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

FOR IMMEDIATE RELEASE (THURSDAY, MAY 24, 2001)

RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2001 REPORTED BY KUBOTA CORPORATION

OSAKA, JAPAN, May 24, 2001 ---Kubota Corporation reported today its consolidated and non-consolidated results of operations for the year ended March 31, 2001.

Consolidated Financial Highlights

(1) Results of operations

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

	Year ended March 31, 2001	% (*)	Year ended March 31, 2000	% (*)
Net sales	¥994,493 $8,020,105	0.7	¥987,265	1.1
Operating income	¥43,193 $348,331	48.1	¥29,171	(5.9)
Income before income taxes, equity in net income of affiliated companies and cumulative effects of an accounting change	¥59,349 $478,621	155.5	¥23,232	(28.1)
Net income	¥9,795 $78,992	(40.4)	¥16,428	8.8
% of net sales	1.0%		1.7%	
Net income per ADS				
Basic	¥139 $1.12		¥233	
Diluted	¥137 $1.10		¥221	
Ratio of net income to shareholders' equity	2.2%		3.8%	
Ratio of income before income taxes to total assets	4.5%		1.7%	
Ratio of income before income taxes to net sales	6.0%		2.4%	

Notes to results of operations:

1 :Equity in net income of affiliated companies for the year ended March 31, 2001, and 2000 were \235 million, and \1,982 million, respectively.
2 : (*) represents percentage change from the comparable previous year.
3 :Average number of shares outstanding during the year ended March 31, 2001 ------- 1,409,757,775
Average number of shares outstanding during the year ended March 31, 2000 ------- 1,409,655,369
4 :Change in accounting for pensions was made during the year ended March 31, 2001.
5 :Certain reclassifications heve been made to the consolidated financial statements for 2000 to conform to classifications used in 2001.

(2) Financial position

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

	March 31, 2001	March 31, 2000
Total assets	¥1,290,756 $10,409,323	¥1,320,605
Shareholders' equity	¥434,979 $3,507,895	¥449,647
Ratio of shareholders' equity to total assets	33.7%	34.0%
Shareholders' equity per ADS	¥6,171 $49.77	¥6,380

Note to financial position:

Number of shares outstanding as of March 31, 2001 ------- 1,409,797,135
Number of shares outstanding as of March 31, 2000 ------- 1,409,655,369

(3) Summary of statements of cash flows

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

	Year ended March 31, 2001	Year ended March 31, 2000
Net cash provided by operating activities	¥48,527 $391,347	¥79,279
Net cash used in investing activities	(¥23,024) ($185,678)	(¥29,174)
Net cash used in financing activities	(¥26,118) ($210,629)	(¥65,306)
Cash & cash equivalents, beginning of year	¥78,642 $634,210	¥94,715
Cash & cash equivalents, end of year	¥78,633 $634,137	¥78,642

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

(5) The number of newly consolidated companies during the period : Nineteen
The number of newly unconsolidated companies during the period : Nine

The number of newly affiliated companies during the period : One
The number of newly unaffiliated companies during the period : Nineteen

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

(In millions of yen)

	Six months ending September 30, 2001	Year ending March 31, 2002
Net Sales	¥465,000	¥1,000,000
Income before income taxes and equity in net income (loss) of affiliated companies	¥22,000	¥48,000
Net income	¥12,000	¥27,000

Informational: Anticipated basic net income per ADS for the year ending March 31, 2002 will be \383.

1. Management Policies

1. Basic management policy

More than a century since its founding, 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 plant, 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, by 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) At the end of the fiscal year ended March 31, 1999, this measure was implemented because it was expected that the Company’s results of operations would suffer accompanying a prolonged sluggish economy. The Company implemented the “Urgent Profit-Increase Measure”, focusing on reduction of head count, related personnel expense and other miscellaneous general and administrative expenses. This measure is to be accomplished within three years from the year ended March 31, 2000. Such measure also includes the withdrawal from some unprofitable businesses, strengthening of the financial structure through the reduction of the interesting-bearing debt, reformation of the management organization through the decrease in the number of directors, etc. Through such efforts, the Company has been progressing toward recovered profitability and strengthening of its financial structure.

(2) Although the Company is regaining its profitability, current operating income is far from satisfaction. Operating income for the fiscal year ended March 31, 2001 remains much lower than that of the Company's most profitable year (fiscal year ended March 31, 1997). In order to emerge from such a stagnant condition, the Company has targeted to better the operating income recorded in the fiscal year ended March 31, 1997 by the fiscal year ending in March 31, 2004. The Company believes that this will be accomplished by the steady implementation of each business strategy of each business unit and by the resolute enforcement of the further business renovation, such as the restructuring of the corporate office. The Company is determined to execute this "mid term business strategy".

The anticipated mid term financial goal

Target (¥billion)	As of March, 2004
Net sales	¥1,100 billion
Operating income	¥65 billion
Income before income taxes and equity in net income of affiliated companies	¥63 billion
Net income	¥34 billion
Ratio of net income to shareholders' equity	7.0 %
Ratio of net income to total assets	2.6 %

(3) Reforming the business and income structures

1) Improvement in the profitability of "Core business" and "Strategic business" categories, and reconstruction of the "Reviving business" category.

The Company's businesses are classified into three categories. After the classification of each business strategy, management resources are allocated in accordance with priority. Through these measures, it is believed by the Company, reformation of the business and income structures will be reached.

① **“Core business” category**:

This category primarily encompasses business of domestic farm equipment, ductile iron pipe and PVC pipes, and pumps. Although the markets for these products are unlikely to experience rapid growth in the years ahead, the Company is extremely competitive in these fields, which will serve as a foundation for stable revenue within this category. By maintaining or further enhancing its competitiveness in these fields, the Company will work to maintain stable income and generate greater positive cash flows.

② **“Strategic business” category**:

This category mainly includes business of overseas operations for tractors and environmental engineering. The Company is also highly competitive in these fields. Markets in these businesses are expected to grow sharply in the future. Therefore the Company plans to place high priority on the allocation of sufficient management resources to this category, thereby expanding profits.

③**“Reviving business” category**:

This category primarily includes business of building materials, housing and industrial castings. The Company aims to recover the profitability in the Reviving business category by improving break even point as well as engaging in mergers and acquisitions ("M&A").

2) Reengineering the job process within the Company by taking advantage of available information technology ("IT")

In order to strengthen profitability within this business category and make its operations more effective and agile, the Company intends to implement improved information technology.

3) Establishing new and innovative businesses

The Company intends to raise sales of new businesses as a percentage of total sales to no less than 10% within three years. The businesses upon which the Company will place emphasis are related to environmental protection such as environmental restoration, material business using new technology, and new energy-source, such as fuel cells and micro-gas turbines. The Company will do its utmost to promote these new and innovative businesses.

(4) Reforming of the organization

1) Establish a management system whereby each business division operates as if it were an independent entity

The Company has a long history of a management system whereby the rights and responsibilities of the various businesses divisions fell on the corporate office. The Company intends to re-think this system and transfer the rights and responsibilities from the corporate office to the individual business divisions. This will change the operating structure to one where each business division is responsible to solve the issues by themselves, including those of their subsidiaries and affiliated companies.

2) Streamlining of the corporate office

Corresponding to the redesign of the operating structure, the Company intends to strengthen its business planning and raise effectiveness within the related support functions. For example, the Company intends to reduce head count at the corporate office, and transfer unrelated responsibilities to the appropriate business divisions. The Company believes this reorganization of the corporate office will help the focus on more appropriate functions such as administration of technology, planning and compliance.

(5) Finance strategy

1) Achieving the target for the reduction of consolidated interest-bearing debt

The Company intends to reduce consolidated interest-bearing debt to ¥330 billion, March 31, 2002.

2) Maintenance of balance sheets

The Company plans to maintain the necessary amount of funds needed for IT related investments, capital expenditures, strategic investments for M&A or other alliances which will arise, in the execution of the mid term businesses strategy.

4. Establishing consistent and appropriate ethics and ensuring their compliance

With respect to the violation of the Japanese Commercial Code which occurred in the previous year, the Company has recognized the significance of such an event. In addition to inviting experts from outside the company to serve as advisers, the Company has established a new section within the legal department, which will assume responsibility for all negotiating. The Company is going to strive to ensure the strict adherence to the corporate ethics and reinforcing their compliance.

2. Review of Operations

1. Outline of the results of operations for the year under review

The Japanese economy, in the former half of the year ended March 31, 2001, followed the path of moderate recovery, stimulated by brisk capital expenditures due in part to the recovery of profitability of many companies. Under harsh conditions surrounding employment and income, private consumption remained sluggish. In the latter half of the year under review, this stagnation has increased as the result of decreasing of foreign demand and slippage of the Japanese stock market.

In the United States, focus on the IT related products, economic slowdown got conspicuous. But new housing starts and private consumption has been steady. European countries ("EU") also had moderate economical growth as a whole. Under such conditions, net sales of the Company in the year under review were ¥994.5 billion, a 0.7% increase from the previous fiscal year. Domestic sales were ¥799.0 billion, a 0.2% decrease from the previous fiscal year and sales in overseas countries were ¥195.5 billion, a 4.6% increase from the previous fiscal year. The consistent reduction in personnel-related and other expenses in accordance with the "Urgent Profit-Increase Measure" helped the Company to achieve operating income of ¥43.2 billion, a 48.1% increase from the previous fiscal year. Income before income taxes, equity in net income of affiliated companies, and cumulative effect of an accounting change was ¥59.3 billion, an increase of 155.5% from the previous fiscal year. This was due to mainly the gain on the contribution of securities to the employee retirement benefit trust. On the other hand, net income was ¥9.8 billion, a 40.4% decrease compared with the previous fiscal year. This was due to the cumulative effect of an accounting change for recognition of unrecognized actuarial losses. Diluted net income per American Depositary Shares("ADS") was ¥137, an ¥84 decrease compared with the previous fiscal year.

2. Review of operations by product group

(1) Sales in Internal Combustion Engine and Machinery increased 9.8% from the previous fiscal year to ¥423.7 billion, comprising 42.6% of consolidated net sales. Domestic sales advanced 13.4%, to ¥242.5 billion, while overseas sales were up 5.4% to ¥181.2 billion.

※ Sales of farm equipment increased from the previous fiscal year, partly due to the increase in the number of the consolidated companies during the year. The main factors for the increase in sales were the satisfactory sales of both the "JOYCOM " series of tractor (rice transplanter and combine harvester) and of the compact tractor "NEW GRANBIA". Both of these products were introduced for farmers in suburban or mountainous regions. Increased sales were also due in part to and the favorable sales of "WELSTAR" (a new rice transplanter) and "AERO" series (combine harvester). Both of these products were introduced for the large scale farming applications.

In the overseas market, especially in the North America, being the main foreign market, the Company fortified the supply system for the spring season, in which the sales of agricultural machinery is best. The Company attempted to expand sales and improve profitability by shortening the "lead time" and reducing the distribution cost.

The new concept subcompact tractor series "BX" with 18 and 22 horse-power engines was received exceptionally well by consumers. In U.S.A the Company was able to maintain more than 40% market share of tractors with less than 40 horse-power engines. This is the mainstay of the tractor business within the Company. With the number of the tractors sold in the U.S. market this year, the Company broke the previous record.

In Europe, due to a steady business condition and unequally well reception of the sub compact tractor series "BX", sales of tractors grew, especially in France, Germany, England, other southern European countries.

In Asian markets, under the influence of Chinese policy which promotes the reduction of rice-paddy acreage, the sales of the combine-harvester declined.

※ Sales of engines decreased compared with the previous fiscal year. In domestic market, due to the Japanese recession and reduction in public investment, sales to manufacturers of both construction machinery and industrial machinery declined. In the overseas market, in U.S., sales of engines to the original equipment manufacturers declined. The main reason was that manufacturers of generator units for leisure vehicles, or the refrigerator units for freight vehicles, reduced the production. However, sales of engines for lawn mower grew favorably as a result of steady new housing starts and private consumption. In EU market, overall sales held steady thanks to the good economic conditions.

※ Sales of construction machinery increased compared with the previous fiscal year. In the domestic market, affected by the sluggish demand, sales of mini-excavators continued to decrease, however due to the increase in the number of the consolidated companies, total sales increased. In EU countries, the market continued to grow due to the good economic conditions. In North America, the U.S. economy started to show the signs of economic slowdown, but the capabilities of the mini-excavators were still needed, and fortunately the Company was able to gain the market share in the U.S. market, resulting in increased sales.

(2) Sales in Industrial Products and Engineering declined 3.4%, to ¥459.2 billion, compared with the previous fiscal year, accounting for 46.2% of consolidated sales. Domestic sales were down 3.4% to ¥444.9 billion, and overseas sales decreased 4.1%, to ¥14.3 billion.

※ Sales in pipe and fluid systems engineering retreated 5.5%, to ¥251.0 billion. Domestic sales were down 5.8% to ¥245.2 billion, but overseas sales increased 10.1% to ¥5.8 billion. Due to less demand from large local governments stagnant investment from the medium and small local governments, sales of ductile iron pipe, the mainstay of this business segment decreased, centering on the sales in water supply market. Sales of unplasticized polyvinyl chroride (PVC) pipe decreased compared with the previous fiscal year, especially in the telecommunication-related products market. Sales of spiral-welded steel pipes were down, influenced by reduction in public investment, and deferred investment by the electric power companies. Sales of pumps retreated due to decreased demand of large size orders from the governments. In addition, the Company had been excluded from public bidding due to the prior year violation of the Japanese Commercial Code. Sales of valves also retreated, influenced by reduction in the public investment and exclusion from public bidding. Sales of Kubota Construction Co., Ltd. decreased due to regional governments beginning to curtail the amount of public construction caused by financial difficulties within regional governments.

※ Sales of industrial castings increased 1.4%, to ¥34.8 billion. Domestic sales were up 4.3%, to ¥27.2 billion, however, overseas sales were down 7.9%, to ¥7.6 billion. In the public works market, sales of ductile segments for tunnels decreased but sales of G-piles (stakes for preventing landslides) increased by the market competitiveness due to a new joint of stakes. Additionally, sales of sewage pipe increased, supported by the favorable demands for the construction of condominiums. Sales of rolls for steel mills increased, thanks in part to the large amount of exports to Korea. In overseas markets, Kubota Metal Corporation, the Canadian subsidiary of the Company, recorded decreased sales, because of the economic slowdown in the North America. Demands from the chemical industry have decreased, and the Company's European competitor gained market share under cover of the depreciation of the EURO.

※ Sales in the environmental control plant were down 7.0%, to ¥97.3 billion. The domestic sales were down 6.8%, to ¥97.0 billion. The overseas sales were down 47.3%, to ¥0.3 billion. Orders of the sewage treatment plants, which is the mainstay within this business unit, declined due to the reduction in public investment budgets. However, sales throughout the year increased slightly thanks to the satisfactory amount of orders in the former half of the year. Sales of landfill waste leachate treatment plants increased. Both orders and sales of advanced water purification plants declined due to less demand caused by over-abundance of supply. However recovery of demand is expected by replacement of the water purification plants contingent on their deterioration or activated sludge system with submerged membrane for the elimination of Cryptostoridium. Many regional governments have placed a priority on remodeling their refuse incineration plants, preparing for new regulations concerning dioxins in their waste gas. Both sales and orders of night-soil treatment plants declined, just as previous fiscal year. On the other hand, both sales and orders of refuse incineration plants and recycling plants increased. The increase was especially noted in the business of refuse incineration plants, where the rotating-type surface melting furnace, which is original product of the Company, was highly appreciated. This led to many large orders. Total sales of this business increased, to ¥53.3 billion.

※ Sales of industrial machinery rose 6.9%, to ¥76.1 billion from the previous fiscal year. Domestic sales increased 7.3%, to ¥75.5 billion, but, overseas sales declined 28.8%, to ¥0.6 billion.

(3) Sales of Building Materials and Housing decreased 11.3%, to ¥111.6 billion, accounting for 11.2 % of consolidated net sales.

※ Sales of roofing materials declined, affected directly by shrinking demand for roofing materials and the effort to reduce inventory in the channels of distribution. Sales of unit bathrooms, which production has since been discontinued, also decreased. On the other hand, sales of siding materials kept the steady level compared to the previous fiscal year thanks to the aggressive strengthening of our product line-up and fortification the sales force. Sales of Johkasou systems (septic tanks) rose, because the use of such tanks has been converted from single use, for night-soil only, to the duel use, for both night-soil and wastewater from people's daily life.

※ Kubota House Co, Ltd. was split into two companies in October 2000. The new "Kubota House Co., Ltd.", which is responsible for sales of prefabricated houses, decreased its sales compared with the previous year due mainly to feeble new housing starts and fierce competition. The Company is striving to strengthen its sales force by introducing an incentive plan which reflects and rewards the performance of each employees more accurately. The Company also strives to aggressively expand sales of the new house model "Celeb" series.

3. Matter concerning profit allocation for this fiscal year

The Company plans to pay year-end cash dividends of ¥60 per ADS. Together with interim cash dividends, total dividends per ADS for the entire fiscal year will amount to ¥120 per ADS.

3. Prospect for the Next Fiscal Year

1. General conditions

With the growing concern over the recession in the Japanese economy and the sluggish private consumption, the prospect for the domestic economy remains unclear. The economic environment surrounding the Company, such as the slowdown in the U.S. economy, will remain unpredictable. Under such conditions, the Company will do its utmost to promote and carry out such measures as the "Urgent Profit-Increase Measure" the Company's medium and long term management strategies steadily such that the Company establishes a stronger business structure.

Looking ahead, the Company forecasts consolidated net sales for the year ending March 31, 2002 at ¥1 trillion, a 0.6% increase compared with this fiscal year. The Company also forecasts income before income taxes and equity in net income of affiliated companies at ¥48 billion, a 19.1% decrease compared with this fiscal year. Additionally, the Company forecasts consolidated net income at ¥27 billion, a 175.7% increase, compared with this fiscal year. (These forecasts anticipate an exchange rate of ¥112=US$1.)

2. Prospect with regard to the profit allocation for the next fiscal year

In accordance with the previously described basic policy related to the Company's profit allocation of "maintaining stable or raising dividends", the Company is considering paying cash dividends per ADS for the next entire fiscal year of ¥120, together with the expected interim cash dividends of ¥60 per ADS.

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 Income

(In millions of yen)

	Year ended March 31, 2001		Year ended March 31, 2000		Change	
	Amount	%	Amount	%	Amount	%
Net Sales	994,493	100.0	987,265	100.0	7,228	0.7
Cost of Sales	742,516	74.7	738,838	74.8	3,678	0.5
Selling, general, and administrative expenses	208,295	20.9	212,757	21.6	(4,462)	(2.1)
Loss from disposal of businesses and fixed assets	489	0.1	6,499	0.6	(6,010)	(92.5)
Operating Income	43,193	4.3	29,171	3.0	14,022	48.1
Other Income (expenses):						
Interest and dividend income	10,042		8,635		1,407	
Interest Expense	(8,140)		(10,021)		1,881	
Gain on contribution of securities to the employee retirement benefit trust	19,277		-		19,277	
Other-net	(5,023)		(4,553)		(470)	
Other expenses, net	16,156	1.7	(5,939)	(0.6)	22,095	-
Income before income taxes, equity in net income of affiliated companies and cummulative effects of an accounting change	59,349	6.0	23,232	2.4	36,117	155.5
Income Taxes:						
Current	25,192		20,738		4,454	
Deferred	3,038		(11,952)		14,990	
Total income taxes	28,230	2.8	8,786	0.9	19,444	221.3
Equity in net income of affiliated companies	235	0.0	1,982	0.2	(1,747)	(88.1)
Income before cumulative effect of an accounting change	31,354	3.2	16,428	1.7	14,926	90.9
Cumulative effect of an accounting change	(21,559)	(2.2)	-	-	(21,559)	-
Net income	9,795	1.0	16,428	1.7	(6,633)	(40.4)

(In yen)

	Year ended March 31, 2001	Year ended March 31, 2000	
Basic earnings per ADS (20 common shares):			
Income before cumulative effect of an accounting change	445	233	
Cumulative effect of an accounting change	(306)	-	
Net income	139	233	
Diluted earnings per ADS (20 common shares):			
Income before cumulative effect of an accounting change	415	221	
Cumulative effect of an accounting change	(278)	-	
Net income	137	221	

(In millions of yen except per share information)

	Year ended March 31, 2001	Year ended March 31, 2000	
Pro forma amounts assuming accounting change applied retroactively:			
Net income	31,354	14,881	
Basic earnings per ADS (20 common shares)	445	211	
Diluted earnings per ADS (20 common shares)	415	201	

Consolidated Balance Sheets

Assets

(In millions of yen)

	March 31, 2001		March 31, 2000		Change
	Amount	%	Amount	%	Amount
Current Assets:					
Cash and cash equivalents	78,633		78,642		(9)
Short-term investments	2,348		8,015		(5,667)
Notes and accounts receivable:					
Trade notes	115,526		117,047		(1,521)
Trade accounts	258,405		216,777		41,628
Finance receivables	92,254		68,059		24,195
Other	12,270		13,069		(799)
Less: Unearned income	(9,752)		(6,579)		(3,173)
Allowance for doubtful receivables	(4,858)		(3,454)		(1,404)
Total	463,845		404,919		58,926
Inventories	180,318		173,080		7,238
Prepaid expenses and other	41,720		44,454		(2,734)
Total current assets	766,864	59.4	709,110	53.7	57,754
Investments:					
Investments in and advances to affiliated companies	10,778		14,072		(3,294)
Other investments	196,997		280,014		(83,017)
Total investments	207,775	16.1	294,086	22.3	(86,311)
Property, plant and equipment:					
Land	92,508		85,346		7,162
Buildings	196,893		192,142		4,751
Machinery and equipment	458,798		462,671		(3,873)
Construction in progress	3,637		3,905		(268)
Total	751,836		744,064		7,772
Accumulated depreciation	(461,763)		(453,550)		(8,213)
Net property, plant and equipment	290,073	22.5	290,514	22.0	(441)
Other assets	26,044	2.0	26,895	2.0	(851)
Total	1,290,756	100.0	1,320,605	100.0	(29,849)

Consolidated Balance Sheets

Liabilities and shareholders' equity (In millions of yen)

	March 31, 2001		March 31, 2000		Change
	Amount	%	Amount	%	Amount
Current Liabilities:					
Short term borrowings	122,384		88,967		33,417
Trade notes payable	75,987		63,365		12,622
Trade accounts payable	170,631		155,397		15,234
Advances received from customers	8,711		10,348		(1,637)
Notes and accounts payable for capital expenditures	14,533		13,456		1,077
Accrued payroll costs	24,329		23,945		384
Income taxes payable	13,769		10,780		2,989
Other current liabilities	67,895		67,542		353
Current portion of long-term debt	67,612		48,959		18,653
Total current liabilities	565,851	43.8	482,759	36.6	83,092
Long term liabilities:					
Long term debt	182,238		233,257		(51,019)
Accrued retirement and pension costs	89,641		110,095		(20,454)
Other long-term liabilities	18,047		44,847		(26,800)
Total long-term liabilities	289,926	22.5	388,199	29.4	(98,273)
Shareholders' equity:					
Common Stock	78,156		78,107		49
Additional paid-in capital	87,263		87,213		50
Legal reserve	19,539		19,527		12
Retained earnings	215,739		214,414		1,325
Accumulated other comprehensive income	34,282		50,386		(16,104)
Total shareholders' equity	434,979	33.7	449,647	34.0	(14,668)
Total	1,290,756	100.0	1,320,605	100.0	(29,849)

Consolidated Statements of Comprehensive Income (Loss)

(In millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000	Change
Net Income	9,795	16,428	(6,633)
Other comprehensive income(loss), net of tax:			
Foreign currency translation adjustments	5,657	(6,712)	12,369
Unrealized gains (losses) on securities	(38,568)	8,571	(47,139)
Minimum pension liability adjustment	16,807	15,375	1,432
Other comprehensive income (loss)	(16,104)	17,234	(33,338)
Comprehensive income (loss)	(6,309)	33,662	(39,971)

Consolidated Statements of Shareholders' Equity

(In millions of yen)

	Shares of Common Stock Outstanding (Thousands)	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Income
Balance, April 1, 1999	1,409,655	78,107	87,213	19,527	206,444	33,152
Net income					16,428	
Other comprehensive income						17,234
Cash dividends, \120 per 20 common shares					(8,458)	
Balance, March 31, 2000	1,409,655	78,107	87,213	19,527	214,414	50,386
Stock issued on conversion of debt	154	49	50			
Net income					9,795	
Other comprehensive loss						(16,104)
Cash dividends, \120 per 20 common shares					(8,458)	
Transfer to legal reserve				12	(12)	
Balance, March 31, 2001	1,409,809	78,156	87,263	19,539	215,739	34,282

Consolidated Statements of Cash Flows

(In millions of yen)

	Year ended March 31, 2001	Year ended March 31, 2000	Change
Operating activities			
Net income	9,795	16,428	
Cumulative effect of an accounting change	21,559	-	
Depreciation and amortization	43,926	45,164	
Provision for retirement and pension costs, less payments	3,896	7,742	
Gain on sales of securities	(821)	(2,814)	
Gain on contribution of securities to the employee retirement benefit trust	(19,277)	-	
Deferred income taxes	3,038	(11,952)	
Decrease (increase) in notes and accounts receivable	(46,549)	27,093	
Decrease in inventories	3,474	4,838	
Increase in trade notes and accounts payable	19,053	1,742	
Increase (decrease) in income taxes payable	2,526	(3,062)	
Other	7,907	(5,900)	
Net cash provided by operating activities	48,527	79,279	(30,752)
Investing activities			
Purchases of fixed assets	(36,250)	(45,962)	
Purchases of investments and change in advances	(327)	384	
Proceeds from sales of property, plant, and equipment	5,519	1,802	
Proceeds from sales of investments	2,955	10,138	
Net decrease in short-term investments and other	5,079	4,464	
Net cash used in investing activities	(23,024)	(29,174)	6,150
Financing activities			
Proceeds from issuance of long-term debt	11,416	12,807	
Repayments of long-term debt	(49,365)	(44,352)	
Net increase (decrease) in short-term borrowings	20,289	(25,303)	
Cash dividends	(8,458)	(8,458)	
Net cash used in financing activities	(26,118)	(65,306)	39,188
Effect of exchange rate changes on cash and cash equivalents	606	(872)	1,478
Net decrease in cash and cash equivalents	(9)	(16,073)	
Cash and cash equivalents, beginning of period	78,642	94,715	
Cash and cash equivalents, end of period	78,633	78,642	(9)

(In millions of yen)

Notes:			
Cash paid during the year for:			
Interest	8,048	10,830	(2,782)
Income taxes	22,800	23,610	(810)
Major noncash transaction:			
Contribution of securities to the employee retirement benefit trust	33,116	-	33,116

Consolidated Net Sales by Product Group

(In millions of yen)

	Year ended March 31, 2001 Amount	%	Year ended March 31, 2000 Amount	%	Change Amount	%
Farm Equipment and Engines	218,668		193,569		25,099	13.0
Construction Machinery	23,826		20,320		3,506	17.3
Internal Combustion Engine & Machinery	242,494	24.4	213,889	21.7	28,605	13.4
Pipe & Fluid Systems Engineering	245,202		260,230		(15,028)	(5.8)
Industrial Castings	27,156		26,028		1,128	4.3
Environmental Control Plant	97,015		104,039		(7,024)	(6.8)
Industrial Machinery	75,498		70,337		5,161	7.3
Industrial Products & Engineering	444,871	44.7	460,634	46.7	(15,763)	(3.4)
Building Materials	60,397		65,702		(5,305)	(8.1)
Housing	51,224		60,189		(8,965)	(14.9)
Building Materials & Housing	111,621	11.2	125,891	12.7	(14,270)	(11.3)
Domestic Total	798,986	80.3	800,414	81.1	(1,428)	(0.2)
Farm Equipment and Engines	162,975		154,506		8,469	5.5
Construction Machinery	18,209		17,404		805	4.6
Internal Combustion Engine & Machinery	181,184	18.2	171,910	17.4	9,274	5.4
Pipe & Fluid Systems Engineering	5,846		5,310		536	10.1
Industrial Castings	7,613		8,270		(657)	(7.9)
Environmental Control Plant	299		567		(268)	(47.3)
Industrial Machinery	565		794		(229)	(28.8)
Industrial Products & Engineering	14,323	1.5	14,941	1.5	(618)	(4.1)
Overseas Total	195,507	19.7	186,851	18.9	8,656	4.6
Farm Equipment and Engines	381,643		348,075		33,568	9.6
Construction Machinery	42,035		37,724		4,311	11.4
Internal Combustion Engine & Machinery	423,678	42.6	385,799	39.1	37,879	9.8
Pipe & Fluid Systems Engineering	251,048		265,540		(14,492)	(5.5)
Industrial Castings	34,769		34,298		471	1.4
Environmental Control Plant	97,314		104,606		(7,292)	(7.0)
Industrial Machinery	76,063		71,131		4,932	6.9
Industrial Products & Engineering	459,194	46.2	475,575	48.2	(16,381)	(3.4)
Building Materials	60,397		65,702		(5,305)	(8.1)
Housing	51,224		60,189		(8,965)	(14.9)
Building Materials & Housing	111,621	11.2	125,891	12.7	(14,270)	(11.3)
Grand Total	994,493	100.0	987,265	100.0	7,228	0.7

Consolidated Segment Information

(1) Information by industry segments

(Year ended March 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
Identifiable assets at March 31, 2001		480,274	485,732	109,101	1,075,107	215,649	1,290,756
Depreciation		14,939	21,861	3,820	40,620	2,691	43,311
Capital expenditures		11,078	19,871	2,416	33,365	3,805	37,170

(Year ended March 31, 2000) (In millions of yen)

		Internal Combustion Engine & Machinery	Industrial Products & Engineering	Building Materials & Housing	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	385,799	475,575	125,891	987,265	-	987,265
	Intersegment	10	10,518	187	10,715	(10,715)	-
	Total	385,809	486,093	126,078	997,980	(10,715)	987,265
Cost of sales and operating expenses		348,978	458,727	133,836	941,541	16,553	958,094
Operating income (loss)		36,831	27,366	(7,758)	56,439	(27,268)	29,171
Identifiable assets at March 31, 2000		424,194	504,531	123,740	1,052,465	268,140	1,320,605
Depreciation		13,987	22,633	4,552	41,172	2,977	44,149
Capital expenditures		14,964	19,713	2,526	37,203	2,091	39,294

(2) Information by geographic segments

Year ended March 31, 2001 (In millions of yen)

		Japan	North America	Other Areas	Total	Corporate & 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 & 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
Identifiable assets at March 31, 2001		906,422	125,169	36,501	1,068,092	222,664	1,290,756

Year ended March 31, 2000 (In millions of yen)

		Japan	North America	Other Areas	Total	Corporate & Eliminations	Consolidated
Net sales	Unaffiliated customers	821,031	118,660	47,574	987,265	-	987,265
	Intersegment	115,780	1,651	613	118,044	(118,044)	-
	Total	936,811	120,311	48,187	1,105,309	(118,044)	987,265
Cost of sales & operating expenses		893,647	109,690	44,601	1,047,938	(89,844)	958,094
Operating income		43,164	10,621	3,586	57,371	(28,200)	29,171
Identifiable assets at March 31, 2000		921,900	80,340	38,105	1,040,345	280,260	1,320,605

(3) Overseas sales

Year ended March 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%

Year ended March 31, 2000 (In millions of yen)

	North America	Other Areas	Total
Overseas sales	121,583	65,268	186,851
Consolidated net sales			987,265
Ratio of overseas sales to consolidated net sales	12.3%	6.6%	18.9%

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 March 31, 2001 and 2000.

(In millions of yen)

	March 31, 2001			March 31, 2000		
	Notional amount	Carrying value	Fair value	Notional amount	Carrying value	Fair value
Foreign exchange instruments	37,964	(2,965)	(2,937)	46,983	(3)	315
Interest rate swaps and other instruments	4,800	—	(114)	11,980	—	(128)

Fair Value of Short-Term and Other Investments

The Company classifies all of its holding marketable equity securities and its debt securities as available for sale securities, which are reported at their fair value on the Company's balance sheet. The following table presents costs, fair values, gross unrealized holding gains and losses for securities by major security type at March 31, 2001 and 2000.

(In millions of yen)

	March 31, 2001			March 31, 2000		
	Cost	Fair value	Gross unrealized holding gains and losses	Cost	Fair value	Gross unrealized holding gains and losses
Short Term Investments:						
Governmental and corporate debt securities and other	2,348	2,348	−	8,113	8,010	(103)
Other Investments:						
Equity securities of financial institutions	61,639	135,167	73,528	75,908	211,006	135,098
Other equity securities	26,508	46,804	20,296	28,417	54,460	26,043
Other	8,404	8,227	(177)	1,886	1,967	81
Total	98,899	192,546	93,647	114,324	275,443	161,119

Related Party Transactions

The following table presents the major balances and transactions with affiliated companies, which are included in the consolidated financial statements.

(In millions of yen)

	Year ended March 31, 2001 or at March 31, 2001	Year ended March 31, 2000 or at March 31, 2000
Notes and accounts receivables (at March 31)	27,797	39,136
Sales (year ended March 31)	80,339	114,534
Dividends from affiliated companies (year ended March 31)	448	555

Anticipated Consolidated Net Sales by Industry Segment ending March 31, 2002

(In billions of yen)

	Year ending March 31, 2002 (Forecast)		Year ended March 31, 2001 (Actual results)		Change	
	Amount	%	Amount	%	Amount	%
Domestic	235.4		242.5		(7.1)	(2.9)
Overseas	181.2		181.2		0.0	0.0
Internal Combustion Engine & Machinery	416.6	41.7	423.7	42.6	(7.1)	(1.7)
Domestic	455.8		444.9		10.9	2.4
Overseas	14.4		14.3		0.1	0.7
Industrial Products & Engineering	470.2	47.0	459.2	46.2	11.0	2.4
Domestic	113.2		111.6		1.6	1.4
Building Materials & Housing	113.2	11.3	111.6	11.2	1.6	1.4
Grand Total	1,000.0	100.0	994.5	100.0	5.5	0.6
Domestic	804.4	80.4	799.0	80.3	5.4	0.7
Overseas	195.6	19.6	195.5	19.7	0.1	0.1

Notes:

1. The United States dollar amounts included herein represent translations using the approximate exchange rate on March 31, 2001, of \124 = US$1, solely for convenience.

2. Each ADS represents 20 common shares.

3. One hundred and twenty-six 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	34 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".

③ Changing in Accounting for Pensions

Prior to April 1, 2000, the Company amortized unrecognized actuarial gains and losses in excess of ten percent of larger of the benefit obligation or plan assets over the average plan participants' remaining service period. From April 1, 2000, the Company changed its method of accounting to immediately recognize actuarial gains and losses in excess of twenty percent of larger of the benefit obligation or plan assets, and amortize actuarial gains and losses between ten and twenty percent over the average participants' remaining service period. The Company believes that this accelerated recognition of the unrecognized gains or losses more appropriately records the pension liability at an amount closer to its economic liability.

As a result of the change, net income for the year ended March 31, 2001, decreased by ¥19,610 million, including a charge for the cumulative effect on prior years of ¥21,559 million. Basic net income per ADS and diluted net income per ADS decreased by ¥278 and \254, respectively.

6. Reclassification

In relation to adoption of SEC Staff Accounting Bulletin No.101 " Revenue Recognition in Financial Statements", gains (losses) from the sale of fixed assets and other losses which were previouly recorded in other income (expenses), are now included in operating income. Such amounts in previous fiscal years have been reclassified to conform to the presentation for the fiscal year ended in March 31, 2001.

Non-consolidated Financial Highlights

The date of the Board of Directors' Meeting ------------------------ Thursday, May 24, 2001
The date of the Ordinary General Shareholders' Meeting --------- Wednesday, June 27, 2001

(1) Results of operations (In millions of yen except per share amounts)

	Year ended March 31, 2001	Change(*)	Year ended March 31, 2000	Change(*)
Net Sales	¥704,462	(4.3)%	¥736,314	(0.9)%
Operating income	¥37,093	12.3%	¥33,041	67.4%
Ordinary income	¥30,736	33.2%	¥23,069	22.6%
Net income	(¥34,953)	−	¥13,981	65.0%
Net income per share(**)	(¥24.79)	−	¥9.91	−
Net income per share(***)	—	−	¥9.39	−
Ratio of net income to shareholders' equity	(8.5)%	−	3.5%	−
Ratio of ordinary income to total assets	3.2%	−	2.5%	−
Ratio of ordinary income to net sales	4.4%	−	3.1%	−

Notes to results of operations:

1. Average number of shares outstanding during the year ended March 31, 2001 ------- 1,409,757,775
   Average number of shares outstanding during the year ended March 31, 2000 ------- 1,409,655,369
2. (*) represents percentage change to the comparable previous year.
3. (**) represents amount based on the average number of common shares outstanding during the year.
4. (***) represents amount based on the weighted average number of common shares and dilutive potential common shares outstanding during the year.
5. Change in accounting for unrecognized actuarial losses was made during the year ended March 31, 2001.

(2) Cash dividends (In millions of yen except per share amounts)

	Cash dividends per share			Annual cash dividends	Annual cash dividends as % to net income	Annual dividends as % to share-holders' equity
	Interim	Year end	Total			
Year ended Mar. 31, 2001	¥3.00	(*) ¥3.00	¥6.00	¥8,458	—	2.0%
Year ended Mar. 31, 2000	¥3.00	¥3.00	¥6.00	¥8,457	60.5%	2.1%

Note to cash dividends:

(*) Year end dividends for the fiscal year ended March 31, 2001 are subject to shareholders' approval at the Ordinary General Meeting of Shareholders to be held on June 27, 2001.

(3) Financial position

(In millions of yen except per share amounts)

	As of March 31, 2001	As of March 31, 2000
Total assets	¥998,686	¥947,450
Shareholders' equity	¥418,889	¥407,642
Ratio of shareholders' equity to total assets	41.9%	43.0%
Shareholders' equity per share	¥297.12	¥289.17

Notes to financial position:

Number of shares outstanding as of March 31, 2001------- 1,409,808,978
Number of shares outstanding as of March 31, 2000------- 1,409,655,369

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

(In millions of yen except per share amounts)

	Six months ending September 30, 2001	Year ending March 31, 2002
Net sales	¥295,000	¥705,000
Ordinary income	¥5,500	¥32,000
Net income	¥3,200	¥18,500
Interim cash dividends per share	¥3.00	-
Year end cash dividends per share	-	¥3.00

Notes to anticipated result of operations for the year ending March 31, 2002:

1. The non-consolidated financial information is prepared in accordance with accounting principles generally accepted in Japan and includes the information of parent company only. It should not be confused with condensed consolidated financial information.

2. All figures in the non-consolidated financial information have been rounded down except per share information.