

**CONSOLIDATED STATEMENTS OF INCOME**

Kubota Corporation and Subsidiaries Years Ended March 31, 2000, 1999, and 1998

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2000	1999	1998	2000
<b>Net sales</b> (Note 3)	<b>¥987,265</b>	¥976,652	¥1,029,437	<b>\$9,313,821</b>
<b>Cost of sales</b>	<b>738,838</b>	729,488	767,588	<b>6,970,170</b>
<b>Selling, general, and administrative expenses</b>	<b>212,757</b>	214,361	214,345	<b>2,007,141</b>
Operating income	<b>35,670</b>	32,803	47,504	<b>336,510</b>
<b>Other income (expenses):</b>				
Interest and dividend income	<b>8,635</b>	11,680	10,969	<b>81,462</b>
Interest expense	<b>(10,021)</b>	(13,913)	(12,687)	<b>(94,538)</b>
Other—net (Note 8)	<b>(11,052)</b>	1,728	(15,653)	<b>(104,264)</b>
Other expenses, net	<b>(12,438)</b>	(505)	(17,371)	<b>(117,340)</b>
<b>Income before income taxes and equity in net income (loss) of affiliated companies</b>	<b>23,232</b>	32,298	30,133	<b>219,170</b>
<b>Income taxes</b> (Note 9):				
Current	<b>20,738</b>	23,300	9,694	<b>195,642</b>
Deferred	<b>(11,952)</b>	(7,513)	(6,109)	<b>(112,755)</b>
Total income taxes	<b>8,786</b>	15,787	3,585	<b>82,887</b>
<b>Equity in net income (loss) of affiliated companies</b> (Note 3)	<b>1,982</b>	(1,405)	1,135	<b>18,698</b>
<b>Net income</b>	<b>¥ 16,428</b>	¥ 15,106	¥ 27,683	<b>\$ 154,981</b>
		Yen		U.S. Dollars (Note 1)
<b>Net income per 20 common shares</b> (Note 10):				
Basic	<b>¥233</b>	¥214	¥393	<b>\$2.20</b>
Diluted	<b>221</b>	203	361	<b>2.08</b>
<b>Cash dividends per 20 common shares</b>	<b>¥120</b>	¥120	¥120	<b>\$1.13</b>

See notes to consolidated financial statements.