

August 20, 2007

To whom it may concern

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Notice on the production of tractors in Thailand

Kubota Corporation (hereinafter “the Company”) and The Siam Cement Group (hereinafter “Siam Cement”) located in Bangkok, Thailand will jointly establish a company and construct a plant for manufacturing tractors that will be sold in Thailand.

1. The closing date of the agreement

August 20, 2007

2. Outline of the new company

Name:	Siam Kubota Tractor Co., Ltd.
Time of foundation:	September 2007 (production will begin in March 2009)
Location:	Amata Nakorn Industrial Estate, Chonburi, Thailand (60 km southeast of center of Bangkok City)
Plant size:	Land - 324,320 square meters, Floor space - 31,200 square meters
Capital:	1.1 billion Bahts (Approx. ¥4.4 billion)
Share allotment ratio:	Kubota Corporation - 60%, The Siam Cement Group - 40%
Total amount of investment:	1.76 billion Bahts (Approx. ¥7.04 billion)
Business:	Manufacturing tractors and implements sold in Thailand (Sales of tractors and implements in Thailand will be ongoingly conducted by The Siam Kubota Industry Co., Ltd.)
Capacity of production:	25,000 thousand tractors per year
Employee:	300 (in the first year)

3. Backgrounds and purposes of establishing the new company

(1) Expansion of Asian market outside Japan and tractor business in Thailand

The Company is enhancing its business operation of Internal Combustion Engine and Machinery in Japan, North America, Europe and Asia outside Japan. Among them, Asian market outside Japan has been expanding rapidly during past several years. Especially, sales of brand-new tractors in Thailand is expanding due to rising income levels of farmers and labor shortage in rural area resulted from its economic growth.

(2) Necessity of establishing a production base for low-priced tractors

The Company has concluded that it is necessary to establish a production base for tractors with low price and high price performance in Thailand as soon as possible, in order to relief shortage of production capacity of Tsukuba plant (Tsukubamirai, Ibaraki, Japan) resulted from a rapid increase of the demand for brand-new tractors in Thailand and to compete against low-priced tractors made in Korea and India.

The Company will consider exporting the low-priced tractors produced by the new company to North America and Europe.

(3) Reasons for selecting Thailand as the site for establishing the new plant

The Company decided to establish a production base in Thailand for the following reasons; there is an advantage in procuring parts and components because there are a lot of parts supply companies in Thailand resulted from the growth of automobile industry; it is suitable to export its products to neighboring countries because the location of the plant is very close to a harbor; there is a strong operational base established by the Siam Kubota Industry Co., Ltd., which was jointly established in 1978 by the Company and Siam Cement.

(4) Building “KUBOTA BRAND” in Asia outside Japan

The Company will further expand its business in Thailand by locally producing tractors sold in Thailand. Moreover, with utilizing the new production base, the Company will promptly build KUBOTA BRAND in Asia outside Japan through expanding its business in rice farming countries in Southeast Asia that are potential markets for the Company.

4. Business Target

Sales target of the new company in 2010 will be 7.0 billion Bahts (Approx. ¥28.0 billion).

< 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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