

Consolidated Balance Sheets

Kubota Corporation and Subsidiaries March 31, 2006 and 2005

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
Current assets:			
Cash and cash equivalents	¥ 91,858	¥ 74,563	\$ 785,111
Notes and accounts receivable (Notes 3, 6, 7, 10 and 18):			
Trade notes	70,007	72,517	598,351
Trade accounts	242,865	248,338	2,075,769
Less: Allowance for doubtful notes and accounts receivable (Note 6)	(2,155)	(2,257)	(18,419)
Short-term finance receivables—net (Notes 5, 7 and 18)	79,116	50,921	676,205
Inventories (Note 2)	175,660	155,146	1,501,368
Other current assets (Notes 12 and 18)	100,873	76,143	862,162
Total current assets	758,224	675,371	6,480,547
Investments and long-term finance receivables:			
Investments in and advances to affiliated companies (Note 3)	13,145	11,808	112,350
Other investments (Notes 4 and 7)	236,629	146,979	2,022,470
Long-term finance receivables—net (Notes 5, 7 and 18)	124,509	80,725	1,064,180
Total investments and long-term finance receivables	374,283	239,512	3,199,000
Property, plant, and equipment (Note 7):			
Land	82,978	83,031	709,214
Buildings	203,985	200,173	1,743,462
Machinery and equipment	367,150	359,659	3,138,034
Construction in progress	6,236	4,499	53,299
Total	660,349	647,362	5,644,009
Accumulated depreciation	(433,977)	(427,612)	(3,709,205)
Net property, plant, and equipment	226,372	219,750	1,934,804
Other assets (Notes 6, 8 and 12)	46,523	58,423	397,632
Total	¥1,405,402	¥1,193,056	\$12,011,983

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2006	2005	2006
Current liabilities:			
Short-term borrowings (Note 7)	¥ 132,209	¥ 119,802	\$ 1,129,991
Trade notes payable	33,560	33,675	286,838
Trade accounts payable	186,901	183,367	1,597,444
Advances received from customers	7,311	4,104	62,487
Notes and accounts payable for capital expenditures	13,348	9,094	114,086
Accrued payroll costs	24,310	23,616	207,778
Accrued expenses	28,587	24,998	244,333
Income taxes payable	12,376	12,223	105,778
Other current liabilities (Note 17)	27,816	26,289	237,744
Current portion of long-term debt (Note 7)	50,020	66,877	427,521
Total current liabilities	516,438	504,045	4,414,000
Long-term liabilities:			
Long-term debt (Note 7)	152,024	117,488	1,299,351
Accrued retirement and pension costs (Note 8)	53,633	65,836	458,402
Other long-term liabilities (Note 12)	47,925	3,093	409,615
Total long-term liabilities	253,582	186,417	2,167,368
Commitments and contingencies (Note 17)			
Minority interests	28,898	21,575	246,991
Shareholders' equity (Notes 9 and 14):			
Common stock, authorized 1,874,700,000 shares and 1,931,000,000 shares in 2006 and 2005, respectively outstanding 1,299,487,964 shares and 1,300,413,082 shares in 2006 and 2005, respectively	84,070	78,156	718,547
Capital surplus	93,150	87,263	796,154
Legal reserve	19,539	19,539	167,000
Retained earnings	323,116	290,187	2,761,675
Accumulated other comprehensive income	86,769	27,507	741,615
Treasury stock (381,216 shares and 40,395,896 shares in 2006 and 2005, respectively), at cost	(160)	(21,633)	(1,367)
Total shareholders' equity	606,484	481,019	5,183,624
Total	¥1,405,402	¥1,193,056	\$12,011,983