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**RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED  
 DECEMBER 31, 2006 REPORTED BY KUBOTA CORPORATION**

OSAKA, JAPAN, February 6, 2007 ---Kubota Corporation reported its consolidated results of operations for the nine months ended December 31, 2006 today.

**Consolidated Financial Highlights**  
 (Unaudited)

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

(1) Results of operations

	Nine months ended Dec. 31, 2006	% (* )	Nine months ended Dec. 31, 2005	% (* )	Year ended Mar. 31, 2006
Net sales	¥811,714 [ \$6,821,126 ]	9.6	¥740,509	11.6	¥1,051,040
Operating income	¥100,353 [ \$843,303 ]	12.0	¥89,571	24.8	¥113,500
Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥109,211 [ \$917,739 ]	(3.7)	¥113,424	44.1	¥140,406
Net income	¥63,486 [ \$533,496 ]	(2.7)	¥65,270	(4.8)	¥81,034
Net income per ADS (5 common shares)					
Basic	¥245 [ \$2.06 ]		¥250		¥311
Diluted	¥245 [ \$2.06 ]		¥247		¥308

Notes 1 : (\*) represents percentage change from the corresponding period in the prior year.

Notes 2 : The United States dollar amounts included herein represent translations using the approximate exchange rate on December 29, 2006, of ¥119 =US\$1, solely for convenience.

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

(2) Financial position

	Dec. 31, 2006	Dec. 31, 2005	Mar. 31, 2006
Total assets	¥1,510,569 [ \$12,693,857 ]	¥1,354,982	¥1,405,402
Shareholders' equity	¥642,429 [ \$5,398,563 ]	¥584,720	¥606,484
Ratio of shareholders' equity to total assets	42.5%	43.2%	43.2%
Shareholders' equity per ADS	¥2,481 [ \$20.85 ]	¥2,236	¥2,334

Note : The United States dollar amounts included herein represent translations using the approximate exchange rate on December 29, 2006, of ¥119=US\$1, solely for convenience.

(3) 120 subsidiaries are consolidated, and 24 affiliated companies are accounted for under the equity method.

(4) The number of newly consolidated companies during the period : 3  
 The number of companies newly excluded from consolidated subsidiaries during the period : 5

The number of newly affiliated companies during the period : 0  
 The number of companies newly excluded from affiliated companies during the period : 1

(5) Financial Outlook

Anticipated results of operations for the year ending March 31, 2007 are as follows.  
 (These are unchanged from the forecasts announced on November 7, 2006.)

(Consolidation)

(In millions of yen)

	Year ending Mar. 31, 2007
Net sales	¥1,110,000
Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥133,000
Net income	¥78,000

Basic net income per ADS for the year ending March 31, 2007 is anticipated to be ¥301.

## <Results of Operations>

During the nine months under review, net sales increased ¥71.2 billion (9.6 %), to ¥811.7 billion from the corresponding period in the prior year. Overseas sales in Internal Combustion Engine and Machinery grew substantially, while the domestic sales slightly decreased from the corresponding period in the prior year.

Domestic sales decreased ¥1.0 billion (0.2 %), to ¥418.6 billion from the corresponding period in the prior year. Although sales of engines and construction machinery increased, sales in Internal Combustion Engine and Machinery decreased due to downturn of sales in farm equipment. Sales in Pipes, Valves, and Industrial Castings decreased due to a decrease of sales in industrial castings, while Pipes and Valves remained at the same level as the corresponding period in the prior year. Sales in Environmental Engineering rose due to an increase of sales in Waste Engineering Division. Sales in “Other” segment increased on account of sales expansion of vending machine, though sales in construction business decreased.

Overseas sales increased ¥72.2 billion (22.5 %), to ¥393.1 billion from the corresponding period in the prior year. In Internal Combustion Engine and Machinery, sales of tractors, farm machinery, engines and construction machinery increased. As for tractors, the Company recorded steady sales in North American and European markets. In addition, sales of tractors in Asia, especially in Thailand, increased substantially. For the reason of sales expansion of combine harvester in China, sales of farm machinery increased. Sales of engines increased due to favorable order from major client in the U.S. and Europe. With regard to construction machinery, the Company recorded increase of sales both in Europe and North America. In addition, sales in Pipes, Valves, and Industrial Castings increased largely for the reason that sales of ductile iron pipes and reformer tubes for petrochemical plants increased. Sales in Environmental Engineering decreased owing to a decrease in sales in pumps, while sales of submerged membrane system increased.

Operating income increased ¥10.8 billion (12.0 %), to ¥100.4 billion from the corresponding period in the prior year. Operating income in Internal Combustion Engine and Machinery increased largely due to an increase of sales in the overseas markets, and weaker yen exchange rates against U.S. dollar and the Euro compared with the corresponding period in the prior year. Operating income in Pipes, Valves and Industrial Castings increased owing to promoted cost reduction and an increase of overseas sales in ductile iron pipes and industrial castings. However, operating income in Environmental Engineering decreased due to an impairment loss on business assets and profit deterioration resulted from price declines.

Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies decreased ¥4.2 billion (3.7 %), to ¥109.2 billion from the corresponding period in the prior year, mainly due to a decrease in other income by ¥15.0 billion resulted from an absence of the gain on nonmonetary exchange of securities of UFJ Holding Inc. (¥15.9 billion). Income taxes were ¥41.7 billion (38.2% of effective tax rate), and net amount of minority interests in earnings of subsidiaries and equity in net income of affiliated companies to deduct was ¥4.0 billion. As a result, net income was ¥63.5 billion, decreased ¥1.8 billion (2.7 %) from the corresponding period in the prior year.

## <Financial Position>

(Comparison with the end of corresponding period in the prior year)

Total assets at the end of the period under review amounted to ¥1,510.6 billion, an increase of ¥155.6 billion from the end of corresponding period in the prior year. As for assets, business expansion in Internal Combustion

Engine and Machinery caused increases in notes and accounts receivable, inventories and short- and long-term finance receivables. Property, plant, and equipment also increased resulting from an increase in investments to expand production capacity in Internal Combustion Engine and Machinery. As for liabilities, notes and accounts payable increased. Interest-bearing debt also increased affected by increases of short- and long-term finance receivables. Shareholders' equity increased owing to recorded net income.

(Comparison with the end of the prior year)

Total assets increased ¥105.2 billion compared with those at the end of March 2006. As for assets, inventories and short- and long-term finance receivables increased. However, notes and accounts receivable decreased due to collection of receivables from public sector, which increase seasonally at the end of fiscal year. Investments also decreased on ground that unrealized gain of marketable securities decreased. As for liabilities, notes and accounts payable and interest-bearing debt increased, which is corresponding to increases of inventories and short- and long-term finance receivables. Although unrealized gains on securities in other comprehensive income decreased, total shareholders' equity increased owing to recorded net income. The ratio of shareholders' equity to total assets declined 0.7 percentage points, to 42.5 %.

#### **<Financial Outlook>**

The forecasts of the results of operations for the year ending March 31, 2007, which were announced on November 7, 2006, are unchanged.

#### **< 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.

## Consolidated Statements of Income

(Unaudited)

(In millions of yen)

	Nine months ended Dec. 31, 2006		Nine months ended Dec. 31, 2005		Change		Year ended Mar. 31, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	811,714	100.0	740,509	100.0	71,205	9.6	1,051,040	100.0
Cost of sales	569,988	70.2	525,071	70.9	44,917	8.6	747,380	71.1
Selling, general, and administrative expenses	138,089	17.0	122,685	16.6	15,404	12.6	185,451	17.6
Loss from disposal and impairment of business and fixed assets	3,284	0.4	3,182	0.4	102	3.2	4,709	0.5
<b>Operating income</b>	<b>100,353</b>	<b>12.4</b>	<b>89,571</b>	<b>12.1</b>	<b>10,782</b>	<b>12.0</b>	<b>113,500</b>	<b>10.8</b>
Other income (expenses):								
Interest and dividend income	16,271		10,486		5,785		14,355	
Interest expense	(9,250)		(4,785)		(4,465)		(7,122)	
Gain on sales of securities-net	1,180		2,082		(902)		4,703	
Gain on nonmonetary exchange of securities	997		15,901		(14,904)		15,901	
Foreign exchange gains (losses)	1,308		(615)		1,923		(1,952)	
Other-net	(1,648)		784		(2,432)		1,021	
<b>Other income, net</b>	<b>8,858</b>		<b>23,853</b>		<b>(14,995)</b>		<b>26,906</b>	
Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	109,211	13.5	113,424	15.3	(4,213)	(3.7)	140,406	13.4
Income taxes	41,676		45,531		(3,855)		56,067	
Minority interests in earnings of subsidiaries	5,580		4,481		1,099		4,938	
Equity in net income of affiliated companies	1,531		1,858		(327)		1,633	
<b>Net income</b>	<b>63,486</b>	<b>7.8</b>	<b>65,270</b>	<b>8.8</b>	<b>(1,784)</b>	<b>(2.7)</b>	<b>81,034</b>	<b>7.7</b>

(In yen)

Basic earnings per ADS (5 common shares):	245	250	311
Diluted earnings per ADS (5 common shares):	245	247	308

## Consolidated Balance Sheets

(Unaudited)

Assets

(In millions of yen)

	Dec. 31, 2006		Dec. 31, 2005		Change	Mar. 31, 2006	
	Amount	%	Amount	%	Amount	Amount	%
<b>Current assets:</b>							
Cash and cash equivalents	100,649		87,343		13,306	91,858	
Notes and accounts receivable	301,945		279,407		22,538	310,717	
Short-term finance receivables	95,851		59,988		35,863	79,116	
Inventories	216,560		183,535		33,025	175,660	
Other current assets	122,356		116,164		6,192	100,873	
Total current assets	837,361	55.4	726,437	53.6	110,924	758,224	54.0
<b>Investments and long-term finance receivables</b>	386,967	25.6	362,522	26.8	24,445	374,283	26.6
<b>Property, plant, and equipment</b>	236,434	15.7	222,917	16.4	13,517	226,372	16.1
<b>Other assets</b>	49,807	3.3	43,106	3.2	6,701	46,523	3.3
<b>Total</b>	1,510,569	100.0	1,354,982	100.0	155,587	1,405,402	100.0

Liabilities and Shareholders' Equity

(In millions of yen)

	Dec. 31, 2006		Dec. 31, 2005		Change	Mar. 31, 2006	
	Amount	%	Amount	%	Amount	Amount	%
<b>Current liabilities:</b>							
Short-term borrowings	212,828		132,110		80,718	132,209	
Notes and accounts payable	237,151		228,902		8,249	220,461	
Other current liabilities	128,648		114,583		14,065	113,748	
Current portion of long-term debt	51,773		27,658		24,115	50,020	
Total current liabilities	630,400	41.7	503,253	37.1	127,147	516,438	36.7
<b>Long-term liabilities:</b>							
Long-term debt	113,468		158,927		(45,459)	152,024	
Accrued retirement and pension costs	46,702		55,984		(9,282)	53,633	
Other long-term liabilities	42,753		23,684		19,069	47,925	
Total long-term liabilities	202,923	13.5	238,595	17.6	(35,672)	253,582	18.0
<b>Minority interests</b>	34,817	2.3	28,414	2.1	6,403	28,898	2.1
<b>Shareholders' equity:</b>							
Common stock	84,070		84,070		-	84,070	
Capital surplus	93,150		93,150		-	93,150	
Legal reserve	19,539		19,539		-	19,539	
Retained earnings	372,328		322,741		49,587	323,116	
Accumulated other comprehensive income	78,006		73,101		4,905	86,769	
Treasury stock	(4,664)		(7,881)		3,217	(160)	
Total shareholders' equity	642,429	42.5	584,720	43.2	57,709	606,484	43.2
<b>Total</b>	1,510,569	100.0	1,354,982	100.0	155,587	1,405,402	100.0

## Consolidated Segment Information by Industry Segment

(Unaudited)

Nine months ended Dec. 31, 2006

(In millions of yen)

		Internal Combustion Engine & Machinery	Pipes, Valves & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	565,613	142,872	37,384	65,845	811,714	-	811,714
	Intersegment	12	483	218	12,392	13,105	(13,105)	-
	Total	565,625	143,355	37,602	78,237	824,819	(13,105)	811,714
Cost of sales and operating expenses		470,599	125,404	43,198	73,684	712,885	(1,524)	711,361
Operating income (loss)		95,026	17,951	(5,596)	4,553	111,934	(11,581)	100,353

Nine months ended Dec. 31, 2005

(In millions of yen)

		Internal Combustion Engine & Machinery	Pipes, Valves & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	503,477	138,163	36,240	62,629	740,509	-	740,509
	Intersegment	24	952	81	10,602	11,659	(11,659)	-
	Total	503,501	139,115	36,321	73,231	752,168	(11,659)	740,509
Cost of sales and operating expenses		419,544	124,669	39,153	71,947	655,313	(4,375)	650,938
Operating income (loss)		83,957	14,446	(2,832)	1,284	96,855	(7,284)	89,571

Year ended Mar. 31, 2006

(In millions of yen)

		Internal Combustion Engine & Machinery	Pipes, Valves & Industrial Castings	Environmental Engineering	Other	Total	Corporate & 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

Notes:

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on December 29, 2006, of ¥119 = US\$1, solely for convenience.

2. Each American Depositary Share (“ADS”) represents five common shares.

3. 120 subsidiaries are consolidated.

Major consolidated subsidiaries:	Domestic	Kubota Construction Co., Ltd. Kubota Credit Co., Ltd. Kubota Maison Co., Ltd. Kubota Environmental Service Co., Ltd. Kubota-C.I. 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. 24 affiliated companies are accounted for under the equity method.

Major affiliated companies :	Domestic	17 sales companies of farm equipment Kubota Matsushitadenko Exterior Works, Ltd.
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5. Summary of accounting policies

- ① The accompanying consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America except for the presentation for segment information described in 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. The consolidated financial reports for the year ended March 31, 2006 and the nine months ended December 31, 2005 have been reclassified to conform to the presentation for the nine months ended December 31, 2006.



## Consolidated Net Sales by Industry Segment

(Unaudited)

(In millions of yen)

	Nine months ended Dec. 31, 2006		Nine months ended Dec. 31, 2005		Change		Year ended Mar. 31, 2006	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Farm Equipment and Engines</b>	<b>487,203</b>	<b>60.0</b>	<b>441,453</b>	<b>59.6</b>	<b>45,750</b>	<b>10.4</b>	<b>578,164</b>	<b>55.0</b>
Domestic	176,766		182,255		(5,489)	(3.0)	240,722	
Overseas	310,437		259,198		51,239	19.8	337,442	
<b>Construction Machinery</b>	<b>78,410</b>	<b>9.7</b>	<b>62,024</b>	<b>8.4</b>	<b>16,386</b>	<b>26.4</b>	<b>80,612</b>	<b>7.7</b>
Domestic	22,128		19,592		2,536	12.9	26,559	
Overseas	56,282		42,432		13,850	32.6	54,053	
<b>Internal Combustion Engine &amp; Machinery</b>	<b>565,613</b>	<b>69.7</b>	<b>503,477</b>	<b>68.0</b>	<b>62,136</b>	<b>12.3</b>	<b>658,776</b>	<b>62.7</b>
Domestic	198,894	24.5	201,847	27.3	(2,953)	(1.5)	267,281	25.4
Overseas	366,719	45.2	301,630	40.7	65,089	21.6	391,495	37.3
<b>Pipes and Valves</b>	<b>114,052</b>	<b>14.0</b>	<b>108,539</b>	<b>14.7</b>	<b>5,513</b>	<b>5.1</b>	<b>150,559</b>	<b>14.3</b>
Domestic	103,839		103,568		271	0.3	142,071	
Overseas	10,213		4,971		5,242	105.5	8,488	
<b>Industrial Castings</b>	<b>28,820</b>	<b>3.6</b>	<b>29,624</b>	<b>4.0</b>	<b>(804)</b>	<b>(2.7)</b>	<b>39,149</b>	<b>3.7</b>
Domestic	15,179		19,216		(4,037)	(21.0)	25,115	
Overseas	13,641		10,408		3,233	31.1	14,034	
<b>Pipes, Valves &amp; Industrial Castings</b>	<b>142,872</b>	<b>17.6</b>	<b>138,163</b>	<b>18.7</b>	<b>4,709</b>	<b>3.4</b>	<b>189,708</b>	<b>18.0</b>
Domestic	119,018	14.7	122,784	16.6	(3,766)	(3.1)	167,186	15.9
Overseas	23,854	2.9	15,379	2.1	8,475	55.1	22,522	2.1
<b>Environmental Engineering</b>	<b>37,384</b>	<b>4.6</b>	<b>36,240</b>	<b>4.9</b>	<b>1,144</b>	<b>3.2</b>	<b>110,479</b>	<b>10.5</b>
Domestic	34,998	4.3	32,635	4.4	2,363	7.2	105,505	10.0
Overseas	2,386	0.3	3,605	0.5	(1,219)	(33.8)	4,974	0.5
<b>Building Materials and Housing</b>	<b>11,701</b>	<b>1.4</b>	<b>10,669</b>	<b>1.4</b>	<b>1,032</b>	<b>9.7</b>	<b>13,512</b>	<b>1.3</b>
Domestic	11,701		10,669		1,032	9.7	13,512	
<b>Other</b>	<b>54,144</b>	<b>6.7</b>	<b>51,960</b>	<b>7.0</b>	<b>2,184</b>	<b>4.2</b>	<b>78,565</b>	<b>7.5</b>
Domestic	53,960		51,598		2,362	4.6	77,327	
Overseas	184		362		(178)	(49.2)	1,238	
<b>Other</b>	<b>65,845</b>	<b>8.1</b>	<b>62,629</b>	<b>8.4</b>	<b>3,216</b>	<b>5.1</b>	<b>92,077</b>	<b>8.8</b>
Domestic	65,661	8.1	62,267	8.4	3,394	5.5	90,839	8.7
Overseas	184	0.0	362	0.0	(178)	(49.2)	1,238	0.1
<b>Total</b>	<b>811,714</b>	<b>100.0</b>	<b>740,509</b>	<b>100.0</b>	<b>71,205</b>	<b>9.6</b>	<b>1,051,040</b>	<b>100.0</b>
Domestic	418,571	51.6	419,533	56.7	(962)	(0.2)	630,811	60.0
Overseas	393,143	48.4	320,976	43.3	72,167	22.5	420,229	40.0