

Consolidated Statements of Income

Kubota Corporation and Subsidiaries Years Ended March 31, 2007, 2006, and 2005

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2007	2006	2005	2007
Revenues (Notes 3 and 5)	¥1,127,456	¥1,065,736	¥994,483	\$9,554,712
Cost of revenues (Note 5)	794,687	753,952	716,495	6,734,635
Selling, general, and administrative expenses	199,356	186,017	182,498	1,689,458
Loss from disposal and impairment of businesses and fixed assets (Note 16)	3,066	4,709	1,414	25,983
Operating income	130,347	121,058	94,076	1,104,636
Other income (expenses):				
Interest and dividend income	3,283	2,807	1,942	27,822
Interest expense	(1,219)	(1,156)	(1,662)	(10,330)
Gain on sales of securities—net (Note 4)	1,313	4,703	1,604	11,127
Gain on nonmonetary exchange of securities (Note 1)	997	15,901	—	8,449
Subsidy from the government (Note 8)	—	—	58,571	—
Other—net (Note 11)	(3,156)	(2,792)	1,835	(26,746)
Other income, net	1,218	19,463	62,290	10,322
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	131,565	140,521	156,366	1,114,958
Income taxes (Note 12):				
Current	48,008	34,433	34,491	406,848
Deferred	953	21,634	13,625	8,076
Total income taxes	48,961	56,067	48,116	414,924
Minority interests in earnings of subsidiaries	6,214	4,938	3,442	52,661
Equity in net income of affiliated companies (Note 3)	1,353	1,633	2,324	11,466
Income from continuing operations	77,743	81,149	107,132	658,839
Income (loss) from discontinued operations, net of taxes (Note 19)	(1,286)	(115)	10,769	(10,898)
Net income	¥ 76,457	¥ 81,034	¥117,901	\$ 647,941
		Yen		U.S. Dollars (Note 1)
Net income (loss) per common share (Note 13):				
Basic:				
Continuing operations	¥60.00	¥62.23	¥80.97	\$0.51
Discontinued operations	(0.99)	(0.09)	8.14	(0.01)
Net income	¥59.01	¥62.14	¥89.11	\$0.50
Diluted:				
Continuing operations	¥60.00	¥61.76	¥78.91	\$0.51
Discontinued operations	(0.99)	(0.09)	7.92	(0.01)
Net income	¥59.01	¥61.67	¥86.83	\$0.50

See notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

Kubota Corporation and Subsidiaries Years Ended March 31, 2007, 2006, and 2005

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2007	2006	2005	2007
	Net income	¥76,457	¥ 81,034	¥117,901
Other comprehensive income (loss), net of tax (Note 14):				
Foreign currency translation adjustments	4,670	13,570	(1,468)	39,576
Unrealized gains (losses) on securities	(13,607)	45,017	517	(115,313)
Minimum pension liability adjustment	—	—	3,492	—
Unrealized gains (losses) on derivatives	(244)	675	(1,109)	(2,068)
Other comprehensive income (loss)	(9,181)	59,262	1,432	(77,805)
Comprehensive income	¥67,276	¥140,296	¥119,333	\$570,136

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Kubota Corporation and Subsidiaries Years Ended March 31, 2007, 2006, and 2005

	Shares of Common Stock Outstanding (Thousands)	Millions of Yen					Accumulated Other Comprehensive Income (Loss)	Treasury Stock at Cost
		Common Stock	Capital Surplus	Legal Reserve	Retained Earnings			
Balance, March 31, 2004	1,340,197	¥78,156	¥87,263	¥19,539	¥204,156	¥26,075	¥(24,107)	
Net income					117,901			
Other comprehensive income						1,432		
Cash dividends, ¥6 per common share					(7,989)			
Purchases of treasury stock	(39,784)						(21,407)	
Retirement of treasury stock					(23,881)		23,881	
Balance, March 31, 2005	1,300,413	78,156	87,263	19,539	290,187	27,507	(21,633)	
Net income					81,034			
Other comprehensive income						59,262		
Cash dividends, ¥9 per common share					(11,769)			
Purchases of treasury stock	(16,285)						(14,863)	
Retirement of treasury stock					(36,336)		36,336	
Conversion of bonds	15,360	5,914	5,887					
Balance, March 31, 2006	1,299,488	84,070	93,150	19,539	323,116	86,769	(160)	
Net income					76,457			
Other comprehensive loss						(9,181)		
Adjustment to initially apply SFAS No. 158, net of taxes						8,659		
Cash dividends, ¥11 per common share					(14,274)			
Purchases of treasury stock	(7,975)						(8,508)	
Retirement of treasury stock					(8,484)		8,484	
Balance, March 31, 2007	1,291,513	¥84,070	¥93,150	¥19,539	¥376,815	¥86,247	¥ (184)	

	Thousands of U.S. Dollars (Note 1)						
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock at Cost	
Balance, March 31, 2006	\$712,458	\$789,407	\$165,585	\$2,738,271	\$735,331	\$ (1,356)	
Net income				647,941			
Other comprehensive loss					(77,805)		
Adjustment to initially apply SFAS No. 158, net of taxes					73,381		
Cash dividends, \$0.09 per common share				(120,967)			
Purchases of treasury stock							(72,102)
Retirement of treasury stock				(71,898)			71,898
Balance, March 31, 2007	\$712,458	\$789,407	\$165,585	\$3,193,347	\$730,907	\$ (1,560)	

See notes to consolidated financial statements.