

KUBOTA CORP
Form 6-K
June 05, 2006
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6 - K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of May 2006

Commission File Number: 1-07294

KUBOTA CORPORATION

(Translation of registrant's name into English)

2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, Japan

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F :

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1) : _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7) : _____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 :

Yes No

If is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) : 82-_____

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Information furnished on this form:

EXHIBITS

Exhibit Number

1. Results of operations for the year ended March 31, 2006 reported by Kubota Corporation (Friday, May 12, 2006)
2. Notice on restatement of previously reported earning releases (Friday, May 12, 2006)
3. Notice on amendment to Articles of Incorporation (Friday, May 12, 2006)

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FOR IMMEDIATE RELEASE (FRIDAY, MAY 12, 2006)

RESULTS OF OPERATIONS FOR THE YEAR ENDED**MARCH 31, 2006 REPORTED BY KUBOTA CORPORATION**

OSAKA, JAPAN, May 12, 2006 Kubota Corporation reported today its consolidated and non-consolidated results of operations for the year ended March 31, 2006.

Consolidated Financial Highlights

(Unaudited)

| | In millions of yen and thousands of U.S. dollars except per American Depository Share (ADS) amounts | | | |
|---|--|--------|----------------|-------|
| | Year ended | % | Year ended | % |
| | March 31, 2006 | (*) | March 31, 2005 | (*) |
| (1) Results of operations | | | | |
| Net sales | ¥ 1,051,040 \$ [8,983,248] | 6.9 | ¥ 983,226 | 5.7 |
| Operating income | ¥ 113,500 \$ [970,085] | 30.8 | ¥ 86,773 | 283.8 |
| % of net sales | 10.8% | | 8.8% | |
| Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies | ¥ 140,406 \$ [1,200,051] | (10.0) | ¥ 156,035 | 459.4 |
| % of net sales | 13.4% | | 15.9% | |
| Net income | ¥ 81,034 \$ [692,598] | (31.3) | ¥ 117,901 | 907.7 |
| % of net sales | 7.7% | | 12.0% | |
| Net income per ADS (5 common shares) | | | | |
| Basic | ¥ 311 \$ [2.66] | | ¥ 446 | |
| Diluted | ¥ 308 \$ [2.63] | | ¥ 434 | |
| Ratio of net income from continuing operations to shareholders' equity | 14.9% | | 27.0% | |
| Ratio of income to shareholders' equity before income taxes to total assets | 10.8% | | 13.5% | |

Notes. 1 : (*) represents percentage change from the comparable previous period.

2 : Weighted-average number of shares outstanding during the year ended March 31, 2006 1,304,097,050

Weighted-average number of shares outstanding during the year ended March 31, 2005 1,323,067,882

3 : Equity in net income of affiliated companies for the year ended March 31, 2006 and 2005 was ¥1,633 million and ¥2,324 million, respectively.

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(2) Financial position

(In millions of yen and thousands of U.S. dollars
except per ADS amounts)

| | March 31, 2006 | March 31, 2005 |
|---|--------------------------------|-----------------------|
| Total assets | ¥ 1,405,402 \$ [12,011,983] | ¥ 1,193,056 |
| Shareholders' equity | ¥ 606,484 \$ [5,183,624] | ¥ 481,019 |
| Ratio of shareholders' equity to total assets | 43.2% | 40.3% |
| Shareholders' equity per ADS | ¥ 2,334 \$ [19.95] | ¥ 1,850 |

Notes to financial position:

| | |
|---|---------------|
| Number of shares outstanding as of March 31, 2006 | 1,299,487,964 |
| Number of shares outstanding as of March 31, 2005 | 1,300,413,082 |

(3) Summary of statements of cash flows

(In millions of yen and thousands of U.S. dollars)

| | Year ended March 31, 2006 | Year ended March 31, 2005 |
|---|--------------------------------------|--------------------------------------|
| Net cash provided by operating activities | ¥ 87,857 \$ [750,915] | ¥ 66,908 |
| Net cash used in investing activities | ¥ (61,292) \$ [(523,863)] | ¥ (78,228) |
| Net cash provided by (used in) financing activities | ¥ (10,186) \$ [(87,060)] | ¥ 4,508 |
| Cash & cash equivalents, end of year | ¥ 91,858 \$ [785,111] | ¥ 74,563 |

(4) 122 subsidiaries are consolidated, and 25 affiliated companies are accounted for under the equity method.

| | |
|--|-----|
| (5) The number of newly consolidated companies during the period | : 6 |
| The number of newly unconsolidated companies during the period | : 5 |
| The number of newly affiliated companies during the period | : 1 |
| The number of newly unaffiliated companies during the period | : 5 |

(6) Anticipated results of operations for the year ending March 31, 2007

(In millions of yen)

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| | Six months ending | Year ending |
|--|--------------------|----------------|
| | September 30, 2006 | March 31, 2007 |
| Net sales | ¥ 540,000 | ¥ 1,090,000 |
| Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies | ¥ 72,000 | ¥ 131,500 |
| Net income | ¥ 42,000 | ¥ 77,000 |

Basic net income per ADS for the year ending March 31, 2007 is anticipated to be ¥296.

Please refer to page 9 for further information related to the above mentioned anticipated results of operations.

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1. Management Policies

1. Basic management policy

More than a century since its founding, Kubota Corporation and subsidiaries (collectively the Company) has continued to help improve people's quality of life, by offering products and services including farm equipment, pipes for water supply and sewage systems, environmental control plants, industrial castings, and building materials. The Company has its management principle that the Company contributes to the development of society and the preservation of the earth's environment through its products, technology, and services that provide the foundation for society and for affluent lifestyles. While adhering to this management principle, the Company is implementing management policies that are focused on prioritizing allocation of its resources, emphasizing agility in its operations and strengthening consolidated operations. Through these measures, the Company aims to improve its adaptability to respond with flexibility to the changing times, resulting in a high enterprise value.

2. Basic policy related to the Company's profit allocation

The Company's basic policy for the allocation of profit is to maintain stable or increasing dividends. The Company's policy is to determine the most appropriate use of retained earnings, considering requirements of maintaining stable current business operations as well as adapting to the future business environment.

3. Basic policy regarding reduction of trading unit of the Company's stock

The Company is fully aware that reduction of trading unit of the Company's stock might cause positive impacts on the diversity of shareholders and the liquidity of the Company's stock. However, the Company believes that the implementation of reduction of trading unit should be examined in careful consideration of price and liquidity of the Company's stock, and financial results of the Company.

4. Principal Business Policies for Medium- to Long-Term Growth in Profit

To attain further development in the medium-to-long term, as a growing, profitable, and stable company, the Company is giving priority to the following business policies.

(1) Accelerating Business Expansion in Overseas Operations

The primary engine driving the Company's growth and the most important source of profit in the years ahead will be the overseas operations in Internal Combustion Engine and Machinery. The Company plans to move forward with plans for giving priority to investing resources in all aspects of these operations, including the development of new products, opening up peripheral markets, expanding production capacity and expanding its marketing network. With these plan the Company has made efforts to expand its business through strengthening the Kubota brand and increasing market share. The Company is committed to focusing its full efforts at an accelerated pace on continuing to expand these overseas operations by responding to the changing times agilely and appropriately.

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In product development, the Company is combining its small-sized diesel engines, which are globally competitive, and its various top-level vehicle technologies, to aggressively move forward with the development and introduction of new models in the fields of tractors, construction machinery, rice-farming machinery, and utility vehicles (four-wheel multipurpose vehicles). The Company is also working to expand business domains by concentrating on supplying engines to other manufacturers and developing products for peripheral applications.

By region, the Company intends to expand its business worldwide further than ever before. In North America and the EU, mainstay of business in Internal Combustion Engine and Machinery, the Company devotes to strengthen its supply chains of products and services. In Asia, where growth is expected going forward, the Company is aggressively working to strengthen its manufacturing and marketing bases, especially in Thailand and China.

Also, in response to the rapid expansion in overseas activities, the Company is beginning to make capital investments in a broad range of locations in Japan and overseas to expand production capacity for engines, tractors, construction machinery, combines, and other products. A major issue for the time being will be to launch these investment projects as quickly as possible.

2) Restructuring the Public Works Related Businesses

In the circumstance of continuously declining domestic public works spending, the public works related businesses (Pipes, Valves, and Industrial Castings segment and Environmental Engineering segment) of the Company are facing very severe conditions of their business. The Company regards the deterioration in the market for the public works related businesses as a structural issue and is aiming to restructure its activities in these areas in response to changes in the operating environment. For the countermeasure of price decline in the circumstance of decreasing budgets for public works, the Company is taking an aggressive approach to the challenges of restructuring by making drastic reductions in costs and dramatic improvements in productivity as well as implementing other policies to actively introduce changes that will make its operations more oriented toward the market and market mechanisms.

In Pipes, Valves, and Industrial Castings, the Company is achieving steady results as a result of implementing these policies and making progress toward improvements in profitability. However, in Environmental Engineering, conditions have deteriorated and competition has grown more intense than anticipated, and its efforts at restructuring and reform are still lagging behind the pace of change in the operating environment. Going forward, the Company attempt to enhance its competitiveness by taking changes of direction and rapidity in its business environments in advance. Furthermore, the Company intends to conduct a thorough analysis of the market environment, its resources, and its strengths and weaknesses. Also, while promoting thoroughgoing cost reductions based on the application of the manufacturing and development technologies the Company has accumulated in Internal Combustion Engine and Machinery, endeavoring to differentiate its products and services from those of competitors in terms of technology, strengthening its capabilities for making proposals to customers, and implementing other measures. The Company intends to devote its full efforts to shifting the focus of its activities to meeting private-sector demand and overseas business operations so that the Company might not be affected by negative impact from decrease of public works spending.

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(3) Management Based on Corporate Social Responsibility (CSR)

To attain sustainable growth and development, the Company believes that it is necessary for the Company not only to aim to its growth on business continuously but also to meet various expectations and trust from each stakeholder on a constant basis. The Company must be a trusted member of the community contributing to and acting in harmony with society. Based on this fundamental awareness, the Company states management based on corporate social responsibility (CSR) as a principal management issue at highest priority, and intends to behave with strong awareness of CSR on every business activity.

The Company has reviewed its Corporate Mission Statement, Charter for Action, and Code of Conduct from a viewpoint of CSR, and, in the light of the demands of society today, the Company issued revised versions of these corporate statements in April 2006. Going forward, the Company plans to inform these corporate statements and put them into practice throughout all Group companies.

5. Items concerning its parent company

The Company has no parent company.

2. Review of Operations and Financial Condition

1. Review of operations

(1) Summary of the results of operations for the year under review

For the year under review, net sales of the Company rose 6.9 %, to ¥1,051.0 billion. In the domestic market, sales in Internal Combustion Engine and Machinery increased due to steady sales of engines and construction machinery, and sales in Pipes, Valves and Industrial Castings increased due to favorable sales of industrial castings and business integration in plastic pipes business. However, sales in Environmental Engineering decreased due to severe conditions of the public works related business and sales in Other decreased resulting from a sale of a subsidiary at the beginning of this fiscal year. Total domestic sales decreased 1.1 %, to ¥630.8 billion from the prior year.

On the other hand, sales in overseas markets increased largely as a result of sustained high growth in the Company's overseas operations in Internal Combustion Engine and Machinery. Sales in North America increased due to steady sales of tractors and brisk sales of engines and construction machinery. In Europe, sales of tractors, construction machinery and engines increased largely from the prior year. In Asia, sales of rice-farming equipment rose substantially. As a consequence, overseas sales increased 21.7 %, to ¥420.2 billion from the prior year. The percentage of overseas sales accounted for 40.0 % of net sales, 4.9 percentage points higher than the prior year.

Operating income also rose, by 30.8 %, to ¥113.5 billion, exceeding ¥100 billion for the first time in the history of the Company. The Company achieved higher operating income due to increased sales of Internal Combustion Engine and Machinery and a reduction of costs for the public works related business. The ratio of operating income to net sales also recorded the new high of 10.8%. On the other hand, income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies declined 10.0 %, to ¥140.4 billion. While there was an increase in operating income and a gain of ¥15.9 billion on nonmonetary exchange of securities of UFJ Holdings, Inc. resulting from the merger of Mitsubishi Tokyo Financial Group, Inc., and UFJ Holdings, Inc., the gain on the transfer of the substitutional portion of the Company's accumulated pension benefit obligations to the Japanese government, which amounted to ¥58.6 billion, was reported in the prior year. Net income decreased a 31.3 %, to ¥81.0 billion. The large decline of net income from the prior year was mainly due to the low level of income taxes for the prior year and the absence of ¥11.1 billion of net income from discontinued operations, which was accounted for in the prior year.

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As for the matter related to the health hazard of asbestos, the Company had paid consolation payments to the patients and the family members of the deceased near the former Kanzaki plant, who are suffering from or died of mesothelioma based on the policy in Notice on the Company's action for the health hazard of asbestos, which was released on June 30, 2005. Moreover, in Notice on the Company's actions for the health hazard of asbestos near the former Kanzaki plant released on December 26, 2005, the Company expressed that the Company intended to consider further actions in place of the consolation payment system, and adopted a system to provide additional support to the patients and the family members. The Company expenses these payments when the Company determines that payments are warranted. The expenses during the year under review were ¥4.2 billion.

(2) Review of operations by industry segment**1) Internal Combustion Engine and Machinery**

Sales in Internal Combustion Engine and Machinery were ¥658.8 billion, 13.1 % higher than the prior year, comprising 62.7 % of consolidated net sales. Domestic sales increased 4.0 %, to ¥267.3 billion, and overseas sales also increased 20.2 %, to ¥391.5 billion. This segment consists of farm equipment and engines and construction machinery.

In the domestic market, sales of farm equipment increased from the prior year. Although domestic farm equipment market did not have briskness against background of declining number of domestic farmers and bipolarization of individual farmers in terms of scale, the Company executed an aggressive sales promotion with finely-tuned marketing programs and solution providing activities for individual farmers in response to the changing environment surrounding Japanese farmers. Additionally, there was an upward trend in domestic construction machinery market and sales of construction machinery increased due to expansion of sales for the major rental companies armed with high-quality products in terms of safety and convenience. Sales of engines increased largely due to expansion of sales for existing and new manufacturer of construction machinery and industrial machinery.

In overseas markets, sales of tractors in North America increased steadily due to sales promotions named "Thanks a million" campaign, which is promoted after achieving a million sales of tractors in the U.S. Sales in European market increased substantially due to launching new models of garden tractors and utility vehicle (4-wheel multi-purpose vehicle), which achieved successful outcome in the U.S. In Asian market, sales of rice-farming machinery continue to increase, especially tractors in Thailand and combine-harvester in China. As for construction machinery, sales in European market expanded largely due to introduction of new products and increasing share. Sales of construction machinery in North America increased significantly due to improved recognition of usefulness of Mini-backhoe. With regard to engines, sales of North American and European market increased largely due to brisk business activities of existing major customers, development of new customers and expansion of new application.

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2) Pipes, Valves and Industrial Castings

Sales in Pipes, Valves and Industrial Castings were ¥189.7 billion, 11.2 % higher than the prior year, comprising 18.0 % of consolidated net sales. Domestic sales increased 7.5 %, to ¥167.2 billion, and overseas sales increased 48.7 %, to ¥22.5 billion. This segment consists of pipes and valves and industrial castings .

In the domestic market, sales of ductile iron pipes declined due to declining demands. On the other hand, sales of plastic pipes steadily increased due to the business integration with C.I. Kasei Company Limited from April 2005 and sales of industrial castings also increased largely due to the demands related to brisk capital expenditure in the steel industries and the energy industries.

In overseas markets, sales of ductile iron pipes increased from the prior year due to steady sales for Middle-East area and sales of industrial castings also increased from the prior year.

3) Environmental Engineering

Sales in Environmental Engineering were ¥110.5 billion, 6.1% lower than the prior year, comprising 10.5 % of consolidated net sales. Domestic sales decreased 7.4 %, to ¥105.5 billion, and overseas sales increased 32.4 %, to ¥5.0 billion. This segment consists of environmental control plants and pumps.

With regard to the domestic market, the Company operated this business in the severe market in which intensifying competition together with price decline in the circumstance of decreasing budgets for public works are in progress. Under such conditions, sales in the Water & Sewage Engineering division increased, but sales in Pumps division slightly decreased and sales in Waste Engineering division decreased significantly. In overseas markets, sales of pumps and submerged membrane system increased steadily.

4) Other

Sales in Other were ¥92.1 billion, 18.0 % lower than the prior year, comprising 8.8 % of consolidated net sales. Domestic sales decreased 18.6 %, to ¥90.8 billion, and overseas sales increased 65.5%, to ¥1.2 billion. This segment consists of vending machines, electronic-equipped machinery, air-conditioning equipment, construction, septic tanks, condominiums and so forth.

Sales of electronic-equipped machinery increased steadily. However, sales of vending machine slightly decreased and sales of air-conditioning equipment, constructions, septic tanks and condominiums also declined. In addition, there was a drop in sales due to the sale of certain subsidiaries. As a consequence, sales of this segment decreased substantially from the prior year.

2. Financial condition

(1) Assets, liabilities and shareholders equity

Total assets at the end of March 2006 amounted to ¥1,405.4 billion, an increase of ¥212.3 billion (17.8 %) from the end of the prior year. As for assets, inventories and short- and long-term finance receivables increased resulting from business expansion in Internal Combustion Engine and Machinery. Other investment also increased largely due to an increase in unrealized gain on securities accompanied by a rise in Japanese stock price.

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Regarding liabilities, short-term borrowings and long-term debt increased largely. Other long-term liabilities also increased substantially owing to an increase in deferred tax liabilities related to an increase in unrealized gain on securities. Shareholders' equity substantially increased due to recorded net income and an increase in accumulated other comprehensive income mainly resulted from an increase in unrealized gains on securities and partial conversion from convertible bonds to common stock. Shareholders' equity ratio was 43.2%, 2.9 percentage points higher than the prior year end.

The amount of interest-bearing debt excluding debt related to sale financing programs decreased by ¥43.4 billion, to ¥114.8 billion, and the Company attained the objective to reduce it below ¥140.0 billion by March 31, 2006. The total amount of interest-bearing debt increased by ¥30.1 billion to ¥334.3 billion, compared with the balances at the end of March 2005 due to expansion of financing related to increases in short- and long-term finance receivables.

(2) Cash flows

Net cash provided by operating activities during the year under review was ¥87.9 billion, an increase of ¥20.9 billion from the prior year. Although net income decreased sharply from the prior year, the Company's cash position was not affected because the subsidy from the government recorded in the prior year, which was the primary reason for the year-over-year decrease, was a nonmonetary gain. The large increase in net cash provided by operating activities was mainly due to the favorable performance of business operations, especially due to operations in Internal Combustion Engine and Machinery.

Net cash used in investing activities was ¥61.3 billion, a decrease of ¥16.9 billion from the prior year. The decrease in net cash used in investing activities was due to increase in collection of finance receivables, in proceeds from sales of finance receivables in North America and in proceeds from land and securities.

Net cash used in financing activities was ¥10.2 billion, an increase of ¥14.7 from the prior year. The Company controlled an increase of interest-bearing debt including short-term borrowings and increased cash dividends. As a result of these activities, net cash used in financing activities increased.

As a result, including the effect of exchange rate, cash and cash equivalents at the end of March 2006 were ¥91.9 billion, a increase of ¥17.3 billion from the prior year.

Cash flow indices

| | Year ended | Year ended |
|--|----------------|----------------|
| | March 31, 2006 | March 31, 2005 |
| Equity ratio (%) | 43.2 | 40.3 |
| Equity ratio based on market capitalization (%) | 117.4 | 62.4 |
| Interest-bearing debt / Net cash provided by operating activities (year) | 3.8 | 4.5 |
| Interest coverage ratio (times) | 12.7 | 15.2 |

(Notes)

Equity ratio : shareholders equity / total assets

Equity ratio based on market capitalization : market capitalization / total assets

Interest coverage ratio : cash flows provided by operating activities / interest paid

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Each ratio is calculated based on the figures in the consolidated financial statements. Market capitalization is calculated based on closing price at the end of the fiscal year multiplied by the number of shares outstanding at the end of fiscal year, excluding treasury stock. Cash flows provided by operating activities are the amount of operating cash flows in the consolidated statements of cash flows. Interest-bearing debt includes short-term borrowings, current portion of long-term debt, and long-term debt in the consolidated balance sheets. Additionally, interest paid is the amount of interest paid in the consolidated statements of cash flows.

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3. Matter concerning profit allocation for this fiscal year

The Company plans to pay ¥50 per ADS as the total dividends for the entire fiscal year. As the interim cash dividends was ¥20 per ADS, year-end cash dividends will be ¥30 per ADS.

The Company purchased 16.19 million of treasury stock (¥14.8 billion). On the other hand, the Company retired aggregating 56.3 million shares of treasury stock (¥36.3 billion), which consist 39.0 million shares of treasury stock (¥20.9 billion) on June 30, 2005 and 17.3 million shares of treasury stock (¥15.4 billion) on March 31, 2006.

3. Prospect for the Next Fiscal Year

1. General outlook

The Company forecasts consolidated net sales for the year ending March 31, 2007 at ¥1,090.0 billion, up by ¥39.0 billion from the year under review. In the domestic market, the Company expects sales in Internal Combustion Engine and Machinery and in Environmental Engineering to remain same level as the year under review. Although sales in Pipes, Valves and Industrial Castings are forecasted to slightly decrease, sales in Other segment is expected to grow. As a result, total domestic sales are expected to be almost the same amount as those of the year under review. As for overseas sales, the Company expects increased sales due to sales expansion in Pipes, Valves and Industrial Castings, and Environmental Engineering as well as sales expansion in Internal Combustion Engine and Machinery.

The Company forecasts operating income of ¥125.0 billion, an increase of ¥11.5 billion from the year under review. Although the price increases in raw materials will cause downward pressure on operating income, an increase in overseas sales of Internal Combustion Engine and, Corporate-wide cost reduction are expected to contribute to the increase in operating income.

The Company expects income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies for the next fiscal year to be ¥131.5 billion, a decrease of ¥8.9 billion from the year under review. The decrease is primarily due to the significant decrease in other income-net by an absence of the gain on nonmonetary exchange of securities (¥15.9 billion) recorded in the year under review. Accordingly, net income is forecasted to be ¥77.0 billion, down ¥4.0 billion from the year under review. (These forecasts anticipate an exchange rate of ¥113=US\$1.)

2. Prospect with regard to the profit allocation for the next fiscal year

In accordance with the previously described basic policy related to the Company's profit allocation of maintaining stable or raising dividends, the Company is considering paying cash dividends per ADS for the next fiscal year equivalent to, or more of, the year under review (¥50 per ADS). Specific amount will be decided based on the development of business performance in the next fiscal year.

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4. Risk Factors

The Company has several risks that may have a material effect on the Company's consolidated results of operations and financial position. The descriptions of risks are as follows:

(1) Declines in economic conditions in Kubota's major markets, including private-sector 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-sector capital expenditure, construction investment, domestic public investment, change in governmental agricultural policies and general economic conditions in overseas markets.

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

(3) Difficulties associated with operating internationally may adversely affect net sales and profitability.

The following risks are important concerns for the Company:

Unexpected changes in international, or each country's, tax regulations

Unexpected legal or regulatory changes in each country

Difficulties in retaining qualified personnel

Insufficient technological skills or instability between management and employee unions in developing countries

Political instability in those countries

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

Estimations on some accounts in the consolidated financial statements of the Company are based on various assumptions about future economic results. If actual results differ from any of these assumptions, unanticipated additional accruals may be required.

(5) Strategic alliances, mergers, and acquisitions may not generate successful results as planned.

(6) The Company may not be able to successfully create new businesses or businesses complementary to the current ones.

If the Company fails to develop such businesses which require investments in personnel and assets to produce and market appropriate products, subsequent impairment charges may be taken, or there may be a negative impact on the Company's financial position.

(7) Impairment losses on investments in marketable securities may occur as a result of stock market fluctuations.

The Company owns a large amount of securities. Most of these securities are equity securities, and, accordingly, depending on stock market fluctuations, unrealized and realized losses may occur.

(8) In each of its businesses, Kubota is subject to intensifying competitive pressures. The Company must compete successfully to maintain sales and profits.

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Unless the Company surpasses other companies in such areas as terms of trade, R&D, and quality, sales and/or net income may decrease in the future.

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(9) The Company may be required to incur significant financial expenses if its products and services have serious defects.

If the Company's products and services have serious defects, associated expenses may have a material effect on the Company's consolidated results of operations and financial position.

(10) The Company is subject to various environmental laws and regulations, and may be required to incur considerable expenses in order to comply with such laws and regulations.

(11) The Company may be required to incur significant financial expenses in connection with environmental damage it may cause in its activities.

The Company may cause environmental pollution while conducting its activities, such as the release of hazardous materials, and causing air pollution, water pollution and ground pollution. In such an event, the Company may have to incur substantial expense and may face litigation regarding these issues.

(12) The Company may be required to incur significant expenses relevant to asbestos-related issues.

There may be a material adverse effect on the Company's consolidated results of operations and financial position resulting from various expenses or face lawsuits related to the asbestos-related health hazards of employees (including former employees) who engaged in the manufacturing of asbestos-containing products, and residents who lived near the Company's factory at which asbestos-containing products were produced.

(13) Damage by Natural Disasters

In case of a strong earthquake or related tidal wave or large and powerful typhoon, the Company may be affected in the operation of manufacturing products.

< Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

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(Unaudited)

(In millions of yen)

| | Year ended March 31, 2006 | | Year ended March 31, 2005 | | Change | |
|---|------------------------------|-------------|------------------------------|------------|---------------|-------------|
| | Amount | % | Amount | % | Amount | % |
| Net sales | 1,051,040 | 100.0 | 983,226 | 100.0 | 67,814 | 6.9 |
| Cost of sales | 747,380 | 71.1 | 713,312 | 72.6 | 34,068 | 4.8 |
| Selling, general, and administrative expenses | 185,451 | 17.6 | 181,727 | 18.5 | 3,724 | 2.0 |
| Loss from disposal and impairment of businesses and fixed assets | 4,709 | 0.5 | 1,414 | 0.1 | 3,295 | 233.0 |
| Operating income | 113,500 | 10.8 | 86,773 | 8.8 | 26,727 | 30.8 |
| Other income (expenses): | | | | | | |
| Interest and dividend income | 14,355 | | 9,488 | | 4,867 | |
| Interest expense | (7,122) | | (4,699) | | (2,423) | |
| Gain on sales of securities-net | 4,703 | | 1,604 | | 3,099 | |
| Gain on nonmonetary exchange of securities | 15,901 | | | | 15,901 | |
| Foreign exchange gain-net | (1,952) | | 3,597 | | (5,549) | |
| Subsidy from the government | | | 58,571 | | (58,571) | |
| Other-net | 1,021 | | 701 | | 320 | |
| Other income (expenses), net | 26,906 | | 69,262 | | (42,356) | |
| Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies | 140,406 | 13.4 | 156,035 | 15.9 | (15,629) | (10.0) |
| Income taxes: | | | | | | |
| Current | 34,433 | | 34,491 | | (58) | |
| Deferred | 21,634 | | 13,625 | | 8,009 | |
| Total income taxes | 56,067 | | 48,116 | | 7,951 | |
| Minority interests in earnings of subsidiaries | 4,938 | | 3,442 | | 1,496 | |
| Equity in net income of affiliated companies | 1,633 | | 2,324 | | (691) | |
| Net income from continuing operations | 81,034 | 7.7 | 106,801 | 10.9 | (25,767) | (24.1) |
| Income from discontinued operations, net of taxes | | | 11,100 | | (11,100) | |
| Net income | 81,034 | 7.7 | 117,901 | 12.0 | (36,867) | (31.3) |
| | | | | | | (In yen) |
| Basic earnings per ADS (5 common shares): | 311 | | 446 | | (135) | |
| Diluted earnings per ADS (5 common shares): | 308 | | 434 | | (126) | |

Table of Contents**Kubota Corporation
and Subsidiaries****Consolidated Balance Sheets**

(Unaudited)

Assets

(In millions of yen)

| | March 31, 2006 | | March 31, 2005 | | Change |
|---|------------------|--------------|------------------|--------------|----------------|
| | Amount | % | Amount | % | Amount |
| Current assets: | | | | | |
| Cash and cash equivalents | 91,858 | | 74,563 | | 17,295 |
| Notes and accounts receivable: | | | | | |
| Trade notes | 70,007 | | 72,517 | | (2,510) |
| Trade accounts | 242,865 | | 248,338 | | (5,473) |
| Less: Allowance for doubtful receivables | (2,155) | | (2,257) | | 102 |
| Total receivables, net | 310,717 | | 318,598 | | (7,881) |
| Short-term finance receivables | 79,116 | | 50,921 | | 28,195 |
| Inventories | 175,660 | | 155,146 | | 20,514 |
| Other current assets | 100,873 | | 76,143 | | 24,730 |
| Total current assets | 758,224 | 54.0 | 675,371 | 56.6 | 82,853 |
| Investments and long-term finance receivables: | | | | | |
| Investments in and advances to affiliated companies | 13,145 | | 11,808 | | 1,337 |
| Other investments | 236,629 | | 146,979 | | 89,650 |
| Long-term finance receivables | 124,509 | | 80,725 | | 43,784 |
| Total investments and long-term finance receivables | 374,283 | 26.6 | 239,512 | 20.1 | 134,771 |
| Property, plant and equipment: | | | | | |
| Land | 82,978 | | 83,031 | | (53) |
| Buildings | 203,985 | | 200,173 | | 3,812 |
| Machinery and equipment | 367,150 | | 359,659 | | 7,491 |
| Construction in progress | 6,236 | | 4,499 | | 1,737 |
| Total | 660,349 | | 647,362 | | 12,987 |
| Accumulated depreciation | (433,977) | | (427,612) | | (6,365) |
| Net property, plant and equipment | 226,372 | 16.1 | 219,750 | 18.4 | 6,622 |
| Other assets: | 46,523 | 3.3 | 58,423 | 4.9 | (11,900) |
| Total | 1,405,402 | 100.0 | 1,193,056 | 100.0 | 212,346 |

Table of Contents**Kubota Corporation
and Subsidiaries****Consolidated Balance Sheets**

(Unaudited)

Liabilities and shareholders' equity

(In millions of yen)

| | March 31, 2006 | | March 31, 2005 | | Change |
|---|------------------|--------------|------------------|--------------|----------------|
| | Amount | % | Amount | % | Amount |
| Current liabilities: | | | | | |
| Short-term borrowings | 132,209 | | 119,802 | | 12,407 |
| Trade notes payable | 33,560 | | 33,675 | | (115) |
| Trade accounts payable | 186,901 | | 183,367 | | 3,534 |
| Advances received from customers | 7,311 | | 4,104 | | 3,207 |
| Notes and accounts payable for capital expenditures | 13,348 | | 9,094 | | 4,254 |
| Accrued payroll costs | 24,310 | | 23,616 | | 694 |
| Accrued expenses | 28,587 | | 24,998 | | 3,589 |
| Income taxes payable | 12,376 | | 12,223 | | 153 |
| Other current liabilities | 27,816 | | 26,289 | | 1,527 |
| Current portion of long-term debt | 50,020 | | 66,877 | | (16,857) |
| Total current liabilities | 516,438 | 36.7 | 504,045 | 42.3 | 12,393 |
| Long-term liabilities: | | | | | |
| Long-term debt | 152,024 | | 117,488 | | 34,536 |
| Accrued retirement and pension costs | 53,633 | | 65,836 | | (12,203) |
| Other long-term liabilities | 47,925 | | 3,093 | | 44,832 |
| Total long-term liabilities | 253,582 | 18.0 | 186,417 | 15.6 | 67,165 |
| Minority interests: | 28,898 | 2.1 | 21,575 | 1.8 | 7,323 |
| Shareholders' equity: | | | | | |
| Common stock | 84,070 | | 78,156 | | 5,914 |
| Additional paid-in capital | 93,150 | | 87,263 | | 5,887 |
| Legal reserve | 19,539 | | 19,539 | | |
| Retained earnings | 323,116 | | 290,187 | | 32,929 |
| Accumulated other comprehensive income | 86,769 | | 27,507 | | 59,262 |
| Treasury stock | (160) | | (21,633) | | 21,473 |
| Total shareholders' equity | 606,484 | 43.2 | 481,019 | 40.3 | 125,465 |
| Total | 1,405,402 | 100.0 | 1,193,056 | 100.0 | 212,346 |

Table of Contents**Kubota Corporation
and Subsidiaries****Consolidated Statements of Comprehensive Income**

(Unaudited)

(In millions of yen)

| | Year ended March 31, 2006 | Year ended March 31, 2005 | Change |
|--|------------------------------|------------------------------|----------|
| Net income | 81,034 | 117,901 | (36,867) |
| Other comprehensive income (loss), net of tax: | | | |
| Foreign currency translation adjustments | 13,570 | (1,468) | 15,038 |
| Unrealized gains on securities | 45,017 | 517 | 44,500 |
| Minimum pension liability adjustment | | 3,492 | (3,492) |
| Unrealized gains (losses) on derivatives | 675 | (1,109) | 1,784 |
| Other comprehensive income | 59,262 | 1,432 | 57,830 |
| Comprehensive income | 140,296 | 119,333 | 20,963 |

Consolidated Statements of Shareholders' Equity

(Unaudited)

(In millions of yen)

| | Shares of common stock outstanding (thousands) | Common stock | Additional paid-in capital | Legal reserve | Retained earnings | Accumulated other comprehensive income | Treasury stock |
|---|---|-----------------|-------------------------------|------------------|----------------------|---|-------------------|
| Balance, April 1, 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, ¥30 per ADS (5 common shares) | | | | | (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) |
| Conversion of convertible bonds | 15,360 | 5,914 | 5,887 | | | | |
| Net income | | | | | 81,034 | | |
| Other comprehensive income | | | | | | 59,262 | |
| Cash dividends, ¥45 per ADS (5 common shares) | | | | | (11,769) | | |
| Purchases of treasury stock | (16,285) | | | | | | (14,863) |
| Retirement of treasury stock | | | | | (36,336) | | 36,336 |

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| | | | | | | | |
|-------------------------|-----------|--------|--------|--------|---------|--------|-------|
| Balance, March 31, 2006 | 1,299,488 | 84,070 | 93,150 | 19,539 | 323,116 | 86,769 | (160) |
|-------------------------|-----------|--------|--------|--------|---------|--------|-------|

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Table of Contents**Kubota Corporation
and Subsidiaries****Consolidated Statements of Cash Flows**

(Unaudited)

(In millions of yen)

| | Year ended March 31, 2006 | Year ended March 31, 2005 | Change |
|---|------------------------------|------------------------------|----------|
| Operating activities: | | | |
| Net income | 81,034 | 117,901 | |
| Depreciation and amortization | 25,821 | 25,808 | |
| Provision for reversal of retirement and pension costs, less payments | (12,514) | (7,306) | |
| Subsidy from the government | | (58,571) | |
| Gain on sales of securities-net | (4,703) | (1,604) | |
| Gain on nonmonetary exchange of securities | (15,901) | | |
| Gain on disposal of fixed asset | 23 | 1,341 | |
| Equity in net income of affiliated companies | (1,633) | (2,324) | |
| Deferred income taxes | 21,634 | 13,625 | |
| Decrease (increase) in notes and accounts receivable | 11,099 | (19,540) | |
| Increase in inventories | (11,736) | (8,129) | |
| Increase in other current assets | (10,559) | (15,159) | |
| Increase (decrease) in trade notes and accounts payable | (4,060) | 22,404 | |
| Decrease in income taxes payable | (167) | (3,363) | |
| Increase in other current liabilities | 4,408 | 3,151 | |
| Other | 5,111 | (1,326) | |
| Net cash provided by operating activities | 87,857 | 66,908 | 20,949 |
| Investing activities: | | | |
| Purchases of fixed assets | (25,680) | (20,818) | |
| Purchases of investments and change in advances | 442 | (495) | |
| Proceeds from sales of property, plant, and equipment | 5,568 | 2,769 | |
| Proceeds from sales of investments | 8,499 | 2,981 | |
| Proceeds from sales of business | 218 | 1,117 | |
| Increase in finance receivables | (142,393) | (119,878) | |
| Collection of finance receivables | 80,163 | 53,575 | |
| Proceeds from sales of finance receivables | 11,753 | 5,208 | |
| Cash transferred in sale of a business | | (6,048) | |
| Other | 138 | 3,361 | |
| Net cash used in investing activities | (61,292) | (78,228) | 16,936 |
| Financing activities: | | | |
| Proceeds from issuance of long-term debt | 88,829 | 39,582 | |
| Repayments of long-term debt | (71,719) | (39,081) | |
| Net increase in short-term borrowings | 335 | 34,453 | |
| Cash dividends | (11,769) | (7,989) | |
| Purchases of treasury stock | (14,898) | (21,451) | |
| Other | (964) | (1,006) | |
| Net cash provided by (used in) financing activities | (10,186) | 4,508 | (14,694) |

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| | | | |
|--|--------|---------|--------|
| Effect of exchange rate changes on cash and cash equivalents | 916 | 154 | 762 |
| Net increase (decrease) in cash and cash equivalents | 17,295 | (6,658) | |
| Cash and cash equivalents, beginning of year | 74,563 | 81,221 | |
| Cash and cash equivalents, end of year | 91,858 | 74,563 | 17,295 |

(In millions of yen)

Notes:

Cash paid during the year for:

| | | | |
|--------------|--------|--------|-------|
| Interest | 6,911 | 4,401 | 2,510 |
| Income taxes | 32,724 | 32,092 | 632 |

Table of Contents**Kubota Corporation
and Subsidiaries****Consolidated Segment Information**

(Unaudited)

(1) Information by industry segment

Year ended March 31, 2006

(In millions of yen)

| | Pipes, Valves | | | | Total | Corporate | |
|---------------------------------------|---|--------------------------|------------------------------|---------|-----------|-------------------|--------------|
| | Internal Combustion Engine & Machinery | & Industrial Castings | Environmental Engineering | Other | | & Eliminations | Consolidated |
| Net sales | | | | | | | |
| Unaffiliated customers | 658,776 | 189,708 | 110,479 | 92,077 | 1,051,040 | | 1,051,040 |
| Intersegment | 40 | 2,184 | 209 | 15,176 | 17,609 | (17,609) | |
| Total | 658,816 | 191,892 | 110,688 | 107,253 | 1,068,649 | (17,609) | 1,051,040 |
| Cost of sales and operating expenses | 555,687 | 172,637 | 106,475 | 105,073 | 939,872 | (2,332) | 937,540 |
| Operating income | 103,129 | 19,255 | 4,213 | 2,180 | 128,777 | (15,277) | 113,500 |
| Identifiable assets at March 31, 2006 | 760,001 | 181,740 | 92,996 | 81,461 | 1,116,198 | 289,204 | 1,405,402 |
| Depreciation | 15,284 | 5,308 | 798 | 1,492 | 22,882 | 2,508 | 25,390 |
| Loss from impairment | 61 | 82 | 59 | 836 | 1,038 | | 1,038 |
| Capital expenditures | 25,482 | 3,585 | 389 | 1,479 | 30,935 | 2,870 | 33,805 |

Year ended March 31, 2005

(In millions of yen)

| | Pipes, Valves | | | | Total | Corporate | |
|---------------------------------------|---|--------------------------|------------------------------|---------|-----------|-------------------|--------------|
| | Internal Combustion Engine & Machinery | & Industrial Castings | Environmental Engineering | Other | | & Eliminations | Consolidated |
| Net sales | | | | | | | |
| Unaffiliated customers | 582,664 | 170,629 | 117,633 | 112,300 | 983,226 | | 983,226 |
| Intersegment | 88 | 8,237 | 249 | 14,956 | 23,530 | (23,530) | |
| Total | 582,752 | 178,866 | 117,882 | 127,256 | 1,006,756 | (23,530) | 983,226 |
| Cost of sales and operating expenses | 503,596 | 167,391 | 112,167 | 123,374 | 906,528 | (10,075) | 896,453 |
| Operating income | 79,156 | 11,475 | 5,715 | 3,882 | 100,228 | (13,455) | 86,773 |
| Identifiable assets at March 31, 2005 | 614,123 | 190,669 | 105,890 | 100,874 | 1,011,556 | 181,500 | 1,193,056 |
| Depreciation | 14,154 | 6,368 | 930 | 1,678 | 23,130 | 2,338 | 25,468 |
| Loss from impairment | 77 | | 42 | 976 | 1,095 | | 1,095 |
| Capital expenditures | 17,482 | 1,823 | 358 | 1,388 | 21,051 | 5,046 | 26,097 |

Table of Contents**Kubota Corporation
and Subsidiaries****(2) Information by geographic segment**

Year ended March 31, 2006

(In millions of yen)

| | Japan | North America | Other Areas | Total | Corporate & Eliminations | Consolidated |
|---------------------------------------|---------|---------------|-------------|-----------|--------------------------------|--------------|
| Net sales | | | | | | |
| Unaffiliated customers | 659,062 | 273,078 | 118,900 | 1,051,040 | | 1,051,040 |
| Intersegment | 250,976 | 4,934 | 4,070 | 259,980 | (259,980) | |
| Total | 910,038 | 278,012 | 122,970 | 1,311,020 | (259,980) | 1,051,040 |
| Cost of sales & operating expenses | 807,788 | 257,080 | 111,547 | 1,176,415 | (238,875) | 937,540 |
| Operating income | 102,250 | 20,932 | 11,423 | 134,605 | (21,105) | 113,500 |
| Identifiable assets at March 31, 2006 | 730,366 | 390,122 | 80,353 | 1,200,841 | 204,561 | 1,405,402 |

Year ended March 31, 2005

(In millions of yen)

| | Japan | North America | Other Areas | Total | Corporate & Eliminations | Consolidated |
|---------------------------------------|---------|---------------|-------------|-----------|--------------------------------|--------------|
| Net sales | | | | | | |
| Unaffiliated customers | 659,283 | 232,135 | 91,808 | 983,226 | | 983,226 |
| Intersegment | 193,242 | 3,000 | 2,792 | 199,034 | (199,034) | |
| Total | 852,525 | 235,135 | 94,600 | 1,182,260 | (199,034) | 983,226 |
| Cost of sales & operating expenses | 778,412 | 215,044 | 87,207 | 1,080,663 | (184,210) | 896,453 |
| Operating income | 74,113 | 20,091 | 7,393 | 101,597 | (14,824) | 86,773 |
| Identifiable assets at March 31, 2005 | 746,627 | 259,218 | 64,737 | 1,070,582 | 122,474 | 1,193,056 |

(3) Overseas sales

Year ended March 31, 2006

(In millions of yen)

| | North America | Other Areas | Total |
|---|---------------|-------------|-----------|
| Overseas sales | 271,329 | 148,900 | 420,229 |
| Consolidated net sales | | | 1,051,040 |
| Ratio of overseas sales to consolidated net sales | 25.8% | 14.2% | 40.0% |

Year ended March 31, 2005

(In millions of yen)

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| | North America | Other Areas | Total |
|---|----------------------|--------------------|--------------|
| Overseas sales | 232,631 | 112,693 | 345,324 |
| Consolidated net sales | | | 983,226 |
| Ratio of overseas sales to consolidated net sales | 23.6% | 11.5% | 35.1% |

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Table of Contents**Kubota Corporation
and Subsidiaries****Fair Value of Short-Term and Other Investments**

(Unaudited)

The Company classifies its holding marketable equity securities and all of its debt securities as available for sale securities, which are reported at their fair value on the Company's balance sheet. The following table presents costs, fair values, net unrealized holding gains and losses for securities by major security type at March 31, 2006 and 2005.

(In millions of yen)

| | March 31, 2006 | | | March 31, 2005 | | |
|---|----------------|----------------|------------------------------|----------------|----------------|------------------------------|
| | Cost | Fair value | Net unrealized holding gains | Cost | Fair value | Net unrealized holding gains |
| Other Investments (*): | | | | | | |
| Equity securities of financial institutions | 37,208 | 153,697 | 116,489 | 22,040 | 87,232 | 65,192 |
| Other equity securities | 19,970 | 71,705 | 51,735 | 19,812 | 47,423 | 27,611 |
| Other | | | | 813 | 820 | 7 |
| Total | 57,178 | 225,402 | 168,224 | 42,665 | 135,475 | 92,810 |

(*) Other investments on the Company's balance sheets includes investments in non-traded and unaffiliated companies, for which there is no readily determinable fair value. They were stated at cost of ¥11,227 million and ¥11,504 million, at March 31, 2006 and 2005, respectively.

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**Kubota Corporation
and Subsidiaries**

Notes:

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on March 31, 2006, of ¥117= US\$1, solely for convenience.
2. Each ADS represents 5 common shares.
3. 122 subsidiaries are consolidated.

Major consolidated subsidiaries: Domestic Kubota-C.I. Co., Ltd.
Kubota Construction Co., Ltd.

Kubota Credit Co., Ltd.
Kubota Environmental Service Co., Ltd.

Kubota Maison Co., Ltd.

Overseas Kubota Tractor Corporation
Kubota Credit Corporation, U.S.A.
Kubota Manufacturing of America Corporation
Kubota Engine America Corporation
Kubota Metal Corporation

Kubota Baumaschinen GmbH

Kubota Europe S.A.S.

4. 25 affiliated companies are accounted for by the equity method.

Major affiliated companies Domestic 17 sales companies of farm equipment
Kubota Matsushitadenko Exterior Works, Ltd.

5. Summary of accounting policies:

The accompanying condensed consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America except for .

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The Consolidated Segment Information is prepared in accordance with a requirement of the Japanese Securities and Exchange regulations. This disclosure is not consistent with SFAS No.131, Disclosures about Segments of an Enterprise and Related Information .

6. The consolidated financial reports for the prior year have been reclassified to conform to the presentation for the year ended March 31, 2006.
7. In accordance with SFAS No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets , the consolidated statement of income for the prior year has been restated to report the results of operations of the components, which are classified as discontinued operations in the year under review.

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Table of Contents**Kubota Corporation
and Subsidiaries****Consolidated Net Sales by Industry Segment**

(Unaudited)

(In millions of yen)

| | Year ended | | Year ended | | Change | |
|---|-------------------------|-------------|-------------------------|-------------|-----------------|---------------|
| | Mar. 31, 2006 Amount | % | Mar. 31, 2005 Amount | % | Amount | % |
| Farm Equipment and Engines | 578,164 | 55.0 | 519,428 | 52.8 | 58,736 | 11.3 |
| Domestic | 240,722 | | 232,074 | | 8,648 | 3.7 |
| Overseas | 337,442 | | 287,354 | | 50,088 | 17.4 |
| Construction Machinery | 80,612 | 7.7 | 63,236 | 6.5 | 17,376 | 27.5 |
| Domestic | 26,559 | | 24,923 | | 1,636 | 6.6 |
| Overseas | 54,053 | | 38,313 | | 15,740 | 41.1 |
| Internal Combustion Engine & Machinery | 658,776 | 62.7 | 582,664 | 59.3 | 76,112 | 13.1 |
| Domestic | 267,281 | 25.4 | 256,997 | 26.2 | 10,284 | 4.0 |
| Overseas | 391,495 | 37.3 | 325,667 | 33.1 | 65,828 | 20.2 |
| Pipes and Valves | 150,559 | 14.3 | 136,622 | 13.9 | 13,937 | 10.2 |
| Domestic | 142,071 | | 132,755 | | 9,316 | 7.0 |
| Overseas | 8,488 | | 3,867 | | 4,621 | 119.5 |
| Industrial Castings | 39,149 | 3.7 | 34,007 | 3.4 | 5,142 | 15.1 |
| Domestic | 25,115 | | 22,723 | | 2,392 | 10.5 |
| Overseas | 14,034 | | 11,284 | | 2,750 | 24.4 |
| Pipes, Valves & Industrial Castings | 189,708 | 18.0 | 170,629 | 17.3 | 19,079 | 11.2 |
| Domestic | 167,186 | 15.9 | 155,478 | 15.8 | 11,708 | 7.5 |
| Overseas | 22,522 | 2.1 | 15,151 | 1.5 | 7,371 | 48.7 |
| Environmental Engineering | 110,479 | 10.5 | 117,633 | 12.0 | (7,154) | (6.1) |
| Domestic | 105,505 | 10.0 | 113,875 | 11.6 | (8,370) | (7.4) |
| Overseas | 4,974 | 0.5 | 3,758 | 0.4 | 1,216 | 32.4 |
| Building Materials & Housing | 13,512 | 1.3 | 24,874 | 2.5 | (11,362) | (45.7) |
| Domestic | 13,512 | | 24,874 | | (11,362) | (45.7) |
| Other | 78,565 | 7.5 | 87,426 | 8.9 | (8,861) | (10.1) |
| Domestic | 77,327 | | 86,678 | | (9,351) | (10.8) |

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| | | | | | | |
|----------|------------------|--------------|----------------|--------------|-----------------|---------------|
| Overseas | 1,238 | | 748 | | 490 | 65.5 |
| Other | 92,077 | 8.8 | 112,300 | 11.4 | (20,223) | (18.0) |
| Domestic | 90,839 | 8.7 | 111,552 | 11.3 | (20,713) | (18.6) |
| Overseas | 1,238 | 0.1 | 748 | 0.1 | 490 | 65.5 |
| Total | 1,051,040 | 100.0 | 983,226 | 100.0 | 67,814 | 6.9 |
| Domestic | 630,811 | 60.0 | 637,902 | 64.9 | (7,091) | (1.1) |
| Overseas | 420,229 | 40.0 | 345,324 | 35.1 | 74,905 | 21.7 |

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Table of Contents**Kubota Corporation
and Subsidiaries****Anticipated Consolidated Net Sales by Industry Segment**

(In billions of yen)

| | Year ending | | Year ending | | Change | |
|---|-------------------------|--------------|-------------------------|--------------|-------------|------------|
| | Mar. 31, 2007 Amount | % | Mar. 31, 2006 Amount | % | Amount | % |
| Domestic | 268.0 | | 267.3 | | 0.7 | 0.3 |
| Overseas | 425.0 | | 391.5 | | 33.5 | 8.6 |
| Internal Combustion Engine & Machinery | 693.0 | 63.6 | 658.8 | 62.7 | 34.2 | 5.2 |
| Domestic | 162.0 | | 167.2 | | (5.2) | (3.1) |
| Overseas | 28.0 | | 22.5 | | 5.5 | 24.4 |
| Pipes, Valves & Industrial Castings | 190.0 | 17.4 | 189.7 | 18.0 | 0.3 | 0.2 |
| Domestic | 104.0 | | 105.5 | | (1.5) | (1.4) |
| Overseas | 7.0 | | 5.0 | | 2.0 | 40.0 |
| Environmental Engineering | 111.0 | 10.2 | 110.5 | 10.5 | 0.5 | 0.5 |
| Domestic | 95.0 | | 90.8 | | 4.2 | 4.6 |
| Overseas | 1.0 | | 1.2 | | (0.2) | (16.7) |
| Other | 96.0 | 8.8 | 92.0 | 8.8 | 4.0 | 4.3 |
| Grand Total | 1,090.0 | 100.0 | 1,051.0 | 100.0 | 39.0 | 3.7 |
| Domestic | 629.0 | 57.7 | 630.8 | 60.0 | (1.8) | (0.3) |
| Overseas | 461.0 | 42.3 | 420.2 | 40.0 | 40.8 | 9.7 |

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Kubota Corporation
(Parent Company Only)

Non-consolidated Financial Highlights

(Unaudited)

- (1) The date of the Board of Directors Meeting Friday, May 12, 2006
- (2) The date of the Ordinary General Meeting of Shareholders Friday, June 23, 2006

- (3) Results of operations (In millions of yen except per ADS amounts)

| | Year ended | | Year ended | |
|--|----------------|-----------|----------------|-----------|
| | March 31, 2006 | Change(*) | March 31, 2005 | Change(*) |
| Net sales | ¥ 693,503 | 2.7% | ¥ 675,431 | 1.7% |
| Operating income | ¥ 74,766 | 31.5% | ¥ 56,857 | 35.9% |
| % of net sales | 10.8% | | 8.4% | |
| Ordinary income | ¥ 81,032 | 25.2% | ¥ 64,733 | 40.8% |
| % of net sales | 11.7% | | 9.6% | |
| Net income | ¥ 47,630 | 10.3% | ¥ 43,186 | 98.9% |
| % of net sales | 6.9% | | 6.4% | |
| Net income per ADS (5 common shares)(**) | ¥ 182 | | ¥ 163 | |
| Ratio of net income to shareholders equity | 10.8% | | 11.0% | |
| Ratio of ordinary income to total assets | 9.1% | | 7.5% | |

Notes to results of operations:

- Weighted-average number of shares outstanding during the year ended March 31, 2006 1,304,491,173
Weighted-average number of shares outstanding during the year ended March 31, 2005 1,323,551,587
- (*) represents percentage change to the comparable previous year.
- (**) represents amount based on the average number of common shares outstanding during the year.

- (4) Cash dividends (In millions of yen except per ADS amounts)

| | Cash dividends per ADS | | | Annual cash dividends | Annual cash dividends as % to net income | Annual dividends as % to shareholders equity |
|---------------------------|------------------------|--------------|---------|-----------------------|--|--|
| | Interim | Year end (*) | Total | | | |
| Year ended March 31, 2006 | ¥ 20.00 | ¥ 30.00 | ¥ 50.00 | ¥ 13,063 | 27.5% | 2.7% |
| Year ended March 31, 2005 | ¥ 15.00 | ¥ 25.00 | ¥ 40.00 | ¥ 10,471 | 24.6% | 2.6% |

Note to cash dividends:

- (*) Year end dividends for the fiscal year ended March 31, 2006 are subject to shareholders approval at the Ordinary General Meeting of Shareholders to be held on June 23, 2006.

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Kubota Corporation
(Parent Company Only)

(5) Financial position (In millions of yen except per ADS amounts)

| | As of March 31, | |
|---|-----------------|-----------|
| | 2006 | 2005 |
| Total assets | ¥ 922,838 | ¥ 861,617 |
| Shareholders' equity | ¥ 484,759 | ¥ 397,954 |
| Ratio of shareholders' equity to total assets | 52.5% | 46.2% |
| Shareholders' equity per ADS | ¥ 1,864 | ¥ 1,529 |
| Notes to financial position: | | |

| | |
|---|---------------|
| Number of shares outstanding as of March 31, 2006 | 1,299,845,909 |
| Number of shares outstanding as of March 31, 2005 | 1,300,843,383 |
| Number of treasury stock as of March 31, 2006 | 23,271 |
| Number of treasury stock as of March 31, 2005 | 39,965,595 |

(6) Anticipated results of operations for the year ending March 31, 2007 (In millions of yen except per ADS amounts)

| | Six months | |
|--|---------------|-------------|
| | ending | Year ending |
| | September 30, | March 31, |
| | 2006 | 2007 |
| Net sales | ¥ 314,000 | ¥ 710,000 |
| Ordinary income | ¥ 35,500 | ¥ 78,500 |
| Net income | ¥ 22,500 | ¥ 48,500 |
| Interim cash dividends per ADS | | |
| Year end cash dividends per ADS | | |
| Notes to anticipated results of operations for the year ending March 31, 2006: | | |

1. The non-consolidated financial information is prepared in accordance with accounting principles generally accepted in Japan and includes the information of parent company only. It should not be confused with condensed consolidated financial information.
2. All figures in the non-consolidated financial information have been rounded down except per ADS information.
3. Forecasted cash dividends per ADS are not disclosed.

4. Please refer to page 9 for further information related to the above mentioned anticipated results of operations.

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**Kubota Corporation
and Subsidiaries**

Notice of Change of Management

(Effective as of June 23, 2006)

1) Appointment of new Directors

| Name | Current Title |
|-----------------|--|
| Nobuyo Shioji | General Manager of Construction Machinery Division |
| Takeshi Torigoe | General Manager of Steel Castings Division |
| Satoru Sakamoto | General Manager of Air Condition Equipment Division |
| Hideki Iwabu | General Manager of Water & Sewage Engineering Division |

2) Retirement of Directors

| Name | Current Title | New Title |
|---------------|----------------------|--|
| Akio Nishino | Director | Adviser |
| Takashi Shoji | Director | Chairman of Kubota Environmental Service Co., Ltd. |

3) Retirement of Corporate Auditor

| Name | Current Title | New Title |
|--------------------|----------------------|------------------|
| Masamichi Nakahiro | Corporate Auditor | Adviser |

End of document

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May 12, 2006

To whom it may concern

Kubota Corporation

2-47, Shikitsu-higashi 1-chome,
Naniwa-ku, Osaka 556-8601, Japan

Contact: IR Group

Finance & Accounting Department

Phone: +81-6-6648-2645

Notice on restatement of previously reported earning releases

Please be advised that Kubota Corporation (hereinafter the Company) has restated previously reported earning releases as follows:

1. Previously reported earning releases to be restated

Results of operations for the year ended March 31, 2005 (disclosed on May 13, 2005)

Results of operations for the six months ended September 30, 2004 (disclosed on November 8, 2004)

Results of operations for the nine months ended December 31, 2004 (disclosed on February 3, 2005)

2. Reason for restatement

Statement of Financial Accounting Standards No. 144 Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS144) requires that results of the operations, which have been (or will be) eliminated from the ongoing operations of the entity (discontinued operations), shall be separated from result of other ongoing operations (continuing operations) on disclosure of the entity. The Company s results of operations for the year ended March 31, 2005 included results of the operation of golf course, which was sold during the year ended March 31, 2005. The Company closely reviewed the accounting treatment for this operation and reached a conclusion that this operation should have been accounted for and disclosed as discontinued operations in accordance with SFAS144. Accordingly, the Company restates the earning releases mentioned above.

3. Contents of restatements

From the reason described above, the Company restates its consolidated statements of income , consolidated segment information and other related information in the previously reported earning releases to be restated.

Additionally, the Company restates its consolidated statements of income , consolidated segment information and other related information, which were presented as the comparable previous period in the previously reported earning releases to be restated.

Details of restatement are presented in Appendix.

4. Replacement of figures on earning releases for the year ended March 31, 2006

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After the above restatement, the figures of consolidated statements of income, consolidated segment information and other related information, which were presented as the comparable previous period in earning releases for the six months ended September 30, 2005 and the nine months ended December 31, 2005, are replaced by the figures restated in the above restatement.

Details of restatement are presented in Appendix.

< Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

End of document

Table of Contents**[Appendix] Details of restatements of results of operations****I. Restatements of results of operations for the year ended March 31, 2005 and the year ended March 31, 2004 as comparable previous period**

1. Results of operations for the year ended March 31, 2005

(1) Consolidated Statements of Income (Page 14)

<As Restated>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

| | Year ended March 31, 2005 | | Year ended March 31, 2004 | | Change | |
|--|------------------------------|-------------|------------------------------|------------|----------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| Net sales | 983,226 | 100.0 | 929,876 | 100.0 | 53,350 | 5.7 |
| Cost of sales | 713,312 | 72.6 | 701,718 | 75.5 | 11,594 | 1.7 |
| Selling, general, and administrative expenses | 181,727 | 18.5 | 199,189 | 21.4 | (17,462) | (8.8) |
| <u>Loss from disposal and impairment of businesses and fixed assets</u> | <u>1,414</u> | <u>0.1</u> | <u>6,359</u> | <u>0.7</u> | <u>(4,945)</u> | <u>(77.8)</u> |
| Operating income | 86,773 | 8.8 | 22,610 | 2.4 | 64,163 | 283.8 |
| Other income (expenses): | | | | | | |
| Interest and dividend income | 9,488 | | 7,264 | | 2,224 | |
| Interest expense | (4,699) | | (4,252) | | (447) | |
| Gain on sales of securities | 1,604 | | 3,161 | | (1,557) | |
| Exchange gains (losses) | 3,597 | | (1,534) | | 5,131 | |
| Government subsidy | 58,571 | | | | 58,571 | |
| Other-net | 701 | | 643 | | 58 | |
| Other income (expenses), net | 69,262 | | 5,282 | | 63,980 | |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | <u>156,035</u> | <u>15.9</u> | <u>27,892</u> | <u>3.0</u> | <u>128,143</u> | <u>459.4</u> |
| Income taxes: | | | | | | |
| Current | 34,491 | | 29,255 | | 5,236 | |
| Deferred | 13,625 | | (15,554) | | 29,179 | |
| Total income taxes | 48,116 | | 13,701 | | 34,415 | |
| Minority interests in earnings of subsidiaries | 3,442 | | 2,476 | | 966 | |
| Equity in net income of affiliated companies | 2,324 | | 780 | | 1,544 | |
| <u>Net income from continuing operations</u> | <u>106,801</u> | <u>10.9</u> | <u>12,495</u> | <u>1.3</u> | <u>94,306</u> | <u>754.7</u> |
| <u>Income (loss) from discontinued operations, net of taxes</u> | <u>11,100</u> | | <u>(795)</u> | | <u>11,895</u> | |
| Net income | 117,901 | 12.0 | 11,700 | 1.3 | 106,201 | 907.7 |

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<As Previously Reported>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

| | Year ended March 31, 2005 | | Year ended March 31, 2004 | | Change | |
|---|------------------------------|--------------|------------------------------|------------|-----------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| Net sales | 983,226 | 100.0 | 930,237 | 100.0 | 52,989 | 5.7 |
| Cost of sales | 713,312 | 72.5 | 701,727 | 75.4 | 11,585 | 1.7 |
| Selling, general, and administrative expenses | 181,727 | 18.5 | 199,768 | 21.5 | (18,041) | (9.0) |
| <u>Loss (gain) from disposal or impairment of businesses and fixed assets</u> | <u>(4,112)</u> | <u>(0.4)</u> | <u>6,893</u> | <u>0.8</u> | <u>(11,005)</u> | |
| Operating income | 92,299 | 9.4 | 21,849 | 2.3 | 70,450 | 322.4 |
| Other income (expenses): | | | | | | |
| Interest and dividend income | 9,488 | | 7,264 | | 2,224 | |
| Interest expense | (4,699) | | (4,286) | | (413) | |
| Gain on sales of securities | 1,604 | | 3,161 | | (1,557) | |
| Exchange gains (losses) | 3,597 | | (1,534) | | 5,131 | |
| Government subsidy | 58,571 | | | | 58,571 | |
| Other-net | 701 | | 643 | | 58 | |
| Other income (expenses), net | 69,262 | | 5,248 | | 64,014 | |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | <u>161,561</u> | <u>16.4</u> | <u>27,097</u> | <u>2.9</u> | <u>134,464</u> | <u>496.2</u> |
| Income taxes: | | | | | | |
| Current | 28,917 | | 29,255 | | (338) | |
| Deferred | 13,625 | | (15,554) | | 29,179 | |
| Total income taxes | 42,542 | | 13,701 | | 28,841 | |
| Minority interests in earnings of subsidiaries | 3,442 | | 2,476 | | 966 | |
| Equity in net income of affiliated companies | 2,324 | | 780 | | 1,544 | |
| Net income | 117,901 | 12.0 | 11,700 | 1.3 | 106,201 | 907.7 |

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(2) Consolidated Segment Information

Information by industry segment (Page 19)

(In millions of yen)

| Year ended March 31, 2005 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|----------------|----------------|----------------|--------------------------|----------------|----------------|
| | Other | Total | Consolidated | Other | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | 112,300 | 983,226 | 983,226 | 112,300 | 983,226 | 983,226 |
| Intersegment | 14,956 | 23,530 | | 14,956 | 23,530 | |
| Total | 127,256 | 1,006,756 | 983,226 | 127,256 | 1,006,756 | 983,226 |
| Cost of sales and operating expenses | <u>123,374</u> | <u>906,528</u> | <u>896,453</u> | <u>117,848</u> | <u>901,002</u> | <u>890,927</u> |
| Operating income | <u>3,882</u> | <u>100,228</u> | <u>86,773</u> | <u>9,408</u> | <u>105,754</u> | <u>92,299</u> |

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

| Year ended March 31, 2004 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|----------------|----------------|----------------|--------------------------|----------------|----------------|
| | Other | Total | Consolidated | Other | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | <u>137,426</u> | <u>929,876</u> | <u>929,876</u> | <u>137,787</u> | <u>930,237</u> | <u>930,237</u> |
| Intersegment | 16,581 | 24,232 | | 16,581 | 24,232 | |
| Total | <u>154,007</u> | <u>954,108</u> | <u>929,876</u> | <u>154,368</u> | <u>954,469</u> | <u>930,237</u> |
| Cost of sales and operating expenses | <u>161,058</u> | <u>912,686</u> | <u>907,266</u> | <u>162,180</u> | <u>913,808</u> | <u>908,388</u> |
| Operating income (loss) | <u>(7,051)</u> | <u>41,422</u> | <u>22,610</u> | <u>(7,812)</u> | <u>40,661</u> | <u>21,849</u> |

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Information by geographic segment (Page 20)

(In millions of yen)

| Year ended March 31, 2005 | <As Restated> | | | <As Previously Reported> | | |
|---------------------------|---------------|-----------|--------------|--------------------------|-----------|--------------|
| | Japan | Total | Consolidated | Japan | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | 659,283 | 983,226 | 983,226 | 659,283 | 983,226 | 983,226 |
| Intersegment | 193,242 | 199,034 | | 193,242 | 199,034 | |
| Total | 852,525 | 1,182,260 | 983,226 | 852,525 | 1,182,260 | 983,226 |

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| | | | | | | |
|------------------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
| Cost of sales & operating expenses | <u>778,412</u> | <u>1,080,663</u> | <u>896,453</u> | <u>772,886</u> | <u>1,075,137</u> | <u>890,927</u> |
| Operating income | <u>74,113</u> | <u>101,597</u> | <u>86,773</u> | <u>79,639</u> | <u>107,123</u> | <u>92,299</u> |

Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

| Year ended March 31, 2004 | <As Restated> | | | <As Previously Reported> | | |
|------------------------------------|----------------|------------------|----------------|--------------------------|------------------|----------------|
| | Japan | Total | Consolidated | Japan | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | <u>675,081</u> | <u>929,876</u> | <u>929,876</u> | <u>675,442</u> | <u>930,237</u> | <u>930,237</u> |
| Intersegment | <u>154,741</u> | <u>159,346</u> | | <u>154,741</u> | <u>159,346</u> | |
| Total | <u>829,822</u> | <u>1,089,222</u> | <u>929,876</u> | <u>830,183</u> | <u>1,089,583</u> | <u>930,237</u> |
| Cost of sales & operating expenses | <u>814,036</u> | <u>1,049,569</u> | <u>907,266</u> | <u>815,158</u> | <u>1,050,691</u> | <u>908,388</u> |
| Operating income | <u>15,786</u> | <u>39,653</u> | <u>22,610</u> | <u>15,025</u> | <u>38,892</u> | <u>21,849</u> |

Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

Overseas sales (Page 20)

(In millions of yen)

| Year ended March 31, 2004 | <As Restated> Total | <As Previously Reported> Total |
|---|------------------------|-----------------------------------|
| Overseas sales | <u>286,891</u> | <u>286,891</u> |
| Consolidated net sales | <u>929,876</u> | <u>930,237</u> |
| Ratio of overseas sales to consolidated net sales | <u>30.9%</u> | <u>30.8%</u> |

Notes : There was no restatement in North America and Other Area . And There was no restatement for the year ended March 31, 2005.

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(3) Other restatement related to the restatement of Consolidated Statements of Income and Consolidated Segment Information

Consolidated Financial Highlights (Page 1)

(In millions of yen)

| | Year ended | % | Year ended | % |
|--|-----------------------|------------|-----------------------|------------|
| <As Restated> | March 31, 2005 | (*) | March 31, 2004 | (*) |
| Net sales | ¥ 983,226 | 5.7 | ¥ 929,876 | 0.4 |
| Operating income | ¥ 86,773 | 283.8 | ¥ 22,610 | (51.5) |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ 156,035 | 459.4 | ¥ 27,892 | 20.5 |
| % of net sales | 15.9% | | 3.0% | |
| Ratio of income before income taxes to total assets | 13.5% | | 2.5% | |

| | Year ended | % | Year ended | % |
|---|-----------------------|------------|-----------------------|------------|
| <As Previously Reported> | March 31, 2005 | (*) | March 31, 2004 | (*) |
| Net sales | ¥ 983,226 | 5.7 | ¥ 930,237 | 0.4 |
| Operating income | ¥ 92,299 | 322.4 | ¥ 21,849 | (26.2) |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ 161,561 | 496.2 | ¥ 27,097 | 340.2 |
| % of net sales | 16.4% | | 2.9% | |
| Ratio of income before income taxes to total assets | 13.9% | | 2.4% | |

Note : (*) represents percentage change from the comparable previous period.

Summary of the results of operations for the year under review (Page 8)

<As Restated>

Operating income was **¥86.8 billion**, a **283.8 %** increase from the prior year. In spite of the appreciation of the yen and higher prices of raw materials, a significant decrease of pension costs, increased sales centering on Internal Combustion Engine and Machinery segment, and the reduction of costs in public works related business contributed to an increase of operating income.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was **¥156.0 billion**, a **459.4 %** increase from the prior year. The increase was largely due to a ¥58.6 billion of the government subsidy (*) and the increase in operating income. Accordingly, after **¥48.1 billion** of income taxes, ¥1.1 billion of minority interests in earnings of subsidiaries and equity in net income of affiliated companies, **and added ¥11.1 billion of net income from discontinued operations, net of taxes**, net income during the year under review jumped to ¥117.9 billion, a 907.7 % increase from the prior year.

(*) Government subsidy is the gain from settlement of substitutional portion of the government pension plan.
<As Previously Reported>

Operating income was ¥92.3 billion, a 322.4 % increase from the prior year. In spite of the appreciation of the yen and higher prices of raw materials, a significant decrease of pension costs, increased sales centering on Internal Combustion Engine and Machinery segment, and the reduction of costs in public works related business contributed to an increase of operating income.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥161.6 billion, a 496.2 % increase from the prior year. The increase was largely due to a ¥58.6 billion of the government subsidy (*) and the increase in operating income. Accordingly, after ¥42.5 billion of income taxes, ¥1.1 billion of minority interests in earnings of subsidiaries and equity in net income of affiliated companies, net income during the year under review jumped to ¥117.9 billion, a 907.7 % increase from the prior year.

(*) Government subsidy is the gain from settlement of substitutional portion of the government pension plan.
Review of operations by product group

4) Other (Page 10)

<As Restated>

Sales in Other were ¥112.3 billion, 18.3 % lower than the prior year, comprising 11.4 % of consolidated net sales. Domestic sales decreased 17.4 %, to ¥111.6 billion, and overseas sales declined 67.5 %, to ¥0.7 billion.

<As Previously Reported>

Sales in Other were ¥112.3 billion, 18.5 % lower than the prior year, comprising 11.4 % of consolidated net sales. Domestic sales decreased 17.7 %, to ¥111.6 billion, and overseas sales declined 67.5 %, to ¥0.7 billion.

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Consolidated Net Sales by Product Group (Page 24)

(In millions of yen)

| | Year ended | Year ended | Change | |
|------------------------|-------------------------|-------------------------|-----------------|---------------|
| | Mar. 31, 2005 Amount | Mar. 31, 2004 Amount | Amount | % |
| <As Restated> Other | 87,426 | 85,603 | 1,823 | 2.1 |
| Domestic | 86,678 | 83,303 | 3,375 | 4.1 |
| Overseas | 748 | 2,300 | (1,552) | (67.5) |
| Other | 112,300 | 137,426 | (25,126) | (18.3) |
| Domestic | 111,552 | 135,126 | (23,574) | (17.4) |
| Overseas | 748 | 2,300 | (1,552) | (67.5) |
| Total | 983,226 | 929,876 | 53,350 | 5.7 |
| Domestic | 637,902 | 642,985 | (5,083) | (0.8) |
| Overseas | 345,324 | 286,891 | 58,433 | 20.4 |

| | Year ended | Year ended | Change | |
|-----------------------------------|-------------------------|-------------------------|-----------------|---------------|
| | Mar. 31, 2005 Amount | Mar. 31, 2004 Amount | Amount | % |
| <As Previously Reported> Other | 87,426 | 85,964 | 1,462 | 1.7 |
| Domestic | 86,678 | 83,664 | 3,014 | 3.6 |
| Overseas | 748 | 2,300 | (1,552) | (67.5) |
| Other | 112,300 | 137,787 | (25,487) | (18.5) |
| Domestic | 111,552 | 135,487 | (23,935) | (17.7) |
| Overseas | 748 | 2,300 | (1,552) | (67.5) |
| Total | 983,226 | 930,237 | 52,989 | 5.7 |
| Domestic | 637,902 | 643,346 | (5,444) | (0.8) |
| Overseas | 345,324 | 286,891 | 58,433 | 20.4 |

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2. Results of operations for the six months ended September 30, 2004

(1) Consolidated Statements of Income (Page 11)

<As Restated>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

| | Six months ended Sept. 30, 2004 | | Six months ended Sept. 30, 2003 | | Change | | Year ended Mar. 31, 2004 | |
|--|------------------------------------|-------------|------------------------------------|------------|---------------|--------------|-----------------------------|------------|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 445,774 | 100.0 | 421,373 | 100.0 | 24,401 | 5.8 | 929,876 | 100.0 |
| Cost of sales | 318,489 | 71.5 | 315,407 | 74.8 | 3,082 | 1.0 | 701,718 | 75.5 |
| Selling, general, and administrative expenses | 82,084 | 18.4 | 90,894 | 21.6 | (8,810) | (9.7) | 199,189 | 21.4 |
| Loss (gain) from disposal and impairment of business and fixed assets | (340) | (0.1) | (1,644) | (0.4) | 1,304 | (79.3) | 6,359 | 0.7 |
| Operating income | 45,541 | 10.2 | 16,716 | 4.0 | 28,825 | 172.4 | 22,610 | 2.4 |
| Other income (expenses): | | | | | | | | |
| Interest and dividend income | 4,528 | | 3,409 | | 1,119 | | 7,264 | |
| Interest expense | (2,074) | | (1,689) | | (385) | | (4,252) | |
| Foreign exchange gains (losses) | 2,784 | | (1,907) | | 4,691 | | (1,534) | |
| Other-net | 837 | | 2,297 | | (1,460) | | 3,804 | |
| Other income (expenses), net | 6,075 | | 2,110 | | 3,965 | | 5,282 | |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | <u>51,616</u> | <u>11.6</u> | <u>18,826</u> | <u>4.5</u> | <u>32,790</u> | <u>174.2</u> | <u>27,892</u> | <u>3.0</u> |
| Income taxes: | | | | | | | | |
| Current | 15,333 | | 10,786 | | 4,547 | | 29,255 | |
| Deferred | (9,018) | | (91) | | (8,927) | | (15,554) | |
| Total income taxes | 6,315 | | 10,695 | | (4,380) | | 13,701 | |
| Minority interests in earnings of subsidiaries | 2,283 | | 1,387 | | 896 | | 2,476 | |
| Equity in net income of affiliated companies | 642 | | 406 | | 236 | | 780 | |
| <u>Net income from continuing operations</u> | <u>43,660</u> | <u>9.8</u> | <u>7,150</u> | <u>1.7</u> | <u>36,510</u> | <u>510.6</u> | <u>12,495</u> | <u>1.3</u> |
| <u>Income (loss) from discontinued operations, net of taxes</u> | <u>11,100</u> | | <u>(140)</u> | | <u>11,240</u> | | <u>(795)</u> | |
| Net income | 54,760 | 12.3 | 7,010 | 1.7 | 47,750 | 681.2 | 11,700 | 1.3 |

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<As Previously Reported>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

| | Six months ended | | Six months ended | | Change | | Year ended | |
|--|------------------|-------|------------------|-------|---------|--------|---------------|-------|
| | Sept. 30, 2004 | | Sept. 30, 2003 | | | | Mar. 31, 2004 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 445,774 | 100.0 | 421,540 | 100.0 | 24,234 | 5.7 | 930,237 | 100.0 |
| Cost of sales | 318,489 | 71.4 | 315,412 | 74.8 | 3,077 | 1.0 | 701,727 | 75.4 |
| Selling, general, and administrative expenses | 82,084 | 18.4 | 91,174 | 21.7 | (9,090) | (10.0) | 199,768 | 21.5 |
| Loss (gain) from disposal and impairment of business and fixed assets | (5,866) | (1.3) | (1,644) | (0.4) | (4,222) | 256.8 | 6,893 | 0.8 |
| Operating income | 51,067 | 11.5 | 16,598 | 3.9 | 34,469 | 207.7 | 21,849 | 2.3 |
| Other income (expenses): | | | | | | | | |
| Interest and dividend income | 4,528 | | 3,409 | | 1,119 | | 7,264 | |
| Interest expense | (2,074) | | (1,711) | | (363) | | (4,286) | |
| Foreign exchange gains (losses) | 2,784 | | (1,907) | | 4,691 | | (1,534) | |
| Other-net | 837 | | 2,297 | | (1,460) | | 3,804 | |
| Other income (expenses), net | 6,075 | | 2,088 | | 3,987 | | 5,248 | |
| Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies | 57,142 | 12.8 | 18,686 | 4.4 | 38,456 | 205.8 | 27,097 | 2.9 |
| Income taxes: | | | | | | | | |
| Current | 9,759 | | 10,786 | | (1,027) | | 29,255 | |
| Deferred | (9,018) | | (91) | | (8,927) | | (15,554) | |
| Total income taxes | 741 | | 10,695 | | (9,954) | | 13,701 | |
| Minority interests in earnings of subsidiaries | 2,283 | | 1,387 | | 896 | | 2,476 | |
| Equity in net income of affiliated companies | 642 | | 406 | | 236 | | 780 | |
| Net income | 54,760 | 12.3 | 7,010 | 1.7 | 47,750 | 681.2 | 11,700 | 1.3 |

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(2) Consolidated Segment Information

Information by Industry Segment (Page 16)

(In millions of yen)

| Six months ended Sept. 30, 2004 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|---------------|----------------|----------------|--------------------------|----------------|----------------|
| | Other | Total | Consolidated | Other | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | 52,392 | 445,774 | 445,774 | 52,392 | 445,774 | 445,774 |
| Intersegment | 6,548 | 9,930 | | 6,548 | 9,930 | |
| Total | 58,940 | 455,704 | 445,774 | 58,940 | 455,704 | 445,774 |
| Cost of sales and operating expenses | <u>57,212</u> | <u>404,383</u> | <u>400,233</u> | <u>51,686</u> | <u>398,857</u> | <u>394,707</u> |
| Operating income (loss) | <u>1,728</u> | <u>51,321</u> | <u>45,541</u> | <u>7,254</u> | <u>56,847</u> | <u>51,067</u> |

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

| Six months ended Sept. 30, 2003 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|---------------|----------------|----------------|--------------------------|----------------|----------------|
| | Other | Total | Consolidated | Other | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | <u>69,753</u> | <u>421,373</u> | <u>421,373</u> | <u>69,920</u> | <u>421,540</u> | <u>421,540</u> |
| Intersegment | 6,968 | 9,895 | | 6,968 | 9,895 | |
| Total | <u>76,721</u> | <u>431,268</u> | <u>421,373</u> | <u>76,888</u> | <u>431,435</u> | <u>421,540</u> |
| Cost of sales and operating expenses | <u>77,625</u> | <u>406,351</u> | <u>404,657</u> | <u>77,910</u> | <u>406,636</u> | <u>404,942</u> |
| Operating income (loss) | <u>(904)</u> | <u>24,917</u> | <u>16,716</u> | <u>(1,022)</u> | <u>24,799</u> | <u>16,598</u> |

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Information by Industry Segment for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

Information by Geographic Segment (Page 17)

(In millions of yen)

| Six months ended Sept. 30, 2004 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|----------------|----------------|----------------|--------------------------|----------------|----------------|
| | Japan | Total | Consolidated | Japan | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | 271,262 | 445,774 | 445,774 | 271,262 | 445,774 | 445,774 |
| Intersegment | 88,457 | 91,311 | | 88,457 | 91,311 | |
| Total | 359,719 | 537,085 | 445,774 | 359,719 | 537,085 | 445,774 |
| Cost of sales and operating expenses | <u>328,001</u> | <u>487,376</u> | <u>400,233</u> | <u>322,475</u> | <u>481,850</u> | <u>394,707</u> |
| Operating income | <u>31,718</u> | <u>49,709</u> | <u>45,541</u> | <u>37,244</u> | <u>55,235</u> | <u>51,067</u> |

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Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

| Six months ended Sept. 30, 2003 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|----------------|----------------|----------------|--------------------------|----------------|----------------|
| | Japan | Total | Consolidated | Japan | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | <u>288,153</u> | <u>421,373</u> | <u>421,373</u> | <u>288,320</u> | <u>421,540</u> | <u>421,540</u> |
| Intersegment | 66,073 | 69,128 | | 66,073 | 69,128 | |
| Total | <u>354,226</u> | <u>490,501</u> | <u>421,373</u> | <u>354,393</u> | <u>490,668</u> | <u>421,540</u> |
| Cost of sales and operating expenses | <u>348,024</u> | <u>468,769</u> | <u>404,657</u> | <u>348,309</u> | <u>469,054</u> | <u>404,942</u> |
| Operating income | <u>6,202</u> | <u>21,732</u> | <u>16,716</u> | <u>6,084</u> | <u>21,614</u> | <u>16,598</u> |

Notes : There was no restatement in North America , Other Area and Corporate & Eliminations .

Information by Geographic Segment for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

Overseas sales (Page 19)

(In millions of yen)

| Six months ended Sept. 30, 2003 | <As Restated> | <As Previously Reported> |
|---|----------------|--------------------------|
| | Total | Total |
| Overseas sales | 150,621 | 150,621 |
| Consolidated net sales | <u>421,373</u> | <u>421,540</u> |
| Ratio of overseas sales to consolidated net sales | 35.7% | 35.7% |

Notes : There was no restatement in North America and Other Area . And There was no restatement for the year ended Sept. 30, 2004.

Overseas sales for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

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(3) Other restatement related to the restatement of Consolidated Statements of Income and Consolidated Segment Information

Consolidated Financial Highlights (Page 1)

(In millions of yen)

| | Six months ended | | % | Six months ended | | % | Year ended |
|--|------------------|---------|-------|------------------|---------|--------|---------------|
| <As Restated> | Sept. 30, 2004 | | (*) | Sept. 30, 2003 | | (*) | Mar. 31, 2004 |
| Net sales | ¥ | 445,774 | 5.8 | ¥ | 421,373 | 1.7 | ¥ 929,876 |
| Operating income | ¥ | 45,541 | 172.4 | ¥ | 16,716 | (31.7) | ¥ 22,610 |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ | 51,616 | 174.2 | ¥ | 18,826 | (19.4) | ¥ 27,892 |
| | | | | | | | |
| | Six months ended | | % | Six months ended | | % | Year ended |
| <As Previously Reported> | Sept. 30, 2004 | | (*) | Sept. 30, 2003 | | (*) | Mar. 31, 2004 |
| Net sales | ¥ | 445,774 | 5.7 | ¥ | 421,540 | 1.7 | ¥ 930,237 |
| Operating income | ¥ | 51,067 | 207.7 | ¥ | 16,598 | (32.0) | ¥ 21,849 |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ | 57,142 | 205.8 | ¥ | 18,686 | (19.7) | ¥ 27,097 |

Note : (*) represents percentage change from the comparable previous period.

Outline of the results of operations for the six months under review (Page 6~7)

Page 6 third line from the bottom

<As Restated>

Under such conditions, sales of the Company during the six months under review were ¥445.8 billion, a 5.8% increase from the prior corresponding period.

<As Previously Reported>

Under such conditions, sales of the Company during the six months under review were ¥445.8 billion, a 5.7% increase from the prior corresponding period.

Page 7 fifth line from the top

<As Restated>

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Operating income was ¥45.5 billion, a 172.4% increase. In spite of the high appreciation of yen and soaring prices of raw materials, operating income soared due to large decrease of pension cost by ¥20.6 billion from the prior corresponding period, in addition to sales increase in Internal Combustion Engine and Machinery and implementation of a company-wide cost reduction program in Pipes, Valves and Industrial Castings.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥51.6 billion, a 174.2 % increase, which reflected an improvement in interest income and foreign exchange gains, as well as increase of operating income. As a result, after ¥0.7 billion of income taxes, ¥1.6 billion of minority interests in earnings of subsidiaries and the equity in net income of affiliated companies, **and added ¥11.1 billion of net income from discontinued operations, net of taxes**, net income during the six months under review was ¥54.8 billion, a 681.2% increase from the prior corresponding period.

<As Previously Reported>

Operating income was ¥51.1 billion, a 207.7% increase. In spite of the high appreciation of yen and soaring prices of raw materials, operating income soared due to large decrease of pension cost by ¥20.6 billion from the prior corresponding period, in addition to sales increase in Internal Combustion Engine and Machinery and implementation of a company-wide cost reduction program in Pipes, Valves and Industrial Castings.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥57.1 billion, a 205.8 % increase, which reflected an improvement in interest income and foreign exchange gains, as well as increase of operating income. As a result, after ¥0.7 billion of income taxes, ¥1.6 billion of minority interests in earnings of subsidiaries and the equity in net income of affiliated companies, net income during the six months under review was ¥54.8 billion, a 681.2% increase from the prior corresponding period.

Review of operations by product group

4) Other (Page 10)

<As Restated>

Sales of Other were ¥52.4 billion, 24.9% lower than the prior corresponding period, comprising 11.8% of consolidated net sales. Domestic sales decreased 24.1% to ¥51.9 billion, and overseas sales declined 64.0% to ¥0.5 billion.

<As Previously Reported>

Sales of Other were ¥52.4 billion, 25.1% lower than the prior corresponding period, comprising 11.8% of consolidated net sales. Domestic sales decreased 24.3% to ¥51.9 billion, and overseas sales declined 64.0% to ¥0.5 billion.

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Consolidated Net Sales by Product Group (Page 24)

(In millions of yen)

| <As Restated> | Six months ended | Six months ended | Change | | Year ended |
|---------------|--------------------------|--------------------------|-----------------|---------------|-------------------------|
| | Sept. 30, 2004 Amount | Sept. 30, 2003 Amount | Amount | % | Mar. 31, 2004 Amount |
| Other | 38,955 | 36,398 | 2,557 | 7.0 | 85,603 |
| Domestic | 38,470 | 35,050 | 3,420 | 9.8 | 83,303 |
| Overseas | 485 | 1,348 | (863) | (64.0) | 2,300 |
| Other | 52,392 | 69,753 | (17,361) | (24.9) | 137,426 |
| Domestic | 51,907 | 68,405 | (16,498) | (24.1) | 135,126 |
| Overseas | 485 | 1,348 | (863) | (64.0) | 2,300 |
| Total | 445,774 | 421,373 | 24,401 | 5.8 | 929,876 |
| Domestic | 261,912 | 270,752 | (8,840) | (3.3) | 642,985 |
| Overseas | 183,862 | 150,621 | 33,241 | 22.1 | 286,891 |

| <As Previously Reported> | Six months ended | Six months ended | Change | | Year ended |
|--------------------------|--------------------------|--------------------------|-----------------|---------------|-------------------------|
| | Sept. 30, 2004 Amount | Sept. 30, 2003 Amount | Amount | % | Mar. 31, 2004 Amount |
| Other | 38,955 | 36,565 | 2,390 | 6.5 | 85,964 |
| Domestic | 38,470 | 35,217 | 3,253 | 9.2 | 83,664 |
| Overseas | 485 | 1,348 | (863) | (64.0) | 2,300 |
| Other | 52,392 | 69,920 | (17,528) | (25.1) | 137,787 |
| Domestic | 51,907 | 68,572 | (16,665) | (24.3) | 135,487 |
| Overseas | 485 | 1,348 | (863) | (64.0) | 2,300 |
| Total | 445,774 | 421,540 | 24,234 | 5.7 | 930,237 |
| Domestic | 261,912 | 270,919 | (9,007) | (3.3) | 643,346 |
| Overseas | 183,862 | 150,621 | 33,241 | 22.1 | 286,891 |

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3. Results of operations for the nine months ended December 31, 2004

(1) Consolidated Statements of Income (Page 3)

<As Restated>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

| | Nine months ended | | Nine months ended | | Change | | Year ended | |
|--|-------------------|-------------|-------------------|------------|---------------|--------------|---------------|------------|
| | Dec. 31, 2004 | | Dec. 31, 2003 | | | | Mar. 31, 2004 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 663,595 | 100.0 | 619,033 | 100.0 | 44,562 | 7.2 | 929,876 | 100.0 |
| Cost of sales | 475,472 | 71.7 | 466,488 | 75.4 | 8,984 | 1.9 | 701,718 | 75.5 |
| Selling, general, and administrative expenses | 122,882 | 18.5 | 136,706 | 22.1 | (13,824) | (10.1) | 199,189 | 21.4 |
| Loss (gain) from disposal and impairment of business and fixed assets | (1,000) | (0.2) | 139 | 0.0 | (1,139) | | 6,359 | 0.7 |
| Operating income | 66,241 | 10.0 | 15,700 | 2.5 | 50,541 | 321.9 | 22,610 | 2.4 |
| Other income (expenses): | | | | | | | | |
| Interest and dividend income | 6,953 | | 5,772 | | 1,181 | | 7,264 | |
| Interest expense | (3,160) | | (3,207) | | 47 | | (4,252) | |
| Foreign exchange gains (losses) | 1,859 | | (1,004) | | 2,863 | | (1,534) | |
| Other-net | 1,317 | | 2,857 | | (1,540) | | 3,804 | |
| Other income, net | 6,969 | | 4,418 | | 2,551 | | 5,282 | |
| Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies | 73,210 | 11.0 | 20,118 | 3.2 | 53,092 | 263.9 | 27,892 | 3.0 |
| Income taxes | 14,484 | | 11,119 | | 3,365 | | 13,701 | |
| Minority interests in earnings of subsidiaries | 3,098 | | 2,287 | | 811 | | 2,476 | |
| Equity in net income of affiliated companies | 1,862 | | 604 | | 1,258 | | 780 | |
| Net income from continuing operations | 57,490 | 8.7 | 7,316 | 1.2 | 50,174 | 685.8 | 12,495 | 1.3 |
| Income (loss) from discontinued operations, net of taxes | 11,100 | | (159) | | 11,259 | | (795) | |
| Net income | 68,590 | 10.3 | 7,157 | 1.2 | 61,433 | 858.4 | 11,700 | 1.3 |

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<As Previously Reported>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

| | Nine months ended | | Nine months ended | | Change | | Year ended | |
|---|-------------------|-------------|-------------------|------------|---------------|--------------|---------------|------------|
| | Dec. 31, 2004 | | Dec. 31, 2003 | | | | Mar. 31, 2004 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Net sales | 663,595 | 100.0 | 619,300 | 100.0 | 44,295 | 7.2 | 930,237 | 100.0 |
| Cost of sales | 475,472 | 71.7 | 466,496 | 75.3 | 8,976 | 1.9 | 701,727 | 75.4 |
| Selling, general, and administrative expenses | 122,882 | 18.5 | 137,091 | 22.2 | (14,209) | (10.4) | 199,768 | 21.5 |
| Loss (gain) from disposal and impairment of business and fixed assets | (6,526) | (1.0) | 139 | 0.0 | (6,665) | | 6,893 | 0.8 |
| Operating income | 71,767 | 10.8 | 15,574 | 2.5 | 56,193 | 360.8 | 21,849 | 2.3 |
| Other income (expenses): | | | | | | | | |
| Interest and dividend income | 6,953 | | 5,772 | | 1,181 | | 7,264 | |
| Interest expense | (3,160) | | (3,240) | | 80 | | (4,286) | |
| Foreign exchange gains (losses) | 1,859 | | (1,004) | | 2,863 | | (1,534) | |
| Other-net | 1,317 | | 2,857 | | (1,540) | | 3,804 | |
| Other income, net | 6,969 | | 4,385 | | 2,584 | | 5,248 | |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | <u>78,736</u> | <u>11.9</u> | <u>19,959</u> | <u>3.2</u> | <u>58,777</u> | <u>294.5</u> | <u>27,097</u> | <u>2.9</u> |
| Income taxes | 8,910 | | 11,119 | | (2,209) | | 13,701 | |
| Minority interests in earnings of subsidiaries | 3,098 | | 2,287 | | 811 | | 2,476 | |
| Equity in net income of affiliated companies | 1,862 | | 604 | | 1,258 | | 780 | |
| Net income | 68,590 | 10.3 | 7,157 | 1.2 | 61,433 | 858.4 | 11,700 | 1.3 |

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(2) Consolidated Segment Information by Industry Segment (Page 7)

(In millions of yen)

| Nine months ended Dec. 31, 2004 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|---------------|----------------|----------------|--------------------------|----------------|----------------|
| | Other | Total | Consolidated | Other | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | 72,253 | 663,595 | 663,595 | 72,253 | 663,595 | 663,595 |
| Intersegment | 11,857 | 17,216 | | 11,857 | 17,216 | |
| Total | 84,110 | 680,811 | 663,595 | 84,110 | 680,811 | 663,595 |
| Cost of sales and operating expenses | <u>79,863</u> | <u>606,219</u> | <u>597,354</u> | <u>74,337</u> | <u>600,693</u> | <u>591,828</u> |
| Operating income (loss) | <u>4,247</u> | <u>74,592</u> | <u>66,241</u> | <u>9,773</u> | <u>80,118</u> | <u>71,767</u> |

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

| Nine months ended Dec. 31, 2003 | <As Restated> | | | <As Previously Reported> | | |
|--------------------------------------|----------------|----------------|----------------|--------------------------|----------------|----------------|
| | Other | Total | Consolidated | Other | Total | Consolidated |
| Net sales | | | | | | |
| Unaffiliated customers | <u>94,406</u> | <u>619,033</u> | <u>619,033</u> | <u>94,673</u> | <u>619,300</u> | <u>619,300</u> |
| Intersegment | 11,313 | 15,595 | | 11,313 | 15,595 | |
| Total | <u>105,719</u> | <u>634,628</u> | <u>619,033</u> | <u>105,986</u> | <u>634,895</u> | <u>619,300</u> |
| Cost of sales and operating expenses | <u>110,267</u> | <u>606,298</u> | <u>603,333</u> | <u>110,660</u> | <u>606,691</u> | <u>603,726</u> |
| Operating income (loss) | <u>(4,548)</u> | <u>28,330</u> | <u>15,700</u> | <u>(4,674)</u> | <u>28,204</u> | <u>15,574</u> |

Notes : There was no restatement in Internal Combustion Engine & Machinery , Pipes, Valves and Industrial Castings , Environmental Engineering and Corporate & Eliminations .

Information by Industry Segment for the year ended Mar. 31, 2004 should be restated as the figure in Appendix-3.

(3) Other restatement related to the restatement of Consolidated Statements of Income and Consolidated Segment Information

Consolidated Financial Highlights Page 1

(In millions of yen)

| <As Restated> | Nine months ended | | % | Nine months ended | | % | Year ended |
|--|-------------------|-------|-----------|-------------------|-----------|---|------------|
| | Dec. 31, 2004 | (*) | | Dec. 31, 2003 | (*) | | |
| Net sales | ¥ 663,595 | 7.2 | ¥ 619,033 | 1.6 | ¥ 929,876 | | |
| Operating income | ¥ 66,241 | 321.9 | ¥ 15,700 | (47.5) | ¥ 22,610 | | |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ 73,210 | 263.9 | ¥ 20,118 | 33.8 | ¥ 27,892 | | |

<As Previously Reported>

| Nine months ended | % | Nine months ended | % | Year ended |
|-------------------|---|-------------------|---|------------|
|-------------------|---|-------------------|---|------------|

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| | Dec. 31, 2004 | (*) | Dec. 31, 2003 | (*) | Mar. 31, 2004 |
|---|---------------|-------|---------------|--------|---------------|
| Net sales | ¥ 663,595 | 7.2 | ¥ 619,300 | 1.6 | ¥ 930,237 |
| Operating income | ¥ 71,767 | 360.8 | ¥ 15,574 | (47.6) | ¥ 21,849 |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ 78,736 | 294.5 | ¥ 19,959 | 34.2 | ¥ 27,097 |

Note : (*) represents percentage change from the corresponding previous period.

Results of Operations (Page 3)

fourth line from the top

<As Restated>

Domestic sales decreased 0.2 % to ¥401.4 billion from the corresponding period in the prior year.

<As Previously Reported>

Domestic sales decreased 0.3 % to ¥401.4 billion from the corresponding period in the prior year.

fourth and fifth paragraph from the title

<As Restated>

Operating income was ¥66.2 billion, 321.9% increase from the corresponding period in the prior year. The positive factors such as sharp decline in pension cost by ¥32.8 billion, brisk overseas sales in Internal Combustion Engine and Machinery segment, and cost reduction in public works related businesses overcame the negative effects of soaring prices of raw materials and appreciation of yen, and led to the sharp increase in operating income.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥73.2 billion, 263.9% increase from the corresponding period in the prior year due to the increase in interest and dividend income as well as an increase in operating income. As the result, after income taxes, minority interests in earnings of subsidiaries and equity in net income of affiliated companies, and added net income from discontinued operations, net of taxes, net income was ¥68.6 billion, 858.4 % increase from the corresponding period in the prior year.

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<As Previously Reported>

Operating income was ¥71.8 billion, 360.8 % increase from the corresponding period in the prior year. The positive factors such as sharp decline in pension cost by ¥32.8 billion, brisk overseas sales in Internal Combustion Engine and Machinery segment, and cost reduction in public works related businesses overcame the negative effects of soaring prices of raw materials and appreciation of yen, and led to the sharp increase in operating income.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥78.7 billion, 294.5 % increase from the corresponding period in the prior year due to the increase in interest and dividend income as well as an increase in operating income. As the result, after income taxes, minority interests in earnings of subsidiaries and equity in net income of affiliated companies, net income was ¥68.6 billion, 858.4 % increase from the corresponding period in the prior year.

Consolidated Net Sales by Product Group (Page 9)

(In millions of yen)

| | Nine months ended | | Nine months ended | | Year ended |
|---------------|-------------------------|-------------------------|-------------------|---------------|-------------------------|
| | Dec. 31, 2004 Amount | Dec. 31, 2003 Amount | Change Amount | % | Mar. 31, 2004 Amount |
| <As Restated> | | | | | |
| Other | 54,453 | 49,128 | 5,325 | 10.8 | 85,603 |
| Domestic | 53,798 | 47,577 | 6,221 | 13.1 | 83,303 |
| Overseas | 655 | 1,551 | (896) | (57.8) | 2,300 |
| Other | 72,253 | 94,406 | (22,153) | (23.5) | 137,426 |
| Domestic | 71,598 | 92,855 | (21,257) | (22.9) | 135,126 |
| Overseas | 655 | 1,551 | (896) | (57.8) | 2,300 |
| Total | 663,595 | 619,033 | 44,562 | 7.2 | 929,876 |
| Domestic | 401,380 | 402,274 | (894) | (0.2) | 642,985 |
| Overseas | 262,215 | 216,759 | 45,456 | 21.0 | 286,891 |

| | Nine months ended | | Nine months ended | | Year ended |
|--------------------------|-------------------------|-------------------------|-------------------|---------------|-------------------------|
| | Dec. 31, 2004 Amount | Dec. 31, 2003 Amount | Change Amount | % | Mar. 31, 2004 Amount |
| <As Previously Reported> | | | | | |
| Other | 54,453 | 49,395 | 5,058 | 10.2 | 85,964 |
| Domestic | 53,798 | 47,844 | 5,954 | 12.4 | 83,664 |
| Overseas | 655 | 1,551 | (896) | (57.8) | 2,300 |
| Other | 72,253 | 94,673 | (22,420) | (23.7) | 137,787 |
| Domestic | 71,598 | 93,122 | (21,524) | (23.1) | 135,487 |
| Overseas | 655 | 1,551 | (896) | (57.8) | 2,300 |
| Total | 663,595 | 619,300 | 44,295 | 7.2 | 930,237 |
| Domestic | 401,380 | 402,541 | (1,161) | (0.3) | 643,346 |
| Overseas | 262,215 | 216,759 | 45,456 | 21.0 | 286,891 |

Appendix-14

Table of Contents**II. Replacement of figures on results of operations for the year ended March 31, 2006**

1. Replacement of figures on earning releases for the year ended March 31, 2006

After the above restatement, the figures of consolidated statements of income, consolidated segment information and other related information, which were presented as the comparable previous period in earning releases for the six months ended September 30, 2005 and the nine months ended December 31, 2005, are replaced by the figures restated in the above restatement in chapter I. And there are other restatement related to the above restatement.

2. Restatement for Consolidated Financial Highlights and descriptions of results of operations for the year ended March 31, 2006.

(1) Results of Operations for the Six Months Ended September 30, 2005

Consolidated Financial Highlights (Page 1)

(In millions of yen)

| | Six months ended | | Six months ended | | Year ended |
|--|------------------|------|------------------|-------|---------------|
| | Sept. 30, | % | Sept. 30, 2004 | % | Mar. 31, 2005 |
| <As Restated> | 2005 | (*) | | (*) | |
| Net sales | ¥ 496,229 | 11.3 | ¥ 445,774 | 5.8 | ¥ 983,226 |
| Operating income | ¥ 59,810 | 31.3 | ¥ 45,541 | 172.4 | ¥ 86,773 |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ 65,384 | 26.7 | ¥ 51,616 | 174.2 | ¥ 156,035 |

| | Six months ended | | Six months ended | | Year ended |
|---|------------------|------|------------------|-------|---------------|
| | Sept. 30, | % | Sept. 30, 2004 | % | Mar. 31, 2005 |
| <As Previously Reported> | 2005 | (*) | | (*) | |
| Net sales | ¥ 496,229 | 11.3 | ¥ 445,774 | 5.7 | ¥ 983,226 |
| Operating income | ¥ 59,810 | 17.1 | ¥ 51,067 | 207.7 | ¥ 92,299 |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ 65,384 | 14.4 | ¥ 57,142 | 205.8 | ¥ 161,561 |

Results of operations (Page 7)

third and fourth paragraphs from the title

<As Restated>

Operating income was ¥59.8 billion, a **31.3 %** increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥65.4 billion, a **26.7 %** increase from the prior corresponding period.

<As Previously Reported>

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Operating income was ¥59.8 billion, a 17.1% increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥65.4 billion, a 14.4% increase from the prior corresponding period.

Consolidated Net Sales by Product Group (Page 22)

Consolidated Net Sales by Product Group for the six months ended September 30, 2004 should be restated as the figure in Appendix-10.

(2) Results of Operations for the Nine Months Ended December 31, 2005

Consolidated Financial Highlights (Page 1)

(In millions of yen)

| | Nine months ended | | % | Nine months ended | | % | Year ended |
|--|-------------------|---------|-------------|-------------------|---------------|--------------|------------------|
| <As Restated> | Dec. 31, 2005 | | (*) | Dec. 31, 2004 | | (*) | Mar. 31, 2005 |
| Net sales | ¥ | 740,509 | 11.6 | ¥ | 663,595 | 7.2 | ¥ 983,226 |
| Operating income | ¥ | 89,571 | <u>35.2</u> | ¥ | <u>66,241</u> | <u>321.9</u> | ¥ <u>86,773</u> |
| <u>Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ | 113,424 | <u>54.9</u> | ¥ | <u>73,210</u> | <u>263.9</u> | ¥ <u>156,035</u> |

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| <As Previously Reported> | Nine months ended | | % | Nine months ended | | % (*) | Year ended |
|---|--------------------------|---------|-------------|--------------------------|---------------|--------------|----------------------|
| | Dec. 31, 2005 | | (*) | Dec. 31, 2004 | | | Mar. 31, 2005 |
| Net sales | ¥ | 740,509 | 11.6 | ¥ | 663,595 | 7.2 | ¥ 983,226 |
| Operating income | ¥ | 89,571 | <u>24.8</u> | ¥ | <u>71,767</u> | <u>360.8</u> | ¥ <u>92,299</u> |
| <u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u> | ¥ | 113,424 | <u>44.1</u> | ¥ | <u>78,736</u> | <u>294.5</u> | ¥ <u>161,561</u> |

Note : (*) represents percentage change from the corresponding previous period.

Results of operations (Page 3)

fourth and fifth paragraphs from the title

<As Restated>

Operating income was ¥89.6 billion, a 35.2% increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥113.4 billion, a 54.9% increase from the corresponding period in the prior year due to an increase in operating income and other income.

<As Previously Reported>

Operating income was ¥89.6 billion, a 24.8% increase from the prior corresponding period. Although higher prices of raw materials negatively impacted operating income, the Company achieved increased operating income due to increased sales primarily from the Internal Combustion Engine and Machinery segment, a reduction of costs for the public works related business and a decrease in pension costs.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥113.4 billion, a 44.1% increase from the corresponding period in the prior year due to an increase in operating income and other income.

Consolidated Net Sales by Product Group (Page 9)

Consolidated Net Sales by Product Group for the nine months ended December 31, 2004 should be restated as the figure in Appendix-14.

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May 12, 2006

To whom it may concern

Kubota Corporation

2-47, Shikitsu-higashi 1-chome,
Naniwa-ku, Osaka 556-8601, Japan

Contact: IR Group

Finance & Accounting Department

Phone: +81-6-6648-2645

Notice on amendment to Articles of Incorporation

Please be advised that Kubota Corporation (hereinafter the Company), at its Board of Directors Meeting held on May 12, 2006, resolved to propose an agenda to amend its Articles of Incorporation at the Ordinary General Meeting of Shareholders to be held on June 23, 2006.

1. proposes of the amendments

(1) Amendments related to enforcement of the Corporate Law on May 1, 2006.

1) Definition of the rights of shareholders with a less than one unit share (proposed amendment to article 10, Chapter 2)

This new article will be proposed to clearly define the rights of shareholders with a less than one unit share.

2) Disclosure of reference documents for the Ordinary General Meeting of Shareholders by Internet (proposed amendment to article 17, Chapter 3)

This new article will be proposed because disclosure of reference documents for the Ordinary General Meeting of Shareholders by Internet is regarded as distribution of these documents to each shareholder.

3) Resolution in writing by the Board of Directors (proposed amendment to article 26-2, Chapter 4)

This new article will be proposed to give approval on resolutions of the Board of Directors in writing or

by e-mail for agile operation of its Board of Directors.

4) Body to decide distribution of surplus and purchase of treasury stock (proposed amendment to article 33, Chapter 6)

This new article will be proposed to make expeditious decisions concerning distribution of surplus and purchase of treasury stock upon resolution of its Board of Directors.

5) Other amendment

The required changes related to enforcement of the Corporate Law will be made such as addition, deletion, changing references of articles and terms, and transfer of the provisions.

(2) An amendment to introduce electronic method on public notice (proposed amendment to article 5, Chapter 1)

(3) An amendment of total number of shares authorized to be issued by the Company (proposed amendment to article 6, Chapter 2)

2. Disclosure

The amendment is subject to approval at the Ordinary General Meeting of Shareholders. Upon approval, the Articles of Incorporation reflecting the amendments as described above will be presented on the Company's Web site.

< Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures, both in public and private sectors, foreign currency exchange rates, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

End of document

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

KUBOTA CORPORATION

Date: June 1, 2006

By: /s/ Shigeru Kimura
Name: Shigeru Kimura
Title: General Manager
Finance & Accounting Department