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1. The United States dollar amounts included herein represent translations using the approximate exchange rate on September 28, 2007, of ¥115 = US\$1, solely for convenience.
2. Each American Depositary Share (“ADS”) represents five common shares.
3. 116 subsidiaries are consolidated.
Major consolidated subsidiaries:

Domestic	Kubota Construction Co., Ltd. Kubota Credit Co., Ltd. Kubota Maison Co., Ltd. Kubota Environmental Service Co., Ltd. Kubota-C.I. 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.

On July 27, 2007, the Company announced that the Company and Urbanex Co., Ltd. have reached a basic agreement to transfer all the shares of Kubota Maison Co., Ltd. (“Kubota Maison”) to Urbanex Co., Ltd. On October 1, 2007, the Company transferred 70% shares of Kubota Maison in accordance with the agreement. As a result of the transfer, Kubota Maison was excluded from consolidated subsidiaries and became an affiliated company of Kubota Corporation. Kubota Maison will be excluded from affiliated companies by the scheduled transfer of the remaining 30% shares on April 1, 2009.

4. 25 affiliated companies are accounted for under the equity method.
Major affiliated companies:

Domestic	17 sales companies of farm equipment, Kubota Matsushitadenko Exterior Works, Ltd.
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5. Summary of accounting policies
 - (1) The accompanying consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America except for the presentation for segment information described in (2).
 - (2) 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 Company adopted the FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes - an interpretation of SFAS No. 109”, as of April 1, 2007. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertainty in income tax return. The adoption of this interpretation did not have a material impact on the Company’s consolidated results of operations and financial position.
7. In the consolidated statements of income for the six months ended September 30, 2006, finance income and expenses from retail finance business were classified mainly into “Interest income” and “Interest expense” in other income (expenses). However, from the consolidated statements of income for the year ended March 31, 2007, the Company has classified them into “Revenues” and “Cost of revenues”, since the significance of retail finance business has been increasing and the business is becoming one of the major or central operations of the Company. Accordingly, the reclassification has been made to the presentation of the consolidated statements of income for the six months ended September 30, 2006.
Finance income included in “Revenues” for the six months ended September 30, 2007 and 2006 are ¥12,980 million and ¥9,238 million, respectively, and finance expenses included in “Cost of revenues” for the six months ended September 30, 2007 and 2006 are ¥7,115 million and ¥5,542 million, respectively.
8. The Company accounts for discontinued operations in accordance with SFAS No.144, “Accounting for the Impairment or Disposal of Long-Lived Assets” and presents the results of discontinued operations as a separate line item in the consolidated statements of income under loss from discontinued operations, net of taxes. The figures of the consolidated statements of income for the prior year related to the discontinued operations have been separately reported from the ongoing operating results to conform with the current year presentation.
9. Reclassification
The consolidated financial reports for the year ended March 31, 2007 and the six months ended September 30, 2006 have been reclassified to conform to the presentation for the six months ended September 30, 2007.