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To whom it may concern

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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

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

[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	<u>929,876</u>	100.0	<u>53,350</u>	5.7
Cost of sales	713,312	<u>72.6</u>	<u>701,718</u>	<u>75.5</u>	<u>11,594</u>	1.7
Selling, general, and administrative expenses	181,727	18.5	<u>199,189</u>	<u>21.4</u>	<u>(17,462)</u>	<u>(8.8)</u>
<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	<u>86,773</u>	8.8	<u>22,610</u>	<u>2.4</u>	<u>64,163</u>	<u>283.8</u>
Other income (expenses):						
Interest and dividend income	9,488		7,264		2,224	
Interest expense	(4,699)		<u>(4,252)</u>		<u>(447)</u>	
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	<u>69,262</u>		<u>5,282</u>		<u>63,980</u>	
<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	<u>34,491</u>		29,255		<u>5,236</u>	
Deferred	13,625		<u>(15,554)</u>		29,179	
Total income taxes	<u>48,116</u>		13,701		<u>34,415</u>	
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

<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	<u>930,237</u>	100.0	<u>52,989</u>	5.7
Cost of sales	713,312	<u>72.5</u>	<u>701,727</u>	<u>75.4</u>	<u>11,585</u>	1.7
Selling, general, and administrative expenses	181,727	18.5	<u>199,768</u>	<u>21.5</u>	<u>(18,041)</u>	<u>(9.0)</u>
<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	<u>92,299</u>	<u>9.4</u>	<u>21,849</u>	<u>2.3</u>	<u>70,450</u>	<u>322.4</u>
Other income (expenses):						
Interest and dividend income	9,488		7,264		2,224	
Interest expense	(4,699)		<u>(4,286)</u>		<u>(413)</u>	
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		<u>5,248</u>		<u>64,014</u>	
<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	<u>28,917</u>		29,255		<u>(338)</u>	
Deferred	13,625		(15,554)		29,179	
Total income taxes	<u>42,542</u>		13,701		<u>28,841</u>	
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

(2) Consolidated Segment Information

① Information by industry segment (Page 19)

(In millions of yen)

Year ended March 31, 2005

<As Restated>

		Other	Total	Consolidated
Net sales	Unaffiliated customers	112,300	983,226	983,226
	Intersegment	14,956	23,530	-
	Total	127,256	1,006,756	983,226
Cost of sales and operating expenses		123,374	906,528	896,453
Operating income		3,882	100,228	86,773

<As Previously Reported>

Other	Total	Consolidated
112,300	983,226	983,226
14,956	23,530	-
127,256	1,006,756	983,226
117,848	901,002	890,927
9,408	105,754	92,299

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>

		Other	Total	Consolidated
Net sales	Unaffiliated customers	137,426	929,876	929,876
	Intersegment	16,581	24,232	-
	Total	154,007	954,108	929,876
Cost of sales and operating expenses		161,058	912,686	907,266
Operating income (loss)		(7,051)	41,422	22,610

<As Previously Reported>

Other	Total	Consolidated
137,787	930,237	930,237
16,581	24,232	-
154,368	954,469	930,237
162,180	913,808	908,388
(7,812)	40,661	21,849

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

② Information by geographic segment (Page 20)

(In millions of yen)

Year ended March 31, 2005

<As Restated>

		Japan	Total	Consolidated
Net sales	Unaffiliated customers	659,283	983,226	983,226
	Intersegment	193,242	199,034	-
	Total	852,525	1,182,260	983,226
Cost of sales & operating expenses		778,412	1,080,663	896,453
Operating income		74,113	101,597	86,773

<As Previously Reported>

Japan	Total	Consolidated
659,283	983,226	983,226
193,242	199,034	-
852,525	1,182,260	983,226
772,886	1,075,137	890,927
79,639	107,123	92,299

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

Year ended March 31, 2004

<As Restated>

		Japan	Total	Consolidated
Net sales	Unaffiliated customers	675,081	929,876	929,876
	Intersegment	154,741	159,346	-
	Total	829,822	1,089,222	929,876
Cost of sales & operating expenses		814,036	1,049,569	907,266
Operating income		15,786	39,653	22,610

<As Previously Reported>

Japan	Total	Consolidated
675,442	930,237	930,237
154,741	159,346	-
830,183	1,089,583	930,237
815,158	1,050,691	908,388
15,025	38,892	21,849

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

③ Overseas sales (Page 20)

(In millions of yen)

Year ended March 31, 2004

<As Restated>

	Total
Overseas sales	286,891
Consolidated net sales	929,876
Ratio of overseas sales to consolidated net sales	30.9%

<As Previously Reported>

Total
286,891
930,237
30.8%

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

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

① Consolidated Financial Highlights (Page 1)

(In millions of yen)

<As Restated>

	Year ended March 31, 2005	% (*)	Year ended March 31, 2004	% (*)
Net sales	¥983,226	5.7	¥929,876	0.4
Operating income	¥86,773	283.8	¥22,610	(51.5)
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥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%	

<As Previously Reported>

	Year ended March 31, 2005	% (*)	Year ended March 31, 2004	% (*)
Net sales	¥983,226	5.7	¥930,237	0.4
Operating income	¥92,299	322.4	¥21,849	(26.2)
Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥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.

② 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.

③ 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.

<As Restated>

	Year ended Mar. 31, 2005	Year ended Mar. 31, 2004	Change	
	Amount	Amount	Amount	%
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

<As Previously Reported>

	Year ended Mar. 31, 2005	Year ended Mar. 31, 2004	Change	
	Amount	Amount	Amount	%
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

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>	51,616	11.6	18,826	4.5	32,790	174.2	27,892	3.0
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>	43,660	9.8	7,150	1.7	36,510	510.6	12,495	1.3
<u>Income (loss) from discontinued operations, net of taxes</u>	11,100		(140)		11,240		(795)	
Net income	54,760	12.3	7,010	1.7	47,750	681.2	11,700	1.3

<As Previously Reported>

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	421,540	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	
<u>Income before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies</u>	<u>57,142</u>	<u>12.8</u>	<u>18,686</u>	<u>4.4</u>	<u>38,456</u>	<u>205.8</u>	<u>27,097</u>	<u>2.9</u>
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

(2)Consolidated Segment Information

Information by Industry Segment (Page 16)

(In millions of yen)

Six months ended Sept. 30, 2004

<As Restated>

		Other	Total	Consolidated
Net sales	Unaffiliated customers	52,392	445,774	445,774
	Intersegment	6,548	9,930	-
	Total	58,940	455,704	445,774
Cost of sales and operating expenses		57,212	404,383	400,233
Operating income (loss)		1,728	51,321	45,541

<As Previously Reported>

		Other	Total	Consolidated
Net sales	Unaffiliated customers	52,392	445,774	445,774
	Intersegment	6,548	9,930	-
	Total	58,940	455,704	445,774
Cost of sales and operating expenses		51,686	398,857	394,707
Operating income (loss)		7,254	56,847	51,067

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>

		Other	Total	Consolidated
Net sales	Unaffiliated customers	69,753	421,373	421,373
	Intersegment	6,968	9,895	-
	Total	76,721	431,268	421,373
Cost of sales and operating expenses		77,625	406,351	404,657
Operating income (loss)		(904)	24,917	16,716

<As Previously Reported>

		Other	Total	Consolidated
Net sales	Unaffiliated customers	69,920	421,540	421,540
	Intersegment	6,968	9,895	-
	Total	76,888	431,435	421,540
Cost of sales and operating expenses		77,910	406,636	404,942
Operating income (loss)		(1,022)	24,799	16,598

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>

		Japan	Total	Consolidated
Net sales	Unaffiliated customers	271,262	445,774	445,774
	Intersegment	88,457	91,311	-
	Total	359,719	537,085	445,774
Cost of sales and operating expenses		328,001	487,376	400,233
Operating income		31,718	49,709	45,541

<As Previously Reported>

		Japan	Total	Consolidated
Net sales	Unaffiliated customers	271,262	445,774	445,774
	Intersegment	88,457	91,311	-
	Total	359,719	537,085	445,774
Cost of sales and operating expenses		322,475	481,850	394,707
Operating income		37,244	55,235	51,067

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

Six months ended Sept. 30, 2003

<As Restated>

		Japan	Total	Consolidated
Net sales	Unaffiliated customers	288,153	421,373	421,373
	Intersegment	66,073	69,128	-
	Total	354,226	490,501	421,373
Cost of sales and operating expenses		348,024	468,769	404,657
Operating income		6,202	21,732	16,716

<As Previously Reported>

		Japan	Total	Consolidated
Net sales	Unaffiliated customers	288,320	421,540	421,540
	Intersegment	66,073	69,128	-
	Total	354,393	490,668	421,540
Cost of sales and operating expenses		348,309	469,054	404,942
Operating income		6,084	21,614	16,598

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>

		Total
Overseas sales		150,621
Consolidated net sales		421,373
Ratio of overseas sales to consolidated net sales		35.7%

<As Previously Reported>

		Total
Overseas sales		150,621
Consolidated net sales		421,540
Ratio of overseas sales to consolidated net sales		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.

(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>

	Six months ended Sept. 30, 2004	% (*)	Six months ended Sept. 30, 2003	% (*)	Year ended 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

<As Previously Reported>

	Six months ended Sept. 30, 2004	% (*)	Six months ended Sept. 30, 2003	% (*)	Year ended 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>

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.

	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2003	Change		Year ended Mar. 31, 2004
	Amount	Amount	Amount	%	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 Sept. 30, 2004	Six months ended Sept. 30, 2003	Change		Year ended Mar. 31, 2004
	Amount	Amount	Amount	%	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

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 Dec. 31, 2004		Nine months ended Dec. 31, 2003		Change		Year ended 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	
<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	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
<u>Income (loss) from discontinued operations, net of taxes</u>	11,100		(159)		11,259		(795)	
Net income	68,590	10.3	7,157	1.2	61,433	858.4	11,700	1.3

<As Previously Reported>

Consolidated Statements of Income

(Unaudited)

(In millions of yen)

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

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

Nine months ended Dec. 31, 2004				(In millions of yen)			
<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		79,863	606,219	597,354	74,337	600,693	591,828
Operating income (loss)		4,247	74,592	66,241	9,773	80,118	71,767

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

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 Dec. 31, 2004	% (*)	Nine months ended Dec. 31, 2003	% (*)	Year ended Mar. 31, 2004	
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 Dec. 31, 2004	% (*)	Nine months ended Dec. 31, 2003	% (*)	Year ended 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.

<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)

<As Restated>

	Nine months ended Dec. 31, 2004	Nine months ended Dec. 31, 2003	Change		Year ended Mar. 31, 2004
	Amount	Amount	Amount	%	Amount
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

<As Previously Reported>

	Nine months ended Dec. 31, 2004	Nine months ended Dec. 31, 2003	Change		Year ended Mar. 31, 2004
	Amount	Amount	Amount	%	Amount
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

. 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 . 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)

<As Restated>

	Six months ended Sept. 30, 2005	% (*)	Six months ended Sept. 30, 2004	% (*)	Year ended Mar. 31, 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

<As Previously Reported>

	Six months ended Sept. 30, 2005	% (*)	Six months ended Sept. 30, 2004	% (*)	Year ended Mar. 31, 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>

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)

<As Restated>

	Nine months ended Dec. 31, 2005	% (*)	Nine months ended Dec. 31, 2004	% (*)	Year ended Mar. 31, 2005
Net sales	¥740,509	11.6	¥663,595	7.2	¥983,226
Operating income	¥89,571	35.2	¥66,241	321.9	¥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>	¥113,424	54.9	¥73,210	263.9	¥156,035

<As Previously Reported>

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

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.