Contact:
IR Group
Kubota Corporation
2-47, Shikitsuhigashi 1-chome,
Naniwa-ku, Osaka 556-8601, Japan
Phone:(81)-6-6648-2645
Fax: (81)-6-6648-2642

FOR IMMEDIATE RELEASE (TUESDAY, NOVEMBER 20, 2001)

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2001 REPORTED BY KUBOTA CORPORATION

OSAKA, JAPAN, November 20, 2001 ---Kubota Corporation reported today its consolidated and non-consolidated results of operations for the six months ended September 30, 2001.

Note: THIS PRESS RELEASE REPLACES SEMIANNUAL REPORT.

Consolidated Financial Highlights

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

(1)Results of operations

	Six months ended Sept. 30, 2001	% (*)	Six months ended Sept. 30, 2000	% (*)	Year ended Mar. 31, 2001
Net sales	¥459,868 [$3,864,437]	(1.1)	¥464,874	5.2	¥994,493
Operating income	¥28,365 [$238,361]	27.7	¥22,215	9.2	¥43,193
Income before income taxes, equity in net income of affiliated companies, and cumulative effect of an accounting change	¥24,132 [$202,790]	(38.3)	¥39,143	136.8	¥59,349
Net income (loss)	¥13,264 [$111,462]	−	(¥1,214)	−	¥9,795
% of net sales	2.9%	−	(0.3%)	−	1.0%
Net income (loss) per ADS (20 common shares)					
Basic	¥188 [$1.58]		(¥17)		¥139
Diluted	¥178 [$1.50]		(¥10)		¥137
Ratio of net income (loss) to shareholders' equity	3.1%		(0.3%)		2.2%

Notes. 1 : Equity in net income of affiliated companies for the six months ended September 30, 2001, and 2000 was ¥205 million and ¥101 million, respectively.

2 : Unrealized losses on derivatives as of September 30, 2001 were ¥16 million.

3 : Change in an accounting for unrecognized actuarial losses was made during the six months ended September 30, 2000.

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

(2)Financial position

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

	Sept. 30, 2001	Sept. 30, 2000	Mar. 31, 2001
Total assets	¥1,212,055 [$10,185,336]	¥1,248,152	¥1,290,756
Shareholders' equity	¥413,555 [$3,475,252]	¥438,096	¥434,979
Ratio of shareholders' equity to total assets	34.1%	35.1%	33.7%
Shareholders' equity per ADS	¥5,867 [$49.30]	¥6,215	¥6,171

(3) Summary of statements of cash flows

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

	Six months ended Sept. 30, 2001	Six months ended Sept. 30, 2000	Year ended Mar. 31, 2001
Net cash provided by operating activities	¥53,702 [$451,277]	¥28,862	¥48,527
Net cash used in investing activities	(¥12,148) [($102,084)]	(¥14,959)	(¥23,024)
Net cash used in financing activities	(¥16,212) [($136,235)]	(¥22,012)	(¥26,118)
Cash & cash equivalents, end of period	¥104,046 [$874,336]	¥70,751	¥78,633

(4) One hundred and twenty-two subsidiaries are consolidated.
Fifty-two affiliated companies are accounted for by the equity method.

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

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

(6) Anticipated consolidated results of operations for the year ending March 31, 2002

(In millions of yen)

	Year ending March 31, 2002	Year ended March 31, 2001
Net Sales	¥980,000	¥994,493
Income before income taxes, equity in net income of affiliated companies, and cumulative effect of an accounting change	¥40,000	¥59,349
Net income	¥21,000	¥9,795

(Ref.) Anticipated basic net income per ADS for the year ending March 31, 2002 will be ¥298.

1. Management Policies

1. Basic management policy

More than a century since its founding, Kubota Corporation and subsidiaries (collectively the "Company") has continued to help improve people's quality of life, by offering products and services—including farm equipment, pipe for water supply and sewage systems, environmental control plants, industrial castings, housing materials, and prefabricated houses. Through its businesses, the Company has contributed in bringing 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, while 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)Urgent profit-increase measures and strengthening of the financial structure

The Company is undertaking "Urgent profit-increase measures", centering on the reduction in head count and personnel expense as well as reduction of other general and administrative expenses. These measures are to be applied during the three-year period ending March 31, 2002. The Company is also progressing toward recovering profitability by strengthening its financial structure through the reduction of interest-bearing debt or the withdrawal from unprofitable businesses.

1) Reduction in personnel expenses and general and administrative expenses

Regarding reduction of head count, our immediate target was to trim our workforce by 2,000 (from 15,500 to 13,500) on a non-consolidated basis. As of September 30, 2001, head count was 13,493, thereby reaching the immediate goal. In relation to general and administrative expenses, the Company will extensively review its affairs, and the Company believes it is likely to achieve its target of a 30% reduction.

2) Withdraw from unprofitable businesses

In September 2000, the Company implemented closure of TOKAI plant, which had been producing ingot molds. The Company also halted sales of western type roofing materials. Furthermore, in March 2001, the Company withdrew from the unit bathroom business. In July 2001, the Company decided to dissolve Kubota Concrete Co., Ltd., which had produced concrete piles.

3) Strengthening financial structure (Reduction in interest bearing debt)

The Company is progressing with the reduction of interest-bearing debt on a consolidated basis. The Company plans to reduce interest-bearing debt by approximately ¥100.0 billion, from ¥430.1 billion at the end of March 1999, to ¥330.0 billion at the end of March 2002. As of September 2001, interest-bearing debt was ¥362.5 billion, thereby decreasing interest-bearing debt by ¥67.6 billion, as compared with the end of March 1999.

The reduction is accounted for by a decrease in Group-financing and interest-bearing debt of ¥90.1 billion on a non-consolidated basis, partially offset by an increase of ¥22.5 billion stemming from the expansion on a consolidated basis and finance demand derived from satisfactory sales of tractors in North America.

(2) Promotion of Medium-Term Management Strategy

In March 2001, taking "Urgent profit-increase measures" mentioned above into account, the Company established the "Medium-Term Management Strategy", which will be applied during the three year period ending March 31, 2004 in order to further improve the Company stated goals. The outlook is as follows;

1) Medium-term financial goals

Net sales	¥1.1 trillion
Operating income	¥65.0 billion
Income before income taxes, equity in net income of affiliated companies, and cumulative effects of an accounting change	¥63.0 billion
Net income	¥34.0 billion
ROE	7.0%
ROA	2.6%

2) Reform of business structure and profit structure

①Strengthen profitability of current businesses and Revive unprofitable businesses

In certain business categories, such as domestic farm equipment, ductile iron pipe and other pipe-related businesses, sales are unlikely to experience a rapid growth in the years ahead. Accordingly the Company is trying to boost profitability by extensive cost cutting. On the other hand, in the business category including overseas operations for tractors as well as our environmental engineering business, where sales are expected to grow sharply in the future and the Company is highly competitive, we plan to prioritize the allocation of management resources, thereby expanding our profits. In the business category including building materials or industrial castings, which is encountering harsh business conditions, the Company is trying to lower breakeven points in order to regain profitability.

②Reform business activities by aggressively taking advantage of IT

③Develop new businesses and businesses in fields adjacent to existing ones

Starting by prioritizing the allocation of management resources to the environmental preservation business, the Company is promoting the new businesses and those businesses in fields adjacent to existing ones.

④Build a more autonomous management structure by business division.

In the period under review, in order to reach stated goals, the Company started to take several countermeasures. For example, purchasing operations for materials for pipes was transferred from the corporate office to the Pipe and Fluid Systems Engineering Division. As of October 1, 2001, the Pumps Division, which had belonged to the Pipe & Fluid Systems Engineering Consolidated Division, was transferred to the Environmental Engineering Consolidated Division. The main purpose was the strengthening or growth of new business in environment preservation, adjacent business both domestic and overseas, and engineering businesses. However, economic conditions surrounding the Company, such as deteriorating Japanese economy or American economy slowing down rapidly just after the terrorist attack, are becoming worse than originally expected. Subdued domestic demand stemming from deflation, or decreasing public orders due to reduction of public works spending were also significant factors. As a result, the Company had no choice but to revise the initial conditions on which the Company made its management plan. Against such changing conditions, the Company tried to fortify the profit basis and even raise profitability, by accelerating its plans, and improving breakeven points through drastic cost cutting.

(3) Establishment of corporate ethics and assurance of the Company's strict adherence to laws.

In June 2001, the Company established "Corporate Compliance Headquarters" which consists of 5 departments; Legal Dept., Compliance Auditing Dept., Internal Auditing Dept., and another two departments. The Company established such a system to emphasize the observance of law and corporate ethics. While receiving advice from experts, the Company adheres to the observance of law and corporate ethics in its management.

2. Review of Operations

1. Outline of the results of operations for the six months under review

In the Japanese economy during the six months under review, exports became stagnant caused by worldwide economic slowdown, and IT-related industries started to reduce capital expenditures and head count more aggressively. Furthermore, unemployment rate in Japan hit its worst record, 5.3%. As a whole, the economic condition surrounding Japan was unprecedented harsh. Overseas, the U.S. economy remained unpredictable by rapid economic slowdown derived from IT-related industries and the terrorist attack. In Europe, as well as the U.S.A., economic slowdown got conspicuous. On the whole, a worldwide recession is looming.

Under such conditions, sales of the Company during the six months under review, were ¥459.9 billion, a 1.1% decrease from prior period. Domestic sales were ¥331.1 billion, a 3.7% decrease. Thanks to the depreciation of the yen, and brisk sales of tractors centering in North America, overseas sales were up 6.4%, to ¥128.8 billion, making up 28.0 % of total sales. Operating income climbed 27.7 %, to ¥28.4 billion, mainly caused by a reduction of personnel expenses or general and administrative cost. Income before income taxes, equity in net income of affiliated companies, and cumulative effects of an accounting change fell 38.3%, to ¥24.1 billion. This was because the operating income in the comparable prior period included a gain on contributions of securities to the employee retirement benefit trust. Net income was ¥13.3 billion, compared with net loss in the prior period of ¥1.2 billion resulting from an accounting change.

2. Review of operations by product group

(1) Sales in Internal Combustion Engine and Machinery decreased 1.6% from the previous period, to ¥236.2 billion, comprising 51.4% of consolidated net sales. Domestic sales declined 8.6%, to ¥115.8 billion. Overseas sales were up 6.2% to ¥120.4 billion. This increase was attributable to favorable sales of tractors in North America.

※ Sales of farm equipment declined from the previous period. Domestic sales declined, being negatively affected by the slowing investments from farmers, due to subdued economic conditions and the discontinuation of cultivating rice caused by fall in its price. Sales of new models of small-sized tractors were satisfactory. In addition, sales of large-sized tractors were up caused by the introduction of a new model. However, sales of mid-sized tractors, which are mainstay of this business segment, recording mediocre figures stemming from stagnant market conditions. In the end, overall sales of tractors were down from the previous period. Sales of a new series of rice transplanters were higher, and sales of a new model of large-sized combine harvesters grew steadily. But medium-sized combine harvesters, which are a mainstay, did not perform well. As a result, overall sales of rice transplanters and combine harvesters dipped from the prior period.

Overseas, total sales of farm equipment grew. In the U.S, mowers recorded brisk sales thanks to the introduction of a new model, and sales of sub-compact tractor "BX" remained favorable.

In Europe, while economic slowdown became conspicuous, the introduction of a new model of mowers to the French market was successful and sales remained strong. Sales in the U.K. were increased by a sales promotion campaign. In Germany, sales advanced by steady sales of mowers in spite of a sluggish economic condition.

In China, sales of combine harvesters showed signs of recovery, and in Chinese Taipei, through the introduction of new models, sales of combine harvesters advanced smoothly.

※ Sales of engines remained flat. In the domestic market, sales to industries for construction machinery, industrial machinery and farm equipment were surrounded by harsh conditions. Most of all, sales to industries for construction machinery, affected by the reduction of public works spending, remained sluggish, instead focusing on construction machinery for rent. In the U.S, sales edged up thanks to favorable sales of mowers in spite of inventories reduction by original equipment manufacturers.

※ Sales of construction machinery declined from the prior period. Domestic sales slumped reflecting several factors such as a reduction in public works spending, and a decline in general economic conditions. Overseas, in the U.K. and France, sales were steady, but in Germany, because of weak domestic demand and reduction of public works spending, sales retreated. In North America, total demand for construction machinery decreased as domestic economy slowed. Accordingly, sales in North America were lower.

(2) Sales in Industrial Product and Engineering were down 2.8%, to ¥163.8 billion, comprising 35.6% of consolidated net sales. This segment consists of 4 sub-segments; pipe and fluid systems engineering, industrial castings, environmental engineering, and other industrial machinery. In October 2001, business of pumps was transferred from sub-segment of pipe and fluid systems engineering to that of environmental engineering.

※ Sales in pipe and fluid systems engineering declined 4.3% from the prior period, to ¥81.4 billion. Domestic sales were ¥79.1 billion, a decrease of 4.7% from prior period. Overseas sales were ¥2.3 billion, an increase of 10.7%. Domestic sales of ductile iron pipes, which is the mainstay in this segment, declined led by a reduction in public works spending and financial difficulties of local governments. On the other hand, overseas sales, especially in Southeast Asian countries, increased. As a result, total sales of ductile iron pipes increased. Sales of unplasticized polyvinyl chloride pipes declined reflecting reduction of public works spending or slump of new housing starts and, most of all, fierce competition. Sales of spiral-welded steel pipes also decreased by a reduction in public works spending and sluggish capital expenditures of electric power companies.

※ Sales of industrial castings decreased 3.4%, to ¥15.3 billion. Domestic sales were down 3.0%, to ¥11.5 billion. Overseas sales were also down 4.6%, to ¥3.8 billion. In the public works market, although public works spending shrank, sales of ductile segment increased, mainly by orders from new markets such as the tunnels for underground rivers. Sales of cast steel pipes for preventing landslides decreased mainly by the reduction of public works spending. Sales of sewage pipe decreased resulting from fierce competition in spite of increasing sales of condominiums. Sales of rolls for steel mills were respectable. Overseas, Kubota Metal Corporation, the Canadian subsidiary, decreased its sales caused by less demand from mining, machinery, and steel industries.

※ Sales in environmental engineering were up 3.3%, to ¥31.6 billion. The domestic sales were ¥29.7 billion, 1.5% higher than the previous period. Overseas sales were ¥1.9 billion, 44.1% higher than the previous period. Sales of sewage treatment plants, which are the mainstay within this business segment, declined resulting from the reduction in orders in previous fiscal year. On the other hand, sales of refuse incineration plants surged, affected by shipment of large orders in the prior fiscal year. Sales of pumps advanced due to overseas sales, such as large orders to the Philippines.

※ Sales of industrial machinery decreased 4.1%, to ¥35.5 billion. Domestic sales declined 4.5%, to ¥35.1 billion, but overseas sales grew 57.0%, to ¥0.4 billion.

(3) Sales of Building Materials and Housing were up 6.3%, to ¥59.9 billion, accounting for 13.0% of consolidated net sales.

※ Sales of roofing materials declined caused by feeble new housing starts, and fierce competition. Sales of siding materials increased due in part to the successful introduction of a new type of siding materials. In the end, sales of this segment slid.

※ In the Sales of Housing, sales of prefabricated houses declined due to feeble new housing starts and consumers' preference changing to condominiums. However, sales of condominiums increased. As a result, overall sales of this segment were higher.

3. Matter concerning profit allocation for this half of the fiscal year

The Company set the dividend for this half of the fiscal year at ¥60 per ADS.

3. Prospect for the Full Fiscal Year

1. General conditions

In the Japanese economy, it is expected that public orders will remain stagnant caused by both the promotion of structural reform by the government and the financial difficulties in the local governments. In the private sector, falling prices and decreasing demand due to progress of serious deflation are expected. In the end, the overall Japanese economic conditions will remain harsh while there will be growing concern for a lasting-long worldwide recession including European and Asian countries mainly caused by recession in U.S economy and effects by the terrorist attacks .
Under such conditions, the Company will do its utmost to promote and carry out such measures as the "Medium-Term Management Strategy". Against such changing conditions, the Company is trying to restructure its management and raise profitability through acceleration its management plans, and improve its breakeven points through drastic cost cutting.
Looking ahead, the Company forecasts consolidated net sales for the year ending March 31, 2002 at ¥980.0 billion, decreased by ¥14.5 billion compared to the prior year. While income before income taxes, equity in net income of affiliated companies, and cumulative effect of an accounting change are expected to decrease by ¥19.3 billion compared with the prior year, to ¥40.0 billion, the Company forecasts net income at ¥21.0 billion, increased by 11.2 billion compared with the prior year. (These forecasts anticipate an exchange rate of ¥120=US$1.)

Cautionary Statements with Respect to Forward Looking Statements

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 factors above.

Consolidated Statements of Operations

(In millions of yen)

Account	Six months ended Sept. 30, 2001		Six months ended Sept. 30, 2000		Change		Year ended Mar. 31, 2001	
	Amount	%	Amount	%	Amount	%	Amount	%
Net sales	459,868	100.0	464,874	100.0	(5,006)	(1.1)	994,493	100.0
Cost of sales	338,417	73.6	346,041	74.4	(7,624)	(2.2)	742,516	74.7
Selling, general, and administrative expenses	92,443	20.1	97,112	20.9	(4,669)	(4.8)	208,295	20.9
Loss (gain) from disposal of businesses and fixed assets	643	0.1	(494)	(0.1)	1,137	-	489	0.1
Operating income	28,365	6.2	22,215	4.8	6,150	27.7	43,193	4.3
Other income (expenses)								
Interest and dividend income	4,237		5,148		(911)		10,042	
Interest expense	(3,797)		(4,086)		289		(8,140)	
Gain on contribution of securities to the employee retirement benefit trust	-		19,277		(19,277)		19,277	
Other (net)	(4,673)		(3,411)		(1,262)		(5,023)	
Other income (expenses), net	(4,233)		16,928		(21,161)		16,156	
Income before income taxes, equity in net income of affiliated companies, and cumulative effect of an accounting change	24,132	5.2	39,143	8.4	(15,011)	(38.3)	59,349	6.0
Income taxes								
Current	9,392		8,466		926		25,192	
Deferred	3,401		10,433		(7,032)		3,038	
Total income taxes	12,793		18,899		(6,106)		28,230	
Equity in net income of affiliated companies	205		101		104		235	
Income before cumulative effect of an accounting change	11,544	2.5	20,345	4.3	(8,801)	(43.3)	31,354	3.2
Cumulative effect of an accounting change	1,720		(21,559)		23,279		(21,559)	
Net income (loss)	13,264	2.9	(1,214)	(0.3)	14,478	-	9,795	1.0

(In yen)

Basic earnings per ADS (20 common shares):				
Income before cumulative effect of an accounting change	164	289		445
Cumulative effect of an accounting change	24	(306)		(306)
Net income (loss)	188	(17)		139
Diluted earnings per ADS (20 common shares):				
Income before cumulative effect of an accounting change	155	266		415
Cumulative effect of an accounting change	23	(275)		(278)
Net income (loss)	178	(10)		137

Consolidated Balance Sheets

Assets (In millions of yen)

	Sept. 30, 2001		Sept. 30, 2000		Change	Mar. 31, 2001	
	Amount	%	Amount	%	Amount	Amount	%
Current Assets							
Cash and cash equivalents	104,046		70,751		33,295	78,633	
Short-term investments	2,011		8,698		(6,687)	2,348	
Notes and accounts receivable							
Trade notes	94,836		126,953		(32,117)	115,526	
Trade accounts	187,339		173,163		14,176	258,405	
Finance receivables	96,874		87,424		9,450	92,254	
Other	4,630		8,107		(3,477)	12,270	
Less: Unearned income	(8,903)		(8,277)		(626)	(9,752)	
Allowance for doubtful receivables	(5,123)		(4,591)		(532)	(4,858)	
Total	369,653		382,779		(13,126)	463,845	
Inventories	167,356		176,086		(8,730)	180,318	
Prepaid expenses and other	63,926		55,688		8,238	41,720	
Total current assets	706,992	58.3	694,002	55.6	12,990	766,864	59.4
Investments							
Investments in and advances to affiliated companies	11,865		9,820		2,045	10,778	
Other investments	157,338		225,690		(68,352)	196,997	
Total investments	169,203	14.0	235,510	18.9	(66,307)	207,775	16.1
Property, plant, and equipment							
Land	91,797		89,950		1,847	92,508	
Buildings	196,232		195,146		1,086	196,893	
Machinery and equipment	460,312		468,316		(8,004)	458,798	
Construction in progress	4,988		2,473		2,515	3,637	
Total	753,329		755,885		(2,556)	751,836	
Accumulated depreciation	(469,006)		(462,157)		(6,849)	(461,763)	
Net property, plant, and equipment	284,323	23.5	293,728	23.5	(9,405)	290,073	22.5
Other assets	51,537	4.2	24,912	2.0	26,625	26,044	2.0
Total	1,212,055	100.0	1,248,152	100.0	(36,097)	1,290,756	100.0

Consolidated Balance Sheets

Liabilities and Shareholders' Equity (In millions of yen)

	Sept. 30, 2001		Sept. 30, 2000		Change	Mar. 31, 2001	
	Amount	%	Amount	%	Amount	Amount	%
Current Liabilities							
Short term borrowings	128,789		108,372		20,417	122,384	
Trade notes payable	46,460		60,447		(13,987)	75,987	
Trade accounts payable	137,257		133,672		3,585	170,631	
Advances received from customers	12,972		15,093		(2,121)	8,711	
Notes and accounts payable for capital expenditures	10,922		9,505		1,417	14,533	
Accrued payroll costs	24,748		25,394		(646)	24,329	
Income taxes payable	6,056		9,395		(3,339)	13,769	
Other current liabilities	63,889		67,809		(3,920)	67,895	
Current portion of long-term debt	68,776		37,460		31,316	67,612	
Total current liabilities	499,869	41.3	467,147	37.4	32,722	565,851	43.8
Long-term liabilities							
Long-term debt	164,923		222,887		(57,964)	182,238	
Accrued retirement and pension costs	117,826		89,169		28,657	89,641	
Other long-term liabilities	15,882		30,853		(14,971)	18,047	
Total long-term liabilities	298,631	24.6	342,909	27.5	(44,278)	289,926	22.5
Shareholders' equity							
Common Stock	78,156		78,156		-	78,156	
Additional paid-in capital	87,263		87,263		-	87,263	
Legal reserve	19,539		19,527		12	19,539	
Retained earnings	224,774		208,971		15,803	215,739	
Accumulated other comprehensive income	3,823		44,179		(40,356)	34,282	
Total shareholders' equity	413,555	34.1	438,096	35.1	(24,541)	434,979	33.7
Total	1,212,055	100.0	1,248,152	100.0	(36,097)	1,290,756	100.0

Consolidated Statements of Comprehensive Income

(In millions of yen)

	Six months ended Sept. 30, 2001	Six months ended Sept. 30, 2000	Year ended Mar. 31, 2001
Net Income (loss)	13,264	(1,214)	9,795
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	4,524	1,104	5,657
Unrealized losses on securities	(19,887)	(22,995)	(38,568)
Minimum pension liability adjustment	(15,086)	15,684	16,807
Unrealized losses on derivatives	(10)	-	-
Other comprehensive loss	(30,459)	(6,207)	(16,104)
Comprehensive loss	(17,195)	(7,421)	(6,309)

Consolidated Statements of Shareholders' Equity

Six months ended Sept. 30, 2001 (In millions of yen)

	Shares of Common Stock Outstanding (Thousands)	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Income (Loss)
Balance, Apr. 1, 2001	1,409,809	78,156	87,263	19,539	215,739	34,282
Net income					13,264	
Other comprehensive loss						(30,459)
Cash dividends, \60 per ADS (20 common shares)					(4,229)	
Balance, Sept. 30, 2001	1,409,809	78,156	87,263	19,539	224,774	3,823

Six months ended Sept. 30, 2000 (In millions of yen)

	Shares of Common Stock Outstanding (Thousands)	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Income (Loss)
Balance, Apr. 1, 2000	1,409,655	78,107	87,213	19,527	214,414	50,386
Bond conversion to stock	154	49	50			
Net loss					(1,214)	
Other comprehensive loss						(6,207)
Cash dividends, \60 per ADS (20 common shares)					(4,229)	
Balance, Sept. 30, 2000	1,409,809	78,156	87,263	19,527	208,971	44,179

Year ended Mar. 31, 2001 (In millions of yen)

	Shares of Common Stock Outstanding (Thousands)	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Income (Loss)
Balance, Apr. 1, 2000	1,409,655	78,107	87,213	19,527	214,414	50,386
Bond conversion to stock	154	49	50			
Net income					9,795	
Other comprehensive loss						(16,104)
Cash dividends,\120 per ADS (20 common shares)					(8,458)	
Transfer to legal reserve				12	(12)	
Balance, Mar. 31, 2001	1,409,809	78,156	87,263	19,539	215,739	34,282

Consolidated Statements of Cash Flows

(In millions of yen)

	Six months ended Sept. 30, 2001	Six months ended Sept. 30, 2000	Change	Year ended Mar. 31, 2001
Operating activities				
Net income (loss)	13,264	(1,214)		9,795
Cumulative effect of an accounting change	(1,720)	21,559		21,559
Depreciation and Amortization	20,132	21,635		43,926
Provision for retirement and pension costs, less payments	1,052	1,818		3,896
Loss on sales of securities	(2,477)	(196)		(821)
Gain on contribution of the securities to the employee retirement benefit trust	-	(19,277)		(19,277)
Deferred income taxes	3,401	10,433		3,038
Decrease (increase) in notes and accounts receivable	97,211	25,095		(46,549)
Decrease in inventories	13,372	4,346		3,474
Increase (decrease) in trade notes and accounts payable	(59,963)	(27,139)		19,053
Increase (decrease) in income taxes payable	(7,794)	(1,395)		2,526
Other	(22,776)	(6,803)		7,907
Net cash provided by operating activities	53,702	28,862	24,840	48,527
Investing activities				
Purchases of fixed assets	(18,724)	(18,795)		(36,250)
Purchases of investments and change in advances	(1,927)	160		(327)
Proceeds from sales of property, plant, and equipment	1,035	3,130		5,519
Proceeds from sales of investments	7,425	1,254		2,955
Net decrease (increase) in short-term investments and other	43	(708)		5,079
Net cash used in investing activities	(12,148)	(14,959)	2,811	(23,024)
Financing activities				
Proceeds from long-term debt	12,354	8,440		11,416
Repayments of long-term debt	(29,356)	(34,680)		(49,365)
Net increase in short-term borrowings	5,019	8,457		20,289
Cash dividends	(4,229)	(4,229)		(8,458)
Net cash used in financing activities	(16,212)	(22,012)	5,800	(26,118)
Effect of exchange rate changes on cash and cash equivalents	71	218	(147)	606
Net increase (decrease) in cash and cash equivalents	25,413	(7,891)	33,304	(9)
Cash and cash equivalents, beginning of period	78,633	78,642	(9)	78,642
Cash and cash equivalents, end of period	104,046	70,751	33,295	78,633
Notes:				
The amount paid				
Interest	3,851	4,134	(283)	8,048
Income taxes	17,105	11,502	5,603	22,800
Major noncash transaction				
Contribution of securities to the employee retirement benefit trust	-	33,116	(33,116)	33,116

Consolidated Net Sales by Product Group

(In millions of yen)

	Six months ended Sept. 30, 2001		Six months ended Sept. 30, 2000		Change		Year ended Mar. 31, 2001	
	Amount	%	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	105,913		114,701		(8,788)	(7.7)	218,668	
Construction Machinery	9,953		12,048		(2,095)	(17.4)	23,826	
Internal Combustion Engine & Machinery	115,866	25.2	126,749	27.3	(10,883)	(8.6)	242,494	24.4
Pipe & Fluid Systems & Engineering	79,132		83,016		(3,884)	(4.7)	205,013	
Industrial Castings	11,453		11,803		(350)	(3.0)	27,156	
Environmental Engineering	29,706		29,274		432	1.5	137,204	
Industrial Machinery	35,132		36,775		(1,643)	(4.5)	75,498	
Industrial Products & Engineering	155,423	33.8	160,868	34.6	(5,445)	(3.4)	444,871	44.7
Building Materials	29,007		31,290		(2,283)	(7.3)	60,397	
Housing	30,839		24,989		5,850	23.4	51,224	
Building Materials & Housing	59,846	13.0	56,279	12.1	3,567	6.3	111,621	11.2
Domestic Total	331,135	72.0	343,896	74.0	(12,761)	(3.7)	798,986	80.3
Farm Equipment and Engines	109,133		101,959		7,174	7.0	162,975	
Construction Machinery	11,237		11,421		(184)	(1.6)	18,209	
Internal Combustion Engine & Machinery	120,370	26.2	113,380	24.4	6,990	6.2	181,184	18.2
Pipe & Fluid Systems & Engineering	2,250		2,032		218	10.7	3,834	
Industrial Castings	3,796		3,980		(184)	(4.6)	7,613	
Environmental Engineering	1,926		1,337		589	44.1	2,311	
Industrial Machinery	391		249		142	57.0	565	
Industrial Products & Engineering	8,363	1.8	7,598	1.6	765	10.1	14,323	1.5
Overseas Total	128,733	28.0	120,978	26.0	7,755	6.4	195,507	19.7
Farm Equipment and Engines	215,046		216,660		(1,614)	(0.7)	381,643	
Construction Machinery	21,190		23,469		(2,279)	(9.7)	42,035	
Internal Combustion Engine & Machinery	236,236	51.4	240,129	51.7	(3,893)	(1.6)	423,678	42.6
Pipe & Fluid Systems & Engineering	81,382		85,048		(3,666)	(4.3)	208,847	
Industrial Castings	15,249		15,783		(534)	(3.4)	34,769	
Environmental Engineering	31,632		30,611		1,021	3.3	139,515	
Industrial Machinery	35,523		37,024		(1,501)	(4.1)	76,063	
Industrial Products & Engineering	163,786	35.6	168,466	36.2	(4,680)	(2.8)	459,194	46.2
Building Materials	29,007		31,290		(2,283)	(7.3)	60,397	
Housing	30,839		24,989		5,850	23.4	51,224	
Building Materials & Housing	59,846	13.0	56,279	12.1	3,567	6.3	111,621	11.2
Grand Total	459,868	100.0	464,874	100.0	(5,006)	(1.1)	994,493	100.0

Note;

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

Anticipated Consolidated Net Sales by Industry Segment

(In billions of yen)

	Year ending Mar. 31, 2002		Year ended Mar. 31, 2001		Change	
	Amount	%	Amount	%	Amount	%
Domestic	214.0		242.5		(28.5)	(11.8)
Overseas	186.0		181.2		4.8	2.6
Internal Combustion Engine & Machinery	400.0	40.8	423.7	42.6	(23.7)	(5.6)
Domestic	452.0		444.9		7.1	1.6
Overseas	15.0		14.3		0.7	4.9
Industrial Products & Engineering	467.0	47.7	459.2	46.2	7.8	1.7
Domestic	113.0		111.6		1.4	1.3
Overseas	–		–		–	–
Building Materials & Housing	113.0	11.5	111.6	11.2	1.4	1.3
Grand Total	980.0	100.0	994.5	100.0	(14.5)	(1.5)
Domestic	779.0	79.5	799.0	80.3	(20.0)	(2.5)
Overseas	201.0	20.5	195.5	19.7	5.5	2.8

Consolidated Segment Information

(1) Information by Industry Segments

Six months ended Sept. 30, 2001 (In millions of yen)

		Internal Combustion Engine & Machinery	Industrial Products & Engineering	Building Materials & Housing	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	236,236	163,786	59,846	459,868	-	459,868
	Intersegment	18	4,030	3	4,051	(4,051)	-
	Total	236,254	167,816	59,849	463,919	(4,051)	459,868
Cost of sales and operating expenses		204,538	162,232	59,350	426,120	5,383	431,503
Operating income		31,716	5,584	499	37,799	(9,434)	28,365

Six months ended Sept. 30, 2000 (In millions of yen)

		Internal Combustion Engine & Machinery	Industrial Products & Engineering	Building Materials & Housing	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	240,129	168,466	56,279	464,874	-	464,874
	Intersegment	8	4,654	12	4,674	(4,674)	-
	Total	240,137	173,120	56,291	469,548	(4,674)	464,874
Cost of sales and operating expenses		208,952	167,625	61,867	438,444	4,215	442,659
Operating income (loss)		31,185	5,495	(5,576)	31,104	(8,889)	22,215

Year ended Mar. 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

(2) Information by Geographic Segments

Six months ended Sept. 30, 2001 (In millions of yen)

		Japan	North America	Other areas	Total	Corporate and Eliminations	Consolidated
Net sales	Unaffiliated customers	340,714	91,250	27,904	459,868	-	459,868
	Intersegment	42,730	1,734	406	44,870	(44,870)	-
	Total	383,444	92,984	28,310	504,738	(44,870)	459,868
Cost of sales and operating expenses		363,271	81,671	26,393	471,335	(39,832)	431,503
Operating income		20,173	11,313	1,917	33,403	(5,038)	28,365

Six months ended Sept. 30, 2000 (In millions of yen)

		Japan	North America	Other areas	Total	Corporate and Eliminations	Consolidated
Net sales	Unaffiliated customers	353,308	86,235	25,331	464,874	-	464,874
	Intersegment	48,768	1,528	320	50,616	(50,616)	-
	Total	402,076	87,763	25,651	515,490	(50,616)	464,874
Cost of sales and operating expenses		388,824	76,627	23,337	488,788	(46,129)	442,659
Operating income		13,252	11,136	2,314	26,702	(4,487)	22,215

Year ended Mar. 31, 2001 (In millions of yen)

		Japan	North America	Other areas	Total	Corporate and 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 and 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

(3) Overseas Sales

Six months ended Sept. 30, 2001 (In millions of yen)

	North America	Other areas	Total
Overseas sales	90,739	37,994	128,733
Consolidated net sales			459,868
Ratio of overseas sales to consolidated net sales	19.7%	8.3%	28.0%

Six months ended Sept. 30, 2000 (In millions of yen)

	North America	Other areas	Total
Overseas sales	85,701	35,277	120,978
Consolidated net sales			464,874
Ratio of overseas sales to consolidated net sales	18.4%	7.6%	26.0%

Year ended Mar. 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 September 30, 2001, September 30, 2000, and March 31, 2001.

(In millions of yen)

	Sept. 30, 2001			Sept. 30, 2000			Mar. 31, 2001		
	Notional amount	Carrying value	Fair value	Notional amount	Carrying value	Fair value	Notional amount	Carrying value	Fair value
Foreign exchange instruments recorded as assets (liabilities)	18,797	190	190	41,316	(319)	(301)	37,964	(2,965)	(2,937)
Interest rate swaps	15,312	(208)	(208)	9,570	−	(36)	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 by their fair value on the Company's balance sheet.   The following table presents cost, fair value, and net unrealized holding gains (losses) for securities by major security type at September 30, 2001, September 30, 2000, and March 31, 2001.

(In millions of yen)

	Sept. 30, 2001			Sept. 30, 2000			Mar. 31, 2001		
	Cost	Fair value	Gross unrealized holding gains and losses	Cost	Fair value	Gross unrealized holding gains	Cost	Fair value	Gross unrealized holding gains and losses
Short Term Investments:									
Governmental and corporate debt securities and other	2,011	2,011	−	8,698	8,698	−	2,348	2,348	−
Other Investments:									
Equity securities of financial institutions	55,942	100,813	44,871	62,320	160,852	98,532	61,639	135,167	73,528
Other equity securities	26,081	41,362	15,281	26,827	47,562	20,735	26,508	46,804	20,296
Other	9,125	9,033	(92)	2,985	3,065	80	8,404	8,227	(177)
Total	93,159	153,219	60,060	100,830	220,177	119,347	98,899	192,546	93,647

Notes:

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on September 30, 2000, of ¥119 = US$1, solely for convenience.

2. Each American Depositary Share ("ADS") represents 20 common shares.

3. One hundred and twenty-two subsidiaries are consolidated.

Major consolidated subsidiaries:	Domestic	Kubota House Co., Ltd.
		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-two affiliated companies are accounted for by the equity method.

Major affiliated companies :	Domestic	35 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
   ①Six months ended September 30, 2001
   None.
   ②Six months ended September 30, 2000
   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 adoption of new standard to total comprehensive income is not material, and there is no effect to cash flows. The amount of cumulative effect on prior year was reported in consolidated statements of operations, after being deducted taxes.

8. Reclassification
   The consolidated financial report for the prior period was reclassified to conform to the presentation for the six months ended September 30, 2001.

Contact:
IR Group
Kubota Corporation
2-47, Shikitsuhigashi 1-chome,
Naniwa-ku, Osaka 556-8601, Japan
Phone: (81)-6-6648-2645
Fax: (81)-6-6648-2642

Announcement of non-consolidated business results for the first six months ended September 30, 2001 of Kubota Corporation (Parent company only)

(1) The date of the Board of Directors' Meeting: November 20, 2001

(2) Payment date of interim dividends: December 10, 2001

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

	Six months ended September 30, 2001	Change (*)	Six months ended September 30, 2000	Change (*)	Year ended March 31, 2001
Net Sales	¥286,853	(5.5) %	¥303,674	(2.7) %	¥704,462
Operating income	¥4,017	(36.4) %	¥6,321	(46.1) %	¥37,093
Ordinary income	¥2,423	(66.8) %	¥7,304	(14.5) %	¥30,736
Net income (loss)	¥3,421	-	(¥49,093)	-	(¥34,953)
Net income (loss) per ADS (20 common shares)	¥48	-	(¥697)	-	(¥496)

(*) Percentage change from the comparable previous period.

Notes to results of operations:

Weighted average number of shares outstanding during the six months ended September 30, 2001------------------------------- 1,409,808,978

Weighted average number of shares outstanding during the six months ended September 30, 2000------------------------------ 1,409,706,572

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

(4) Financial position (In millions of yen except per ADS information)

	September 30, 2001	September 30, 2000	March 31, 2001
Total assets	¥914,340	¥971,730	¥998,686
Shareholders' equity	¥398,335	¥424,563	¥418,889
Ratio of shareholders' equity to total assets	43.6%	43.7%	41.9%
Shareholders' equity per ADS (20 common shares)	¥5,651	¥6,023	¥5,942

Notes to financial position:

Number of shares outstanding as of September 30, 2001 ------------------ 1,409,808,978

Number of shares outstanding as of September 30, 2000 ------------------ 1,409,808,978

Number of shares outstanding as of March 31, 2001 ------------------- 1,409,808,978

(5) Anticipated annual results of operations (In millions of yen except per share information)

	Year ending March 31, 2002
Net sales	¥695,000
Ordinary income	¥23,000
Net income	¥15,500
Annual dividends per ADS (20 common shares) (*)	¥120
Net income per ADS (20 common shares)	¥220

(*) Including interim dividends which will be paid on December 10, 2001.

(6) Cash dividends

Interim cash dividends per ADS (20 common shares) for the six months ended September 30, 2001 -------------- ¥60

Interim cash dividends per ADS (20 common shares) for the six months ended September 30, 2000 -------------- ¥60

Cash dividends per ADS (20 common shares) for the fiscal year ended March 31, 2001 ---------------------------- ¥120

Notes:

1. The above non-consolidated financial information is based upon the accounting principles generally accepted in Japan.
2. All amounts in this financial information have been rounded down except per ADS information.