holdings, Inc., the gain on the transfer of the substitutional portion of the Company's accumulated pension benefit obligations to the Japanese government, which amounted to ¥58.6 billion, was reported in the prior year. Net income decreased a 31.3 %, to ¥81.0 billion. The large decline of net income from the prior year was mainly due to the low level of income taxes for the prior year and the absence of ¥11.1 billion of net income from discontinued operations, which was accounted for in the prior year.

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As for the matter related to the health hazard of asbestos, the Company had paid consolation payments to the patients and the family members of the deceased near the former Kanzaki plant, who are suffering from or died of mesothelioma based on the policy in Notice on the Company's action for the health hazard of asbestos, which was released on June 30, 2005. Moreover, in Notice on the Company's actions for the health hazard of asbestos near the former Kanzaki plant released on December 26, 2005, the Company expressed that the Company intended to consider further actions in place of the consolation payment system, and adopted a system to provide additional support to the patients and the family members. The Company expenses these payments when the Company determines that payments are warranted. The expenses during the year under review were ¥4.2 billion.

**(2) Review of operations by industry segment****1) Internal Combustion Engine and Machinery**

Sales in Internal Combustion Engine and Machinery were ¥658.8 billion, 13.1 % higher than the prior year, comprising 62.7 % of consolidated net sales. Domestic sales increased 4.0 %, to ¥267.3 billion, and overseas sales also increased 20.2 %, to ¥391.5 billion. This segment consists of farm equipment and engines and construction machinery.

In the domestic market, sales of farm equipment increased from the prior year. Although domestic farm equipment market did not have briskness against background of declining number of domestic farmers and bipolarization of individual farmers in terms of scale, the Company executed an aggressive sales promotion with finely-tuned marketing programs and solution providing activities for individual farmers in response to the changing environment surrounding Japanese farmers. Additionally, there was an upward trend in domestic construction machinery market and sales of construction machinery increased due to expansion of sales for the major rental companies armed with high-quality products in terms of safety and convenience. Sales of engines increased largely due to expansion of sales for existing and new manufacturer of construction machinery and industrial machinery.

In overseas markets, sales of tractors in North America increased steadily due to sales promotions named "Thanks a million" campaign, which is promoted after achieving a million sales of tractors in the U.S. Sales in European market increased substantially due to launching new models of garden tractors and utility vehicle (4-wheel multi-purpose vehicle), which achieved successful outcome in the U.S. In Asian market, sales of rice-farming machinery continue to increase, especially tractors in Thailand and combine-harvester in China. As for construction machinery, sales in European market expanded largely due to introduction of new products and increasing share. Sales of construction machinery in North America increased significantly due to improved recognition of usefulness of Mini-backhoe. With regard to engines, sales of North American and European market increased largely due to brisk business activities of existing major customers, development of new customers and expansion of new application.

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**2) Pipes, Valves and Industrial Castings**

Sales in Pipes, Valves and Industrial Castings were ¥189.7 billion, 11.2 % higher than the prior year, comprising 18.0 % of consolidated net sales. Domestic sales increased 7.5 %, to ¥167.2 billion, and overseas sales increased 48.7 %, to ¥22.5 billion. This segment consists of pipes and valves and industrial castings .

In the domestic market, sales of ductile iron pipes declined due to declining demands. On the other hand, sales of plastic pipes steadily increased due to the business integration with C.I. Kasei Company Limited from April 2005 and sales of industrial castings also increased largely due to the demands related to brisk capital expenditure in the steel industries and the energy industries.

In overseas markets, sales of ductile iron pipes increased from the prior year due to steady sales for Middle-East area and sales of industrial castings also increased from the prior year.

**3) Environmental Engineering**

Sales in Environmental Engineering were ¥110.5 billion, 6.1% lower than the prior year, comprising 10.5 % of consolidated net sales. Domestic sales decreased 7.4 %, to ¥105.5 billion, and overseas sales increased 32.4 %, to ¥5.0 billion. This segment consists of environmental control plants and pumps.

With regard to the domestic market, the Company operated this business in the severe market in which intensifying competition together with price decline in the circumstance of decreasing budgets for public works are in progress. Under such conditions, sales in the Water & Sewage Engineering division increased, but sales in Pumps division slightly decreased and sales in Waste Engineering division decreased significantly. In overseas markets, sales of pumps and submerged membrane system increased steadily.

**4) Other**

Sales in Other were ¥92.1 billion, 18.0 % lower than the prior year, comprising 8.8 % of consolidated net sales. Domestic sales decreased 18.6 %, to ¥90.8 billion, and overseas sales increased 65.5%, to ¥1.2 billion. This segment consists of vending machines, electronic-equipped machinery, air-conditioning equipment, construction, septic tanks, condominiums and so forth.

Sales of electronic-equipped machinery increased steadily. However, sales of vending machine slightly decreased and sales of air-conditioning equipment, constructions, septic tanks and condominiums also declined. In addition, there was a drop in sales due to the sale of certain subsidiaries. As a consequence, sales of this segment decreased substantially from the prior year.

**2. Financial condition**

**(1) Assets, liabilities and shareholders equity**

Total assets at the end of March 2006 amounted to ¥1,405.4 billion, an increase of ¥212.3 billion (17.8 %) from the end of the prior year. As for assets, inventories and short- and long-term finance receivables increased resulting from business expansion in Internal Combustion Engine and Machinery. Other investment also increased largely due to an increase in unrealized gain on securities accompanied by a rise in Japanese stock price.

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Regarding liabilities, short-term borrowings and long-term debt increased largely. Other long-term liabilities also increased substantially owing to an increase in deferred tax liabilities related to an increase in unrealized gain on securities. Shareholders' equity substantially increased due to recorded net income and an increase in accumulated other comprehensive income mainly resulted from an increase in unrealized gains on securities and partial conversion from convertible bonds to common stock. Shareholders' equity ratio was 43.2%, 2.9 percentage points higher than the prior year end.

The amount of interest-bearing debt excluding debt related to sale financing programs decreased by ¥43.4 billion, to ¥114.8 billion, and the Company attained the objective to reduce it below ¥140.0 billion by March 31, 2006. The total amount of interest-bearing debt increased by ¥30.1 billion to ¥334.3 billion, compared with the balances at the end of March 2005 due to expansion of financing related to increases in short- and long-term finance receivables.

**(2) Cash flows**

Net cash provided by operating activities during the year under review was ¥87.9 billion, an increase of ¥20.9 billion from the prior year. Although net income decreased sharply from the prior year, the Company's cash position was not affected because the subsidy from the government recorded in the prior year, which was the primary reason for the year-over-year decrease, was a nonmonetary gain. The large increase in net cash provided by operating activities was mainly due to the favorable performance of business operations, especially due to operations in Internal Combustion Engine and Machinery.

Net cash used in investing activities was ¥61.3 billion, a decrease of ¥16.9 billion from the prior year. The decrease in net cash used in investing activities was due to increase in collection of finance receivables, in proceeds from sales of finance receivables in North America and in proceeds from land and securities.

Net cash used in financing activities was ¥10.2 billion, an increase of ¥14.7 from the prior year. The Company controlled an increase of interest-bearing debt including short-term borrowings and increased cash dividends. As a result of these activities, net cash used in financing activities increased.

As a result, including the effect of exchange rate, cash and cash equivalents at the end of March 2006 were ¥91.9 billion, a increase of ¥17.3 billion from the prior year.

## Cash flow indices

	Year ended	Year ended
	March 31, 2006	March 31, 2005
Equity ratio (%)	43.2	40.3
Equity ratio based on market capitalization (%)	117.4	62.4
Interest-bearing debt / Net cash provided by operating activities (year)	3.8	4.5
Interest coverage ratio (times)	12.7	15.2

(Notes)

Equity ratio : shareholders equity / total assets

Equity ratio based on market capitalization : market capitalization / total assets

Interest coverage ratio : cash flows provided by operating activities / interest paid

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Each ratio is calculated based on the figures in the consolidated financial statements. Market capitalization is calculated based on closing price at the end of the fiscal year multiplied by the number of shares outstanding at the end of fiscal year, excluding treasury stock. Cash flows provided by operating activities are the amount of operating cash flows in the consolidated statements of cash flows. Interest-bearing debt includes short-term borrowings, current portion of long-term debt, and long-term debt in the consolidated balance sheets. Additionally, interest paid is the amount of interest paid in the consolidated statements of cash flows.

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**3. Matter concerning profit allocation for this fiscal year**

The Company plans to pay ¥50 per ADS as the total dividends for the entire fiscal year. As the interim cash dividends was ¥20 per ADS, year-end cash dividends will be ¥30 per ADS.

The Company purchased 16.19 million of treasury stock (¥14.8 billion). On the other hand, the Company retired aggregating 56.3 million shares of treasury stock (¥36.3 billion), which consist 39.0 million shares of treasury stock (¥20.9 billion) on June 30, 2005 and 17.3 million shares of treasury stock (¥15.4 billion) on March 31, 2006.

**3. Prospect for the Next Fiscal Year**

**1. General outlook**

The Company forecasts consolidated net sales for the year ending March 31, 2007 at ¥1,090.0 billion, up by ¥39.0 billion from the year under review. In the domestic market, the Company expects sales in Internal Combustion Engine and Machinery and in Environmental Engineering to remain same level as the year under review. Although sales in Pipes, Valves and Industrial Castings are forecasted to slightly decrease, sales in Other segment is expected to grow. As a result, total domestic sales are expected to be almost the same amount as those of the year under review. As for overseas sales, the Company expects increased sales due to sales expansion in Pipes, Valves and Industrial Castings, and Environmental Engineering as well as sales expansion in Internal Combustion Engine and Machinery.

The Company forecasts operating income of ¥125.0 billion, an increase of ¥11.5 billion from the year under review. Although the price increases in raw materials will cause downward pressure on operating income, an increase in overseas sales of Internal Combustion Engine and, Corporate-wide cost reduction are expected to contribute to the increase in operating income.

The Company expects income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies for the next fiscal year to be ¥131.5 billion, a decrease of ¥8.9 billion from the year under review. The decrease is primarily due to the significant decrease in other income-net by an absence of the gain on nonmonetary exchange of securities (¥15.9 billion) recorded in the year under review. Accordingly, net income is forecasted to be ¥77.0 billion, down ¥4.0 billion from the year under review. (These forecasts anticipate an exchange rate of ¥113=US\$1.)

**2. Prospect with regard to the profit allocation for the next fiscal year**

In accordance with the previously described basic policy related to the Company's profit allocation of maintaining stable or raising dividends, the Company is considering paying cash dividends per ADS for the next fiscal year equivalent to, or more of, the year under review (¥50 per ADS). Specific amount will be decided based on the development of business performance in the next fiscal year.

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**4. Risk Factors**

The Company has several risks that may have a material effect on the Company's consolidated results of operations and financial position. The descriptions of risks are as follows:

(1) Declines in economic conditions in Kubota's major markets, including private-sector capital expenditure, construction investment, and domestic public investment, may adversely impact the results of operations of the Company.

Industrial and capital goods make up a substantial portion of the Company's products. Accordingly, sales of the Company may be sensitive to declines in general economic conditions, including private-sector capital expenditure, construction investment, domestic public investment, change in governmental agricultural policies and general economic conditions in overseas markets.

(2) Fluctuations of foreign exchange rates, including a stronger yen, may reduce net sales and adversely affect the results of operations of the Company.

(3) Difficulties associated with operating internationally may adversely affect net sales and profitability.

The following risks are important concerns for the Company:

Unexpected changes in international, or each country's, tax regulations

Unexpected legal or regulatory changes in each country

Difficulties in retaining qualified personnel

Insufficient technological skills or instability between management and employee unions in developing countries

Political instability in those countries

(4) The Company utilizes estimations on some accounts in the consolidated financial statements, which may require additional accruals due to unanticipated changes in the basis of assumptions.

Estimations on some accounts in the consolidated financial statements of the Company are based on various assumptions about future economic results. If actual results differ from any of these assumptions, unanticipated additional accruals may be required.

(5) Strategic alliances, mergers, and acquisitions may not generate successful results as planned.

(6) The Company may not be able to successfully create new businesses or businesses complementary to the current ones.

If the Company fails to develop such businesses which require investments in personnel and assets to produce and market appropriate products, subsequent impairment charges may be taken, or there may be a negative impact on the Company's financial position.

(7) Impairment losses on investments in marketable securities may occur as a result of stock market fluctuations.

The Company owns a large amount of securities. Most of these securities are equity securities, and, accordingly, depending on stock market fluctuations, unrealized and realized losses may occur.

(8) In each of its businesses, Kubota is subject to intensifying competitive pressures. The Company must compete successfully to maintain sales and profits.



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Unless the Company surpasses other companies in such areas as terms of trade, R&D, and quality, sales and/or net income may decrease in the future.

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(9) The Company may be required to incur significant financial expenses if its products and services have serious defects.

If the Company's products and services have serious defects, associated expenses may have a material effect on the Company's consolidated results of operations and financial position.

(10) The Company is subject to various environmental laws and regulations, and may be required to incur considerable expenses in order to comply with such laws and regulations.

(11) The Company may be required to incur significant financial expenses in connection with environmental damage it may cause in its activities.

The Company may cause environmental pollution while conducting its activities, such as the release of hazardous materials, and causing air pollution, water pollution and ground pollution. In such an event, the Company may have to incur substantial expense and may face litigation regarding these issues.

(12) The Company may be required to incur significant expenses relevant to asbestos-related issues.

There may be a material adverse effect on the Company's consolidated results of operations and financial position resulting from various expenses or face lawsuits related to the asbestos-related health hazards of employees (including former employees) who engaged in the manufacturing of asbestos-containing products, and residents who lived near the Company's factory at which asbestos-containing products were produced.

(13) Damage by Natural Disasters

In case of a strong earthquake or related tidal wave or large and powerful typhoon, the Company may be affected in the operation of manufacturing products.

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**< Cautionary Statements with Respect to Forward-Looking Statements >**

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

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**Table of Contents****Kubota Corporation  
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(Unaudited)

(In millions of yen)

	Year ended March 31, 2006		Year ended March 31, 2005		Change	
	Amount	%	Amount	%	Amount	%
Net sales	1,051,040	100.0	983,226	100.0	67,814	6.9
Cost of sales	747,380	71.1	713,312	72.6	34,068	4.8
Selling, general, and administrative expenses	185,451	17.6	181,727	18.5	3,724	2.0
Loss from disposal and impairment of businesses and fixed assets	4,709	0.5	1,414	0.1	3,295	233.0
<b>Operating income</b>	<b>113,500</b>	<b>10.8</b>	<b>86,773</b>	<b>8.8</b>	<b>26,727</b>	<b>30.8</b>
Other income (expenses):						
Interest and dividend income	14,355		9,488		4,867	
Interest expense	(7,122)		(4,699)		(2,423)	
Gain on sales of securities-net	4,703		1,604		3,099	
Gain on nonmonetary exchange of securities	15,901				15,901	
Foreign exchange gain-net	(1,952)		3,597		(5,549)	
Subsidy from the government			58,571		(58,571)	
Other-net	1,021		701		320	
Other income (expenses), net	26,906		69,262		(42,356)	
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	140,406	13.4	156,035	15.9	(15,629)	(10.0)
Income taxes:						
Current	34,433		34,491		(58)	
Deferred	21,634		13,625		8,009	
Total income taxes	56,067		48,116		7,951	
Minority interests in earnings of subsidiaries	4,938		3,442		1,496	
Equity in net income of affiliated companies	1,633		2,324		(691)	
Net income from continuing operations	81,034	7.7	106,801	10.9	(25,767)	(24.1)
Income from discontinued operations, net of taxes			11,100		(11,100)	
Net income	81,034	7.7	117,901	12.0	(36,867)	(31.3)
						(In yen)
Basic earnings per ADS (5 common shares):	311		446		(135)	
Diluted earnings per ADS (5 common shares):	308		434		(126)	



**Table of Contents****Kubota Corporation  
and Subsidiaries****Consolidated Balance Sheets**

(Unaudited)

Assets

(In millions of yen)

	March 31, 2006		March 31, 2005		Change
	Amount	%	Amount	%	Amount
<b>Current assets:</b>					
Cash and cash equivalents	91,858		74,563		17,295
Notes and accounts receivable:					
Trade notes	70,007		72,517		(2,510)
Trade accounts	242,865		248,338		(5,473)
Less: Allowance for doubtful receivables	(2,155)		(2,257)		102
Total receivables, net	310,717		318,598		(7,881)
Short-term finance receivables	79,116		50,921		28,195
Inventories	175,660		155,146		20,514
Other current assets	100,873		76,143		24,730
Total current assets	758,224	54.0	675,371	56.6	82,853
<b>Investments and long-term finance receivables:</b>					
Investments in and advances to affiliated companies	13,145		11,808		1,337
Other investments	236,629		146,979		89,650
Long-term finance receivables	124,509		80,725		43,784
Total investments and long-term finance receivables	374,283	26.6	239,512	20.1	134,771
<b>Property, plant and equipment:</b>					
Land	82,978		83,031		(53)
Buildings	203,985		200,173		3,812
Machinery and equipment	367,150		359,659		7,491
Construction in progress	6,236		4,499		1,737
Total	660,349		647,362		12,987
Accumulated depreciation	(433,977)		(427,612)		(6,365)
Net property, plant and equipment	226,372	16.1	219,750	18.4	6,622
<b>Other assets:</b>	46,523	3.3	58,423	4.9	(11,900)
<b>Total</b>	<b>1,405,402</b>	<b>100.0</b>	<b>1,193,056</b>	<b>100.0</b>	<b>212,346</b>

**Table of Contents****Kubota Corporation  
and Subsidiaries****Consolidated Balance Sheets**

(Unaudited)

Liabilities and shareholders' equity

(In millions of yen)

	March 31, 2006		March 31, 2005		Change
	Amount	%	Amount	%	Amount
<b>Current liabilities:</b>					
Short-term borrowings	132,209		119,802		12,407
Trade notes payable	33,560		33,675		(115)
Trade accounts payable	186,901		183,367		3,534
Advances received from customers	7,311		4,104		3,207
Notes and accounts payable for capital expenditures	13,348		9,094		4,254
Accrued payroll costs	24,310		23,616		694
Accrued expenses	28,587		24,998		3,589
Income taxes payable	12,376		12,223		153
Other current liabilities	27,816		26,289		1,527
Current portion of long-term debt	50,020		66,877		(16,857)
Total current liabilities	516,438	36.7	504,045	42.3	12,393
<b>Long-term liabilities:</b>					
Long-term debt	152,024		117,488		34,536
Accrued retirement and pension costs	53,633		65,836		(12,203)
Other long-term liabilities	47,925		3,093		44,832
Total long-term liabilities	253,582	18.0	186,417	15.6	67,165
Minority interests:	28,898	2.1	21,575	1.8	7,323
<b>Shareholders' equity:</b>					
Common stock	84,070		78,156		5,914
Additional paid-in capital	93,150		87,263		5,887
Legal reserve	19,539		19,539		
Retained earnings	323,116		290,187		32,929
Accumulated other comprehensive income	86,769		27,507		59,262
Treasury stock	(160)		(21,633)		21,473
Total shareholders' equity	606,484	43.2	481,019	40.3	125,465
<b>Total</b>	<b>1,405,402</b>	<b>100.0</b>	<b>1,193,056</b>	<b>100.0</b>	<b>212,346</b>

**Table of Contents****Kubota Corporation  
and Subsidiaries****Consolidated Statements of Comprehensive Income**

(Unaudited)

(In millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2005	Change
Net income	81,034	117,901	(36,867)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	13,570	(1,468)	15,038
Unrealized gains on securities	45,017	517	44,500
Minimum pension liability adjustment		3,492	(3,492)
Unrealized gains (losses) on derivatives	675	(1,109)	1,784
Other comprehensive income	59,262	1,432	57,830
Comprehensive income	140,296	119,333	20,963

**Consolidated Statements of Shareholders' Equity**

(Unaudited)

(In millions of yen)

	Shares of common stock outstanding (thousands)	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Accumulated other comprehensive income	Treasury stock
Balance, April 1, 2004	1,340,197	78,156	87,263	19,539	204,156	26,075	(24,107)
Net income					117,901		
Other comprehensive income						1,432	
Cash dividends, ¥30 per ADS (5 common shares)					(7,989)		
Purchases of treasury stock	(39,784)						(21,407)
Retirement of treasury stock					(23,881)		23,881
Balance, March 31, 2005	1,300,413	78,156	87,263	19,539	290,187	27,507	(21,633)
Conversion of convertible bonds	15,360	5,914	5,887				
Net income					81,034		
Other comprehensive income						59,262	
Cash dividends, ¥45 per ADS (5 common shares)					(11,769)		
Purchases of treasury stock	(16,285)						(14,863)
Retirement of treasury stock					(36,336)		36,336

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Balance, March 31, 2006	1,299,488	84,070	93,150	19,539	323,116	86,769	(160)
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**Table of Contents****Kubota Corporation  
and Subsidiaries****Consolidated Statements of Cash Flows**

(Unaudited)

(In millions of yen)

	Year ended March 31, 2006	Year ended March 31, 2005	Change
<b>Operating activities:</b>			
Net income	81,034	117,901	
Depreciation and amortization	25,821	25,808	
Provision for reversal of retirement and pension costs, less payments	(12,514)	(7,306)	
Subsidy from the government		(58,571)	
Gain on sales of securities-net	(4,703)	(1,604)	
Gain on nonmonetary exchange of securities	(15,901)		
Gain on disposal of fixed asset	23	1,341	
Equity in net income of affiliated companies	(1,633)	(2,324)	
Deferred income taxes	21,634	13,625	
Decrease (increase) in notes and accounts receivable	11,099	(19,540)	
Increase in inventories	(11,736)	(8,129)	
Increase in other current assets	(10,559)	(15,159)	
Increase (decrease) in trade notes and accounts payable	(4,060)	22,404	
Decrease in income taxes payable	(167)	(3,363)	
Increase in other current liabilities	4,408	3,151	
Other	5,111	(1,326)	
Net cash provided by operating activities	87,857	66,908	20,949
<b>Investing activities:</b>			
Purchases of fixed assets	(25,680)	(20,818)	
Purchases of investments and change in advances	442	(495)	
Proceeds from sales of property, plant, and equipment	5,568	2,769	
Proceeds from sales of investments	8,499	2,981	
Proceeds from sales of business	218	1,117	
Increase in finance receivables	(142,393)	(119,878)	
Collection of finance receivables	80,163	53,575	
Proceeds from sales of finance receivables	11,753	5,208	
Cash transferred in sale of a business		(6,048)	
Other	138	3,361	
Net cash used in investing activities	(61,292)	(78,228)	16,936
<b>Financing activities:</b>			
Proceeds from issuance of long-term debt	88,829	39,582	
Repayments of long-term debt	(71,719)	(39,081)	
Net increase in short-term borrowings	335	34,453	
Cash dividends	(11,769)	(7,989)	
Purchases of treasury stock	(14,898)	(21,451)	
Other	(964)	(1,006)	
Net cash provided by (used in) financing activities	(10,186)	4,508	(14,694)

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Effect of exchange rate changes on cash and cash equivalents	916	154	762
<b>Net increase (decrease) in cash and cash equivalents</b>	17,295	(6,658)	
<b>Cash and cash equivalents, beginning of year</b>	74,563	81,221	
<b>Cash and cash equivalents, end of year</b>	91,858	74,563	17,295

(In millions of yen)

Notes:

Cash paid during the year for:

Interest	6,911	4,401	2,510
Income taxes	32,724	32,092	632

**Table of Contents****Kubota Corporation  
and Subsidiaries****Consolidated Segment Information**

(Unaudited)

**(1) Information by industry segment**

Year ended March 31, 2006

(In millions of yen)

	Pipes, Valves				Total	Corporate	
	Internal Combustion Engine & Machinery	& Industrial Castings	Environmental Engineering	Other		& Eliminations	Consolidated
Net sales							
Unaffiliated customers	658,776	189,708	110,479	92,077	1,051,040		1,051,040
Intersegment	40	2,184	209	15,176	17,609	(17,609)	
Total	658,816	191,892	110,688	107,253	1,068,649	(17,609)	1,051,040
Cost of sales and operating expenses	555,687	172,637	106,475	105,073	939,872	(2,332)	937,540
Operating income	103,129	19,255	4,213	2,180	128,777	(15,277)	113,500
Identifiable assets at March 31, 2006	760,001	181,740	92,996	81,461	1,116,198	289,204	1,405,402
Depreciation	15,284	5,308	798	1,492	22,882	2,508	25,390
Loss from impairment	61	82	59	836	1,038		1,038
Capital expenditures	25,482	3,585	389	1,479	30,935	2,870	33,805

Year ended March 31, 2005

(In millions of yen)

	Pipes, Valves				Total	Corporate	
	Internal Combustion Engine & Machinery	& Industrial Castings	Environmental Engineering	Other		& Eliminations	Consolidated
Net sales							
Unaffiliated customers	582,664	170,629	117,633	112,300	983,226		983,226
Intersegment	88	8,237	249	14,956	23,530	(23,530)	
Total	582,752	178,866	117,882	127,256	1,006,756	(23,530)	983,226
Cost of sales and operating expenses	503,596	167,391	112,167	123,374	906,528	(10,075)	896,453
Operating income	79,156	11,475	5,715	3,882	100,228	(13,455)	86,773
Identifiable assets at March 31, 2005	614,123	190,669	105,890	100,874	1,011,556	181,500	1,193,056
Depreciation	14,154	6,368	930	1,678	23,130	2,338	25,468
Loss from impairment	77		42	976	1,095		1,095
Capital expenditures	17,482	1,823	358	1,388	21,051	5,046	26,097



**Table of Contents****Kubota Corporation  
and Subsidiaries****(2) Information by geographic segment**

Year ended March 31, 2006

(In millions of yen)

	Japan	North America	Other Areas	Total	Corporate & Eliminations	Consolidated
Net sales						
Unaffiliated customers	659,062	273,078	118,900	1,051,040		1,051,040
Intersegment	250,976	4,934	4,070	259,980	(259,980)	
Total	910,038	278,012	122,970	1,311,020	(259,980)	1,051,040
Cost of sales & operating expenses	807,788	257,080	111,547	1,176,415	(238,875)	937,540
Operating income	102,250	20,932	11,423	134,605	(21,105)	113,500
Identifiable assets at March 31, 2006	730,366	390,122	80,353	1,200,841	204,561	1,405,402

Year ended March 31, 2005

(In millions of yen)

	Japan	North America	Other Areas	Total	Corporate & Eliminations	Consolidated
Net sales						
Unaffiliated customers	659,283	232,135	91,808	983,226		983,226
Intersegment	193,242	3,000	2,792	199,034	(199,034)	
Total	852,525	235,135	94,600	1,182,260	(199,034)	983,226
Cost of sales & operating expenses	778,412	215,044	87,207	1,080,663	(184,210)	896,453
Operating income	74,113	20,091	7,393	101,597	(14,824)	86,773
Identifiable assets at March 31, 2005	746,627	259,218	64,737	1,070,582	122,474	1,193,056

**(3) Overseas sales**

Year ended March 31, 2006

(In millions of yen)

	North America	Other Areas	Total
Overseas sales	271,329	148,900	420,229
Consolidated net sales			1,051,040
Ratio of overseas sales to consolidated net sales	25.8%	14.2%	40.0%

Year ended March 31, 2005

(In millions of yen)

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	<b>North America</b>	<b>Other Areas</b>	<b>Total</b>
Overseas sales	232,631	112,693	345,324
Consolidated net sales			983,226
Ratio of overseas sales to consolidated net sales	23.6%	11.5%	35.1%

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**Table of Contents****Kubota Corporation  
and Subsidiaries****Fair Value of Short-Term and Other Investments**

(Unaudited)

The Company classifies its holding marketable equity securities and all of its debt securities as available for sale securities, which are reported at their fair value on the Company's balance sheet. The following table presents costs, fair values, net unrealized holding gains and losses for securities by major security type at March 31, 2006 and 2005.

(In millions of yen)

	March 31, 2006			March 31, 2005		
	Cost	Fair value	Net unrealized holding gains	Cost	Fair value	Net unrealized holding gains
<b>Other Investments (*):</b>						
Equity securities of financial institutions	37,208	153,697	116,489	22,040	87,232	65,192
Other equity securities	19,970	71,705	51,735	19,812	47,423	27,611
Other				813	820	7
<b>Total</b>	<b>57,178</b>	<b>225,402</b>	<b>168,224</b>	<b>42,665</b>	<b>135,475</b>	<b>92,810</b>

(\*) Other investments on the Company's balance sheets includes investments in non-traded and unaffiliated companies, for which there is no readily determinable fair value. They were stated at cost of ¥11,227 million and ¥11,504 million, at March 31, 2006 and 2005, respectively.

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**Kubota Corporation  
and Subsidiaries**

Notes:

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on March 31, 2006, of ¥117= US\$1, solely for convenience.
2. Each ADS represents 5 common shares.
3. 122 subsidiaries are consolidated.

Major consolidated subsidiaries: Domestic Kubota-C.I. Co., Ltd.  
Kubota Construction Co., Ltd.  
  
Kubota Credit Co., Ltd.  
Kubota Environmental Service Co., Ltd.  
  
Kubota Maison Co., Ltd.

Overseas Kubota Tractor Corporation  
Kubota Credit Corporation, U.S.A.  
Kubota Manufacturing of America Corporation  
Kubota Engine America Corporation  
Kubota Metal Corporation  
  
Kubota Baumaschinen GmbH  
  
Kubota Europe S.A.S.

4. 25 affiliated companies are accounted for by the equity method.

Major affiliated companies Domestic 17 sales companies of farm equipment  
Kubota Matsushitadenko Exterior Works, Ltd.

5. Summary of accounting policies:

The accompanying condensed consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America except for .



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The Consolidated Segment Information is prepared in accordance with a requirement of the Japanese Securities and Exchange regulations. This disclosure is not consistent with SFAS No.131, Disclosures about Segments of an Enterprise and Related Information .

6. The consolidated financial reports for the prior year have been reclassified to conform to the presentation for the year ended March 31, 2006.
7. In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets , the consolidated statement of income for the prior year has been restated to report the results of operations of the components, which are classified as discontinued operations in the year under review.

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**Table of Contents****Kubota Corporation  
and Subsidiaries****Consolidated Net Sales by Industry Segment**

(Unaudited)

(In millions of yen)

	Year ended		Year ended		Change	
	Mar. 31, 2006 Amount	%	Mar. 31, 2005 Amount	%	Amount	%
<b>Farm Equipment and Engines</b>	<b>578,164</b>	<b>55.0</b>	<b>519,428</b>	<b>52.8</b>	<b>58,736</b>	<b>11.3</b>
Domestic	240,722		232,074		8,648	3.7
Overseas	337,442		287,354		50,088	17.4
<b>Construction Machinery</b>	<b>80,612</b>	<b>7.7</b>	<b>63,236</b>	<b>6.5</b>	<b>17,376</b>	<b>27.5</b>
Domestic	26,559		24,923		1,636	6.6
Overseas	54,053		38,313		15,740	41.1
<b>Internal Combustion Engine &amp; Machinery</b>	<b>658,776</b>	<b>62.7</b>	<b>582,664</b>	<b>59.3</b>	<b>76,112</b>	<b>13.1</b>
Domestic	267,281	25.4	256,997	26.2	10,284	4.0
Overseas	391,495	37.3	325,667	33.1	65,828	20.2
<b>Pipes and Valves</b>	<b>150,559</b>	<b>14.3</b>	<b>136,622</b>	<b>13.9</b>	<b>13,937</b>	<b>10.2</b>
Domestic	142,071		132,755		9,316	7.0
Overseas	8,488		3,867		4,621	119.5
<b>Industrial Castings</b>	<b>39,149</b>	<b>3.7</b>	<b>34,007</b>	<b>3.4</b>	<b>5,142</b>	<b>15.1</b>
Domestic	25,115		22,723		2,392	10.5
Overseas	14,034		11,284		2,750	24.4
<b>Pipes, Valves &amp; Industrial Castings</b>	<b>189,708</b>	<b>18.0</b>	<b>170,629</b>	<b>17.3</b>	<b>19,079</b>	<b>11.2</b>
Domestic	167,186	15.9	155,478	15.8	11,708	7.5
Overseas	22,522	2.1	15,151	1.5	7,371	48.7
<b>Environmental Engineering</b>	<b>110,479</b>	<b>10.5</b>	<b>117,633</b>	<b>12.0</b>	<b>(7,154)</b>	<b>(6.1)</b>
Domestic	105,505	10.0	113,875	11.6	(8,370)	(7.4)
Overseas	4,974	0.5	3,758	0.4	1,216	32.4
<b>Building Materials &amp; Housing</b>	<b>13,512</b>	<b>1.3</b>	<b>24,874</b>	<b>2.5</b>	<b>(11,362)</b>	<b>(45.7)</b>
Domestic	13,512		24,874		(11,362)	(45.7)
Other	<b>78,565</b>	<b>7.5</b>	<b>87,426</b>	<b>8.9</b>	<b>(8,861)</b>	<b>(10.1)</b>
Domestic	77,327		86,678		(9,351)	(10.8)

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Overseas	1,238		748		490	65.5
Other	<b>92,077</b>	<b>8.8</b>	<b>112,300</b>	<b>11.4</b>	<b>(20,223)</b>	<b>(18.0)</b>
Domestic	90,839	8.7	111,552	11.3	(20,713)	(18.6)
Overseas	1,238	0.1	748	0.1	490	65.5
Total	<b>1,051,040</b>	<b>100.0</b>	<b>983,226</b>	<b>100.0</b>	<b>67,814</b>	<b>6.9</b>
Domestic	630,811	60.0	637,902	64.9	(7,091)	(1.1)
Overseas	420,229	40.0	345,324	35.1	74,905	21.7

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**Table of Contents****Kubota Corporation  
and Subsidiaries****Anticipated Consolidated Net Sales by Industry Segment**

(In billions of yen)

	Year ending		Year ending		Change	
	Mar. 31, 2007 Amount	%	Mar. 31, 2006 Amount	%	Amount	%
Domestic	268.0		267.3		0.7	0.3
Overseas	425.0		391.5		33.5	8.6
<b>Internal Combustion Engine &amp; Machinery</b>	<b>693.0</b>	<b>63.6</b>	<b>658.8</b>	<b>62.7</b>	<b>34.2</b>	<b>5.2</b>
Domestic	162.0		167.2		(5.2)	(3.1)
Overseas	28.0		22.5		5.5	24.4
<b>Pipes, Valves &amp; Industrial Castings</b>	<b>190.0</b>	<b>17.4</b>	<b>189.7</b>	<b>18.0</b>	<b>0.3</b>	<b>0.2</b>
Domestic	104.0		105.5		(1.5)	(1.4)
Overseas	7.0		5.0		2.0	40.0
<b>Environmental Engineering</b>	<b>111.0</b>	<b>10.2</b>	<b>110.5</b>	<b>10.5</b>	<b>0.5</b>	<b>0.5</b>
Domestic	95.0		90.8		4.2	4.6
Overseas	1.0		1.2		(0.2)	(16.7)
<b>Other</b>	<b>96.0</b>	<b>8.8</b>	<b>92.0</b>	<b>8.8</b>	<b>4.0</b>	<b>4.3</b>
<b>Grand Total</b>	<b>1,090.0</b>	<b>100.0</b>	<b>1,051.0</b>	<b>100.0</b>	<b>39.0</b>	<b>3.7</b>
Domestic	629.0	57.7	630.8	60.0	(1.8)	(0.3)
Overseas	461.0	42.3	420.2	40.0	40.8	9.7

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**Kubota Corporation**  
**(Parent Company Only)**

**Non-consolidated Financial Highlights**

(Unaudited)

- (1) The date of the Board of Directors Meeting Friday, May 12, 2006
- (2) The date of the Ordinary General Meeting of Shareholders Friday, June 23, 2006

- (3) Results of operations (In millions of yen except per ADS amounts)

	Year ended		Year ended	
	March 31, 2006	Change(*)	March 31, 2005	Change(*)
Net sales	¥ 693,503	2.7%	¥ 675,431	1.7%
Operating income	¥ 74,766	31.5%	¥ 56,857	35.9%
% of net sales	10.8%		8.4%	
Ordinary income	¥ 81,032	25.2%	¥ 64,733	40.8%
% of net sales	11.7%		9.6%	
Net income	¥ 47,630	10.3%	¥ 43,186	98.9%
% of net sales	6.9%		6.4%	
Net income per ADS (5 common shares)(**)	¥ 182		¥ 163	
Ratio of net income to shareholders equity	10.8%		11.0%	
Ratio of ordinary income to total assets	9.1%		7.5%	

Notes to results of operations:

- Weighted-average number of shares outstanding during the year ended March 31, 2006 1,304,491,173  
Weighted-average number of shares outstanding during the year ended March 31, 2005 1,323,551,587
- (\*) represents percentage change to the comparable previous year.
- (\*\*) represents amount based on the average number of common shares outstanding during the year.

- (4) Cash dividends (In millions of yen except per ADS amounts)

	Cash dividends per ADS			Annual cash dividends	Annual cash dividends as % to net income	Annual dividends as % to shareholders equity
	Interim	Year end (*)	Total			
Year ended March 31, 2006	¥ 20.00	¥ 30.00	¥ 50.00	¥ 13,063	27.5%	2.7%
Year ended March 31, 2005	¥ 15.00	¥ 25.00	¥ 40.00	¥ 10,471	24.6%	2.6%

Note to cash dividends:

- (\*) Year end dividends for the fiscal year ended March 31, 2006 are subject to shareholders approval at the Ordinary General Meeting of Shareholders to be held on June 23, 2006.

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**Kubota Corporation**  
**(Parent Company Only)**

(5) Financial position (In millions of yen except per ADS amounts)

	As of March 31,	
	2006	2005
Total assets	¥ 922,838	¥ 861,617
Shareholders' equity	¥ 484,759	¥ 397,954
Ratio of shareholders' equity to total assets	52.5%	46.2%
Shareholders' equity per ADS	¥ 1,864	¥ 1,529

Notes to financial position:

Number of shares outstanding as of March 31, 2006	1,299,845,909
Number of shares outstanding as of March 31, 2005	1,300,843,383
Number of treasury stock as of March 31, 2006	23,271
Number of treasury stock as of March 31, 2005	39,965,595

(6) Anticipated results of operations for the year ending March 31, 2007 (In millions of yen except per ADS amounts)

	Six months	
	ending	Year ending
	September 30,	March 31,
	2006	2007
Net sales	¥ 314,000	¥ 710,000
Ordinary income	¥ 35,500	¥ 78,500
Net income	¥ 22,500	¥ 48,500
Interim cash dividends per ADS		
Year end cash dividends per ADS		

Notes to anticipated results of operations for the year ending March 31, 2006:

1. The non-consolidated financial information is prepared in accordance with accounting principles generally accepted in Japan and includes the information of parent company only. It should not be confused with condensed consolidated financial information.
2. All figures in the non-consolidated financial information have been rounded down except per ADS information.
3. Forecasted cash dividends per ADS are not disclosed.

4. Please refer to page 9 for further information related to the above mentioned anticipated results of operations.



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**Kubota Corporation  
and Subsidiaries**

**Notice of Change of Management**

(Effective as of June 23, 2006)

**1) Appointment of new Directors**

<b>Name</b>	<b>Current Title</b>
Nobuyo Shioji	General Manager of Construction Machinery Division
Takeshi Torigoe	General Manager of Steel Castings Division
Satoru Sakamoto	General Manager of Air Condition Equipment Division
Hideki Iwabu	General Manager of Water & Sewage Engineering Division

**2) Retirement of Directors**

<b>Name</b>	<b>Current Title</b>	<b>New Title</b>
Akio Nishino	Director	Adviser
Takashi Shoji	Director	Chairman of Kubota Environmental Service Co., Ltd.

**3) Retirement of Corporate Auditor**

<b>Name</b>	<b>Current Title</b>	<b>New Title</b>
Masamichi Nakahiro	Corporate Auditor	Adviser

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May 12, 2006

To whom it may concern

**Kubota Corporation**

2-47, Shikitsu-higashi 1-chome,  
Naniwa-ku, Osaka 556-8601, Japan

Contact: IR Group

Finance & Accounting Department

Phone: +81-6-6648-2645

**Notice on restatement of previously reported earning releases**

Please be advised that Kubota Corporation (hereinafter the Company ) has restated previously reported earning releases as follows:

**1. Previously reported earning releases to be restated**

Results of operations for the year ended March 31, 2005 (disclosed on May 13, 2005)

Results of operations for the six months ended September 30, 2004 (disclosed on November 8, 2004)

Results of operations for the nine months ended December 31, 2004 (disclosed on February 3, 2005)

**2. Reason for restatement**

Statement of Financial Accounting Standards No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS144) requires that results of the operations, which have been (or will be) eliminated from the ongoing operations of the entity ( discontinued operations ), shall be separated from result of other ongoing operations ( continuing operations ) on disclosure of the entity. The Company s results of operations for the year ended March 31, 2005 included results of the operation of golf course, which was sold during the year ended March 31, 2005. The Company closely reviewed the accounting treatment for this operation and reached a conclusion that this operation should have been accounted for and disclosed as discontinued operations in accordance with SFAS144. Accordingly, the Company restates the earning releases mentioned above.

**3. Contents of restatements**

From the reason described above, the Company restates its consolidated statements of income , consolidated segment information and other related information in the previously reported earning releases to be restated.

Additionally, the Company restates its consolidated statements of income , consolidated segment information and other related information, which were presented as the comparable previous period in the previously reported earning releases to be restated.

Details of restatement are presented in Appendix.

**4. Replacement of figures on earning releases for the year ended March 31, 2006**

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After the above restatement, the figures of consolidated statements of income, consolidated segment information and other related information, which were presented as the comparable previous period in earning releases for the six months ended September 30, 2005 and the nine months ended December 31, 2005, are replaced by the figures restated in the above restatement.

Details of restatement are presented in Appendix.

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### < Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

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End of document

**Table of Contents****[Appendix] Details of restatements of results of operations****I. Restatements of results of operations for the year ended March 31, 2005 and the year ended March 31, 2004 as comparable previous period**

## 1. Results of operations for the year ended March 31, 2005

## (1) Consolidated Statements of Income (Page 14)

&lt;As Restated&gt;

**Consolidated Statements of Income**

(Unaudited)

(In millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2004		Change	
	Amount	%	Amount	%	Amount	%
Net sales	983,226	100.0	929,876	100.0	53,350	5.7
Cost of sales	713,312	72.6	701,718	75.5	11,594	1.7
Selling, general, and administrative expenses	181,727	18.5	199,189	21.4	(17,462)	(8.8)
<u>Loss from disposal and impairment of businesses and fixed assets</u>	<u>1,414</u>	<u>0.1</u>	<u>6,359</u>	<u>0.7</u>	<u>(4,945)</u>	<u>(77.8)</u>
Operating income	86,773	8.8	22,610	2.4	64,163	283.8
Other income (expenses):						
Interest and dividend income	9,488		7,264		2,224	
Interest expense	(4,699)		(4,252)		(447)	
Gain on sales of securities	1,604		3,161		(1,557)	
Exchange gains (losses)	3,597		(1,534)		5,131	
Government subsidy	58,571				58,571	
Other-net	701		643		58	
Other income (expenses), net	69,262		5,282		63,980	
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	<u>156,035</u>	<u>15.9</u>	<u>27,892</u>	<u>3.0</u>	<u>128,143</u>	<u>459.4</u>
Income taxes:						
Current	34,491		29,255		5,236	
Deferred	13,625		(15,554)		29,179	
Total income taxes	48,116		13,701		34,415	
Minority interests in earnings of subsidiaries	3,442		2,476		966	
Equity in net income of affiliated companies	2,324		780		1,544	
<u>Net income from continuing operations</u>	<u>106,801</u>	<u>10.9</u>	<u>12,495</u>	<u>1.3</u>	<u>94,306</u>	<u>754.7</u>
<u>Income (loss) from discontinued operations, net of taxes</u>	<u>11,100</u>		<u>(795)</u>		<u>11,895</u>	
Net income	117,901	12.0	11,700	1.3	106,201	907.7

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&lt;As Previously Reported&gt;

**Consolidated Statements of Income**

(Unaudited)

(In millions of yen)

	Year ended March 31, 2005		Year ended March 31, 2004		Change	
	Amount	%	Amount	%	Amount	%
Net sales	983,226	100.0	930,237	100.0	52,989	5.7
Cost of sales	713,312	72.5	701,727	75.4	11,585	1.7
Selling, general, and administrative expenses	181,727	18.5	199,768	21.5	(18,041)	(9.0)
<u>Loss (gain) from disposal or impairment of businesses and fixed assets</u>	<u>(4,112)</u>	<u>(0.4)</u>	<u>6,893</u>	<u>0.8</u>	<u>(11,005)</u>	
Operating income	92,299	9.4	21,849	2.3	70,450	322.4
Other income (expenses):						
Interest and dividend income	9,488		7,264		2,224	
Interest expense	(4,699)		(4,286)		(413)	
Gain on sales of securities	1,604		3,161		(1,557)	
Exchange gains (losses)	3,597		(1,534)		5,131	
Government subsidy	58,571				58,571	
Other-net	701		643		58	
Other income (expenses), net	69,262		5,248		64,014	
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	<u>161,561</u>	<u>16.4</u>	<u>27,097</u>	<u>2.9</u>	<u>134,464</u>	<u>496.2</u>
Income taxes:						
Current	28,917		29,255		(338)	
Deferred	13,625		(15,554)		29,179	
Total income taxes	42,542		13,701		28,841	
Minority interests in earnings of subsidiaries	3,442		2,476		966	
Equity in net income of affiliated companies	2,324		780		1,544	
Net income	117,901	12.0	11,700	1.3	106,201	907.7

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## (2) Consolidated Segment Information

Information by industry segment (Page 19)

(In millions of yen)

Year ended March 31, 2005	<As Restated>			<As Previously Reported>		
	Other	Total	Consolidated	Other	Total	Consolidated
<b>Net sales</b>						
Unaffiliated customers	112,300	983,226	983,226	112,300	983,226	983,226
Intersegment	14,956	23,530		14,956	23,530	
Total	127,256	1,006,756	983,226	127,256	1,006,756	983,226
<b>Cost of sales and operating expenses</b>						
	<u>123,374</u>	<u>906,528</u>	<u>896,453</u>	<u>117,848</u>	<u>901,002</u>	<u>890,927</u>
Operating income	<u>3,882</u>	<u>100,228</u>	<u>86,773</u>	<u>9,408</u>	<u>105,754</u>	<u>92,299</u>

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Year ended March 31, 2004	<As Restated>			<As Previously Reported>		
	Other	Total	Consolidated	Other	Total	Consolidated
<b>Net sales</b>						
Unaffiliated customers	<u>137,426</u>	<u>929,876</u>	<u>929,876</u>	<u>137,787</u>	<u>930,237</u>	<u>930,237</u>
Intersegment	16,581	24,232		16,581	24,232	
Total	<u>154,007</u>	<u>954,108</u>	<u>929,876</u>	<u>154,368</u>	<u>954,469</u>	<u>930,237</u>
<b>Cost of sales and operating expenses</b>						
	<u>161,058</u>	<u>912,686</u>	<u>907,266</u>	<u>162,180</u>	<u>913,808</u>	<u>908,388</u>
Operating income (loss)	<u>(7,051)</u>	<u>41,422</u>	<u>22,610</u>	<u>(7,812)</u>	<u>40,661</u>	<u>21,849</u>

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Information by geographic segment (Page 20)

(In millions of yen)

Year ended March 31, 2005	<As Restated>			<As Previously Reported>		
	Japan	Total	Consolidated	Japan	Total	Consolidated
<b>Net sales</b>						
Unaffiliated customers	659,283	983,226	983,226	659,283	983,226	983,226
Intersegment	193,242	199,034		193,242	199,034	
Total	852,525	1,182,260	983,226	852,525	1,182,260	983,226

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Cost of sales & operating expenses	<u>778,412</u>	<u>1,080,663</u>	<u>896,453</u>	<u>772,886</u>	<u>1,075,137</u>	<u>890,927</u>
Operating income	<u>74,113</u>	<u>101,597</u>	<u>86,773</u>	<u>79,639</u>	<u>107,123</u>	<u>92,299</u>

Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

Year ended March 31, 2004	<As Restated>			<As Previously Reported>		
	Japan	Total	Consolidated	Japan	Total	Consolidated
Net sales						
Unaffiliated customers	<u>675,081</u>	<u>929,876</u>	<u>929,876</u>	<u>675,442</u>	<u>930,237</u>	<u>930,237</u>
Intersegment	<u>154,741</u>	<u>159,346</u>		<u>154,741</u>	<u>159,346</u>	
Total	<u>829,822</u>	<u>1,089,222</u>	<u>929,876</u>	<u>830,183</u>	<u>1,089,583</u>	<u>930,237</u>
Cost of sales & operating expenses	<u>814,036</u>	<u>1,049,569</u>	<u>907,266</u>	<u>815,158</u>	<u>1,050,691</u>	<u>908,388</u>
Operating income	<u>15,786</u>	<u>39,653</u>	<u>22,610</u>	<u>15,025</u>	<u>38,892</u>	<u>21,849</u>

Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

Overseas sales (Page 20)

(In millions of yen)

Year ended March 31, 2004	<As Restated> Total	<As Previously Reported> Total
Overseas sales	<u>286,891</u>	<u>286,891</u>
Consolidated net sales	<u>929,876</u>	<u>930,237</u>
Ratio of overseas sales to consolidated net sales	<u>30.9%</u>	<u>30.8%</u>

Notes : There was no restatement in North America and Other Area . And There was no restatement for the year ended March 31, 2005.

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## (3) Other restatement related to the restatement of Consolidated Statements of Income and Consolidated Segment Information

## Consolidated Financial Highlights (Page 1)

(In millions of yen)

	Year ended	%	Year ended	%
<b>&lt;As Restated&gt;</b>	<b>March 31, 2005</b>	<b>(*)</b>	<b>March 31, 2004</b>	<b>(*)</b>
Net sales	¥ 983,226	5.7	¥ 929,876	0.4
Operating income	¥ 86,773	283.8	¥ 22,610	(51.5)
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥ 156,035	459.4	¥ 27,892	20.5
% of net sales	15.9%		3.0%	
Ratio of income before income taxes to total assets	13.5%		2.5%	

	Year ended	%	Year ended	%
<b>&lt;As Previously Reported&gt;</b>	<b>March 31, 2005</b>	<b>(*)</b>	<b>March 31, 2004</b>	<b>(*)</b>
Net sales	¥ 983,226	5.7	¥ 930,237	0.4
Operating income	¥ 92,299	322.4	¥ 21,849	(26.2)
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥ 161,561	496.2	¥ 27,097	340.2
% of net sales	16.4%		2.9%	
Ratio of income before income taxes to total assets	13.9%		2.4%	

Note : (\*) represents percentage change from the comparable previous period.

Summary of the results of operations for the year under review (Page 8)

**<As Restated>**

Operating income was **¥86.8 billion**, a **283.8 %** increase from the prior year. In spite of the appreciation of the yen and higher prices of raw materials, a significant decrease of pension costs, increased sales centering on Internal Combustion Engine and Machinery segment, and the reduction of costs in public works related business contributed to an increase of operating income.

**Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies** was **¥156.0 billion**, a **459.4 %** increase from the prior year. The increase was largely due to a ¥58.6 billion of the government subsidy (\*) and the increase in operating income. Accordingly, after **¥48.1 billion** of income taxes, ¥1.1 billion of minority interests in earnings of subsidiaries and equity in net income of affiliated companies, **and added ¥11.1 billion of net income from discontinued operations, net of taxes**, net income during the year under review jumped to ¥117.9 billion, a 907.7 % increase from the prior year.



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(\*) Government subsidy is the gain from settlement of substitutional portion of the government pension plan.  
<As Previously Reported>

Operating income was ¥92.3 billion, a 322.4 % increase from the prior year. In spite of the appreciation of the yen and higher prices of raw materials, a significant decrease of pension costs, increased sales centering on Internal Combustion Engine and Machinery segment, and the reduction of costs in public works related business contributed to an increase of operating income.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥161.6 billion, a 496.2 % increase from the prior year. The increase was largely due to a ¥58.6 billion of the government subsidy (\*) and the increase in operating income. Accordingly, after ¥42.5 billion of income taxes, ¥1.1 billion of minority interests in earnings of subsidiaries and equity in net income of affiliated companies, net income during the year under review jumped to ¥117.9 billion, a 907.7 % increase from the prior year.

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(\*) Government subsidy is the gain from settlement of substitutional portion of the government pension plan.  
Review of operations by product group

4) Other (Page 10)

<As Restated>

Sales in Other were ¥112.3 billion, 18.3 % lower than the prior year, comprising 11.4 % of consolidated net sales. Domestic sales decreased 17.4 %, to ¥111.6 billion, and overseas sales declined 67.5 %, to ¥0.7 billion.

<As Previously Reported>

Sales in Other were ¥112.3 billion, 18.5 % lower than the prior year, comprising 11.4 % of consolidated net sales. Domestic sales decreased 17.7 %, to ¥111.6 billion, and overseas sales declined 67.5 %, to ¥0.7 billion.

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Consolidated Net Sales by Product Group (Page 24)

(In millions of yen)

	Year ended	Year ended	Change	
	Mar. 31, 2005 Amount	Mar. 31, 2004 Amount	Amount	%
<As Restated> Other	<b>87,426</b>	<b>85,603</b>	<b>1,823</b>	<b>2.1</b>
Domestic	86,678	83,303	3,375	4.1
Overseas	748	2,300	(1,552)	(67.5)
Other	<b>112,300</b>	<b>137,426</b>	<b>(25,126)</b>	<b>(18.3)</b>
Domestic	111,552	135,126	(23,574)	(17.4)
Overseas	748	2,300	(1,552)	(67.5)
Total	<b>983,226</b>	<b>929,876</b>	<b>53,350</b>	<b>5.7</b>
Domestic	637,902	642,985	(5,083)	(0.8)
Overseas	345,324	286,891	58,433	20.4

	Year ended	Year ended	Change	
	Mar. 31, 2005 Amount	Mar. 31, 2004 Amount	Amount	%
<As Previously Reported> Other	<b>87,426</b>	<b>85,964</b>	<b>1,462</b>	<b>1.7</b>
Domestic	86,678	83,664	3,014	3.6
Overseas	748	2,300	(1,552)	(67.5)
Other	<b>112,300</b>	<b>137,787</b>	<b>(25,487)</b>	<b>(18.5)</b>
Domestic	111,552	135,487	(23,935)	(17.7)
Overseas	748	2,300	(1,552)	(67.5)
Total	<b>983,226</b>	<b>930,237</b>	<b>52,989</b>	<b>5.7</b>
Domestic	637,902	643,346	(5,444)	(0.8)
Overseas	345,324	286,891	58,433	20.4

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## 2. Results of operations for the six months ended September 30, 2004

## (1) Consolidated Statements of Income (Page 11)

&lt;As Restated&gt;

**Consolidated Statements of Income**

(Unaudited)

(In millions of yen)

	Six months ended Sept. 30, 2004		Six months ended Sept. 30, 2003		Change		Year ended Mar. 31, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	445,774	100.0	421,373	100.0	24,401	5.8	929,876	100.0
Cost of sales	318,489	71.5	315,407	74.8	3,082	1.0	701,718	75.5
Selling, general, and administrative expenses	82,084	18.4	90,894	21.6	(8,810)	(9.7)	199,189	21.4
Loss (gain) from disposal and impairment of business and fixed assets	(340)	(0.1)	(1,644)	(0.4)	1,304	(79.3)	6,359	0.7
Operating income	45,541	10.2	16,716	4.0	28,825	172.4	22,610	2.4
Other income (expenses):								
Interest and dividend income	4,528		3,409		1,119		7,264	
Interest expense	(2,074)		(1,689)		(385)		(4,252)	
Foreign exchange gains (losses)	2,784		(1,907)		4,691		(1,534)	
Other-net	837		2,297		(1,460)		3,804	
Other income (expenses), net	6,075		2,110		3,965		5,282	
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	<u>51,616</u>	<u>11.6</u>	<u>18,826</u>	<u>4.5</u>	<u>32,790</u>	<u>174.2</u>	<u>27,892</u>	<u>3.0</u>
Income taxes:								
Current	15,333		10,786		4,547		29,255	
Deferred	(9,018)		(91)		(8,927)		(15,554)	
Total income taxes	6,315		10,695		(4,380)		13,701	
Minority interests in earnings of subsidiaries	2,283		1,387		896		2,476	
Equity in net income of affiliated companies	642		406		236		780	
<u>Net income from continuing operations</u>	<u>43,660</u>	<u>9.8</u>	<u>7,150</u>	<u>1.7</u>	<u>36,510</u>	<u>510.6</u>	<u>12,495</u>	<u>1.3</u>
<u>Income (loss) from discontinued operations, net of taxes</u>	<u>11,100</u>		<u>(140)</u>		<u>11,240</u>		<u>(795)</u>	
Net income	54,760	12.3	7,010	1.7	47,750	681.2	11,700	1.3

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**Table of Contents**

&lt;As Previously Reported&gt;

**Consolidated Statements of Income**

(Unaudited)

(In millions of yen)

	Six months ended		Six months ended		Change		Year ended	
	Sept. 30, 2004		Sept. 30, 2003				Mar. 31, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	445,774	100.0	421,540	100.0	24,234	5.7	930,237	100.0
Cost of sales	318,489	71.4	315,412	74.8	3,077	1.0	701,727	75.4
Selling, general, and administrative expenses	82,084	18.4	91,174	21.7	(9,090)	(10.0)	199,768	21.5
Loss (gain) from disposal and impairment of business and fixed assets	(5,866)	(1.3)	(1,644)	(0.4)	(4,222)	256.8	6,893	0.8
Operating income	51,067	11.5	16,598	3.9	34,469	207.7	21,849	2.3
Other income (expenses):								
Interest and dividend income	4,528		3,409		1,119		7,264	
Interest expense	(2,074)		(1,711)		(363)		(4,286)	
Foreign exchange gains (losses)	2,784		(1,907)		4,691		(1,534)	
Other-net	837		2,297		(1,460)		3,804	
Other income (expenses), net	6,075		2,088		3,987		5,248	
Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	57,142	12.8	18,686	4.4	38,456	205.8	27,097	2.9
Income taxes:								
Current	9,759		10,786		(1,027)		29,255	
Deferred	(9,018)		(91)		(8,927)		(15,554)	
Total income taxes	741		10,695		(9,954)		13,701	
Minority interests in earnings of subsidiaries	2,283		1,387		896		2,476	
Equity in net income of affiliated companies	642		406		236		780	
Net income	54,760	12.3	7,010	1.7	47,750	681.2	11,700	1.3

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## (2) Consolidated Segment Information

Information by Industry Segment (Page 16)

(In millions of yen)

Six months ended Sept. 30, 2004	<As Restated>			<As Previously Reported>		
	Other	Total	Consolidated	Other	Total	Consolidated
Net sales						
Unaffiliated customers	52,392	445,774	445,774	52,392	445,774	445,774
Intersegment	6,548	9,930		6,548	9,930	
Total	58,940	455,704	445,774	58,940	455,704	445,774
Cost of sales and operating expenses	<u>57,212</u>	<u>404,383</u>	<u>400,233</u>	<u>51,686</u>	<u>398,857</u>	<u>394,707</u>
Operating income (loss)	<u>1,728</u>	<u>51,321</u>	<u>45,541</u>	<u>7,254</u>	<u>56,847</u>	<u>51,067</u>

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Six months ended Sept. 30, 2003	<As Restated>			<As Previously Reported>		
	Other	Total	Consolidated	Other	Total	Consolidated
Net sales						
Unaffiliated customers	<u>69,753</u>	<u>421,373</u>	<u>421,373</u>	<u>69,920</u>	<u>421,540</u>	<u>421,540</u>
Intersegment	6,968	9,895		6,968	9,895	
Total	<u>76,721</u>	<u>431,268</u>	<u>421,373</u>	<u>76,888</u>	<u>431,435</u>	<u>421,540</u>
Cost of sales and operating expenses	<u>77,625</u>	<u>406,351</u>	<u>404,657</u>	<u>77,910</u>	<u>406,636</u>	<u>404,942</u>
Operating income (loss)	<u>(904)</u>	<u>24,917</u>	<u>16,716</u>	<u>(1,022)</u>	<u>24,799</u>	<u>16,598</u>

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Information by Industry Segment for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

Information by Geographic Segment (Page 17)

(In millions of yen)

Six months ended Sept. 30, 2004	<As Restated>			<As Previously Reported>		
	Japan	Total	Consolidated	Japan	Total	Consolidated
Net sales						
Unaffiliated customers	271,262	445,774	445,774	271,262	445,774	445,774
Intersegment	88,457	91,311		88,457	91,311	
Total	359,719	537,085	445,774	359,719	537,085	445,774
Cost of sales and operating expenses	<u>328,001</u>	<u>487,376</u>	<u>400,233</u>	<u>322,475</u>	<u>481,850</u>	<u>394,707</u>
Operating income	<u>31,718</u>	<u>49,709</u>	<u>45,541</u>	<u>37,244</u>	<u>55,235</u>	<u>51,067</u>

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Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

Six months ended Sept. 30, 2003	<As Restated>			<As Previously Reported>		
	Japan	Total	Consolidated	Japan	Total	Consolidated
<b>Net sales</b>						
Unaffiliated customers	<u>288,153</u>	<u>421,373</u>	<u>421,373</u>	<u>288,320</u>	<u>421,540</u>	<u>421,540</u>
Intersegment	66,073	69,128		66,073	69,128	
<b>Total</b>	<u>354,226</u>	<u>490,501</u>	<u>421,373</u>	<u>354,393</u>	<u>490,668</u>	<u>421,540</u>
<b>Cost of sales and operating expenses</b>						
	<u>348,024</u>	<u>468,769</u>	<u>404,657</u>	<u>348,309</u>	<u>469,054</u>	<u>404,942</u>
Operating income	<u>6,202</u>	<u>21,732</u>	<u>16,716</u>	<u>6,084</u>	<u>21,614</u>	<u>16,598</u>

Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

Information by Geographic Segment for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

Overseas sales (Page 19)

(In millions of yen)

Six months ended Sept. 30, 2003	<As Restated>	<As Previously Reported>
	Total	Total
Overseas sales	150,621	150,621
Consolidated net sales	<u>421,373</u>	<u>421,540</u>
Ratio of overseas sales to consolidated net sales	35.7%	35.7%

Notes : There was no restatement in North America and Other Area . And There was no restatement for the year ended Sept. 30, 2004.

Overseas sales for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

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(3) Other restatement related to the restatement of Consolidated Statements of Income and Consolidated Segment Information

Consolidated Financial Highlights (Page 1)

(In millions of yen)

	Six months ended		%	Six months ended		%	Year ended
<As Restated>	Sept. 30, 2004		(*)	Sept. 30, 2003		(*)	Mar. 31, 2004
Net sales	¥	445,774	5.8	¥	421,373	1.7	¥ 929,876
Operating income	¥	45,541	172.4	¥	16,716	(31.7)	¥ 22,610
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥	51,616	174.2	¥	18,826	(19.4)	¥ 27,892
	Six months ended		%	Six months ended		%	Year ended
<As Previously Reported>	Sept. 30, 2004		(*)	Sept. 30, 2003		(*)	Mar. 31, 2004
Net sales	¥	445,774	5.7	¥	421,540	1.7	¥ 930,237
Operating income	¥	51,067	207.7	¥	16,598	(32.0)	¥ 21,849
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥	57,142	205.8	¥	18,686	(19.7)	¥ 27,097

Note : (\*) represents percentage change from the comparable previous period.

Outline of the results of operations for the six months under review (Page 6~7)

Page 6 third line from the bottom

<As Restated>

Under such conditions, sales of the Company during the six months under review were ¥445.8 billion, a 5.8% increase from the prior corresponding period.

<As Previously Reported>

Under such conditions, sales of the Company during the six months under review were ¥445.8 billion, a 5.7% increase from the prior corresponding period.

Page 7 fifth line from the top

<As Restated>

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Operating income was ¥45.5 billion, a 172.4% increase. In spite of the high appreciation of yen and soaring prices of raw materials, operating income soared due to large decrease of pension cost by ¥20.6 billion from the prior corresponding period, in addition to sales increase in Internal Combustion Engine and Machinery and implementation of a company-wide cost reduction program in Pipes, Valves and Industrial Castings.

**Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies** was ¥51.6 billion, a 174.2% increase, which reflected an improvement in interest income and foreign exchange gains, as well as increase of operating income. As a result, after ¥0.7 billion of income taxes, ¥1.6 billion of minority interests in earnings of subsidiaries and the equity in net income of affiliated companies, **and added ¥11.1 billion of net income from discontinued operations, net of taxes**, net income during the six months under review was ¥54.8 billion, a 681.2% increase from the prior corresponding period.

<As Previously Reported>

Operating income was ¥51.1 billion, a 207.7% increase. In spite of the high appreciation of yen and soaring prices of raw materials, operating income soared due to large decrease of pension cost by ¥20.6 billion from the prior corresponding period, in addition to sales increase in Internal Combustion Engine and Machinery and implementation of a company-wide cost reduction program in Pipes, Valves and Industrial Castings.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥57.1 billion, a 205.8% increase, which reflected an improvement in interest income and foreign exchange gains, as well as increase of operating income. As a result, after ¥0.7 billion of income taxes, ¥1.6 billion of minority interests in earnings of subsidiaries and the equity in net income of affiliated companies, net income during the six months under review was ¥54.8 billion, a 681.2% increase from the prior corresponding period.

Review of operations by product group

4) Other (Page 10)

<As Restated>

Sales of Other were ¥52.4 billion, 24.9% lower than the prior corresponding period, comprising 11.8% of consolidated net sales. Domestic sales decreased 24.1% to ¥51.9 billion, and overseas sales declined 64.0% to ¥0.5 billion.

<As Previously Reported>

Sales of Other were ¥52.4 billion, 25.1% lower than the prior corresponding period, comprising 11.8% of consolidated net sales. Domestic sales decreased 24.3% to ¥51.9 billion, and overseas sales declined 64.0% to ¥0.5 billion.

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Consolidated Net Sales by Product Group (Page 24)

(In millions of yen)

<As Restated>	Six months ended	Six months ended	Change		Year ended
	Sept. 30, 2004 Amount	Sept. 30, 2003 Amount	Amount	%	Mar. 31, 2004 Amount
Other	38,955	36,398	2,557	7.0	85,603
Domestic	38,470	35,050	3,420	9.8	83,303
Overseas	485	1,348	(863)	(64.0)	2,300
<b>Other</b>	<b>52,392</b>	<b>69,753</b>	<b>(17,361)</b>	<b>(24.9)</b>	<b>137,426</b>
Domestic	51,907	68,405	(16,498)	(24.1)	135,126
Overseas	485	1,348	(863)	(64.0)	2,300
<b>Total</b>	<b>445,774</b>	<b>421,373</b>	<b>24,401</b>	<b>5.8</b>	<b>929,876</b>
Domestic	261,912	270,752	(8,840)	(3.3)	642,985
Overseas	183,862	150,621	33,241	22.1	286,891

<As Previously Reported>	Six months ended	Six months ended	Change		Year ended
	Sept. 30, 2004 Amount	Sept. 30, 2003 Amount	Amount	%	Mar. 31, 2004 Amount
Other	38,955	36,565	2,390	6.5	85,964
Domestic	38,470	35,217	3,253	9.2	83,664
Overseas	485	1,348	(863)	(64.0)	2,300
<b>Other</b>	<b>52,392</b>	<b>69,920</b>	<b>(17,528)</b>	<b>(25.1)</b>	<b>137,787</b>
Domestic	51,907	68,572	(16,665)	(24.3)	135,487
Overseas	485	1,348	(863)	(64.0)	2,300
<b>Total</b>	<b>445,774</b>	<b>421,540</b>	<b>24,234</b>	<b>5.7</b>	<b>930,237</b>
Domestic	261,912	270,919	(9,007)	(3.3)	643,346
Overseas	183,862	150,621	33,241	22.1	286,891

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## 3. Results of operations for the nine months ended December 31, 2004

## (1) Consolidated Statements of Income (Page 3)

&lt;As Restated&gt;

**Consolidated Statements of Income**

(Unaudited)

(In millions of yen)

	Nine months ended		Nine months ended		Change		Year ended	
	Dec. 31, 2004		Dec. 31, 2003				Mar. 31, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	663,595	100.0	619,033	100.0	44,562	7.2	929,876	100.0
Cost of sales	475,472	71.7	466,488	75.4	8,984	1.9	701,718	75.5
Selling, general, and administrative expenses	122,882	18.5	136,706	22.1	(13,824)	(10.1)	199,189	21.4
Loss (gain) from disposal and impairment of business and fixed assets	(1,000)	(0.2)	139	0.0	(1,139)		6,359	0.7
Operating income	66,241	10.0	15,700	2.5	50,541	321.9	22,610	2.4
Other income (expenses):								
Interest and dividend income	6,953		5,772		1,181		7,264	
Interest expense	(3,160)		(3,207)		47		(4,252)	
Foreign exchange gains (losses)	1,859		(1,004)		2,863		(1,534)	
Other-net	1,317		2,857		(1,540)		3,804	
Other income, net	6,969		4,418		2,551		5,282	
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	73,210	11.0	20,118	3.2	53,092	263.9	27,892	3.0
Income taxes	14,484		11,119		3,365		13,701	
Minority interests in earnings of subsidiaries	3,098		2,287		811		2,476	
Equity in net income of affiliated companies	1,862		604		1,258		780	
<u>Net income from continuing operations</u>	57,490	8.7	7,316	1.2	50,174	685.8	12,495	1.3
<u>Income (loss) from discontinued operations, net of taxes</u>	11,100		(159)		11,259		(795)	
Net income	68,590	10.3	7,157	1.2	61,433	858.4	11,700	1.3

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&lt;As Previously Reported&gt;

**Consolidated Statements of Income**

(Unaudited)

(In millions of yen)

	Nine months ended		Nine months ended		Change		Year ended	
	Dec. 31, 2004		Dec. 31, 2003				Mar. 31, 2004	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	663,595	100.0	619,300	100.0	44,295	7.2	930,237	100.0
Cost of sales	475,472	71.7	466,496	75.3	8,976	1.9	701,727	75.4
Selling, general, and administrative expenses	122,882	18.5	137,091	22.2	(14,209)	(10.4)	199,768	21.5
Loss (gain) from disposal and impairment of business and fixed assets	(6,526)	(1.0)	139	0.0	(6,665)		6,893	0.8
Operating income	71,767	10.8	15,574	2.5	56,193	360.8	21,849	2.3
Other income (expenses):								
Interest and dividend income	6,953		5,772		1,181		7,264	
Interest expense	(3,160)		(3,240)		80		(4,286)	
Foreign exchange gains (losses)	1,859		(1,004)		2,863		(1,534)	
Other-net	1,317		2,857		(1,540)		3,804	
Other income, net	6,969		4,385		2,584		5,248	
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	<u>78,736</u>	<u>11.9</u>	<u>19,959</u>	<u>3.2</u>	<u>58,777</u>	<u>294.5</u>	<u>27,097</u>	<u>2.9</u>
Income taxes	8,910		11,119		(2,209)		13,701	
Minority interests in earnings of subsidiaries	3,098		2,287		811		2,476	
Equity in net income of affiliated companies	1,862		604		1,258		780	
Net income	68,590	10.3	7,157	1.2	61,433	858.4	11,700	1.3

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## (2) Consolidated Segment Information by Industry Segment (Page 7)

(In millions of yen)

Nine months ended Dec. 31, 2004	<As Restated>			<As Previously Reported>		
	Other	Total	Consolidated	Other	Total	Consolidated
Net sales						
Unaffiliated customers	72,253	663,595	663,595	72,253	663,595	663,595
Intersegment	11,857	17,216		11,857	17,216	
Total	84,110	680,811	663,595	84,110	680,811	663,595
Cost of sales and operating expenses	<u>79,863</u>	<u>606,219</u>	<u>597,354</u>	<u>74,337</u>	<u>600,693</u>	<u>591,828</u>
Operating income (loss)	<u>4,247</u>	<u>74,592</u>	<u>66,241</u>	<u>9,773</u>	<u>80,118</u>	<u>71,767</u>

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Nine months ended Dec. 31, 2003	<As Restated>			<As Previously Reported>		
	Other	Total	Consolidated	Other	Total	Consolidated
Net sales						
Unaffiliated customers	<u>94,406</u>	<u>619,033</u>	<u>619,033</u>	<u>94,673</u>	<u>619,300</u>	<u>619,300</u>
Intersegment	11,313	15,595		11,313	15,595	
Total	<u>105,719</u>	<u>634,628</u>	<u>619,033</u>	<u>105,986</u>	<u>634,895</u>	<u>619,300</u>
Cost of sales and operating expenses	<u>110,267</u>	<u>606,298</u>	<u>603,333</u>	<u>110,660</u>	<u>606,691</u>	<u>603,726</u>
Operating income (loss)	<u>(4,548)</u>	<u>28,330</u>	<u>15,700</u>	<u>(4,674)</u>	<u>28,204</u>	<u>15,574</u>

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Information by Industry Segment for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

## (3) Other restatement related to the restatement of Consolidated Statements of Income and Consolidated Segment Information

Consolidated Financial Highlights Page 1

(In millions of yen)

<As Restated>	Nine months ended		%	Nine months ended		%	Year ended
	Dec. 31, 2004			Dec. 31, 2003			
Net sales	¥ 663,595	7.2	¥ 619,033	1.6	¥ 929,876		
Operating income	¥ 66,241	321.9	¥ 15,700	(47.5)	¥ 22,610		
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥ 73,210	263.9	¥ 20,118	33.8	¥ 27,892		

&lt;As Previously Reported&gt;

Nine months ended		%	Nine months ended		%	Year ended

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	Dec. 31, 2004	(*)	Dec. 31, 2003	(*)	Mar. 31, 2004
Net sales	¥ 663,595	7.2	¥ 619,300	1.6	¥ 930,237
Operating income	¥ 71,767	360.8	¥ 15,574	(47.6)	¥ 21,849
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥ 78,736	294.5	¥ 19,959	34.2	¥ 27,097

Note : (\*) represents percentage change from the corresponding previous period.

Results of Operations (Page 3)

fourth line from the top

<As Restated>

Domestic sales decreased 0.2 % to ¥401.4 billion from the corresponding period in the prior year.

<As Previously Reported>

Domestic sales decreased 0.3 % to ¥401.4 billion from the corresponding period in the prior year.

fourth and fifth paragraph from the title

<As Restated>

Operating income was ¥66.2 billion, 321.9% increase from the corresponding period in the prior year. The positive factors such as sharp decline in pension cost by ¥32.8 billion, brisk overseas sales in Internal Combustion Engine and Machinery segment, and cost reduction in public works related businesses overcame the negative effects of soaring prices of raw materials and appreciation of yen, and led to the sharp increase in operating income.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥73.2 billion, 263.9% increase from the corresponding period in the prior year due to the increase in interest and dividend income as well as an increase in operating income. As the result, after income taxes, minority interests in earnings of subsidiaries and equity in net income of affiliated companies, and added net income from discontinued operations, net of taxes, net income was ¥68.6 billion, 858.4 % increase from the corresponding period in the prior year.

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&lt;As Previously Reported&gt;

Operating income was ¥71.8 billion, 360.8 % increase from the corresponding period in the prior year. The positive factors such as sharp decline in pension cost by ¥32.8 billion, brisk overseas sales in Internal Combustion Engine and Machinery segment, and cost reduction in public works related businesses overcame the negative effects of soaring prices of raw materials and appreciation of yen, and led to the sharp increase in operating income.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥78.7 billion, 294.5 % increase from the corresponding period in the prior year due to the increase in interest and dividend income as well as an increase in operating income. As the result, after income taxes, minority interests in earnings of subsidiaries and equity in net income of affiliated companies, net income was ¥68.6 billion, 858.4 % increase from the corresponding period in the prior year.

Consolidated Net Sales by Product Group (Page 9)

(In millions of yen)

	Nine months ended		Nine months ended		Year ended
	Dec. 31, 2004 Amount	Dec. 31, 2003 Amount	Change Amount	%	Mar. 31, 2004 Amount
<As Restated>					
Other	54,453	49,128	5,325	10.8	85,603
Domestic	53,798	47,577	6,221	13.1	83,303
Overseas	655	1,551	(896)	(57.8)	2,300
<b>Other</b>	<b>72,253</b>	<b>94,406</b>	<b>(22,153)</b>	<b>(23.5)</b>	<b>137,426</b>
Domestic	71,598	92,855	(21,257)	(22.9)	135,126
Overseas	655	1,551	(896)	(57.8)	2,300
<b>Total</b>	<b>663,595</b>	<b>619,033</b>	<b>44,562</b>	<b>7.2</b>	<b>929,876</b>
Domestic	401,380	402,274	(894)	(0.2)	642,985
Overseas	262,215	216,759	45,456	21.0	286,891

	Nine months ended		Nine months ended		Year ended
	Dec. 31, 2004 Amount	Dec. 31, 2003 Amount	Change Amount	%	Mar. 31, 2004 Amount
<As Previously Reported>					
Other	54,453	49,395	5,058	10.2	85,964
Domestic	53,798	47,844	5,954	12.4	83,664
Overseas	655	1,551	(896)	(57.8)	2,300
<b>Other</b>	<b>72,253</b>	<b>94,673</b>	<b>(22,420)</b>	<b>(23.7)</b>	<b>137,787</b>
Domestic	71,598	93,122	(21,524)	(23.1)	135,487
Overseas	655	1,551	(896)	(57.8)	2,300
<b>Total</b>	<b>663,595</b>	<b>619,300</b>	<b>44,295</b>	<b>7.2</b>	<b>930,237</b>
Domestic	401,380	402,541	(1,161)	(0.3)	643,346
Overseas	262,215	216,759	45,456	21.0	286,891

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**Table of Contents****II. Replacement of figures on results of operations for the year ended March 31, 2006**

## 1. Replacement of figures on earning releases for the year ended March 31, 2006

After the above restatement, the figures of consolidated statements of income, consolidated segment information and other related information, which were presented as the comparable previous period in earning releases for the six months ended September 30, 2005 and the nine months ended December 31, 2005, are replaced by the figures restated in the above restatement in chapter I. And there are other restatement related to the above restatement.

## 2. Restatement for Consolidated Financial Highlights and descriptions of results of operations for the year ended March 31, 2006.

## (1) Results of Operations for the Six Months Ended September 30, 2005

Consolidated Financial Highlights (Page 1)

(In millions of yen)

	Six months ended		Six months ended		Year ended
	Sept. 30,	%	Sept. 30, 2004	%	Mar. 31, 2005
<As Restated>	2005	(*)		(*)	
Net sales	¥ 496,229	11.3	¥ 445,774	5.8	¥ 983,226
Operating income	¥ 59,810	31.3	¥ 45,541	172.4	¥ 86,773
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥ 65,384	26.7	¥ 51,616	174.2	¥ 156,035

	Six months ended		Six months ended		Year ended
	Sept. 30,	%	Sept. 30, 2004	%	Mar. 31, 2005
<As Previously Reported>	2005	(*)		(*)	
Net sales	¥ 496,229	11.3	¥ 445,774	5.7	¥ 983,226
Operating income	¥ 59,810	17.1	¥ 51,067	207.7	¥ 92,299
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥ 65,384	14.4	¥ 57,142	205.8	¥ 161,561

Results of operations (Page 7)

third and fourth paragraphs from the title

&lt;As Restated&gt;

Operating income was ¥59.8 billion, a **31.3 %** increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

**Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies** was ¥65.4 billion, a **26.7 %** increase from the prior corresponding period.

&lt;As Previously Reported&gt;

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Operating income was ¥59.8 billion, a 17.1% increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥65.4 billion, a 14.4% increase from the prior corresponding period.

Consolidated Net Sales by Product Group (Page 22)

Consolidated Net Sales by Product Group for the six months ended September 30, 2004 should be restated as the figure in Appendix-10.

(2) Results of Operations for the Nine Months Ended December 31, 2005

Consolidated Financial Highlights (Page 1)

(In millions of yen)

	Nine months ended		%	Nine months ended		%	Year ended
<As Restated>	Dec. 31, 2005		(*)	Dec. 31, 2004		(*)	Mar. 31, 2005
<b>Net sales</b>	¥	740,509	11.6	¥	663,595	7.2	¥ 983,226
<b>Operating income</b>	¥	89,571	<u>35.2</u>	¥	<u>66,241</u>	<u>321.9</u>	¥ <u>86,773</u>
<u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥	113,424	<u>54.9</u>	¥	<u>73,210</u>	<u>263.9</u>	¥ <u>156,035</u>

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<b>&lt;As Previously Reported&gt;</b>	<b>Nine months ended</b>		<b>%</b>	<b>Nine months ended</b>		<b>% (*)</b>	<b>Year ended</b>
	<b>Dec. 31, 2005</b>		<b>(*)</b>	<b>Dec. 31, 2004</b>			<b>Mar. 31, 2005</b>
Net sales	¥	740,509	11.6	¥	663,595	7.2	¥ 983,226
Operating income	¥	89,571	<u>24.8</u>	¥	<u>71,767</u>	<u>360.8</u>	¥ <u>92,299</u>
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	¥	113,424	<u>44.1</u>	¥	<u>78,736</u>	<u>294.5</u>	¥ <u>161,561</u>

Note : (\*) represents percentage change from the corresponding previous period.

Results of operations (Page 3)

fourth and fifth paragraphs from the title

<As Restated>

Operating income was ¥89.6 billion, a 35.2% increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥113.4 billion, a 54.9% increase from the corresponding period in the prior year due to an increase in operating income and other income.

<As Previously Reported>

Operating income was ¥89.6 billion, a 24.8% increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥113.4 billion, a 44.1% increase from the corresponding period in the prior year due to an increase in operating income and other income.

Consolidated Net Sales by Product Group (Page 9)

Consolidated Net Sales by Product Group for the nine months ended December 31, 2004 should be restated as the figure in Appendix-14.

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May 12, 2006

To whom it may concern

**Kubota Corporation**

2-47, Shikitsu-higashi 1-chome,  
Naniwa-ku, Osaka 556-8601, Japan

Contact: IR Group

Finance & Accounting Department

Phone: +81-6-6648-2645

**Notice on amendment to Articles of Incorporation**

Please be advised that Kubota Corporation (hereinafter the Company ), at its Board of Directors Meeting held on May 12, 2006, resolved to propose an agenda to amend its Articles of Incorporation at the Ordinary General Meeting of Shareholders to be held on June 23, 2006.

1. proposes of the amendments

(1) Amendments related to enforcement of the Corporate Law on May 1, 2006.

1) Definition of the rights of shareholders with a less than one unit share (proposed amendment to article 10, Chapter 2)

This new article will be proposed to clearly define the rights of shareholders with a less than one unit share.

2) Disclosure of reference documents for the Ordinary General Meeting of Shareholders by Internet (proposed amendment to article 17, Chapter 3)

This new article will be proposed because disclosure of reference documents for the Ordinary General Meeting of Shareholders by Internet is regarded as distribution of these documents to each shareholder.

3) Resolution in writing by the Board of Directors (proposed amendment to article 26-2, Chapter 4)

This new article will be proposed to give approval on resolutions of the Board of Directors in writing or

by e-mail for agile operation of its Board of Directors.

4) Body to decide distribution of surplus and purchase of treasury stock (proposed amendment to article 33, Chapter 6)

This new article will be proposed to make expeditious decisions concerning distribution of surplus and purchase of treasury stock upon resolution of its Board of Directors.

5) Other amendment

The required changes related to enforcement of the Corporate Law will be made such as addition, deletion, changing references of articles and terms, and transfer of the provisions.

(2) An amendment to introduce electronic method on public notice (proposed amendment to article 5, Chapter 1)

(3) An amendment of total number of shares authorized to be issued by the Company (proposed amendment to article 6, Chapter 2)

2. Disclosure

The amendment is subject to approval at the Ordinary General Meeting of Shareholders. Upon approval, the Articles of Incorporation reflecting the amendments as described above will be presented on the Company's Web site.

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**< Cautionary Statements with Respect to Forward-Looking Statements >**

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

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End of document

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**KUBOTA CORPORATION**

Date: June 1, 2006

By: /s/ Shigeru Kimura  
Name: Shigeru Kimura  
Title: General Manager  
Finance & Accounting Department