

PART

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable

Item 2. Offer Statistics and Expected Timetable

Not applicable

Item 3. Key Information

The information required by this item, except as stated below, appears on page 15 in the Financial Section of the Company's 2001 Annual Report to Shareholders, which is incorporated herein by reference.

A. Selected Financial data

	<u>Years ended March 31 (millions of yen)</u>				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Capital Stock	78,107	78,107	78,107	78,107	78,156
Capital expenditures	56,709	54,055	44,073	39,294	37,170
Depreciation and Amortization	41,531	39,746	45,636	45,164	43,926
R & D expenses	39,080	37,848	36,759	33,148	30,257

	<u>Years ended March 31</u>				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Cash dividends declared per Depositary Share:					
Interim (in yen)	60	60	60	60	60
(in U.S. dollars)	0.527	0.462	0.420	0.575	0.536
Year-end (in yen)	60	60	60	60	60
(in U.S. dollars)	0.521	0.421	0.492	0.564	0.481

**Exchange rates
(yen amounts per U.S. dollars)**

Year-end	123.72	133.29	118.43	102.73	125.54
Average	112.48	122.78	128.19	110.02	111.65
High	124.54	133.29	147.14	124.45	125.54
Low	104.49	111.42	108.83	101.53	104.19

2001

	Feb.	Mar.	Apr.	May	Jun.	Jul.
High	117.62	125.54	126.75	123.67	124.73	125.85
Low	114.88	117.33	121.68	118.88	119.13	122.85
Period-end	117.28	125.54	123.57	118.88	124.73	125.00

Notes to Selected Financial Data:

1. Each Depositary Share represents 20 shares of common stock.
2. Cash dividends declared in yen are the amounts actually paid during the year, and those in U.S. dollars are computed based on the exchange rates, determined as described in the succeeding Note 3, at each respective payment date.
3. Exchange rates are the noon buying rates for cable transfers between the yen and the U.S. dollar in New York City as certified for customs purposes by the Federal Reserve Bank of New York. The rate on September 12, 2001 was ¥ 119.53= US\$1.

B. Capitalization and indebtedness

Not applicable

C. Reasons for the offer and use of proceeds.

Not applicable

D. Risk factors

Declines in economic conditions in Kubota's major markets, including private 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 capital expenditure, construction investment and domestic public investment. In addition, governmental agricultural policies such as reduction in rice acreage or change in agricultural basic law may affect domestic sales of agriculture-related products. In overseas markets, especially North America and Europe, sales of the Company's products such as utility/compact tractors may also be adversely affected by declines in general economic conditions, including private consumption and residential construction investment.

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

The Company has overseas sales and manufacturing subsidiaries. The financial results of each overseas subsidiary are consolidated into the results of the parent company after translation into Japanese yen. In addition, the parent company exports products to certain of its subsidiaries and these transactions are generally denominated in the local currency of the subsidiary. As a result, fluctuations in foreign exchange rates will affect the consolidated financial results.

Kubota is subject to the risks of international operations

In some businesses of the Company, substantial overseas operations are conducted. Accordingly, the Company is subject to a number of risks inherent in doing business in those markets, including the following:

- Unexpected changes in international, or each country's, tax regulations.
- Unexpected legal or regulatory changes in each country.
- Difficulties in retaining excellent personnel.
- Immature technological skills or instability between management and employee unions in developing countries.
- Political instability in those countries

The major markets with risks above are markets in the U.S., EU, and Asian countries.

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

The Company appropriately records its employee benefit obligations, valuation of inventories, valuation allowances for deferred tax assets, and probability in collection of notes and accounts receivables in the consolidated financial statements. However, these are based on various assumptions about future economic results, including the return on pension investment assets. If actual results differ from any of these assumptions, unanticipated additional accruals may be required.

Strategic alliances, mergers, acquisitions and divestitures may not generate successful results as planned.

The Company grapples with strategic alliances, mergers, acquisitions and divestitures to seek further growth. The success of these activities depends on such factors as the Company's business environment, the ability of its counterpart, disagreement on conditions, and whether the Company and its counterpart share common goals. Therefore, the Company is subject to the risk that these activities may not be successful.

Kubota may not be able to create new businesses, or businesses adjacent to the current ones successfully.

As its part of structural renovation, the Company is attempting to cultivate new businesses, or businesses that are adjacent to the current ones. However, in those markets, there are numerous competitors, so competition will be very harsh. If the Company fails to develop the required personnel or abilities to produce and market appropriate products, these endeavors may not be successful.

The business results of Building Materials & Housing operating at a loss for four consecutive years may not return to be profitable as expected.

The business of Building Materials & Housing has been recording operating losses (before corporate & elimination items) for four consecutive years due to intensifying competition and deteriorating market conditions. The business environment or general economic trend remains unpredictable and, under severe competition, the Company is attempting to use every possible measure to escape from unprofitability. However, unless the Company is able to successfully compete in such areas as sales force, product development, and after-sales service, this business may continue to experience operating losses.

Unrealized losses on investments in marketable securities may occur depending on the trend of stock market.

As of March 2001, The Company owns marketable securities with a fair value of approximately ¥192.5 billion. Most of these securities are stocks, and accordingly, depending on stock market fluctuations, unrealized losses may occur.

In each of business, Kubota is subject to intensifying competitive pressures. The Company must compete successfully to maintain sales and profits.

The Company is exposed to severe competition in each of its businesses. Unless the Company surpasses other companies in such areas as trade, R&D, and quality, sales and/or net income may decrease in the future.

In each business segment as below-mentioned, Kubota is subject to inherent risks to those businesses and markets.

Internal Combustion Engine and Machinery segment

The domestic business condition for Farm Equipment & Machinery remains as harsh as ever. In the business of farm equipment, many factors, such agricultural policy on reductions in rice fields, decreases in the price of rice, and the deteriorating economy in Japan, have lead farmers to refrain from purchasing new equipment.

Under such condition, in order to compete with other companies, the Company must maintain marketing channels, develop new products that reflect consumers' exact demands, and intensify appropriate after-sales services. To accomplish this, substantial personnel and financing resources are required.

At the same time, the Company is also subject to severe competition in the U.S.A. The pressures of reducing prices or shortening lead times is making the business conditions difficult and severe. In such situation, the Company must take every step possible to overcome the handicaps of exporting products from Japan.

Specifically, it is very important for the Company to promote its retail sales by offering appropriate incentives to its dealers, and to introduce innovative products that capture consumers' needs, preceding other companies.

Industrial Products and Engineering segment

In the business of Industrial Products & Engineering, the pipe related business, which is the mainstay of this business segment, is basically dependent on public investments. Therefore, it may be adversely affected by reductions in public investment by national or local governments, as well as financial difficulties of local governments.

In the environmental engineering business, which is expected to grow, a large portion of the demand depends on public investments. If the Company is unable to manage issues such as a decrease in demand due to a reduction in public investments, intensifying competition owing to an increase in competitors, and the need to maintain high quality R&D personnel to develop new technologies, it may adversely affect the Company's financial results or condition. Furthermore, customers' increasingly sophisticated product requirements may impact the financial results due to the increase in product cost.

Almost all of the Company's suppliers of materials and parts for environmental plant construction are located in Japan. If the Company's competitors are able to purchase materials or parts at lower prices from suppliers in foreign countries, the competitive power of the Company will be diminished.

In the business of industrial casting, because of the difficult working environment, including the need to handle pig iron melted at very high temperatures, it might be difficult to hire and retain

qualified new employees. Accordingly, while the Company tries to hire and retain qualified employees, the Company also attempts to automate these processes.

At the same time, if technical transfer on castings' manufacturing technology, which is difficult to substitute by machines, is not done as planned, it may adversely affect the business, financial results or condition of the Company.

In addition, the Company's financial condition or results could be negatively impacted by further environmental restrictions on such items as noise, air pollution or bad smells caused by factories.

Certain of the Company's competitors are located in Southeast Asian countries, where personnel costs are extremely low compared with those in Japan. Accordingly, the Company must continue to reduce production costs.

Reduction in private capital expenditure or residential construction investment may adversely impact the business, financial results or condition of the Company.

Building Materials and Housing segment

The Building Materials & Housing business is basically dependent on investments in residential construction (newly-built, rebuilt and refurbished houses). If the number of such buildings, especially newly-built houses, declines, it may adversely affect the financial results or condition of the Company.

In recent years, restrictions or regulations over quality assurance for housing are getting more strict. Accordingly, the Company must meet stricter product development and manufacturing standards. If the Company is unable to respond to the simultaneous declines in housing prices, increases in the design and performance sophistication, and diversifying customer requirements, it may cause an adverse impact on the financial results or condition of the Company.

The house refurbishing market is expected to grow in Japan. Accordingly, the Company is going to take an aggressive approach to the business. However, the competition in that market will be harsh.