

September 25, 2008

To whom it may concern

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**Notice on the dissolution of the business and capital alliance  
with Tsukishima Kikai Co., Ltd.**

Please be advised that Kubota Corporation (hereinafter the “Company”) decided to dissolve the contract of the business and capital alliance with Tsukishima Kikai Co., Ltd. (hereinafter “TSK”) in the field of water & sewage engineering business which was entered into on July 26, 2005.

**1. Reason for the dissolution of the alliance**

The Company and TSK concluded the contract of the business and capital alliance on July 26, 2005, and have made effort to improve profitability of the water & sewage engineering business through such tactics as supplying complementary products each other and jointly developing new products.

However, the budget for public investment is declining and competition in the water & sewage engineering business is intensifying continuously. Consequently, the Company and TSK concluded it is difficult to receive the full benefit of the expected effect of the business alliance and agreed on the dissolution of it. In addition, the Company and TSK also agreed on the dissolution of the capital alliance.

**2. Outline of Tsukishima Kikai Co., Ltd (as of March 31, 2008)**

Company Name	Tsukishima Kikai Co., Ltd.
Principal Line of Business	Manufacture, sale of plants and equipments for water & sewage treatment and industrial use
Date of Incorporation	May 31, 1917
Location of Head Office	Chuo-ku, Tokyo, Japan
Representative	Kazuhiko Yamada President and Representative Director
Capital	¥6,600 million
Number of employees(consolidated)	2,087
Major Shareholders and Shareholdings (%)	Fuji Electric Holdings, Co., Ltd. (12.26%) The Japan General Estate Co., Ltd. (8.76%) Kubota Corporation (6.83%) Daido Life Insurance Company (5.56%) Taiyo Life Insurance Company (4.78%) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (4.04%) Ajinomoto Co., Inc. (2.89%) Pictet & Cie (Europe) S.A. (2.70%) Toyo Electric MFG. Co., Ltd. (1.92%) OYO Corporation (1.91%)
Relationship with the Company Personnel relationship: Business relationship: Capital relationship: (as of March 31, 2008)	There is no personnel relationship between the Company and TSK. The Company and TSK purchase each other's products. The Company owned 3,117 thousand (6.83%) shares of TSK. TSK owned 4,400 thousand (0.34%) shares of the Company.

### **3. Schedule**

The contract concerning the dissolution of the alliance is to be concluded on September 25, 2008.

### **4. Financial outlook**

The effects of the dissolution on the Company's consolidated results of operations and financial position will be minor.

#### **< Cautionary Statements with Respect to Forward-Looking Statements >**

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

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