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FOR IMMEDIATE RELEASE (THURSDAY, MAY 23, 2002)

**RESULTS OF OPERATIONS FOR THE YEAR ENDED
 MARCH 31, 2002 REPORTED BY KUBOTA CORPORATION**

OSAKA, JAPAN, May 23, 2002 ---Kubota Corporation reported today its consolidated and non-consolidated results of operations for the year ended March 31, 2002.

Consolidated Financial Highlights

in millions of yen and thousands of U.S. dollars except
 per American Depositary Share ("ADS") amounts

(1) Results of operations

	Year ended March 31, 2002	% (*)	Year ended March 31, 2001	% (*)
Net sales	¥976,097 \$7,339,075	(1.8)	¥994,493	0.7
Operating income	¥34,424 \$258,827	(20.3)	¥43,193	48.1
Income before income taxes, equity in net income (loss) of affiliated companies and cumulative effects of an accounting change	¥27,023 \$203,180	(54.5)	¥59,349	155.5
Net income	¥9,530 \$71,654	(2.7)	¥9,795	(40.4)
% of net sales	1.0%		1.0%	
Net income per ADS				
Basic	¥136 \$1.02		¥139	
Diluted	¥133 \$1.00		¥137	
Ratio of net income to shareholders' equity	2.3%		2.2%	
Ratio of income before income taxes to total assets	2.2%		4.5%	
Ratio of income before income taxes to net sales	2.8%		6.0%	

Notes to results of operations:

1 :Equity in net income (loss) of affiliated companies for the year ended March 31, 2002, and 2001 were (¥ 179 million), and ¥ 235 million, respectively.

2 : (*) represents percentage change from the comparable previous year.

3 :Average number of shares outstanding during the year ended March 31, 2002 ----- 1,405,564,181

Average number of shares outstanding during the year ended March 31, 2001 ----- 1,409,757,775

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

(2) Financial position

	March 31, 2002	March 31, 2001
Total assets	¥1,200,117 \$9,023,436	¥1,290,756
Shareholders' equity	¥394,970 \$2,969,699	¥434,979
Ratio of shareholders' equity to total assets	32.9%	33.7%
Shareholders' equity per ADS	¥5,681 \$42.71	¥6,171

Note to financial position:

Number of shares outstanding as of March 31, 2002 ----- 1,390,419,012

Number of shares outstanding as of March 31, 2001 ----- 1,409,797,135

(3) Summary of statements of cash flows

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

	Year ended March 31, 2002	Year ended March 31, 2001
Net cash provided by operating activities	¥77,826 \$585,158	¥48,527
Net cash used in investing activities	(¥34,458) (\$259,083)	(¥23,024)
Net cash used in financing activities	(¥61,294) (\$460,857)	(¥26,118)
Cash & cash equivalents, beginning of year	¥78,633 \$591,226	¥78,642
Cash & cash equivalents, end of year	¥60,983 \$458,519	¥78,633

(4) One hundred and nineteen subsidiaries are consolidated.

Fifty affiliated companies are accounted for under the equity method.

(5) The number of newly consolidated companies during the period : Three

The number of newly unconsolidated companies during the period : Ten

The number of newly affiliated companies during the period : Two

The number of newly unaffiliated companies during the period : Four

(6) Anticipated results of operations for the year ending March 31, 2003

(In millions of yen)

	Six months ending September 30, 2002	Year ending March 31, 2003
Net Sales	¥420,000	¥930,000
Income before income taxes and equity in net income (loss) of affiliated companies	¥19,000	¥46,000
Net income	¥10,000	¥24,000

Informational: Anticipated basic net income per ADS for the year ending March 31, 2003 will be ¥345.

Please refer to page 8 on condition for the above mentioned anticipated results of operations.

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

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1. Management Policies

1. Basic management policy

More than a century since its founding, the Company has continued to help improve people's quality of life, by offering products and services—including farm equipment, pipe for water supply and sewage systems, environmental control plant, industrial castings, housing materials, and prefabricated houses. Through its businesses, the Company has contributed in bringing forth a better future for people, society, and the earth. While adhering to this corporate philosophy, the Company is implementing management policies that include focusing on prioritizing allocation of management resources and giving precedence to agility in its operations as well as strengthening consolidated operations. Through these measures, the Company aims 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 raising dividends”. The Company's policy is to determine the most appropriate use of retained earnings, by considering current business operations as well as the future business environment.

3. The medium and long-term management strategies including issues upon which the Company should take countermeasures

(1) The Company formulated the “Medium-Term Management Strategy”, which should cover the term of three years from fiscal 2002 to fiscal 2004, in order to attain further improvement in profitability and growth in sales. The Company has been doing its best to make it happen with company-wide efforts.

Outlook of Medium-Term Management Strategy

1) Reforming the business and income structure

- (1) Improvement in the profitability of current businesses and reconstruction of the reviving businesses
- (2) Reengineering the job process within the Company by taking advantage of available information technology ("IT")
- (3) Establishing new and innovative businesses

2) Reforming the organization

- (1) Establish a management system whereby each business division operates as if it were an independent entity
- (2) Streamlining of the corporate office

3) Finance strategy

- (1) Achieving the target for the reduction of consolidated interest-bearing debt
- (2) Maintenance of balance sheets

(2) However, the economic environment surrounding the Company became much tougher than previously expected. In

addition to decreased demand from both national and local governments, which make up 40 % of the Company's sales, the ongoing deflation, sharp fall in stock prices, and the loss from disposition of subsidiaries negatively impacted the Company.

(3) Under such conditions, for the purpose of recovering profitability, the Company aims to lower the break-even point through drastic cost-cuts and a reduction of fixed costs. The Company also tries to enhance the competitiveness through a 20% increase in productivity, a reduction of inventory, and a shortening of lead times. In order to achieve above-mentioned goals, every employee has to change him or herself. The Company is going to introduce a new program for human resource management, which includes the introduction of a performance appraisal program based on individual achievement, promoting younger employees to senior posts by lowering the retirement age from senior posts, a bonus program linked more to the company performance and so forth. With its plan, the Company aims to establish a competitive or creative corporate culture.

(4) In the meantime, the basic strategy for the medium-term, as designed last year, remains unchanged. The Company endeavors to pursue further growth through new businesses and businesses adjacent to current ones, however, places emphasis on enhancing profitability of current businesses. As for financial targets in the Medium-Term Management Strategy, the Company modified them as follows: Sales: ¥930.0 billion, Operating income: ¥55.0 billion, Income before income taxes, equity in net income of affiliated companies: ¥52.0 billion, Net income: ¥27.0 billion. (Reference; Initial targets; Sales: ¥1,100.0 billion, Operating income: ¥65.0 billion, Income before income taxes, equity in net income of affiliated companies: ¥63.0 billion, Net income: ¥34.0 billion)

(5) Finance Strategy

The Company has been grappling with trimming interest-bearing debt. The initial target was a reduction from ¥430.1 billion at the end of March, 1999 to ¥330.0 billion at the end of March, 2002, a reduction of over ¥100 billion. At the end of March, 2002, the amount of interest-bearing debt decreased to ¥333.0 billion. Excluding interest-bearing debt of the newly consolidated companies after March 31, 1999, the amount of interest bearing debt was ¥324.3 billion, which means the Company achieved the original goal. The Company continues to streamline balance sheets in order to reduce the interest-bearing debt to ¥315.0 billion in March 2003.

On the other hand, from December, 2001 through April, 2002, the Company purchased its treasury stock in order to enhance efficiency of shareholders' equity. The number of shares purchased during this period amounted to 19.29 million shares, and in fiscal 2003 the Company will continue to purchase treasury stock, not exceeding 50 million shares.

2. Review of Operations and Financial Condition

1. Review of operations

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

The domestic economy under review, the Japanese economy, suffered from weak capital expenditures in the private sector, stagnant public investment, and feeble private consumption reflecting the harsh condition of employment and income.

Overseas, although the worldwide economy seemed to be stagnant led by an economic slowdown and terrorist attacks in the US, the US economy has shown signs of recovery, supported by brisk private consumption, new housing starts and inventory adjustment. In the EU, while economic slowdown was apparent in Germany, in other EU countries, economic conditions deteriorated only slightly.

Under such conditions, net sales were ¥976.1 billion, a decrease of 1.8% from prior year. This decrease was mainly attributed to less sales in the public demand-related businesses. Domestic sales were ¥759.6 billion, down by 4.9%, and overseas sales were ¥216.5 billion, up by 10.7%; largely thanks to the favorable sales of tractors in North America. During the year under review, the Company continued to implement a reduction in selling, general and administrative expenses and cost of sales. However, by the loss from withdrawal of some businesses and so forth, operating income was down by 20.3% to ¥34,424 million, and income before income taxes, equity in net income of affiliated companies and cumulative effect of an accounting change was down by 54.5% to ¥27,023 million, mainly due to the gain on contribution of securities to the employee retirement benefit trust in the prior year and appraisal losses on investment securities in the year under review. Net income dipped by 2.7% from prior year to ¥9,530 million. Diluted net income per American Depositary Share (“ADS”) was ¥133, a ¥4 decrease compared with the prior year.

(2). Review of operations by product group

(1) **Sales in Internal Combustion Engine and Machinery** were ¥423.2 billion, a decrease of 0.1 % from the prior year, comprising 43.3% of consolidated net sales. Domestic sales decreased 8.3%, to ¥222.4 billion. Overseas sales rose 10.8% to ¥200.8 billion.

Domestic sales of farming equipment declined. This was primarily attributed to the reduction in the number of consolidated subsidiaries and a feeble replacement demand. The domestic market for farming equipment has been negatively affected by gloomy economic conditions, and weaknesses in the prices of rice and vegetables. Under such conditions, the Company has tried to aggressively promote sales by implementing a flexible sales policy while introducing new models with higher quality and price-competitiveness. Domestic sales of new models in medium-sized tractors were brisk and sales of large-sized tractors were favorable in northern Japan, especially Hokkaido, which is the main market for large-sized tractors. However, sales of small-sized tractors declined compared with the previous year. This reflects the substantial sales in the prior year and the consumers’ attention toward tractors with lower prices. Overseas, in the US market, which is the mainstay of the overseas market, there were growing concerns regarding the negative impacts of the recession and the terrorist attacks, but the Company recorded an all-time high in volume of tractors sold. This was supported by brisk new housing starts and stable private consumption. Most of all, a new model

of lawn mower was received exceptionally well by consumers. Sub-compact tractor “BX” also recorded favorable sales in the current year. The economic condition of the EU, already negatively affected by the economic slowdown in the US from the latter half of the year, turned worse. However, in France, Germany, U.K. and Southern European countries, sales of tractors were brisk, and higher than in the prior year. In China, sales of combine harvesters increased from the prior year thanks to well acceptance of a new model by farmers, that consumer credit loans have become wide spread, and so forth. In Taiwan, sales were slightly lower than the previous year due to an economic slump and the liberalization in imports of crops contingent to Taiwan’s participation in the WTO.

Sales of engines retreated from the prior year. Domestic sales to manufacturers of construction and industrial machinery were reduced by sluggish demand in construction. Sales to farming related-markets also declined, due to the stagnant demand for farm equipment. Overseas, in US market, sales of engines for lawn mowers were brisk, thanks to favorable consumption levels and new housing starts; but, negatively impacted by the slowdown in the US economy, sales of light towers and lifts struggled.

Sales of construction machinery decreased compared with prior year. Domestic sales retreated because the market of construction machinery shrank due to lackluster economic conditions and the reduction of public construction. Overseas, sales in Germany were down from the previous year, but sales in France and U.K. were favorable. Total sales of these three countries were up from the previous year.

(2) Sales in Industrial Products and Engineering accounting for 45.2% of consolidated sales, were ¥440.9 billion, a decrease of 4.0% from the previous year. Domestic sales declined 4.4% to ¥425.2 billion. Overseas sales climbed 9.5% to ¥15.7 billion.

Sales in pipe and fluid systems engineering fell 8.7% to ¥190.7 billion. Domestic sales declined 9.2% to ¥186.1 billion. Overseas sales represented a 20% rise, to ¥4.6 billion. Sales of ductile iron pipes decreased, centering on waterpipes. This decrease reflected reduction of public works spending by the governments due to financial difficulties. Sales of polyvinyl chloride pipes decreased principally due to weak new housing starts and a reduction in public works spending. Sales of valves improved along with the progress of construction in several large orders.

Sales in industrial castings retreated 4.4%, to ¥33.2 billion from the prior year. Domestic sales were reduced 4.4%, to ¥26.0 billion. Overseas sales also decreased 4.5%, to ¥7.2 billion. Sales of ductile iron segments grew thanks to large orders, but sales of cast steel pipes preventing landslides declined, negatively affected by the reduction of public works spending. Sales of cargo oil pipes or cracking tubes for the petrochemical industry rose, but sales to the iron industry- related market declined. Overseas, our Canadian subsidiary, Kubota Metal Corporation, recorded lower sales, resulting from sluggish market conditions in the mining and iron industries.

Sales in environmental engineering increased 6.1%, to ¥148.0 billion. Domestic sales rose 5.6% to ¥144.9 billion and overseas sales also increased 31.9% to ¥3.1 billion. Sales of sewage treatment plants, which are the mainstay of this segment, were lower than the prior year. This decrease had a direct relationship with the reduction of public

investment by the governments due to their financial difficulties. Sales of night-soil treatment plants retreated because their orders in the first half of this fiscal year were unfavorable, but orders advanced, centering on a few large ones. Sales of incineration plants and recycling plants jumped from prior year because of large orders received in prior year. As for orders, the Company received orders for incinerators from Kyoto City. Total orders of incineration plants and recycling plants, however, were lower than in the prior year, because orders in the prior year were very high. Sales of pumps were reduced centering around large-sized pumps, and were affected by the reduction of public investment

Sales in industrial machinery decreased 9.2%, to ¥69.0 billion. Domestic sales fell 9.6%, to ¥68.2 billion. Overseas sales improved 36.3% to ¥0.8 billion.

(3) Sales of Building Materials and Housing were ¥112.0 billion, an increase of 0.3% from the prior year, comprising 11.5% of consolidated net sales.

Sales of roofing materials decreased negatively affected by the slump in new housing starts, even though the Company renewed basic models for the first time since its inception. Sales of siding materials rose, as the Company raised market share by introducing new models.

As for septic tanks (Johkasou systems), sales advanced. In proportion as demands for dual use (both night-soil and wastewater) were expanding, the Company introduced several new models of compact type dual use septic tanks. As a result, market share of the company was up compared with the previous year.

Sales of prefabricated houses decreased compared with the previous year, reflecting weak new housing starts. On the contrary, sales of condominiums were favorable. In the end, total sales of housing business advanced. In March 2002, the Company transferred shares of KUBOTA House Co., Ltd. to Sanyo Electric Co., Ltd. and withdrew from prefabricated housing business.

(3) Matter concerning profit allocation for this fiscal year

The Company plans to pay year-end cash dividends of ¥60 per ADS. Together with interim cash dividends, total dividends per ADS for the entire fiscal year will amount to ¥120 per ADS.

2. Financial Condition

Net cash provided by operating activities increased ¥77.8 billion, up by ¥29.3 billion, compared with the previous fiscal year. This increase was primarily attributed to the reduction of inventories in the course of streamlining the balance sheets.

Net cash used in investing activities amounted to ¥34.5 billion, up by ¥11.4 billion, compared with the previous fiscal year. This increase was primarily related to the increase in other investments, and the decrease in proceeds from sales of property, plant, and equipment.

Net cash used in financing activities amounted to ¥61.3 billion, up by ¥35.2 billion, compared with the previous fiscal year. The Company maintained the reduction of long-term debt and short-term borrowings from prior year, and purchased its treasury stock.

As the result, Cash and cash equivalents at year-end was ¥61.0 billion, down ¥17.6 billion as compared with the prior year, and free cash flows were ¥45.4 billion, up by ¥33.1 billion compared with the prior year.

3. Prospect for the next fiscal year

(1) General outlook

The economic condition in Japan will remain as tough as ever, with growing concern over the deflation triggered by government structural reform, and lackluster consumption in the private sector. Overseas, the economic recovery in developed countries including the US is slow; therefore, the outlook of the world economy remains uncertain. Under such conditions, the Company continues the vigorous and steady implementation of the “Medium-Term Management Strategy”, as well as improves the profitability by further cost cutting and streamlining the corporate staff department.

Looking ahead, the Company forecasts consolidated net sales for the year ending March 31, 2003 at ¥930.0 billion, down by ¥46.1 billion compared with the prior year, reflecting the withdrawal from prefabricated housing business. The Company also expects income before income taxes, equity in net income of affiliated companies at ¥46.0 billion, up by ¥19.0 billion. Additionally net income is expected to be ¥24.0 billion, up by 14.5 billion as compared with the prior year. (These forecasts anticipate an exchange rate of ¥125=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 entire fiscal year of ¥120, together with the expected interim cash dividends of ¥60 per ADS.

Projected results of operations and other future forecasts contained in this report are the estimates of the Company based on information available to the Company as of this published date. Therefore, those projections include certain potential risks and uncertainties. Accordingly, the users of this information are requested to note that the actual results could differ materially from those future projections. Major factors that could influence the ultimate outcome include the economic condition surrounding the Company, foreign exchange rates, agricultural policy in Japan, the trend of public investment and private capital expenditure in Japan, the price-competitive pressure in the market, the ability for the Company to manufacture or innovate the products which will be accepted in the market. And the user of the information should notice that factors that could influence the ultimate outcome of the Company are not limited to the factors above.

Consolidated Statements of Income

(In millions of yen)

	Year ended March 31, 2002		Year ended March 31, 2001		Change	
	Amount	%	Amount	%	Amount	%
Net Sales	976,097	100.0	994,493	100.0	(18,396)	(1.8)
Cost of Sales	729,863	74.8	742,516	74.7	(12,653)	(1.7)
Selling, general, and administrative expenses	199,019	20.4	208,295	20.9	(9,276)	(4.5)
Loss from disposal of businesses and fixed assets	12,791	1.3	489	0.1	12,302	-
Operating Income	34,424	3.5	43,193	4.3	(8,769)	(20.3)
Other Income (expenses):						
Interest and dividend income	7,506		10,042		(2,536)	
Interest expense	(6,697)		(8,140)		1,443	
Gain on contribution of securities to the employee retirement benefit trust	-		19,277		(19,277)	
Other-net	(8,210)		(5,023)		(3,187)	
Other income (expenses), net	(7,401)		16,156		(23,557)	
Income before income taxes, equity in net income (loss) of affiliated companies and cumulative effect of an accounting change	27,023	2.8	59,349	6.0	(32,326)	(54.5)
Income Taxes:						
Current	22,905		25,192		(2,287)	
Deferred	(5,591)		3,038		(8,629)	
Total income taxes	17,314		28,230		(10,916)	
Equity in net income (loss) of affiliated companies	(179)		235		(414)	
Income before cumulative effect of an accounting change	9,530	1.0	31,354	3.2	(21,824)	(69.6)
Cumulative effect of an accounting change	-		(21,559)		21,559	
Net income	9,530	1.0	9,795	1.0	(265)	(2.7)
	(In yen)					
Basic earnings per ADS (20 common shares):						
Income before cumulative effect of an accounting change	136		445			
Cumulative effect of an accounting change	-		(306)			
Net income	136		139			
Diluted earnings per ADS (20 common shares):						
Income before cumulative effect of an accounting change	133		415			
Cumulative effect of an accounting change	-		(278)			
Net income	133		137			

Consolidated Balance Sheets

Assets

(In millions of yen)

	March 31, 2002		March 31, 2001		Change
	Amount	%	Amount	%	Amount
Current Assets:					
Cash and cash equivalents	60,983		78,633		(17,650)
Short-term investments	1,394		2,348		(954)
Notes and accounts receivable:					
Trade notes	103,701		115,526		(11,825)
Trade accounts	259,120		258,405		715
Finance receivables	97,963		92,254		5,709
Other	12,515		12,270		245
Less: Unearned income	(8,710)		(9,752)		1,042
Allowance for doubtful receivables	(4,052)		(4,858)		806
Total	460,537		463,845		(3,308)
Inventories	155,354		180,318		(24,964)
Prepaid expenses and other	45,496		41,720		3,776
Total current assets	723,764	60.3	766,864	59.4	(43,100)
Investments:					
Investments in and advances to affiliated companies	12,740		10,778		1,962
Other investments	128,876		196,997		(68,121)
Total investments	141,616	11.8	207,775	16.1	(66,159)
Property, plant and equipment:					
Land	88,315		92,508		(4,193)
Buildings	197,603		196,893		710
Machinery and equipment	452,156		458,798		(6,642)
Construction in progress	4,253		3,637		616
Total	742,327		751,836		(9,509)
Accumulated depreciation	(466,116)		(461,763)		(4,353)
Net property, plant and equipment	276,211	23.0	290,073	22.5	(13,862)
Other assets	58,526	4.9	26,044	2.0	32,482
Total	1,200,117	100.0	1,290,756	100.0	(90,639)

Consolidated Balance Sheets

Liabilities and shareholders' equity

(In millions of yen)

	March 31, 2002		March 31, 2001		Change
	Amount	%	Amount	%	Amount
Current Liabilities:					
Short term borrowings	122,977		122,384		593
Trade notes payable	42,909		75,987		(33,078)
Trade accounts payable	182,675		170,631		12,044
Advances received from customers	7,886		8,711		(825)
Notes and accounts payable for capital expenditures	15,746		14,533		1,213
Accrued payroll costs	22,656		24,329		(1,673)
Income taxes payable	12,587		13,769		(1,182)
Other current liabilities	65,042		67,895		(2,853)
Current portion of long-term debt	42,076		67,612		(25,536)
Total current liabilities	514,554	42.9	565,851	43.8	(51,297)
Long term liabilities:					
Long term debt	167,850		182,238		(14,388)
Accrued retirement and pension costs	106,206		89,641		16,565
Other long-term liabilities	16,537		18,047		(1,510)
Total long-term liabilities	290,593	24.2	289,926	22.5	667
Shareholders' equity:					
Common Stock	78,156		78,156		-
Additional paid-in capital	87,263		87,263		-
Legal reserve	19,539		19,539		-
Retained earnings	216,810		215,739		1,071
Accumulated other comprehensive income	128		34,282		(34,154)
Treasury stock	(6,926)		-		(6,926)
Total shareholders' equity	394,970	32.9	434,979	33.7	(40,009)
Total	1,200,117	100.0	1,290,756	100.0	(90,639)

Consolidated Balance Sheets

Liabilities and shareholders' equity

(In millions of yen)

	March 31, 2002		March 31, 2001		Change
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Trade notes payable	42,909		75,987		(33,078)
Trade accounts payable	182,675		170,631		12,044
Advances received from customers	7,886		8,711		(825)
Notes and accounts payable for capital expenditures	15,746		14,533		1,213
Accrued payroll costs	22,656		24,329		(1,673)
Income taxes payable	12,587		13,769		(1,182)
Other current liabilities	65,042		67,895		(2,853)
Current portion of long-term debt	42,076		67,612		(25,536)
Total current liabilities	514,554	42.9	565,851	43.8	(51,297)
Long term liabilities:					
Long term debt	167,850		182,238		(14,388)
Accrued retirement and pension costs	106,206		89,641		16,565
Other long-term liabilities	16,537		18,047		(1,510)
Total long-term liabilities	290,593	24.2	289,926	22.5	667
Shareholders' equity:					
Common Stock	78,156		78,156		-
Additional paid-in capital	87,263		87,263		-
Legal reserve	19,539		19,539		-
Retained earnings	216,810		215,739		1,071
Accumulated other comprehensive income	128		34,282		(34,154)
Treasury stock	(6,926)		-		(6,926)
Total shareholders' equity	394,970	32.9	434,979	33.7	(40,009)
Total	1,200,117	100.0	1,290,756	100.0	(90,639)

Consolidated Statements of Comprehensive Income (Loss)

(In millions of yen)

	Year ended March 31, 2002	Year ended March 31, 2001	Change
Net Income	9,530	9,795	(265)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	9,094	5,657	3,437
Unrealized losses on securities	(32,187)	(38,568)	6,381
Minimum pension liability adjustment	(10,671)	16,807	(27,478)
Unrealized losses on derivatives	(390)	-	(390)
Other comprehensive loss	(34,154)	(16,104)	(18,050)
Comprehensive loss	(24,624)	(6,309)	(18,315)

Consolidated Statements of Shareholders' Equity

(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, March 31, 2000	1,409,655	78,107	87,213	19,527	214,414	50,386	-
Stock issued on conversion of debt	154	49	50				
Net income					9,795		
Other comprehensive loss						(16,104)	
Cash dividends, ¥120 per 20 common shares					(8,458)		
Transfer to legal reserve				12	(12)		
Balance, March 31, 2001	1,409,809	78,156	87,263	19,539	215,739	34,282	-
Net income					9,530		
Other comprehensive loss						(34,154)	
Cash dividends, ¥120 per 20 common shares					(8,459)		
Purchases of treasury stock	(19,390)						(6,926)
Balance, March 31, 2002	1,390,419	78,156	87,263	19,539	216,810	128	(6,926)

Consolidated Statements of Cash Flows

(In millions of yen)

	Year ended March 31, 2002	Year ended March 31, 2001	Change
Operating activities			
Net income	9,530	9,795	
Cumulative effect of an accounting change	-	21,559	
Depreciation and amortization	40,535	43,926	
Provision for retirement and pension costs, less payments	1,267	3,896	
Gain on sales of securities	(2,578)	(821)	
Gain on contribution of securities to the employee retirement benefit trust	-	(19,277)	
Deferred income taxes	(5,591)	3,038	
Decrease (increase) in notes and accounts receivable	12,752	(46,549)	
Decrease in inventories	23,260	3,474	
Increase (decrease) in trade notes and accounts payable	(9,958)	19,053	
Increase (decrease) in income taxes payable	(1,310)	2,526	
Other	9,919	7,907	
Net cash provided by operating activities	77,826	48,527	29,299
Investing activities			
Purchases of fixed assets	(32,473)	(36,250)	
Purchases of investments and change in advances	(2,333)	(327)	
Proceeds from sales of property, plant, and equipment	2,002	5,519	
Proceeds from sales of investments	7,916	2,955	
Other	(9,570)	5,079	
Net cash used in investing activities	(34,458)	(23,024)	(11,434)
Financing activities			
Proceeds from issuance of long-term debt	28,202	11,416	
Repayments of long-term debt	(71,034)	(49,365)	
Net increase (decrease) in short-term borrowings	(3,077)	20,289	
Cash dividends	(8,459)	(8,458)	
Purchases of treasury stock	(6,926)	-	
Net cash used in financing activities	(61,294)	(26,118)	(35,176)
Effect of exchange rate changes on cash and cash equivalents	276	606	(330)
Net decrease in cash and cash equivalents	(17,650)	(9)	
Cash and cash equivalents, beginning of period	78,633	78,642	
Cash and cash equivalents, end of period	60,983	78,633	(17,650)

(In millions of yen)

Notes:			
Cash paid during the year for:			
Interest	7,123	8,048	(925)
Income taxes	24,351	22,800	1,551
Major noncash transaction:			
Contribution of securities to the employee retirement benefit trust	-	33,116	(33,116)

Consolidated Net Sales by Product Group

(In millions of yen)

	Year ended March 31, 2002		Year ended March 31, 2001		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	201,627		218,668		(17,041)	(7.8)
Construction Machinery	20,759		23,826		(3,067)	(12.9)
Internal Combustion Engine & Machinery	222,386	22.7	242,494	24.4	(20,108)	(8.3)
Pipe & Fluid Systems Engineering	186,050		205,013		(18,963)	(9.2)
Industrial Castings	25,970		27,156		(1,186)	(4.4)
Environmental Engineering	144,940		137,204		7,736	5.6
Industrial Machinery	68,267		75,498		(7,231)	(9.6)
Industrial Products & Engineering	425,227	43.6	444,871	44.7	(19,644)	(4.4)
Building Materials	57,803		60,397		(2,594)	(4.3)
Housing	54,183		51,224		2,959	5.8
Building Materials & Housing	111,986	11.5	111,621	11.2	365	0.3
Domestic Total	759,599	77.8	798,986	80.3	(39,387)	(4.9)
Farm Equipment and Engines	182,282		162,975		19,307	11.8
Construction Machinery	18,530		18,209		321	1.8
Internal Combustion Engine & Machinery	200,812	20.6	181,184	18.2	19,628	10.8
Pipe & Fluid Systems Engineering	4,599		3,834		765	20.0
Industrial Castings	7,269		7,613		(344)	(4.5)
Environmental Engineering	3,048		2,311		737	31.9
Industrial Machinery	770		565		205	36.3
Industrial Products & Engineering	15,686	1.6	14,323	1.5	1,363	9.5
Overseas Total	216,498	22.2	195,507	19.7	20,991	10.7
Farm Equipment and Engines	383,909		381,643		2,266	0.6
Construction Machinery	39,289		42,035		(2,746)	(6.5)
Internal Combustion Engine & Machinery	423,198	43.3	423,678	42.6	(480)	(0.1)
Pipe & Fluid Systems Engineering	190,649		208,847		(18,198)	(8.7)
Industrial Castings	33,239		34,769		(1,530)	(4.4)
Environmental Engineering	147,988		139,515		8,473	6.1
Industrial Machinery	69,037		76,063		(7,026)	(9.2)
Industrial Products & Engineering	440,913	45.2	459,194	46.2	(18,281)	(4.0)
Building Materials	57,803		60,397		(2,594)	(4.3)
Housing	54,183		51,224		2,959	5.8
Building Materials & Housing	111,986	11.5	111,621	11.2	365	0.3
Grand Total	976,097	100.0	994,493	100.0	(18,396)	(1.8)

Note:

Sales of Pumps, formerly included in Pipe & Fluid Systems & Engineering Division, are included in Environmental Engineering Division.

Anticipated Consolidated Net Sales by Industry Segment ending March 31, 2003

(In billions of yen)

	Year ending March 31, 2003 (Forecast)		Year ended March 31, 2002 (Actual results)		Change	
	Amount	%	Amount	%	Amount	%
Domestic	215.0		222.4		(7.4)	(3.3)
Overseas	215.0		200.8		14.2	7.1
Internal Combustion Engine & Machinery	430.0	46.2	423.2	43.3	6.8	1.6
Domestic	418.5		425.2		(6.7)	(1.6)
Overseas	16.5		15.7		0.8	5.1
Industrial Products & Engineering	435.0	46.8	440.9	45.2	(5.9)	(1.3)
Domestic	65.0		112.0		(47.0)	(42.0)
Building Materials & Housing	65.0	7.0	112.0	11.5	(47.0)	(42.0)
Grand Total	930.0	100.0	976.1	100.0	(46.1)	(4.7)
Domestic	698.5	75.1	759.6	77.8	(61.1)	(8.0)
Overseas	231.5	24.9	216.5	22.2	15.0	6.9

Consolidated Segment Information

(1) Information by industry segments

(Year ended March 31, 2002)

(In millions of yen)

		Internal Combustion Engine & Machinery	Industrial Products & Engineering	Building Materials & Housing	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	423,198	440,913	111,986	976,097	-	976,097
	Intersegment	195	12,069	4	12,268	(12,268)	-
	Total	423,393	452,982	111,990	988,365	(12,268)	976,097
Cost of sales and operating expenses		375,623	433,079	124,991	933,693	7,980	941,673
Operating income (loss)		47,770	19,903	(13,001)	54,672	(20,248)	34,424
Identifiable assets at March 31, 2002		478,390	484,325	76,979	1,039,694	160,423	1,200,117
Depreciation		14,125	20,489	2,968	37,582	2,492	40,074
Capital expenditures		14,107	16,501	2,892	33,500	2,842	36,342

(Year ended March 31, 2001)

(In millions of yen)

		Internal Combustion Engine & Machinery	Industrial Products & Engineering	Building Materials & Housing	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	423,678	459,194	111,621	994,493	-	994,493
	Intersegment	114	9,919	598	10,631	(10,631)	-
	Total	423,792	469,113	112,219	1,005,124	(10,631)	994,493
Cost of sales and operating expenses		380,634	444,655	118,825	944,114	7,186	951,300
Operating income (loss)		43,158	24,458	(6,606)	61,010	(17,817)	43,193
Identifiable assets at March 31, 2001		480,274	485,732	109,101	1,075,107	215,649	1,290,756
Depreciation		14,939	21,861	3,820	40,620	2,691	43,311
Capital expenditures		11,078	19,871	2,416	33,365	3,805	37,170

(2) Information by geographic segments

Year ended March 31, 2002

(In millions of yen)

		Japan	North America	Other Areas	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	779,538	147,841	48,718	976,097	-	976,097
	Intersegment	103,428	2,907	656	106,991	(106,991)	-
	Total	882,966	150,748	49,374	1,083,088	(106,991)	976,097
Cost of sales & operating expenses		847,576	133,095	46,596	1,027,267	(85,594)	941,673
Operating income		35,390	17,653	2,778	55,821	(21,397)	34,424
Identifiable assets at March 31, 2002		847,749	144,964	37,858	1,030,571	169,546	1,200,117

Year ended March 31, 2001

(In millions of yen)

		Japan	North America	Other Areas	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	818,024	133,115	43,354	994,493	-	994,493
	Intersegment	109,553	2,729	760	113,042	(113,042)	-
	Total	927,577	135,844	44,114	1,107,535	(113,042)	994,493
Cost of sales & operating expenses		883,123	121,271	41,408	1,045,802	(94,502)	951,300
Operating income		44,454	14,573	2,706	61,733	(18,540)	43,193
Identifiable assets at March 31, 2001		906,422	125,169	36,501	1,068,092	222,664	1,290,756

(3) Overseas sales

Year ended March 31, 2002

(In millions of yen)

	North America	Other Areas	Total
Overseas sales	148,089	68,409	216,498
Consolidated net sales			976,097
Ratio of overseas sales to consolidated net sales	15.2%	7.0%	22.2%

Year ended March 31, 2001

(In millions of yen)

	North America	Other Areas	Total
Overseas sales	132,410	63,097	195,507
Consolidated net sales			994,493
Ratio of overseas sales to consolidated net sales	13.3%	6.4%	19.7%

Fair Value of Derivatives

The following table presents the contract or notional amounts, the carrying values, and the fair values for the derivatives as of March 31, 2002 and 2001.

(In millions of yen)

	March 31, 2002			March 31, 2001		
	Notional amount	Carrying value	Fair value	Notional amount	Carrying value	Fair value
Foreign exchange instruments	18,079	(374)	(374)	37,964	(2,965)	(2,937)
Interest rate swaps and other instruments	17,768	(313)	(313)	4,800	-	(114)

Fair Value of Short-Term and Other Investments

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, 2002 and 2001.

(In millions of yen)

	March 31, 2002			March 31, 2001		
	Cost	Fair value	Net unrealized holding gains (losses)	Cost	Fair value	Net unrealized holding gains (losses)
Short Term Investments:						
Governmental and corporate debt securities						
and other	1,394	1,394	-	2,348	2,348	-
Other Investments:						
Equity securities of financial institutions	48,726	68,720	19,994	61,639	135,167	73,528
Other equity securities	25,620	44,582	18,962	26,508	46,804	20,296
Other	2,391	2,392	1	8,404	8,227	(177)
Total	78,131	117,088	38,957	98,899	192,546	93,647

Related Party Transactions

The following table presents the major balances and transactions with affiliated companies, which are included in the consolidated financial statements.

(In millions of yen)

	Year ended March 31, 2002 or at March 31, 2002	Year ended March 31, 2001 or at March 31, 2001
Notes and accounts receivables (at March 31)	29,754	27,797
Sales (year ended March 31)	86,250	80,339

Cash dividends from affiliated companies are ¥457 million (year ended March 31, 2002), and ¥448 million (year ended March 31, 2001), respectively.

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on March 31, 2002, of ¥133 = US\$1, solely for convenience.
2. Each ADS represents 20 common shares.
3. One hundred and nineteen subsidiaries are consolidated.

Major consolidated subsidiaries: Domestic	Kubota Construction Co., Ltd.
	Kubota Credit Co., Ltd.
	Kubota Lease Corporation
	Kubota Environmental Service 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.
4. Fifty affiliated companies are accounted for by the equity method.

Major affiliated companies :	Domestic	33 sales companies of farm equipment
	Overseas	The Siam Kubota Industry Co., Ltd.
5. Summary of accounting policies:
 - ① The accompanying condensed consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America except for ②.
 - ② 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. Accounting change
 - ① Year ended March 31, 2002
None.
 - ② Year ended March 31, 2001
The Company changed its method of amortization of actuarial gains and losses in accounting for pension. A charge for cumulative effect on prior year of ¥21,559 million was reported in consolidated statements of operations.
7. Adoption of new accounting standards

The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended by SFAS No.138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities -an Amendment of FASB statement No.133." SFAS No.133 requires an entity to recognize all derivatives as either assets or liabilities in the balance sheet and to measure those instruments at fair value. In addition, the changes in the fair value will be included in either earnings or other comprehensive income depending on the intended use of derivatives and the nature of the hedging activity.

The effect by adopting this new standard on net income and total comprehensive income is not material, and there is no effect to cash flows.

Non-consolidated Financial Highlights

The date of the Board of Directors' Meeting ----- Thursday, May 23, 2002

The date of the Ordinary General Shareholders' Meeting ----- Wednesday, June 26, 2002

(1) Results of operations (In millions of yen except per share amounts)

	Year ended March 31, 2002	Change(*)	Year ended March 31, 2001	Change(*)
Net Sales	¥672,576	(4.5)%	¥704,462	(4.3)%
Operating income	¥27,556	(25.7)%	¥37,093	12.3%
Ordinary income	¥23,967	(22.0)%	¥30,736	33.2%
Net income	¥136	-	(¥34,953)	-
Net income per share(**)	¥0.09	-	(¥24.79)	-
Ratio of net income to shareholders' equity	0.0%	-	(8.5)%	-
Ratio of ordinary income to total assets	2.5%	-	3.2%	-
Ratio of ordinary income to net sales	3.6%	-	4.4%	-

Notes to results of operations:

- Average number of shares outstanding during the year ended March 31, 2002 ----- 1,405,888,248
Average number of shares outstanding during the year ended March 31, 2001 ----- 1,409,757,775
- (*) represents percentage change to the comparable previous year.
- (**) represents amount based on the average number of common shares outstanding during the year.
- The average number of shares outstanding during the year ended March 31, 2002 does not include the number of treasury stock.

(2) Cash dividends (In millions of yen except per share amounts)

	Cash dividends per share			Annual cash dividends	Annual cash dividends as % to net income	Annual dividends as % to share -holders' equity
	Interim	Year end (*)	Total			
Year ended Mar. 31, 2002	¥3.00	¥3.00	¥6.00	¥8,402	-	2.3%
Year ended Mar. 31, 2001	¥3.00	¥3.00	¥6.00	¥8,458	-	2.0%

Note to cash dividends:

- (*) Year end dividends for the fiscal year ended March 31, 2002 are subject to shareholders' approval at the Ordinary General Meeting of Shareholders to be held on June 26, 2002.

(3) Financial position

(In millions of yen except per share amounts)

	As of March 31, 2002	As of March 31, 2001
Total assets	¥943,258	¥998,686
Shareholders' equity	¥371,785	¥418,889
Ratio of shareholders' equity to total assets	39.4%	41.9%
Shareholders' equity per share	¥267.26	¥297.12

Notes to financial position:

Number of shares outstanding as of March 31, 2002----- 1,391,067,146
 Number of shares outstanding as of March 31, 2001----- 1,409,808,978
 Number of treasury stock as of March 31, 2002----- 18,741,832
 Number of treasury stock as of March 31, 2001----- 11,843

The number of shares outstanding during the year ended March 31, 2002 does not include the number of treasury stock.

(4) Anticipated results of operations for the year ending March 31, 2003

(In millions of yen except per share amounts)

	Six months ending September 30, 2002	Year ending March 31, 2003
Net sales	¥280,000	¥675,000
Ordinary income	¥2,500	¥27,000
Net income	¥2,000	¥16,000
Interim cash dividends per share	¥3.00	-
Year end cash dividends per share	-	¥3.00

Notes to anticipated result of operations for the year ending March 31, 2003:

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 share information.
3. Please refer to page 8 on condition for the above mentioned anticipated results of operations.

(3) Financial position

(In millions of yen except per share amounts)

	As of March 31, 2002	As of March 31, 2001
Total assets	¥943,258	¥998,686
Shareholders' equity	¥371,785	¥418,889
Ratio of shareholders' equity to total assets	39.4%	41.9%
Shareholders' equity per share	¥267.26	¥297.12

Notes to financial position:

Number of shares outstanding as of March 31, 2002----- 1,391,067,146
Number of shares outstanding as of March 31, 2001----- 1,409,808,978
Number of treasury stock as of March 31, 2002----- 18,741,832
Number of treasury stock as of March 31, 2001----- 11,843

The number of shares outstanding during the year ended March 31, 2002 does not include the number of treasury stock.

(4) Anticipated results of operations for the year ending March 31, 2003

(In millions of yen except per share amounts)

	Six months ending September 30, 2002	Year ending March 31, 2003
Net sales	¥280,000	¥675,000
Ordinary income	¥2,500	¥27,000
Net income	¥2,000	¥16,000
Interim cash dividends per share	¥3.00	-
Year end cash dividends per share	-	¥3.00

Notes to anticipated result of operations for the year ending March 31, 2003:

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 share information.
3. Please refer to page 8 on condition for the above mentioned anticipated results of operations.