

## Consolidated Balance Sheets

Kubota Corporation and Subsidiaries March 31, 2007 and 2006

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
<b>Current assets:</b>			
Cash and cash equivalents	¥ 82,601	¥ 91,858	\$ 700,008
Notes and accounts receivable (Notes 3, 6, 7, 10 and 18):			
Trade notes	82,491	70,007	699,076
Trade accounts	235,728	242,865	1,997,695
Less: Allowance for doubtful notes and accounts receivable	(2,011)	(2,155)	(17,042)
Short-term finance receivables—net (Notes 5, 7 and 18)	97,798	79,116	828,797
Inventories (Note 2)	205,658	175,660	1,742,864
Other current assets (Notes 12 and 18)	114,835	100,873	973,178
<b>Total current assets</b>	<b>817,100</b>	<b>758,224</b>	<b>6,924,576</b>
<b>Investments and long-term finance receivables:</b>			
Investments in and advances to affiliated companies (Note 3)	13,754	13,145	116,559
Other investments (Note 4)	215,130	236,629	1,823,136
Long-term finance receivables—net (Notes 5, 7 and 18)	170,031	124,509	1,440,941
<b>Total investments and long-term finance receivables</b>	<b>398,915</b>	<b>374,283</b>	<b>3,380,636</b>
<b>Property, plant, and equipment (Note 7):</b>			
Land	90,416	82,978	766,237
Buildings	208,529	203,985	1,767,195
Machinery and equipment	362,732	367,150	3,074,000
Construction in progress	8,216	6,236	69,627
<b>Total</b>	<b>669,893</b>	<b>660,349</b>	<b>5,677,059</b>
Accumulated depreciation	(432,247)	(433,977)	(3,663,110)
<b>Net property, plant, and equipment</b>	<b>237,646</b>	<b>226,372</b>	<b>2,013,949</b>
<b>Other assets (Notes 6, 8 and 12)</b>	<b>48,871</b>	<b>46,523</b>	<b>414,161</b>
<b>Total</b>	<b>¥1,502,532</b>	<b>¥1,405,402</b>	<b>\$12,733,322</b>

See notes to consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2007	2006	2007
<b>Current liabilities:</b>			
Short-term borrowings (Note 7)	¥ 128,365	¥ 132,209	\$ 1,087,839
Trade notes payable	30,487	33,560	258,364
Trade accounts payable	206,808	186,901	1,752,610
Advances received from customers	3,699	7,311	31,347
Notes and accounts payable for capital expenditures	20,895	13,348	177,076
Accrued payroll costs	28,277	24,310	239,636
Accrued expenses	32,498	28,587	275,407
Income taxes payable	23,945	12,376	202,924
Other current liabilities (Notes 12 and 17)	30,280	27,816	256,610
Current portion of long-term debt (Note 7)	71,429	50,020	605,331
Total current liabilities	576,683	516,438	4,887,144
<b>Long-term liabilities:</b>			
Long-term debt (Note 7)	150,105	152,024	1,272,076
Accrued retirement and pension costs (Note 8)	27,306	53,633	231,407
Other long-term liabilities (Note 12)	52,732	47,925	446,881
Total long-term liabilities	230,143	253,582	1,950,364
<b>Commitments and contingencies (Note 17)</b>			
<b>Minority interests</b>	36,069	28,898	305,670
<b>Shareholders' equity (Notes 9 and 14):</b>			
Common stock, authorized 1,874,700,000 shares in 2007 and 2006, respectively outstanding 1,291,512,741 shares and 1,299,487,964 shares in 2007 and 2006, respectively	84,070	84,070	712,458
Capital surplus	93,150	93,150	789,407
Legal reserve	19,539	19,539	165,585
Retained earnings (Note 3)	376,815	323,116	3,193,347
Accumulated other comprehensive income	86,247	86,769	730,907
Treasury stock (406,439 shares and 381,216 shares in 2007 and 2006, respectively), at cost	(184)	(160)	(1,560)
Total shareholders' equity	659,637	606,484	5,590,144
<b>Total</b>	¥1,502,532	¥1,405,402	\$12,733,322