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**RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED  
 DECEMBER 31, 2007 REPORTED BY KUBOTA CORPORATION**

OSAKA, JAPAN, February 5, 2008 ---Kubota Corporation reported its consolidated results of operations for the nine months ended December 31, 2007 today.

**Consolidated Financial Highlights**

(Unaudited)

**1. Consolidated Results of Operations for the Nine Months Ended December 31, 2007**

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

(1) Results of operations

	Nine months ended Dec. 31, 2007	% (* )	Nine months ended Dec. 31, 2006	% (* )	Year ended Mar. 31, 2007
Revenues	¥837,631 [ \$7,347,640 ]	1.3	¥827,152	10.2	¥1,127,456
Operating income	¥106,454 [ \$933,807 ]	(1.9)	¥108,517	14.3	¥130,347
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥106,930 [ \$937,982 ]	(4.0)	¥111,399	(1.8)	¥131,565
Net income	¥59,942 [ \$525,807 ]	(5.6)	¥63,486	(2.7)	¥76,457
Net income per ADS:					
Basic	¥232 [ \$2.04 ]		¥245		¥295
Diluted	¥232 [ \$2.04 ]		¥245		¥295

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

(2) Financial position

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

	Dec. 31, 2007	Dec. 31, 2006	Mar. 31, 2007
Total assets	¥1,517,172 [ \$13,308,526 ]	¥1,510,569	¥1,502,532
Shareholders' equity	¥668,450 [ \$5,863,596 ]	¥642,429	¥659,637
Ratio of shareholders' equity to total assets	44.1%	42.5%	43.9%
Shareholders' equity per ADS	¥2,600 [ \$22.81 ]	¥2,481	¥2,554

**2. Anticipated results of operations for the year ending March 31, 2008**

(In millions of yen except per ADS amounts)

	Year ending Mar. 31, 2008	% (* )
Revenues	¥1,140,000	1.1
Operating income	¥136,000	4.3
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	¥136,500	3.8
Net income	¥77,500	1.4
Net income per ADS	¥301	

Note.

(\* ) represents percentage change from the corresponding previous period.

**3. Other**

(1) Changes in number of material subsidiaries during the fiscal year : None

(2) Adoption of simplified accounting procedures : Yes

(3) Changes in accounting procedures since the last consolidated fiscal year : Yes

Please refer to "Notes of the Consolidated Financial Statements" on page 8

### **<Results of Operations>**

During the nine months under review, revenues increased ¥10.5 billion (1.3 %), to ¥837.6 billion from the corresponding period in the prior year. Although domestic revenues decreased, overseas revenues increased due to an increase in Internal Combustion Engine & Machinery.

In the domestic market, revenues decreased ¥16.8 billion (4.0 %), to ¥403.0 billion from the corresponding period in the prior year. Revenues in Internal Combustion Engine & Machinery decreased due to sales downturn of farm equipment, even though sales of construction machinery and engines increased from the corresponding period in the prior year. Revenues in Pipes, Valves, and Industrial Castings increased due to a great increase in sales of industrial casting, although sales of plastic pipes decreased. Revenues in Environmental Engineering decreased affected by the discontinuation of a part of operations. Revenues in Other decreased in spite of substantial sales increase of vending machine, because the majority of the shares of the subsidiary which conducts sales of condominiums was sold and revenues of the subsidiary were not recorded from the third quarter.

Overseas revenues increased ¥27.3 billion (6.7 %), to ¥434.6 billion from the corresponding period in the prior year. In Internal Combustion Engine and Machinery, sales of tractors, engines and construction machinery increased. Sales of tractors increased because of substantial sales expansion in Europe and Asia outside Japan, while sales in North America decreased affected by the slow down of U.S. housing market. Sales of engines and construction machinery increased mainly in Europe, on the background of its brisk market condition. In Pipes, Valves, and Industrial Castings, sales of ductile iron pipes decreased. In Environmental Engineering, sales of pumps increased.

Operating income decreased ¥2.1 billion (1.9 %), to ¥106.5 billion from the corresponding period in the prior year. Operating income in Internal Combustion Engine and Machinery increased due to an increase of revenues mainly in Europe and Asia outside Japan, and weaker yen exchange rate compared with the corresponding period in the prior year. Operating income in Pipes, Valves, and Industrial Castings decreased due to soaring costs of raw materials, mainly steel scraps. Operating income in Environmental Engineering decreased due to a decrease in sales and price decline of sales orders. Operating income in Other increased due to sales increase in vending machine.

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies decreased ¥4.5 billion (4.0 %), to ¥1,069 billion from the corresponding period in the prior year. Income taxes were ¥41.7 billion (39.0 % of effective tax rate), and net amount of minority interests in earnings of subsidiaries and equity in net income of affiliated companies to deduct was ¥5.5 billion. After addition of gain from discontinued operation, net income decreased ¥3.5 billion (5.6 %), to ¥59.9 billion from the corresponding period in the prior year.

### **<Financial Position>**

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

Total assets at the end of the period under review amounted to ¥1,517.2 billion, an increase of ¥6.6 billion (0.4 %) from the end of corresponding period in the prior year. As for assets, short- and long-term finance receivables increased substantially reflecting expansion of overseas business in Internal Combustion Engine and Machinery, and other investments decreased due to a decrease in unrealized gains on securities. As for liabilities, accrued retirement and pension costs decreased as a result of the application of new accounting standard for pensions at the end of the prior year. Shareholders' equity increased due to stably recorded net income, while a

accumulated other comprehensive income decreased due to a decrease of unrealized gains on securities.

(Comparison with the end of the prior year)

Total assets increased ¥14.6 billion (1.0 %) from the prior year end. As for assets, finance receivables and inventories increased, while other investments decreased due to a decrease in unrealized gains on securities. As for liabilities, total liabilities remained almost the same level as the prior year end. Although interest-bearing debt increased reflecting the increased finance receivables, deferred tax liabilities decreased due to a decrease in unrealized gains on securities. On the other hand, shareholders' equity increased steadily due to recorded net income, and shareholders' equity ratio was 44.1%, 0.2 percentage points higher than that at the prior year end.

**<Prospect for the Fiscal Year>**

The forecasts of the anticipated results of operations for the year ending March 31, 2008, which were announced on November 6, 2007, remain unchanged.

The forecasts are based on the assumption of an exchange rate of ¥118=US\$1.

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

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

## Consolidated Statements of Income

(Unaudited)

(In millions of yen)

	Nine months ended Dec. 31, 2007		Nine months ended Dec. 31, 2006		Change		Year ended Mar. 31, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues	837,631	100.0	827,152	100.0	10,479	1.3	1,127,456	100.0
Cost of revenues	594,022	70.9	578,287	69.9	15,735	2.7	794,687	70.5
Selling, general, and administrative expenses	137,296	16.4	138,834	16.8	(1,538)	(1.1)	199,356	17.7
Loss (gain) from disposal and impairment of businesses and fixed assets	(141)	(0.0)	1,514	0.2	(1,655)	-	3,066	0.2
<b>Operating income</b>	<b>106,454</b>	<b>12.7</b>	<b>108,517</b>	<b>13.1</b>	<b>(2,063)</b>	<b>(1.9)</b>	<b>130,347</b>	<b>11.6</b>
Other income (expenses):								
Interest and dividend income	3,219		3,028		191		3,283	
Interest expense	(878)		(1,109)		231		(1,219)	
Gain on sales of securities-net	664		1,180		(516)		1,313	
Gain on nonmonetary exchange of securities	-		997		(997)		997	
Foreign exchange gain (loss) -net	(12)		1,308		(1,320)		(442)	
Other-net	(2,517)		(2,522)		5		(2,714)	
<b>Other income, net</b>	<b>476</b>		<b>2,882</b>		<b>(2,406)</b>		<b>1,218</b>	
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies	106,930	12.8	111,399	13.5	(4,469)	(4.0)	131,565	11.7
Income taxes	41,663		41,538		125		48,961	
Minority interests in earnings of subsidiaries	5,961		5,580		381		6,214	
Equity in net income of affiliated companies	434		1,531		(1,097)		1,353	
<b>Income from continuing operations</b>	<b>59,740</b>	<b>7.1</b>	<b>65,812</b>	<b>8.0</b>	<b>(6,072)</b>	<b>(9.2)</b>	<b>77,743</b>	<b>6.9</b>
Gain (loss) from discontinued operations, net of taxes	202		(2,326)		2,528		(1,286)	
<b>Net income</b>	<b>59,942</b>	<b>7.2</b>	<b>63,486</b>	<b>7.7</b>	<b>(3,544)</b>	<b>(5.6)</b>	<b>76,457</b>	<b>6.8</b>

(In yen)

Basic earnings per ADS (five common shares)	232	245	295
Diluted earnings per ADS (five common shares)	232	245	295

## Consolidated Balance Sheets

(Unaudited)

Assets

(In millions of yen)

	Dec. 31, 2007		Dec. 31, 2006		Change	Mar. 31, 2007	
	Amount	%	Amount	%	Amount	Amount	%
<b>Current assets:</b>							
Cash and cash equivalents	88,723		100,649		(11,926)	82,601	
Notes and accounts receivable	300,462		301,945		(1,483)	316,208	
Short-term finance receivables-net	108,045		95,851		12,194	97,798	
Inventories	223,050		216,560		6,490	205,658	
Other current assets	126,977		122,356		4,621	114,835	
Total current assets	847,257	55.8	837,361	55.4	9,896	817,100	54.4
<b>Investments and long-term finance receivables</b>	382,360	25.2	386,967	25.6	(4,607)	398,915	26.5
<b>Property, plant, and equipment</b>	234,745	15.5	236,434	15.7	(1,689)	237,646	15.8
<b>Other assets</b>	52,810	3.5	49,807	3.3	3,003	48,871	3.3
<b>Total</b>	1,517,172	100.0	1,510,569	100.0	6,603	1,502,532	100.0

Liabilities and Shareholders' Equity

(In millions of yen)

	Dec. 31, 2007		Dec. 31, 2006		Change	Mar. 31, 2007	
	Amount	%	Amount	%	Amount	Amount	%
<b>Current liabilities:</b>							
Short-term borrowings	145,844		212,828		(66,984)	128,365	
Notes and accounts payable	236,913		237,151		(238)	237,295	
Other current liabilities	123,614		128,648		(5,034)	139,594	
Current portion of long-term debt	62,893		51,773		11,120	71,429	
Total current liabilities	569,264	37.5	630,400	41.7	(61,136)	576,683	38.4
<b>Long-term liabilities:</b>							
Long-term debt	165,268		113,468		51,800	150,105	
Accrued retirement and pension costs	29,824		46,702		(16,878)	27,306	
Other long-term liabilities	44,149		42,753		1,396	52,732	
Total long-term liabilities	239,241	15.8	202,923	13.5	36,318	230,143	15.3
<b>Minority interest</b>	40,217	2.6	34,817	2.3	5,400	36,069	2.4
<b>Shareholders' equity:</b>							
Common stock	84,070		84,070		-	84,070	
Capital surplus	93,150		93,150		-	93,150	
Legal reserve	19,539		19,539		-	19,539	
Retained earnings	420,240		372,328		47,912	376,815	
Accumulated other comprehensive income	56,676		78,006		(21,330)	86,247	
Treasury stock	(5,225)		(4,664)		(561)	(184)	
Total shareholders' equity	668,450	44.1	642,429	42.5	26,021	659,637	43.9
<b>Total</b>	1,517,172	100.0	1,510,569	100.0	6,603	1,502,532	100.0

## Consolidated Segment Information by Industry Segment

(Unaudited)

Nine months ended Dec. 31, 2007

(In millions of yen)

		Internal Combustion Engine & Machinery	Pipes, Valves, & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	Consolidated
Revenues	Unaffiliated customers	598,208	144,684	31,756	62,983	837,631	-	837,631
	Intersegment	14	235	63	11,308	11,620	(11,620)	-
	Total	598,222	144,919	31,819	74,291	849,251	(11,620)	837,631
Cost of revenues and operating expenses		493,032	134,426	37,594	67,301	732,353	(1,176)	731,177
Operating income (loss)		105,190	10,493	(5,775)	6,990	116,898	(10,444)	106,454

Nine months ended Dec. 31, 2006

(In millions of yen)

		Internal Combustion Engine & Machinery	Pipes, Valves, & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	Consolidated
Revenues	Unaffiliated customers	581,317	142,872	37,118	65,845	827,152	-	827,152
	Intersegment	12	483	218	12,392	13,105	(13,105)	-
	Total	581,329	143,355	37,336	78,237	840,257	(13,105)	827,152
Cost of revenues and operating expenses		480,299	125,404	40,772	73,684	720,159	(1,524)	718,635
Operating income (loss)		101,030	17,951	(3,436)	4,553	120,098	(11,581)	108,517

Year ended Mar. 31, 2007

(In millions of yen)

		Internal Combustion Engine & Machinery	Pipes, Valves, & Industrial Castings	Environmental Engineering	Other	Total	Corporate & Eliminations	Consolidated
Revenues	Unaffiliated customers	746,808	194,224	90,613	95,811	1,127,456	-	1,127,456
	Intersegment	22	768	340	16,893	18,023	(18,023)	-
	Total	746,830	194,992	90,953	112,704	1,145,479	(18,023)	1,127,456
Cost of revenues and operating expenses		621,926	172,985	96,568	105,577	997,056	53	997,109
Operating income (loss)		124,904	22,007	(5,615)	7,127	148,423	(18,076)	130,347

Notes:

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on December 28, 2007, of ¥114 = US\$1, solely for convenience.
2. Each American Depositary Share (“ADS”) represents five common shares.
3. 118 subsidiaries are consolidated.
 

Major consolidated subsidiaries:	Domestic	Kubota Construction Co., Ltd. Kubota Credit Co., Ltd. Kubota Environmental Service Co., Ltd. Kubota-C.I. Co., Ltd.
	Overseas	Kubota Tractor Corporation Kubota Credit Corporation, U.S.A. Kubota Manufacturing of America Corporation Kubota Engine America Corporation Kubota Metal Corporation Kubota Baumaschinen GmbH Kubota Europe S.A.S.

4. 27 affiliated companies are accounted for under the equity method.
 

Major affiliated companies:	Domestic	17 sales companies of farm equipment Kubota Matsushitadenko Exterior Works, Ltd. Kubota Maison Co., Ltd.
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On July 27, 2007, the Company announced that the Company and Urbanex Co., Ltd. have reached a basic agreement to transfer all the shares of Kubota Maison Co., Ltd. (“Kubota Maison”) to Urbanex Co., Ltd. On October 1, 2007, the Company transferred 70% shares of Kubota Maison in accordance with the agreement. As a result of the transfer, Kubota Maison was excluded from consolidated subsidiaries and became an affiliated company of Kubota Corporation. Kubota Maison will be excluded from affiliated companies by the scheduled transfer of the remaining 30% shares on April 1, 2009.

5. Summary of accounting policies
  - (1) The accompanying consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America except for the presentation for segment information described in (2).
  - (2) The consolidated segment information is prepared in accordance with a requirement of the Japanese Securities and Exchange regulations. This disclosure is not consistent with SFAS No.131, “Disclosures about Segments of an Enterprise and Related Information”.
6. The Company adopted the FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes - an interpretation of SFAS No. 109”, as of April 1, 2007. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertainty in income tax return. The adoption of this interpretation did not have a material impact on the Company’s consolidated results of operations and financial position.
7. In the consolidated statements of income for the nine months ended December 31, 2006, finance income and expenses from retail finance business were classified mainly into “Interest income” and “Interest expense” in other income (expenses). However, from the consolidated statements of income for the year ended March 31, 2007, the Company has classified them into “Revenues” and “Cost of revenues”, since the significance of retail finance business has been increasing and the business is becoming one of the major or central operations of the Company. Accordingly, the reclassification has been made to the presentation of the consolidated statements of income for the nine months ended December 31, 2006.  
Finance income included in “Revenues” for the nine months ended December 31, 2007 and 2006 are ¥20,123 million and ¥15,704 million, respectively, and finance expenses included in “Cost of revenues” for the nine months ended December 31, 2007 and 2006 are ¥11,054 million and ¥8,834 million, respectively.
8. The Company accounts for discontinued operations in accordance with SFAS No.144, “Accounting for the Impairment or Disposal of Long-Lived Assets” and presents the results of discontinued operations as a separate line item in the consolidated statements of income under loss from discontinued operations, net of taxes. The figures of the consolidated statements of income for the prior year related to the discontinued operations have been separately reported from the ongoing operating results to conform with the current year presentation.
9. The consolidated financial reports for the year ended March 31, 2007 and the nine months ended December 31, 2006 have been reclassified to conform to the presentation for the nine months ended December 31, 2007.
10. The Company adopts simplified accounting procedures in part to calculate tax expenses.



## Consolidated Revenues by Industry Segment

(Unaudited)

(In millions of yen)

	Nine months ended Dec. 31, 2007		Nine months ended Dec. 31, 2006		Change		Year ended Mar. 31, 2007	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Farm Equipment and Engines</b>	<b>509,699</b>	<b>60.8</b>	<b>502,907</b>	<b>60.8</b>	<b>6,792</b>	<b>1.4</b>	<b>643,214</b>	<b>57.1</b>
Domestic	166,917		178,280		(11,363)	(6.4)	228,155	
Overseas	342,782		324,627		18,155	5.6	415,059	
<b>Construction Machinery</b>	<b>88,509</b>	<b>10.6</b>	<b>78,410</b>	<b>9.5</b>	<b>10,099</b>	<b>12.9</b>	<b>103,594</b>	<b>9.2</b>
Domestic	22,640		22,128		512	2.3	30,122	
Overseas	65,869		56,282		9,587	17.0	73,472	
<b>Internal Combustion Engine &amp; Machinery</b>	<b>598,208</b>	<b>71.4</b>	<b>581,317</b>	<b>70.3</b>	<b>16,891</b>	<b>2.9</b>	<b>746,808</b>	<b>66.3</b>
Domestic	189,557	22.6	200,408	24.3	(10,851)	(5.4)	258,277	22.9
Overseas	408,651	48.8	380,909	46.0	27,742	7.3	488,531	43.4
<b>Pipes and Valves</b>	<b>108,635</b>	<b>13.0</b>	<b>114,052</b>	<b>13.8</b>	<b>(5,417)</b>	<b>(4.7)</b>	<b>155,320</b>	<b>13.8</b>
Domestic	103,189		103,839		(650)	(0.6)	143,485	
Overseas	5,446		10,213		(4,767)	(46.7)	11,835	
<b>Industrial Castings</b>	<b>36,049</b>	<b>4.3</b>	<b>28,820</b>	<b>3.5</b>	<b>7,229</b>	<b>25.1</b>	<b>38,904</b>	<b>3.4</b>
Domestic	20,052		15,179		4,873	32.1	19,949	
Overseas	15,997		13,641		2,356	17.3	18,955	
<b>Pipes, Valves, &amp; Industrial Castings</b>	<b>144,684</b>	<b>17.3</b>	<b>142,872</b>	<b>17.3</b>	<b>1,812</b>	<b>1.3</b>	<b>194,224</b>	<b>17.2</b>
Domestic	123,241	14.7	119,018	14.4	4,223	3.5	163,434	14.5
Overseas	21,443	2.6	23,854	2.9	(2,411)	(10.1)	30,790	2.7
<b>Environmental Engineering</b>	<b>31,756</b>	<b>3.8</b>	<b>37,118</b>	<b>4.5</b>	<b>(5,362)</b>	<b>(14.4)</b>	<b>90,613</b>	<b>8.0</b>
Domestic	27,677	3.3	34,732	4.2	(7,055)	(20.3)	86,475	7.6
Overseas	4,079	0.5	2,386	0.3	1,693	71.0	4,138	0.4
<b>Building Materials &amp; Housing</b>	<b>8,367</b>	<b>1.0</b>	<b>11,701</b>	<b>1.4</b>	<b>(3,334)</b>	<b>(28.5)</b>	<b>17,247</b>	<b>1.5</b>
Domestic	8,367		11,701		(3,334)	(28.5)	17,247	
<b>Other</b>	<b>54,616</b>	<b>6.5</b>	<b>54,144</b>	<b>6.5</b>	<b>472</b>	<b>0.9</b>	<b>78,564</b>	<b>7.0</b>
Domestic	54,162		53,960		202	0.4	78,069	
Overseas	454		184		270	146.7	495	
<b>Other</b>	<b>62,983</b>	<b>7.5</b>	<b>65,845</b>	<b>7.9</b>	<b>(2,862)</b>	<b>(4.3)</b>	<b>95,811</b>	<b>8.5</b>
Domestic	62,529	7.5	65,661	7.9	(3,132)	(4.8)	95,316	8.5
Overseas	454	0.0	184	0.0	270	146.7	495	0.0
<b>Total</b>	<b>837,631</b>	<b>100.0</b>	<b>827,152</b>	<b>100.0</b>	<b>10,479</b>	<b>1.3</b>	<b>1,127,456</b>	<b>100.0</b>
Domestic	403,004	48.1	419,819	50.8	(16,815)	(4.0)	603,502	53.5
Overseas	434,627	51.9	407,333	49.2	27,294	6.7	523,954	46.5