KUBOTA CORP
Form 20-F
June 24, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2009

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

OR

¨

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report ______

Commission file number 1-07294

KABUSHIKI KAISHA KUBOTA

(Exact name of registrant as specified in its charter)

KUBOTA CORPORATION

(Translation of registrant s name into English)

JAPAN

(Jurisdiction of incorporation or organization)

2-47, Shikitsuhigashi 1-Chome, Naniwa-Ku, Osaka, JAPAN

(Address of principal executive offices)

Junichi Adachi, +81-6-6648-2645, +81-6-6648-2632, 2-47, Shikitsuhigashi 1-Chome, Naniwa-Ku, Osaka, JAPAN

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

Title of each class	Name of each exchange on which registered
Common Stock*	**New York Stock Exchange**

* **Not for trading, but only in connection with the listing of American Depositary Receipts pursuant to the requirement of the New York Stock Exchange.**

American Depositary Receipts evidence American Depositary Shares, each American Depositary Share representing five shares of the registrant s common stock.

Securities registered or to be registered pursuant to Section 12(g) of the Act

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

	Outstanding as of	
Title of Class	**March 31, 2009 (Tokyo Time)**	**March 31, 2009 (New York Time)**
Common stock	1,272,062,889 shares	
American Depositary Shares		3,742,131 ADS

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes x No ¨

If this report is an annual or transition report, indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non- accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP x.

International Financial Reporting Standards as issued by the International Accounting Standards Board ¨.

Other ¨.

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ¨ Item 18 ¨

If it is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No x

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All information contained in this Report is as of or for the 12 months ended March 31, 2009 unless otherwise specified.

Unless otherwise specified, Japanese yen amounts in this Report have been translated for convenience into United States dollars at the rate of ¥98 = US$1, the approximate rate of exchange on the Tokyo Foreign Exchange Market on March 31, 2009.

As used herein, Kubota and the Company refer to Kubota Corporation and its subsidiaries unless the context otherwise indicates.

The noon buying rate for yen in New York City as certified for customs purposes by the Federal Reserve Bank of New York on June 5, 2009 was ¥98.18 = US$1.

The segment information that is disclosed in this Report, with respect to the Company s consolidated financial statements included herein, which is required under the regulations of the Financial Instruments and Exchange Act of Japan, is not consistent with accounting principles generally accepted in the United States of America.

<Cautionary Statement with Respect to Forward-Looking Statements>

Certain sections of this annual report on Form 20-F contain forward-looking statements that are based on management s expectations, estimates, projections and assumptions. Words such as expects , anticipates , believes , scheduled , estimates , variations of these words and similar expressions are intended to identify forward-looking statements which include but are not limited to projections of revenues, earnings, segment performance, cash flows and so forth. 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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PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

The information required by this item, in addition to those provided below, appears on page F-1 of the attached Consolidated Financial Statements.

A. Selected Financial Data

	Years ended March 31					
	Millions of Yen					Thousands of U.S. dollars
	2009	2008	2007	2006	2005	2009
Common stock (as of year end)	84,070	84,070	84,070	84,070	78,156	857,857
Capital investments	33,337	35,163	44,715	33,805	26,097	340,173
Depreciation and amortization	31,242	30,565	27,097	25,821	25,808	318,796
R & D expenses	26,290	24,784	22,925	22,731	21,963	268,265
Number of shares outstanding (as of year end)	1,272,063	1,280,604	1,291,513	1,299,488	1,300,413	

	Years ended March 31				
	2009	2008	2007	2006	2005
Cash dividends declared per depositary share:					
Interim (in yen)	35	30	25	20	15
(in U.S. dollars)	0.377	0.270	0.217	0.165	0.136
Year-end (in yen)	35	40	35	30	25
(in U.S. dollars)	0.365	0.370	0.282	0.258	0.233
Exchange rates (yen amounts per U.S. dollar):					
Year-end	99.15	99.85	117.56	117.48	107.22
Average	96.86	113.61	116.55	113.67	107.28
High	111.02	124.09	121.81	120.93	114.30
Low	87.80	96.88	110.07	104.41	102.26

	2009 May	2009 Apr.	2009 Mar.	2009 Feb.	2009 Jan.	2008 Dec.
High	99.24	100.71	99.34	98.55	94.20	93.71
Low	94.45	96.49	93.85	89.09	87.80	87.84
Period-end	95.55	98.76	97.99	97.74	89.83	90.79

Notes to Selected Financial Data:

1. The term Capital investments represents acquisition costs for the purchases of fixed assets on an accrual basis, while the purchases of fixed assets in the consolidated statements of cash flows represents payments for those assets on a cash basis.

2. Cash dividends in U.S. dollars are computed based on the exchange rates at each respective payment date.

3. Exchange rates are the noon buying rates for cable transfers between the yen and the U.S. dollar in New York City as certified for customs purposes by the Federal Reserve Bank of New York. The rate on June 5, 2009 was 98.18 = US$1.

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B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Declines in economic conditions in the Company s major markets, including private-sector capital expenditure, construction investment, and domestic public investment, may adversely impact the results of operations of the Company.

Industrial and capital goods make up a substantial portion of the Company s products. Accordingly, revenues of the Company may decrease due to declining demand resulting from declines in general economic conditions, including private-sector capital expenditures, construction investment, and domestic public investment. In addition, governmental agricultural policies may adversely affect domestic sales of agriculture-related products. In overseas markets, especially those of North America and Europe, sales of the Company s products, such as utility/compact tractors, may decrease due to declines in general economic conditions, including private consumption and residential construction investment in those regions.

Fluctuations of foreign exchange rates, including a stronger yen, may reduce revenues and adversely affect the results of operations of the Company.

The Company has overseas revenues and manufacturing subsidiaries. The financial results of each overseas subsidiary are consolidated into the results of the parent company after translation into Japanese yen. In addition, the transactions between the parent company and overseas subsidiaries or customers are generally denominated in the local currencies. The payments received in local currencies on such transactions are converted to Japanese yen. As a result, fluctuations in foreign exchange rates affect the consolidated financial results. In general, a stronger yen against other currencies adversely affects revenues and the results of operations of the Company.

If the prices of raw materials increase and the Company has difficulties in procuring adequate supplies of them, there may be a material adverse effect on the Company s results of operations.

The Company purchases substantial raw materials and parts from outside suppliers. If the prices of raw materials substantially increase due to the supply and demand gap and changes in market conditions, and stay at high levels for a long time, they may deteriorate the Company s profitability. Also, if the Company has difficulties in procuring adequate supplies of raw materials, there may be a material adverse effect on the Company s results of operations due to difficulties in production and sales activities.

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The risks associated with international operations may adversely affect revenues and profitability of the Company.

In some businesses of the Company, substantial overseas operations are conducted. Accordingly, the Company is subject to a number of risks inherent in doing business in those markets. If such risks occurred, the Company may face difficulties in stable production and sales of products in overseas markets that may affect revenues and profitability of the Company or they may hinder growth of the Company in specific countries. The following risks are serious concerns for the Company:

- Unexpected changes in international, or in an individual country s, tax regulations;
- Unexpected legal or regulatory changes in a country;
- Difficulties in retaining qualified personnel;
- Underqualified technological skills or instability between management and employee unions in developing countries; and
- Political instability in those countries.

Among the United States, the EU, and Asian countries, which are important markets for the Company, the previously mentioned risks in Asian countries seem to be relatively higher than those of other regions.

If strategic alliances, mergers, and acquisitions do not generate successful results as planned, then the Company s profitability may deteriorate.

The Company expects to use strategic alliances, mergers, and acquisitions to seek further growth. The success of these activities depends on such factors as the Company s business environment, the ability of its business counterparts, and whether the Company and its counterparts share common goals. Therefore, if these activities are not successful and returns on related investments are lower than expected, the Company s profitability may deteriorate.

If the Company is not able to successfully create new businesses or businesses complementary to the current ones, then there may be a negative impact on the Company s financial position.

As part of its structural renovation, the Company is attempting to cultivate new businesses or businesses that are complementary to the current ones. In general, there are numerous competitors, and competition is very harsh in those markets. If the Company fails to develop the required personnel or abilities to produce and market appropriate products, subsequent impairment charges may be taken, or there may be a negative impact on the Company s financial position.

Stock market fluctuations may have a material adverse effect on the Company s results of operations, financial position.

Stock market declines may cause impairment losses on the Company s investments in marketable securities or cause an increase in actuarial loss of the Company s retirement and pension plans as a result of a decline in the fair value of pension plan assets, which may have a material adverse effect on the Company s results of operations, financial position.

The Company is subject to intensifying competitive pressures. Unless the Company surpasses other companies in each of its businesses, revenues and /or net income may decrease in the future.

The Company is exposed to severe competition in each of its businesses. Unless the Company surpasses other companies in such areas as terms of trade, R&D, and quality, revenues and/or net income may decrease in the future.

If the Company s products and services are alleged to have serious defects, such allegations may have a material effect on the Company s results of operations, financial position.

If the Company s products and services are alleged to have serious defects, the Company may have liability for significant damages, and there may be a material effect on the Company s results of operations, financial position. If such claims are asserted, the Company may lose the confidence of the public and suffer a reduction in its brand value, which may result in decreased revenues or demand for its products.

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The Company may be required to incur considerable expenses in order to comply with various environmental laws and regulations. Such expenses may have a material effect on the Company s results of operations, financial position.

The Company is subject to various environmental laws and regulations that apply to its products and activities. If these environmental laws and regulations, such as those that impose carbon dioxide emission controls, emission controls, and usage restrictions for certain materials which are used in the Company s products, are strengthened or newly established in jurisdictions in which the Company conducts its businesses, the Company may be required to incur considerable expenses in order to comply with such laws and regulations. Such expenses may have a material effect on the Company s results of operations, financial position. To the extent that the Company determines that it is not economical to continue to comply with such laws and regulations, the Company may have to curtail or discontinue its activities in the affected business areas.

The Company may be required to incur significant expenses in connection with environmental damage its activities may allegedly cause. Such expenses may have a material effect on the Company s results of operations, financial position.

Claims may arise that the Company s activities have caused environmental contamination, including the release of hazardous materials or air pollution, water pollution, and/or soil contamination. In such an event, the Company may elect or be required to implement costly corrective actions to resolve any issues associated with the release or presence of such hazardous materials or contamination and may face associated litigation. These factors may have a material effect on the Company s results of operations, financial position.

If the Company is required to incur significant expenses relevant to asbestos-related issues, then there may be a material adverse effect on the Company s results of operations, financial position, and its liquidity.

The Company previously manufactured products containing asbestos from 1954 to 2001. The Company may be required to incur various expenses, including payments to the individuals concerned or face lawsuits related to the asbestos-related health hazards. If such expenses become significant or any lawsuits result in judgments unfavorable to the Company, there may be a material adverse effect on the Company s results of operations, financial position, and its liquidity.

The Company may experience a material effect on its results of operations and financial position if it faces issues related to compliance.

The Company has declared its intention to conduct its corporate activities in compliance with legal regulations and ethical principles, and to exert efforts to cause all management and staff of the Group companies not to act in violation of various legal regulations, ethical standards, or internal regulations. However, in the event that compliance issues arise, there is a possibility that the Company may be subject to disciplinary action by government ministries supervising its activities or to lawsuits, or may suffer a loss of public confidence, that could have a material effect on the Company s results of operations, financial position.

If the Company is damaged by natural disasters, then the Company s operations may suffer great losses.

Japan is a country with frequent earthquakes. If a strong earthquake or related tidal wave occur, the Company may be affected in the operation of its manufacturing, logistics, and sales activities, and may lose revenues and profits depending on the severity of the earthquake or tidal wave. Japan also is hit by typhoons very frequently. If major plants are struck by a large and powerful typhoon, the Company s operations may suffer great losses due to disruption of operations, delay in production and shipment, and restoration costs for facilities.

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Item 4. Information on the Company

A. History and Development of the Company

KUBOTA CORPORATION (KABUSHIKI KAISHA KUBOTA), the ultimate parent company of the Kubota group, was founded in 1890 by Gonshiro Kubota and incorporated in 1930 under the Commercial Code of Japan. In 1949, stocks of the Company were listed on Tokyo Stock Exchange and Osaka Securities Exchange. In 1976, stocks of the Company were also listed on New York Stock Exchange. Today, Kubota is a manufacturer of farm equipment, and producer of pipes, principally ductile iron pipes, and related equipment for water supply and other utilities. In addition, the Company manufactures and sells other items; engines, construction machinery, industrial castings, industrial machinery, environmental control plants.

The Company s registered office is located at 2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka 556-8601, Japan, telephone +81-6-6648-2111.

The Company s production network primarily comprises 20 plants in Japan and 10 plants in overseas countries. Kubota also has 12 sales subsidiaries in overseas countries.

Principal Capital Expenditures and Divestitures

Capital expenditures in fiscal 2009, 2008 and 2007 amounted to ¥33,337 million ($340,173 thousand), ¥35,163 million, and ¥44,715 million, respectively. The funding requirements for these capital expenditures were mainly provided by internal operations, and partially provided by external debt financing.

The principal capital expenditures in progress as of March 31, 2009, 2008 and 2007 were as follows:

As of March 31, 2009

			Estimated amount of expenditures	Schedule
Location	**Industry segment included**	**Content**	**Total amount of expenditures (¥ billion)**	**Commenced**
Chachoengsao (Thailand)	Internal Combustion Engine and Machinery	Building of new production facility for casting parts of tractors and engines in Thailand	¥6.6	May 2008
Dammam (Saudi Arabia)	Pipes, Valves, and Industrial Castings	Building of new production facility for steel castings in Saudi Arabia	¥3.4	Mar. 2009

As of March 31, 2008

			Estimated amount of expenditures	Schedule
Location	**Industry segment included**	**Content**	**Total amount of expenditures (¥ billion)**	**Commenced**
Suzhou (China)	Internal Combustion Engine and Machinery	Building of new production facility for agricultural equipment in China	¥1.7	Oct. 2005
Chon Buri (Thailand)	Internal Combustion	Building of new production facility for tractors in Thailand	¥6.2	Jul. 2007

	Engine and Machinery			
Sakai (Osaka) Okajima (Osaka) Tsukuba (Ibaraki)	Internal Combustion Engine and Machinery	Production facilities for vertical diesel engines to increase production and developing new models	¥7.3	Jan. 2006
Hirakata (Osaka)	Internal Combustion Engine and Machinery	Restructuring of production system for construction machinery	¥1.6	Jun. 2006

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As of March 31, 2007

Location	Industry segment included	Content	Estimated amount of expenditures Total amount of expenditures (¥ billion)	Schedule Commenced
Suzhou (China)	Internal Combustion Engine and Machinery	Building of new production facility for agricultural equipment in China	¥1.7	Oct. 2005
Sakai (Osaka) Okajima (Osaka) Tsukuba (Ibaraki)	Internal Combustion Engine and Machinery	Production facilities for vertical diesel engines to increase production and developing new models	¥7.7	Jan. 2006
Hirakata (Osaka)	Internal Combustion Engine and Machinery	Restructuring of production system for construction machinery	¥1.7	Jun. 2006

B. Business Overview

The Company classifies its products for revenue reporting purposes into the following 4 industry segments: Internal Combustion Engine and Machinery (which includes farm equipment, engines and construction machinery); Pipes, Valves, and Industrial Castings (which includes pipes, valves, and industrial castings); Environmental Engineering (which includes environmental engineering and pumps); and Other.

Revenues by Industry Segment

For the year ended March 31, 2009

	Millions of yen 2009		Thousands of U.S. dollars 2009
	¥	%	$
Internal Combustion Engine and Machinery	754,416	68.1	7,698,123
Pipes, Valves, and Industrial Castings	207,870	18.8	2,121,122
Environmental Engineering	74,390	6.7	759,082
Other	70,806	6.4	722,510
Total	1,107,482	100.0	11,300,837

For the years ended March 31, 2008 and 2007

	Millions of yen			
	2008		2007	
	¥	%	¥	%
Internal Combustion Engine and Machinery	793,654	68.7	746,808	66.3
Pipes, Valves, and Industrial Castings	201,599	17.5	194,224	17.2
Environmental Engineering	70,878	6.1	90,613	8.0
Other	88,443	7.7	95,811	8.5

Total	1,154,574	100.0	1,127,456	100.0

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Operations of Each Segment

Internal Combustion Engine and Machinery

Internal Combustion Engine and Machinery includes farm equipment, engines and construction machinery. Kubota is Japan s leading manufacturer of farm equipment and small engines for agricultural use. This market in Japan is dominated by four major manufacturers. Main products include tractors ranging from 10.5 to 135 horsepower, combine harvesters, rice transplanters, power tillers and reaper binders. The Company also manufactures and sells a line of construction machinery including mini-excavators and wheel loaders as well as engines for various industrial uses. Overseas revenues of this segment accounted for 68.8% of the total revenues of this segment in fiscal 2009.

Domestic sales of farm equipment, engines and construction machinery are made through wholesale-retail dealers, wholesalers and the National Federation of Agricultural Cooperative Associations. Overseas revenues are made through trading companies, local distributors and the Company s overseas subsidiaries and affiliates.

The products in this segment are manufactured at six domestic plants, and the Company has manufacturing subsidiaries in the United States, Germany, China, Thailand, and Indonesia.

Pipes, Valves, and Industrial Castings

Pipes, Valves, and Industrial Castings is comprised of various kinds of pipes, valves, and industrial castings. Pipes and Valves consists of ductile iron pipes, spiral welded steel pipes, plastic pipes and fittings, and various valves. Most of these products are sold to municipalities and public utilities for use principally in water supply and sewage systems along with industrial water supply. These products are also used for gas supply, telecommunication and irrigation systems.

Industrial castings include various iron and steel castings. Iron castings encompass rolls for the steel industry, machinery parts, and soil pipes and fittings. Steel castings include heat-resistant steel pipes and products for petrochemical plants, thermal treatment in-core products for ironmaking plants, steel pipe columns for construction, and steel pipe piles to prevent landslides.

Domestic sales of products of this segment are made through trading companies and dealers, or directly made to other companies and local and national governments. Overseas sales are made through trading companies and a subsidiary, or directly made to other companies. Overseas revenues of this segment accounted for 15.3% of the total revenues of this segment in fiscal 2009.

The products in this segment are manufactured at 11 plants in Japan, and the Company has a manufacturing subsidiary in Canada and minority equity interest in an overseas manufacturing company.

Environmental Engineering

This segment develops and markets environmental control plants, pumps and related engineering. As for water treatment, the Company supplies water and sewage treatment plants, submerged membrane systems and biogas production systems. Regarding solid waste treatment, the Company supplies pulverizing facilities. This segment manufactures and supplies various pumps for waterworks, sewage facilities, irrigation system, rainwater drainage and power supplies.

At present, a large portion of the sales in this segment are made to municipalities focusing on domestic environmental engineering market, which is competitive with many engineering companies. There are two manufacturing plants in Japan and no overseas plants.

Other

This segment encompasses all the other businesses that do not belong to the aforementioned three segments. This segment consists of vending machines, electronic-equipped machinery, air-conditioning equipment, septic tanks, condominiums, construction, and other equipment and services.

The products in this segment are manufactured mainly at four plants in Japan, and the Company has a manufacturing subsidiary in Indonesia.

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Revenues by Region

		Millions of yen		Thousands of U.S. dollars
	2009	2008	2007	2009
Japan	¥ 549,189	¥ 572,236	¥ 603,502	$ 5,603,970
Overseas:				
North America	274,151	329,495	323,092	2,797,459
Europe	108,742	125,388	97,151	1,109,612
Asia	139,069	93,014	67,748	1,419,071
Other Areas	36,331	34,441	35,963	370,725
Subtotal	558,293	582,338	523,954	5,696,867
Total	¥ 1,107,482	¥ 1,154,574	¥ 1,127,456	$ 11,300,837

Revenues in Japan in fiscal 2009, 2008, and 2007 amounted to ¥549,189 million ($5,603,970 thousand), ¥572,236 million and ¥603,502 million, respectively. Revenues in North America in fiscal 2009, 2008, and 2007 amounted to ¥274,151 million ($2,797,459 thousand), ¥329,495 million and ¥323,092 million, respectively. Revenues in Europe in fiscal 2009, 2008, and 2007 amounted to ¥108,742 million ($1,109,612 thousand), ¥125,388 million and ¥97,151 million, respectively. Revenues in Asia in fiscal 2009, 2008, and 2007 amounted to ¥139,069 million ($1,419,071 thousand), ¥93,014 million and ¥67,748 million, respectively. Revenues in Other areas in fiscal 2009, 2008, and 2007 amounted to ¥36,331 million ($370,725 thousand), ¥34,441 million and ¥35,963 million, respectively.

The segment previously classified as Other Areas was disaggregated into Asia and Other Areas for the fiscal year ended March 31, 2009. Figures for the year ended March 31, 2008 and 2007 have been reclassified to conform to the presentation for the fiscal year ended March 31, 2009.

Overseas Activities

The Company s overseas revenues (which represent revenues to unaffiliated customers outside Japan) in fiscal 2009, 2008, and 2007 amounted to ¥558,293 million ($5,696,867 thousand), ¥582,338 million and ¥523,954 million, respectively. The ratios of such overseas revenues to consolidated revenues in 2009, 2008, and 2007 were 50.4%, 50.4% and 46.5%, respectively. The revenues of the Company s subsidiaries outside Japan in fiscal 2009, 2008, and 2007 amounted to ¥519,246 million ($5,298,429 thousand), ¥547,197 million and ¥489,575 million, respectively. Its ratio to consolidated revenues in fiscal 2009, 2008, and 2007 were 46.9%, 47.4% and 43.4%, respectively.

The Company has manufacturing subsidiaries in the U.S.A., Canada, Germany, China, Indonesia and Thailand and manufacturing affiliates in China. International sales subsidiaries are located in the U.S.A., Canada, France, the U.K., Germany, Spain, Australia, China and South Korea. In addition, liaison offices are located in Torrance (California: U.S.A.), Flowery Branch (Georgia : U.S.A.), London (England), Argenteuil (France), Dubai (U.A.E.), Beijing (China), Suzhou (China), Bangkok (Thailand), Navanakorn (Thailand), Selangor (Malaysia), Cairo (Egypt), Delhi (India), Singapore (Singapore), and Quezon City (The Philippines).

Seasonality of the Company s Businesses

In businesses such as ductile iron pipes, valves, environmental engineering, and pumps, which rely upon national government or municipalities for most of their sales, there is a tendency that sales in the second half of the fiscal year are much larger than those in the first half. Due to the fact that the fiscal years of the Japanese national government and municipalities generally end in March, the execution of public budgets in the second half is usually much larger than in the first half of the fiscal year.

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Raw Materials and Source of Supply

The Company purchases raw materials and parts from numerous sources. The major materials purchased are steel scrap, polyvinyl chloride resin, rolled steel coils, non-ferrous metals and alloys and pig iron. Some of the purchase prices of the major materials such as steel scrap fluctuate significantly by supply and demand conditions of the market. Historically, the Company has not had difficulty in obtaining adequate supplies of all of its raw materials requirements.

Marketing Channels

Domestic sales of farm equipment, engines and construction machinery are made through wholesale-retail dealers, wholesalers and the National Federation of Agricultural Cooperative Associations. Overseas sales of those products are made through trading companies, local distributors and the Company s overseas subsidiaries and affiliates.

A large portion of pipes, valves, environmental control plants, and a portion of industrial castings are sold to public-sector markets in Japan directly by the Company, as well as through dealers.

On the other hand, domestic sales of industrial machinery and certain industrial castings are made to private-sector markets through dealers and trading companies, directly to the end-users or, in the case of vending machines, to manufacturers of beverages or other products sold in vending machines. Overseas sales of those products are made directly by the Company or through trading companies, local distributors and the Company s overseas subsidiaries and an affiliate.

Contracts, Licenses, Patents and Manufacturing Processes

The Company enters into various contracts. Some of them, for example, are for technical cooperation with other manufacturers, or for financing from banks. Although these contracts are relatively important to the Company, we are not dependent on any specific contracts.

With respect to licenses or patents, the Company is not dependent on specific licenses or patents. As of March 31, 2009, the Company held 4,642 Japanese patent and 1,065 foreign patent. Although patent rights are important to Kubota, the Company does not consider that the expiration of any single patent or group of related patents would materially affect the conduct of Kubota s business. Kubota grants others licenses to use its technology including its patents, and obtains licenses under patents from third parties for technological assistance on a royalty basis. In fiscal 2009, royalty income and expenses were ¥740 million ($7,551 thousand) and ¥106 million ($1,082 thousand), respectively, under such licensing arrangements.

Competition

The Company is the leading manufacturer of farm equipment in Japan. There are three other major Japanese manufacturers of farm equipment and engines for agricultural use, all of which offer a complete line of machinery and engines in competition with the Company. In overseas markets, the Company experiences strong competition from Japanese and foreign companies in the sale of farm equipment and engines.

In Japan, there are two other major manufacturers of ductile iron pipes, three other major manufacturers of spiral welded steel pipes and two other major manufacturers of plastic pipes according to internal research. In export markets for ductile iron pipes, the Company faces strong competition from foreign manufacturers. The Company also encounters strong competition from Japanese and foreign companies in all of its product lines.

Governmental Regulations

Businesses of the Company tend to be affected by the regulations or restrictions in the countries where the Company or its subsidiaries operate. Those are, for example, regulations concerning emission, safety, noise and vibration, investments, tariffs, anti-monopoly, intellectual property, foreign exchange, and environment.

The followings are some of the regulations which have important influences on the Company s business.

1) Emissions Regulations for Off-road Diesel Engines

In 1995, the California Air Resources Board in the United States enforced an emissions regulation for off-road engines (below 19 kW in power) for the first time in the world. The Company complied with this standard in the early stage and moved ahead of other competitors toward compliance with emissions regulations that were later enacted in several other countries. Subsequently, the Environmental Protection Agency, or EPA, in the United States introduced Tier 1 standards in 1994, which were phased in for engines at and above 37kW in power between 1996 and 2000. In 1998, EPA additionally adopted Tier 1 standards for engines below 37kW, which were phased in between 1999 and 2000, and more stringent Tier 2 and Tier 3 standards. Tier 2 standards were phased in between 2001 and 2006 for all engine sizes, and Tier 3 standards for engines between 37 and 560 kW were phased in between 2006 and 2008. More Stringent Tier 4 took effect beginning in 2008 and will be phased through 2015.

In Japan, the Ministry of Land, Infrastructure, Transport and Tourism (the Ministry) launched the Stage 1 low emission construction machineries designation scheme in 1991 and decided to use low emission construction machinery in the Ministry s directly controlled projects starting in 1996. Stage 2 standard was announced in 1997, and the Ministry began to accept applications for designations under Stage 2 standard from 2001. In 2003, a similar regulation began to apply to onroad special motor vehicles driven by diesel fuel such as agricultural and construction machinery. This 2003 regulation was set to be equivalent with the Tier 2 regulation of EPA s. Later in 2006, the regulation for diesel special motor vehicles was tightened to the level of the second phase (equivalent with EPA Tier 3). In April 2006, the Act for the Regulations, etc. of Exhaust Gas from Off-road Special Motor Vehicles (Off-road Act of Japan), intended for motor vehicles that do not run on public roads such as construction machinery, went into effect, which was timed to coincide with the announcement of the Stage 3 of the low emission construction machinery designation scheme. Consequently, the scope of application of this regulation broadened.

In Europe, Stage 1 emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery were put into effect under EU Directive 97/68/EC in 1999. The more stringent Stage 2 and Stage 3 standards were applied in 2001 and 2006, respectively.

Kubota has completed the development of the engines that satisfy the current regulations in Japan, the United States and Europe, and the Company s research and development for new engines equipped with new technology is under way to cope with future Tier 4 regulations.

2) Safety Regulations

There are a variety of regulations concerning safety, and every country or region has its own regulations. ROPS (rollover protective structures) and TOPS (Tip-Over Protection Structures), which are designed to protect operators of tractor and construction machinery from injuries caused by vehicle overturns or rollovers, are required to have the necessary specified bearing capacity based on the type of the machine installed and the deflection-related performance requirements. FOPS (falling object protective structures), which are designed to protect equipment operators from injuries caused by objects falling from above, are required to comply with specified strength requirements specified based on how they are actually used. Those regulations differ in measurement methods or criteria, and major ones in the world are Japanese Industrial Standards (JIS), European Norm (EN), and Occupational Safety and Health Administration (OSHA). In particular, the EN on safety regulations is compulsory.

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3) Regulations on Noise and Vibration

In Europe, the Directive 86/662/EEC, which specifies the noise control standards for non-road equipment such as hydraulic shovels, excavation drills, bulldozers, loaders, and excavation loaders, became effective in December 1986. The Directive was revised in June 1995 into 95/27EC, which became effective in 1997. The Noise Emissions in the Environment by Equipment for Use Outdoors Directive, 2000/14/EC, became effective in January 2002 replacing 95/27/EC. The Directive 2000/14/EC regulates noise emitted to surrounding areas from 57 types of equipment for use in outdoors, such as lawn mowers and construction equipment. Manufacturers are obliged to demonstrate that their products generate noise within the specified range of noise and comply with the requirements of such Directive by attaching a label (guaranteed noise label) before shipping those products to the market (they are also required to attach the CE mark). The noise level regulations in the primary stage were applied during the period from January 3, 2002 to January 2, 2006. The noise value limit was further reduced in January 3, 2006 by the more stringent regulation 2005/88/EC.

In Japan, the Regulations on Designation of Low-noise and Low-vibration Construction Machinery were announced in October 1997 to mitigate noise and vibration from construction work, protect the living environment around the work site, and ensure smooth implementation of construction work. These regulations stipulate the designations of low-noise construction machines and low-vibration construction machines to promote diffusion of environmentally-friendly construction machines. Construction machines that satisfy the noise and emission requirements specified by these regulations are allowed to attach the low-noise construction equipment label. The Company s mini backhoes of not more than 55 hp, which are required to comply with the noise limit of 99 dB in order to qualify for the level, are all qualified to attach the low-noise construction equipment label. Although compliance with the Regulations is voluntary, there are cases where the use of noncompliant machines is not permitted at work sites for projects under direct management of the Ministry of Land, Infrastructure, Transport and Tourism.

4) Regulation on Hazardous Chemical Substances

In Europe, the Registration, Evaluation, Authorisation and Restriction of Chemicals (EC No 1907/2006), or (REACH), entered into force in June 2007. REACH covers a single chemical substance and its compounds as well as those in preparations and in articles. EU manufacturers and importers must gather information on safety assessment, including properties and uses of substances, and register it with the European Chemicals Agency. Also, manufacturers, importers, and users of products containing chemical substances are, in the supply chain, obliged to communicate information on chemical substances that are suspected to be hazardous to humans or the environment. In the future, if the results of the safety assessment by EU authorities require measures such as authorization or restriction of chemical substances, these substances may be required to be replaced by other substances.

The Company will study the REACH regulations that are being gradually introduced, and will continue to take measures to properly manage chemical substances.

C. Organization Structure

As of March 31, 2009, the Kubota Corporation group consists of Kubota Corporation, 111 subsidiaries and 23 affiliates. Kubota Corporation plays a leading role in the group. The Company s significant subsidiaries are as follows:

Country of Incorporation or Residence	Name	Percentage ownership (%)
Japan	Kubota Construction Co., Ltd.	100.0
	Kubota Credit Co., Ltd.	69.4
	Kubota Environmental Service Co., Ltd.	100.0
	Kubota-C.I. Co., Ltd.	70.0
U.S.A.	Kubota Tractor Corporation	90.0
	Kubota Credit Corporation, U.S.A.	100.0
	Kubota Manufacturing of America Corporation	100.0

	Kubota Engine America Corporation	90.0
Canada	Kubota Metal Corporation	100.0
Germany	Kubota Baumaschinen GmbH	100.0
France	Kubota Europe S.A.S.	73.8

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D. Property, Plant and Equipment

The following table sets forth information with respect to Kubota s principal manufacturing facilities:

Location	Land area (Square meters)		Floor space (Square meters)		Principal products
	Owned	Leased	Owned	Leased	
Japan					
Amagasaki (Hyogo)	379,564	35,385	147,948	114	Ductile iron pipes, Rolls for steel mills
Funabashi (Chiba)	559,372	21,340	146,145	1,124	Ductile iron pipes, Spiral welded steel pipes
Okajima (Osaka)	88,393	825	56,901		Cast iron products
Sakai (Osaka)	412,972	11,616	129,985	32,111	Farm equipment, Diesel engines
Utsunomiya (Tochigi)	145,598		69,997		Farm equipment
Tsukuba (Ibaraki)	334,518	30,118	152,080	22,840	Farm equipment, Diesel engines
Sakai (Osaka)	159,956		49,106	2,545	Diesel engines
Hirakata (Osaka)	306,102		143,914	12,497	Construction machinery, Cast steel products, Pumps, Valves
Konan (Shiga)	177,556		51,606		Septic tanks
Yao (Osaka)	38,102		27,469		Electronic machinery, Pulverizing equipment
Ryugasaki (Ibaraki)	84,795		31,108		Vending machines
U.S.A.					
Jackson (Georgia)	611,000		57,282		Lawn and garden tractors
Jefferson (Georgia)	356,000		37,400		Implements for tractors

The Company considers its principal manufacturing facilities to be well maintained and suitable for the purpose for which they are employed and believes that its plant capacity is adequate for its current and near-term needs.

In addition, the Company owns 2,518,517 square meters of land (314,612 square meters of floor space) in Japan, used for the head office, branches, business offices and research facilities, and leases 2,605 square meters of land (123,717 square meters of floor space) used for sales offices, warehousing, employee housing and other purposes.

The Company plans its capital expenditures considering future business demand and cash flows. As of March 2009, the Company has planned to invest approximately ¥35.5 billion ($362 million) in the fiscal year ending March 31, 2010. The Company intends to fund the investment basically through cash obtained by operating activities, and to also utilize available borrowings from financial institutions. The Company s commitments for capital expenditures are not material.

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Principal plans for new construction, expansion, reforming, and disposition as of March 31, 2009 are as follows:

New Construction

Location	Industry segment included	Content	Estimated amount of expenditures (Billions of yen) Total amount of expenditures	Amount already paid	Schedule Commenced	To be completed
Chachoengsao (Thailand)	Internal Combustion Engine and Machinery	Building of new production facility for casting parts of tractors and engines in Thailand	¥ 6.6	¥ 0.2	May 2008	Jun. 2010
Dammam (Saudi Arabia)	Pipes, Valves, and Industrial Castings	Building of new production facility for steel castings in Saudi Arabia	¥ 3.4		Mar. 2009	Sep. 2010

Expansion

No material expansion is planned.

Reforming

No material reforming is planned.

Disposition

No material disposition is planned.

Item 4A. Unresolved Staff Comments

The Company is a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended. There are no unresolved comments provided by the staff of the Securities and Exchange Commission regarding the Company s periodic reports under the Securities Exchange Act of 1934, as amended, as of the date of the filing of this Form 20-F with the Commission.

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Item 5. Operating and Financial Review and Prospects

A. Operating Results

Overview

Organization

The Company is one of Japan s leading manufacturers of a comprehensive range of machinery and products including farm equipment, pipes for water supply and sewage systems, environmental control plants, and industrial castings. The Company also provides credit services, which primarily finance sales of equipment by dealers, for the purpose of enhancing sales of equipment to individual customers.

The Company s business segments consist of Internal Combustion Engine and Machinery , Pipes, Valves, and Industrial Castings , Environmental Engineering and Other .

The Company generates revenues and cash primarily from the sales of products to dealers, affiliated companies and trading companies or direct sales of products to end users.

For more than a century since its founding, the Company has continued to help improve people s quality of life and the development of society through its products and services. Currently, the Company is focusing on prioritizing the allocation of its resources, emphasizing agility in its operations, and strengthening consolidated operations. Through these measures, the Company intends to improve its ability to respond with flexibility to the changing times, to achieve high enterprise value.

Business environment

(Japan: The domestic market)

According to report of JFMMA (Japan Farm Machinery Manufacturer s Association), the shipment amount of agricultural machinery in 2008 for the domestic market increased by 1.7% from the prior year. However, this slight rebound was mainly due to increases in product prices by major manufacturers of agricultural machinery and the true picture of market was sluggish.

Budgets for public works projects have been gradually decreasing due to the growing budget deficits in the Japanese national and local governments. For example, the budget of the Japanese Government for the water supply decreased by 6.1% and budget for the sewage system also decreased by 5.2% from the prior year.

(North America)

U.S. Economy entered into a serious recession from the latter half of 2008 and demand for tractors and construction machinery was adversely affected by stagnation in the housing market, worsening sub-prime loan problem and shockwaves from the Lehman Brothers collapse. According to a 2008 report by AEM (Association of Equipment Manufacturers), industry retail sales units of tractors under 40hp (horse power) decreased by 14.6% and industry retail sales units of tractors from 40 to 100hp decreased by 13.1% from the prior year.

In Canada, demand for agricultural machinery continued to grow and demand for construction machinery was steady. As for tractors, industry retail sales units of tractors in Canada in 2008 increased 20.4% from the prior year according to the AEM report.

(Europe)

The economy in Europe entered a recessionary phase in 2008, which was changed from a favorable economy in recent years. The growth rate of the GDP of 27 countries of the European Union was 0.9%, a decrease from 2.9% in the prior year.

Demand for construction machinery, which was said to have much sensitivity for economic condition, decreased substantially. Markets of most industrial machinery entered into inventory adjustment phases and demand for engines for industrial use also decreased. Demand for small sized tractors and mowers, which were mainly used by professional mowing companies and governments, was relatively stable in Europe.

(Asia outside Japan)

The Company believes that development of economy and industrialization as well as an increase in farmers income in a country are important factors for the progress of agricultural mechanization. GDP per capita in Thailand exceeded US$3,000 for the first time several years ago, and demand for agricultural machinery has been rapidly increasing since then due to economic development and out migration of the population from the agriculture sector to other industrial sectors.

In China, government subsidies to enhance agricultural mechanization are increasing each year. As for rice farming, the Chinese government establishes target ratios of agricultural mechanization, and these policies is helping to grow demand for agricultural machinery over the long term.

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(The fiscal year ended March 31, 2009 compared with the fiscal year ended March 31, 2008)

Revenues

For the year ended March 31, 2009, revenues of the Company decreased ¥47.1 billion (4.1%), to ¥1,107.5 billion ($11,301 million), from the prior year.

In the domestic market, revenues decreased ¥23.0 billion (4.0%), to ¥549.2 billion from the prior year. Revenues in Internal Combustion Engine and Machinery decreased due to depressed sales of farm equipment and engines resulting from stagnant market conditions and substantially lower sales of construction machinery due to demand shrinkage accompanied by economic slowdown. Revenues in Pipes, Valves, and Industrial Castings increased due to a substantial increase in sales of ductile iron pipes and spiral welded steel pipes, while sales of industrial castings decreased. Revenues in Environmental Engineering increased due mainly to increased sales of water and sewage engineering products. Revenues in Other decreased mainly due to a decrease in sales of vending machines and construction.

Revenues in overseas markets decreased ¥24.0 billion (4.1%), to ¥558.3 billion from the prior year. In Internal Combustion Engine and Machinery, sales of combine harvesters and rice transplanters increased favorably, however, sales of engines decreased substantially and sales of tractors decreased slightly. In addition, sales of construction machinery significantly decreased in North American and European markets. Revenues in Pipes, Valves, and Industrial Castings increased due to increased sales of ductile iron pipes, while sales of industrial castings decreased. Revenues in Environmental Engineering decreased, however, revenues in Other increased. The ratio of overseas revenues to consolidated revenues was 50.4%, the same as the prior year.

The Company estimates that the unfavorable impact of foreign currency fluctuations on the Company s overseas revenues for the year under review was approximately ¥65.1 billion. The average rates of yen against the U.S. dollar were ¥103 and ¥118 in 2008 and 2007, respectively, and the average rates of yen against the Euro were ¥152 and ¥161 in 2008 and 2007, respectively. These currency fluctuations mainly influence revenues in the Internal Combustion Engine and Machinery segment, as these products account for most of the overseas revenues.

Revenues by Industry Segment

1) Internal Combustion Engine and Machinery

Revenues in Internal Combustion Engine and Machinery were ¥754.4 billion ($7,698 million), 4.9% lower than the prior year, comprising 68.1% of consolidated revenues. Domestic revenues decreased 5.3%, to ¥235.2 billion ($2,400 million), and overseas revenues decreased 4.8%, to ¥519.3 billion ($5,299 million). This segment comprises farm equipment, engines and construction machinery.

In the domestic market, sales of farm equipment and engines decreased ¥39.1 billion (1.8%) from the prior year, and sales of construction machinery decreased ¥9.2 billion (31.3%) from the prior year. The operating environment continued to be challenging due to stagnant demand for farm equipment resulting from the economic slowdown, the price hikes of agricultural materials and a decrease in construction investment. In these circumstances, the Company actively introduced new products and implemented promotional sales activity, and sales of combine harvesters and rice transplanters increased. However, sales of tractors and engine decreased, and construction machinery sales decreased substantially.

In overseas markets, sales of farm equipment and engines decreased ¥1.9 billion (0.4%) from the prior year. Sales of tractors decreased slightly. In Asia outside Japan, sales of tractors in Thailand sustained a sharp increase, and sales in Europe also increased steadily due to the launching of new products. However, sales of tractors in North America decreased substantially due to a stagnation of the markets and appreciation of the yen. Sales of engines decreased due to inventory adjustment by European and North American clients. On the other hand, sales of combine harvesters and rice transplanters increased sharply in China. Sales of construction machinery decreased substantially by ¥24.2 billion (27.8%) from the prior year due to the rapid economic slowdown in Europe.

Foreign currency fluctuations had significant influence on revenues of this segment. The unfavorable impact of these foreign currency fluctuations on the Company s revenues is mostly related to this segment.

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2) Pipes, Valves, and Industrial Castings

Revenues in Pipes, Valves, and Industrial Castings increased 3.1%, to ¥207.9 billion ($2,121 million) from the prior year, comprising 18.8% of consolidated revenues. Domestic revenues increased 2.9%, to ¥176.1 billion ($1,797 million), and overseas revenues increased 4.2%, to ¥31.8 billion ($324 million). This segment comprises pipes, valves and industrial castings.

In the domestic market, sales of Pipes and Valves increased ¥8.2 billion (5.7%) and Industrial Castings decreased ¥3.2 billion (12.4%) from the prior year. Sales of ductile iron pipes and spiral welded steel pipes increased largely due to price increases. However, sales of plastic pipes decreased due to declining demand. Sales of industrial castings decreased due to decreased sales of tunnel-support materials (ductile tunnel segments).

In overseas markets, sales of Pipes and Valves increased ¥4.7 billion (68.3%) and Industrial Castings decreased ¥3.4 billion (14.6%) from the prior year sales of industrial castings decreased affected by the slowdown in capital expenditures in private sector. On the other hand, export sales of ductile iron pipes to the Middle East favorably increased and compensated for decreased sales of industrial castings.

3) Environmental Engineering

Revenues in Environmental Engineering increased 5.0%, to ¥74.4 billion ($759 million) from the prior year, comprising 6.7% of consolidated revenues. Domestic revenues increased 6.1%, to ¥68.9 billion ($759 million), and overseas revenues decreased 7.4%, to ¥5.5 billion ($56 million). This segment consists of environmental control plants and pumps.

In the domestic market, operating conditions remained challenging during the fiscal year under review. However, due to step-up sales efforts, sales of water and sewage engineering products increased smoothly and sales of the waste engineering products and pumps also increased steadily. In overseas markets, sales of pumps increased steadily while sales of submerged membrane systems decreased substantially from the prior year.

4) Other

Revenues in Other decreased 19.9%, to ¥70.8 billion ($722 million) from the prior year, comprising 6.4% of consolidated revenues. Domestic revenues decreased 21.4%, to ¥69.1 billion ($705 million), and overseas revenues increased 237.5%, to ¥1.7 billion ($17 million). This segment comprises vending machines, electronic equipped machinery, air-conditioning equipment, construction, septic tanks and other business.

Sales of vending machine decreased substantially in this segment due to the decreased demand for cigarette-vending machines with the age-identification function, for which the temporary demand was very high in the prior year. Sales of construction and electronic equipped machinery also decreased. In addition, sales of condominiums were absent in this fiscal year because some shares of the subsidiary which conducted condominium business were sold and the subsidiary changed into an affiliated company in the prior year. As a result, revenues in Other largely decreased.

For reference, segment information of the Company is presented in accordance with accounting principles generally accepted in Japan, which differs in certain respects from U.S. GAAP.

Current Japanese GAAP adopts an industry approach which is similar to past Statement of Financial Accounting Standards (SFAS) No. 14 Financial Reporting for Segments of a Business Enterprise . The industry approach is based on conditions such as the nature of products, production method and similarity of market. On the other hand, current SFAS No. 131 Disclosures about Segments of an Enterprise and Related Information adopts a management approach. The management approach is based on the way that management organizes the segments within the enterprise for making operating decisions and assessing performance.

Cost of Revenues, SG&A Expenses, and Loss from Disposal and Impairment of Business and Fixed Assets

The cost of revenues decreased 1.7% from the prior year, to ¥810.2 billion ($8,268 million). The cost of revenues as a ratio to consolidated revenues increased 1.7 percentage points, to 73.1%. The increase in the ratio was attributable to sharply rising material costs, including those for scrap iron and synthetic resin. The Company estimates that it was negatively impacted by approximately ¥16.0 billion ($163 million) from such sharply rising material costs consisting of approximately ¥11.0 billion ($112 million) in Internal Combustion Engine and Machinery from the increase in prices of thin and thick steel sheets, castings and resin parts and approximately ¥5.0 billion in Pipes, Valves, and Industrial Castings from the increase in prices of scrap iron, synthetic resin.

Selling, general, and administrative (SG&A) expense was ¥193.4 billion ($1,974 million), the same level as the prior year. However, the ratio of SG&A expenses to revenues increased 0.8 percentage point, to 17.5% due to lower revenues of the fiscal year under review.

Loss from disposal and impairment of businesses and fixed assets increased ¥0.3 billion ($3 million) from the prior year, to ¥1.0 billion ($10.4 million).

Operating Income

Operating income decreased ¥34.1 billion (24.9%), to ¥102.8 billion ($1,049 million), from the prior year. Operating income in Internal Combustion Engine and Machinery decreased largely due to decreased demand, appreciation of the yen and price hikes for raw materials. Decreases in Operating income in Pipes, Valves, and Industrial Castings resulted from recorded surcharge related to the Anti-Monopoly Law corresponding to ductile iron pipe business. Operating loss in Environmental Engineering shrank, while operating income in Other decreased due to decreased sales of vending machines.

Operating income or loss in each industry segment (before the elimination of intersegment profits and corporate expenses) was as follows: Internal Combustion Engine and Machinery, operating income of ¥103.8 billion ($1,059 million), a 21.9% decrease; Pipes, Valves, and Industrial Castings, operating income of ¥11.3 billion ($115 million), a 25.7% decrease; Environmental Engineering, operating loss of ¥1.1 billion ($11 million), as compared to an operating loss of ¥5.0 billion in the prior year; and Other, operating income of ¥2.7 billion ($28 million), a 68.3% decrease.

Other Expenses

Other expenses, net, was ¥19.6 billion ($200 million), an increase of ¥5.3 billion from the prior year. This increase was mainly due to increases in foreign exchange losses and valuation losses on other investments. The Company recorded a foreign exchange loss-net of ¥11.5 billion ($117 million), increased by ¥2.5 billion compared with the prior year. Foreign exchange gains or losses mainly arises from the revaluation of foreign currency-denominated assets such as trade notes and receivables at the balance sheet date; the difference between carrying value and settlement value of foreign currency-denominated assets; and valuation on foreign exchange forward contracts and options. The large amount of foreign exchange losses resulted mainly from the revaluation of foreign currency-denominated assets such as trade notes and receivables due to the yen appreciation against major currencies during the fiscal year under review. U.S. dollar, Euro and Baht-denominated assets accounted for a large portion of foreign exchange losses. The valuation losses on other investment, which increased ¥1.9 billion, to ¥8.6 billion($88 million), were caused by a stock market declines in Japan and mainly related to the shares of Mitsubishi UFJ Financial Group and that of Tsukishima Kikai Co., Ltd.

Income from Continuing Operations before Income Taxes, Minority Interests in Earnings of Subsidiaries, and Equity in Net Income of Affiliated Companies

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥83.3 billion ($850 million), a decrease of ¥39.3 billion from the prior year.

This decrease was due to a decrease in operating income and an increase in other expenses resulting from increases in foreign exchange loss and valuation losses on other investments.

Income Taxes, Minority Interests in Earnings of Subsidiaries, and Equity in Net Income of Affiliated Companies

Income taxes decreased 40.2% from the prior year, to ¥28.7 billion ($293 million). The effective tax rate was 34.5%. The decrease in tax rate was mainly due to the effect of reversing part of the deferred tax liabilities because of a tax law revision related to the taxation of dividends from overseas subsidiaries.

Minority interests in earnings of subsidiaries was ¥6.7 billion ($68 million), and equity in net income of affiliated companies was ¥0.2 billion ($2 million) at the same level of the prior year, respectively.

Income from Continuing Operations

Income from continuing operations decreased 29.1% from the prior year, to ¥48.1 billion ($491 million).

Income (Loss) from Discontinued Operations, Net of Taxes

There was no income from discontinued operations, net of taxes, because of the completion of the liquidation proceedings of industrial waste disposal operation in the prior year.

Net Income

Due to the factors described above, net income decreased 29.3% from the prior year, to ¥48.1 billion ($491 million). Return on shareholders equity decreased 2.6 percentage points, to 7.8%, from the prior year.

Income per ADS

Basic net income per ADS (five common shares) was ¥188 ($1.92), as compared to ¥264 in the prior year.

Dividends

The Company paid ¥35 per ADS as year-end cash dividends. Accordingly, including the interim dividend of ¥35 per ADS paid by the Company, the total dividends for the year ended March 31, 2009 were ¥70 per ADS, which was the as same as the prior year.

The Company s basic policy for the return of profit to shareholders is to maintain stable dividends or to provide increased dividends combined with share buy-backs and the cancellation of treasury stock. For reference, the Company purchased 8.40 million shares outstanding (¥5.3 billion, $54 million) during the year under review.

Comprehensive loss

Comprehensive loss was ¥45.3 billion ($462 million), ¥58.3 billion lower than the prior year. This decrease was mainly due to increase in negative effect of foreign currency translation adjustments resulting from the appreciation of the yen.

(The fiscal year ended March 31, 2008 compared with the fiscal year ended March 31, 2007)

Revenues

For the year ended March 31, 2008, revenues of the Company increased ¥27.1 billion (2.4%), to ¥1,154.6 billion, from the prior year.

In the domestic market, revenues decreased ¥31.3 billion (5.2%), to ¥572.2 billion, from the prior year. Revenues in Internal Combustion Engine & Machinery decreased due to lower sales of farm equipment and construction machinery which were affected by stagnant market conditions. Revenues in Pipes, Valves, and Industrial Castings increased due to a large increase in sales of industrial castings, while sales of ductile iron pipes and plastic pipes remained at the same level as in the prior year. Revenues in Environmental Engineering decreased, as they were adversely affected by the contraction of a part of operations. Revenues in Other decreased due to drops in sales of condominiums and construction, while sales of vending machines expanded.

Revenues in overseas markets increased ¥58.4 billion (11.1%), to ¥582.3 billion, from the prior year. In North America, sales of construction machinery and engines decreased in adverse market conditions, while sales of tractors remained at almost the same level as in the prior year. On the other hand, other revenues including finance income increased largely. In Europe, sales of tractors, construction machinery, and engines all increased by large margins. In Asia outside Japan, sales of tractors continued to increase favorably in Thailand. As a result, the ratio of overseas revenues to consolidated revenues rose 3.9 percentage points, to 50.4% compared with the prior year, and overseas revenues exceeded domestic revenues for the first time ever.

The Company estimates that favorable impact of foreign currency fluctuation on the Company s overseas revenues for the year under review was approximately ¥30.2 billion. The Company recognizes that the average rates of yen against the U.S. dollar were ¥118 and ¥116 in 2007 and

2006, respectively, and the average rates of yen against the Euro were ¥161 and ¥146 in 2007 and 2006, respectively. These currency fluctuations mainly influence revenues in the Internal Combustion Engine and Machinery segment.

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Revenues by Industry Segment

1) Internal Combustion Engine and Machinery

Revenues in Internal Combustion Engine and Machinery were ¥793.7 billion, 6.3% higher than in the prior year, and comprising 68.7% of consolidated revenues. Domestic revenues decreased 3.9%, to ¥248.3 billion, and overseas revenues increased 11.6%, to ¥545.3 billion. This segment comprises farm equipment, engines, and construction machinery.

Domestic sales of farm equipment and engines decreased ¥9.3 billion (4.1%) from the prior year owing to a weak performance in the farm equipment business. The domestic farm equipment market continued to be lackluster during the fiscal year under review and experienced a substantial decline in demand. The Company was able to maintain sales in its core tractor business at approximately the same level as in the prior year, in part through the introduction of new models, but sales of combines and other farm equipment declined. On the other hand, sales of engines, mainly to manufacturers of construction and industrial machinery, showed steady expansion. Domestic sales of construction machinery decreased ¥0.6 billion (2.1%) from the prior year. Demand for construction machinery was stagnant because of the adverse impact of the partial revision of Japan s building standards law, and the Company s revenues generated in this field declined slightly.

In overseas markets, sales of farm equipment and engines increased ¥43.2 billion (10.4%) and sales of construction machinery increased ¥13.6 billion (18.5%) from the prior year. Sales of both tractors and construction machinery recorded large increases. Also, sales of engines showed steady expansion. However, farm equipment, such as combine harvesters and rice transplanters, posted a decline from the prior year because of a drop in sales in China following strong sales in the prior year.

2) Pipes, Valves, and Industrial Castings

Revenues in Pipes, Valves, and Industrial Castings increased 3.8%, to ¥201.6 billion, from the prior year, and comprising 17.5% of consolidated revenues. Domestic revenues increased 4.7%, to ¥171.0 billion, and overseas revenues decreased 0.8%, to ¥30.6 billion. This segment comprises pipes, valves, and industrial castings.

In the domestic market, sales of pipes and valves increased ¥1.5 billion (1.0%) and sales of industrial castings increased ¥6.2 billion (30.8%) from the prior year. Demand for ductile iron pipes and plastic pipes, which are this segment s core products, was weak, but by increasing prices and adopting other measures, the Company was able to secure pipe sales at about the same level as in the prior year. On the other hand, sales of industrial castings showed favorable expansion over the prior year because of recovery in demand for tunnel-support materials (ductile tunnel segments) and the strong performance of reformer and cracking tubes for chemical plants.

In overseas markets, sales of pipes and valves decreased ¥4.9 billion (41.7%) and sales of industrial castings increased ¥4.7 billion (24.8%) from the prior year. Although sales of ductile iron pipes experienced a substantial decline, overall sales were about the same as in the prior year because of increases in sales of reformer and cracking tubes.

3) Environmental Engineering

Revenues in Environmental Engineering decreased 21.8%, to ¥70.9 billion, from the prior year, and comprising 6.1% of consolidated revenues. Domestic revenues decreased 24.9%, to ¥64.9 billion, and overseas revenues increased 43.6%, to ¥5.9 billion. This segment consists of environmental control plants and pumps.

Environmental Engineering again confronted challenging operating conditions during the fiscal year under review as a result of the shrinkage in public-sector demand and declining sales prices. In addition, orders declined because of the Company s business contraction of the waste incinerating plant business and the public-sector recycling plant business and the suspension of a designated pre-approved supplier. As a consequence, revenues of this segment posted a marked decline.

4) Other

Revenues in Other decreased 7.7%, to ¥88.4 billion, from the prior year, and comprising 7.7% of consolidated revenues. Domestic revenues decreased 7.7%, to ¥87.9 billion, and overseas revenues increased 2.2%, to ¥0.5 billion. This segment comprises vending machines, electronic-equipped machinery, air-conditioning equipment, construction, septic tanks, condominiums, and other businesses.

Following the sale of a portion of the shares of subsidiary Kubota Maison, the Company ceased the reporting of revenues from its condominium development and sales business in the second half of the fiscal year under review; such revenues decreased ¥6.2 billion. Among other businesses in this segment, sales of vending machines rose because of the introduction of adult identification cards for cigarette vending machines, but revenues from construction, air-conditioning equipment, and septic tanks declined.

For reference, segment information of the Company is presented in accordance with accounting principles generally accepted in Japan, which differs in certain respects from U.S. GAAP.

Current Japanese GAAP adopts an industry approach which is similar to past Statement of Financial Accounting Standards (SFAS) No. 14 Financial Reporting for Segments of a Business Enterprise . The industry approach is based on conditions such as the kind nature of products, production method and similarity of market. On the other hand, current SFAS No. 131 Disclosures about Segments of an Enterprise and Related Information adopts a management approach. The management approach is based on the way that management organizes the segments within the enterprise for making operating decisions and assessing performance.

Cost of Revenues, SG&A Expenses, and Loss from Disposal and Impairment of Business and Fixed Assets

The cost of revenues increased 3.7% from the prior year, to ¥824.1 billion. The cost of revenues as a ratio to consolidated revenues increased 0.9 percentage point, to 71.4%. The increase in the ratio was attributable to sharply rising material costs, including those for scrap iron and synthetic resin. The Company estimates that it was negatively impacted by approximately ¥12.0 billion from such sharply rising material costs consisting of approximately ¥3.0 billion in Internal Combustion Engine and Machinery from the increase in prices of thin and thick steel sheets, castings and resin parts and approximately ¥9.0 billion in Pipes, Valves, and Industrial Castings from the increase in prices of scrap iron, synthetic resin and various nonferrous metals. Depreciation increased ¥5.0 billion from the prior year, to ¥30.1 billion, mainly due to the increase of production capacities of Internal Combustion Engine and Machinery.

Selling, general, and administrative (SG&A) expenses decreased 3.2% from the prior year, to ¥192.9 billion. The ratio of SG&A expenses to revenues decreased 1.0 percentage point, to 16.7%. This decrease was mainly due to the decreased level of asbestos-related expenses, which amounted to ¥1.1 billion compared with ¥4.0 billion in the prior year.

Loss from disposal and impairment of businesses and fixed assets decreased 78.1% from the prior year, to ¥0.7 billion, due to the absence of a restructuring expense of construction businesses recorded in the prior year.

Operating Income

Operating income increased ¥6.5 billion (5.0%), to ¥136.9 billion, from the prior year, the highest level in the Company s history. By segment, operating income in Internal Combustion Engine and Machinery expanded due to the increase in revenues and the positive effect of a weaker yen, which were partially offset by price increases of raw materials and an increase in depreciation expenses. Operating income in Pipes, Valves, and Industrial Castings decreased, owing to a sharp price hike of raw materials. Environmental Engineering continued to have an operating loss due to decrease in sales and declining profit margins from intensifying competition. Operating income in Other rose mainly due to increased sales of vending machines.

Operating income or loss in each industry segment (before the elimination of intersegment profits and corporate expenses) was as follows: Internal Combustion Engine and Machinery, operating income of ¥133.0 billion, a 6.5% increase; Pipes, Valves, and Industrial Castings, operating income of ¥15.2 billion, a 30.8% decrease; Environmental Engineering, operating loss of ¥5.0 billion, as compared to an operating loss of ¥5.6 billion; and Other, operating income of ¥8.6 billion, a 20.2% increase.

Other Income (Expenses)

Other expenses, net, was ¥14.3 billion, as compared to ¥1.2 billion of other income in the prior year. This substantial decrease was mainly due to increases in the foreign exchange loss and valuation losses on other investments. The Company recorded foreign exchange loss-net of ¥9.0 billion. Foreign exchange loss-net relates primarily to the settlement of trade accounts and the valuation on foreign currency denominated assets such as trade notes and receivables. In order to hedge the risks of changes in foreign currency exchanges rates, the Company utilizes foreign exchange forward contracts and foreign currency option contracts. The Company partly reduced foreign exchange risk, but could not offset the risk completely. The valuation losses on other investment, which amounted to ¥6.7 billion, were caused by a stock market slump in Japan and mainly recorded on the shares of Mitsubishi UFJ Financial Group and that of Hankyu Hanshin Holdings, Inc. However, these losses were partly offset by an increase in interest and dividend income.

Income from Continuing Operations before Income Taxes, Minority Interests in Earnings of Subsidiaries, and Equity in Net Income of Affiliated Companies

Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies was ¥122.6 billion, a decrease of ¥9.0 billion from the prior year.

Income Taxes, Minority Interests in Earnings of Subsidiaries, and Equity in Net Income of Affiliated Companies

Income taxes decreased 1.9% from the prior year, to ¥48.0 billion. The effective tax rate was 39.2%.

Minority interests in earnings of subsidiaries increased ¥0.6 billion, to ¥6.8 billion, which resulted from the favorable operating performances of overseas subsidiaries. Equity in net income of affiliated companies decreased ¥1.3 billion from the prior year, to ¥0.1 billion, mainly due to a deterioration of the financial results of a house-related affiliated company, Kubota Matsushitadenko Exterior Works Ltd., which was affected by the adverse impact of the partial revision of Japan s building standards law.

Income from Continuing Operations

Income from continuing operations decreased 12.7% from the prior year, to ¥67.8 billion.

Income (Loss) from Discontinued Operations, Net of Taxes

Income from discontinued operations, net of taxes, was ¥0.2 billion in the year under review, compared with a ¥1.3 billion loss in the prior year.

Net Income

Due to the factors described above, net income decreased 11.0% from the prior year, to ¥68.0 billion. Return on shareholders equity decreased 1.7 percentage points, to 10.4%, from the prior year.

Income per ADS

Basic net income per ADS (five common shares) was ¥264, as compared to ¥295 in the prior year.

Dividends

The Company paid ¥40 per ADS as year-end cash dividends. Accordingly, including the interim dividend of ¥30 per ADS paid by the Company, the total dividends for the year ended March 31, 2008 were ¥70 per ADS, which was ¥10 per ADS higher than the prior year.

The Company s basic policy for the return of profit to shareholders is to maintain stable dividends or to provide increased dividends combined with share buy-backs and the cancellation of treasury stock. For reference, the Company purchased 10.93 million shares outstanding (¥8.0 billion) and retired 6.00 million shares of treasury stock (¥4.4 billion) during the year under review.

Comprehensive Income

Comprehensive income was ¥13.0 billion, ¥54.3 billion lower than the prior year. This decrease was mainly due to an increase in unrealized losses on securities and recorded pension liability adjustment for the recognition of the underfunded status of the defined benefit plan, which were affected by the stock market slump.

Critical Accounting Estimates

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The preparation of these statements requires the uses of estimates and assumptions about future events. Accounting estimates and assumptions discussed in this section are those that the Company considers to be the most critical to an understanding of its financial statements.

1) Impairment of Long-Lived Assets

The application of impairment accounting requires the use of significant estimates and assumptions. Impairment testing for assets requires the allocation of cash flows to those assets and, if required, an estimate of fair value for the assets. The Company s estimates are based upon business prospects in accordance with management s authorizations. The Company uses assumptions which are believed to be reasonable and reflect the most recent economic condition, however, those assumptions are inherently uncertain and unpredictable, and would not reflect unanticipated events and circumstances that may occur. Losses from impairment of long-lived assets in fiscal 2009 and 2008 amounted to ¥0.7 billion ($8 million) and ¥0.1 billion, respectively.

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2) Allowance for doubtful receivables

The evaluation of the collectability of the Company s notes and accounts receivable, finance receivables, and non-current receivables requires the use of certain estimates. Such estimates require consideration of historical loss expense adjusted for current conditions, and judgments about the provable effects of relevant observable data including present economic conditions such as financial health of specific customers and collateral values. Sharpe changes in the economy or a significant change in the economic health of a particular customer could result in actual receivable losses that are materially different from the estimated reserve. Allowance for doubtful notes and accounts receivable in fiscal 2009 and 2008 amounted to ¥2.5 billion ($26 million) and ¥2.0 billion, respectively. Allowance for doubtful non-current receivables in fiscal 2009 and 2008 amounted to ¥0.9 billion ($9 million) and ¥1.0 million, respectively. Allowance for finance receivables in fiscal 2009 and 2008 amounted to ¥1.6 billion ($16 million) and ¥1.4 billion, respectively.

3) Revenue recognition for long-term contracts

The Company uses the percentage of completion method to recognize revenue from long-term contracts primarily in construction works with the Japanese national government and local governments. The percentage of completion method requires the use of estimates and assumptions to measure total contracts, remaining costs to completion, and total contract revenues. The Company continually reviews the estimates and assumptions. Any revisions in revenue, cost, and profit estimates or in measurements of the extent of progress toward completion are accounted for in the consolidated statements of income for the fiscal year in which those revisions have been made.

4) Pension Assumptions

The measurement of the Company s benefit obligation to its employees and the periodic benefit cost requires the use of certain assumptions, such as estimates of discount rates, expected return on plan assets, retirement rate, and mortality rate. The Company immediately recognizes net actuarial gains and losses in excess of 20% of the larger of the projected benefit obligation or plan assets in the year following the year in which such gains and losses were incurred, while the portion between 10% and 20% is amortized over the average participants remaining service period. Accordingly, significant changes in assumptions or significant divergences of actual results from the assumptions may have a material effect on periodic benefit cost in the future periods.

In preparing the financial statements for the years ended March 31, 2009, 2008, and 2007, the Company assumed a discount rate of 2.5%. A lower discount rate increases benefit obligations, which could affect the periodic benefit cost in the following years by an increase in service cost, a decrease in interest cost, and, if amortized, an increase in amortization cost through the amortization of actuarial loss. A decrease of 50 basis points in the discount rate increases the benefit obligations at March 31, 2009, by approximately ¥7.9 billion ($81 million).

The Company assumed an expected return on plan assets of 3.0% for the years ended March 31, 2008 and 2007. The Company lowered the expected return on plan assets to 2.5% for the year ended March 31, 2009 in consideration of the revision of the portfolio of pension plan assets by increasing the portion of fixed income securities in order to stabilize the return on plan assets, which increased the periodic benefit cost for the year ended March 31, 2009 by approximately ¥0.5 billion ($5 million).

The lower rate of return on plan assets decreases the expected return amount in the next year. A further decrease of 50 basis points in the expected rate of return on plan assets increases the periodic benefit cost for the year ending March 31, 2010, by approximately ¥0.4 billion ($4 million). On the other hand, the divergence between the expected and actual return on plan assets could affect the periodic benefit cost, if amortized, in the following years by an increase or decrease in amortization cost through the amortization of actuarial gain or loss.

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5) Income Taxes

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes will be due. These tax liabilities are recognized when, despite the Company s belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company uses a more likely than not threshold to the recognition and derecognition of tax positions. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available evidence, including past operating results, estimates of future taxable income, and the feasibility of ongoing tax planning strategies. In the event that the Company changes its determination as to the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to income tax expense in the period in which such determination is made.

Deferred tax assets less valuation allowance in fiscal 2009 and 2008 amounted to ¥73.0 billion ($745 million) and ¥77.8 billion, respectively.

6) Loss Contingencies

The Company is currently facing asbestos-related issues, and is involved in some legal proceedings. The Company reviews the status of each matter and assesses its potential financial exposure on a regular basis. If the potential losses from these matters are considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. Significant judgment is required in both the determination of probability and the determination as to whether an exposure is reasonably estimable. Because of uncertainties related to these matters, accruals are based only on the best information available at the time. As additional information becomes available, the Company reassesses the potential liability and may revise the estimates. Subsequent revisions in the estimates of the potential liabilities could have a material impact on the Company s results of operations and financial position in the period they are made.

New Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, which defines fair value and expands disclosures about fair value measurements that are required or permitted under other accounting pronouncements. This statement is effective in fiscal years beginning after November 15, 2007. In February 2008, the FASB issued Staff Position (FSP) FAS 157-2, Effective Date of FASB Statement No. 157, that delays the effective date of SFAS No. 157 for nonfinancial assets and liabilities. The Company adopted this statement on April 1, 2008. The adoption of this statement did not have a material impact on the Company s consolidated results of operations and financial position.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133 . This statement expands the disclosure requirements of SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities . SFAS No. 161 requires entities to provide enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for, and how derivative instruments and related hedged items affect an entity s financial position, results of operations and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The company adopted this statement on January 1, 2009. The adoption of this statement did not have an impact on the Company s consolidated results of operations and financial position.

In December 2008, the FASB issued FSP FAS 132(R)-1, Employers Disclosures about Postretirement Benefit Plan Assets . This position requires more detailed disclosures about plan assets including investment allocation, the major categories of plan assets, valuation techniques used to measure the fair value of plan assets, concentrations of risk within plan assets. This statement is effective for fiscal years ending after December 15, 2009. The adoption of this position is not expected to have a material impact on the Company s consolidated results of operations and financial position.

In May 2009, the FASB issued SFAS No. 165 Subsequent Events. This statement establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. This statement is effective for interim or annual financial periods ending after June 15, 2009. The adoption of this statement is not expected to have a material impact on the Company s consolidated results of operations and financial position.

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B. Liquidity and Capital Resources

Finance and Liquidity Management

The Company s financial policy is to ensure adequate financing and liquidity for its operations and to maintain the strength of its balance sheet. Through cash and cash equivalents, other current assets, cash flows provided by operating activities, and borrowing, the Company is in a position to fully finance the expansion of its business, R&D, and capital expenditures for current and future business projects. The specific methods of obtaining financing available to the Company are borrowing from financial institutions, establishing committed lines of credit, and the issuance of bonds and commercial paper (CP) in the capital markets.

Annual interest rates of short-term borrowings ranged primarily from 0.20% to 5.41% at March 31, 2009. The weighted average interest rate on such short-term borrowings was 3.1%. As for long-term debt, both fixed and floating rates were included in the interest rates, and the weighted average interest rate on such long-term debt at March 31, 2009, was 2.9%. With regard to the maturity profile of these borrowings, please refer to Item 5.F Tabular Disclosure of Contractual Obligations .

In the United States, financing by securitization of trade receivables was quite difficult in the year ended March 31, 2009 because of turmoil in the U.S. financial markets. The Company switched the funding source from sale of trade receivables to borrowing from financial institutions. Although the credit crunch occurred from instability of global money market, the Company was able to raise enough funds for business operations soundly and has not encountered financing problems.

Regarding the lines of credit, the Company has established committed lines of credit totaling ¥25.0 billion ($255 million) with certain Japanese banks. However, the Company currently does not use these lines. The Company also maintains a CP program allowing for the issuance of CP of up to ¥100.0 billion ($1,020 million). There was ¥6.5 billion ($66 million) outstanding issue of CP as of the end of March 2009.

The Company utilizes Group financing. With Group financing, the Company centralizes and pursues the efficiency of cash management domestically through the Kubota Cash Management System, under which the excess or shortage of cash at most of its subsidiaries in Japan is invested or funded, as necessary.

To maintain the strength of its balance sheet and help secure adequate funding resources, the Company carefully monitors its interest-bearing debt, excluding debt related to sale financing programs. The Company is providing sale financing programs to support machinery sales in North America and Thailand. The Company believes an increase of debt related to sales financing programs is a result of business expansion. At the end of March 2009, the amount of interest-bearing debt increased ¥38.1 billion, to ¥401.1 billion ($4,093 million). Of the ¥401.1 billion, ¥350.6 billion ($3,577 million) was borrowings from financial institutions, ¥6.5 billion ($66 million) was issue of CP, and the remaining ¥44.0 billion ($449 million) consisted of corporate bonds.

The Company plans its capital expenditures considering future business demand and cash flows. The Company intends to fund the investment basically through cash obtained by operating activities, and to also utilize available borrowings from financial institutions. The Company s commitments for capital expenditures are not material. The Company has underfunded pension liabilities of ¥56.6 billion ($577 million), which relate primarily to the parent company, as of the end of March, 2009. The Company s contributions to pension plans for the year ending March 31, 2010 are expected to be ¥13.9 billion ($142 million).

The Company s basic policy for the return of profit to shareholders is to maintain stable dividends or raise dividends together with repurchases of treasury stock. The Company uses net cash provided by operating activities for these dividends and repurchases.

The amount of working capital increased ¥18.8 billion, to ¥322.0 billion ($3,285 million), from the prior year-end. Additionally, the ratio of current assets to current liabilities increased 6.8 percentage points, to 165.1%, due primarily to switching the funding source from sale of trade receivables to short- and long-term borrowing from financial institutions. There is some seasonality to the Company s liquidity and capital resources because a high percentage of the notes and accounts receivable from local governments is collected during April through June each year. Currently, the Company believes the working capital is sufficient for the Company s present requirements.

All things considered, the Company believes that it can support its current and anticipated capital and operating requirements for the foreseeable future. The currencies in which the Company has its debt are mainly Japanese yen and U.S. dollars. There are no restrictions regarding the manner in which the funds may be used.

There are restrictive covenants related to its borrowings including clauses of negative pledges, rating triggers and minimum net worth. The financial covenants are as follows: the rating trigger covenant states that the Company shall keep or be higher than the BBB rating by Rating and

Investment Information, Inc. (R&I) and the minimum net worth covenant states that the Company shall keep the amount of shareholders equity of more than ¥454.0 billion ($4,633 million) on a consolidated basis and more than ¥322.0 billion ($3,286 million) on a parent company-only basis. The Company is in compliance with those restrictive covenants at March 31, 2009.

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Cash Flows

Net cash used in operating activities during the year under review was ¥22.6 billion ($231 million), and cash inflow decreased ¥112.7 billion ($1,150 million) from the prior year. Cash inflow decreased substantially due to decreased net income, reduced sales of trade receivables in North America and increased inventories. Such amounts exceeded the cash provided by increases in other current liabilities.

Net cash used in investing activities was ¥74.0 billion ($755 million), an increase of ¥1.7 billion from the prior year. Cash used in purchases of investments and change in loan receivables increased largely; however, a decrease in purchases of fixed assets, an increase in proceeds from sales of property, plant, and equipment, and a slowdown in finance receivables decreased our cash outflow. As a result, net cash used in investing activities was almost at the same level as the prior year.

Net cash provided by financing activities was ¥84.9 billion ($866 million), an increase of ¥96.5 billion from the prior year, due to increases in short-term borrowings and long-term debt resulted from switching the funding source from sales of trade receivables to borrowing from financial institutions in North America.

Including the effect of exchange rate, cash and cash equivalents at the end of March 2009 were ¥69.5 billion ($709 million), a decrease of ¥19.3 billion from the prior year.

Over the past three years, the amount of net cash provided by operating activities was ¥164.4 billion in aggregate and net increases in borrowings were ¥130.3 billion in aggregate. Additionally, during the same period, proceeds from sales of property, plant, and equipment and proceeds from sales of investments were ¥10.0 billion in total. The aggregate amount of these cash flows was used chiefly to fund increases in finance receivables, which exceeded collections of finance receivables by ¥140.5 billion, purchase of fixed assets of ¥103.0 billion, payment of dividends to stockholders of ¥50.2 billion and repurchase of common stock for ¥21.9 billion.

Ratings

The Company has obtained a credit rating from R&I, a rating agency in Japan, to facilitate access to funds from the capital market in Japan. The Company s ratings are A+ for long-term debt and a-1 for short-term debt as of March 2009 and its outlook is positive. The Company s favorable credit ratings provide it access to capital markets and investors.

Assets, Liabilities, and Shareholders Equity

1) Assets

Total assets at the end of March 2009 amounted to ¥1,385.8 billion ($14,141 million), a decrease of ¥78.4 billion (5.4%) from the end of the prior year.

Current assets were ¥816.3 billion ($8,330 million), a decrease of ¥6.3 billion from the prior year-end. Cash and Cash equivalent decreased and short-term finance receivables decreased resulting from the appreciation of the yen. As a result of reduced sales of trade receivables in North America, trade accounts receivable substantially increased and interest in sold receivables substantially decreased at the same time. Inventory turnover dropped 0.2 point, to 5.4 times. Investments and long-term finance receivables substantially decreased due to a decrease in long-term finance receivables resulting from appreciation of yen and shrinkage of unrealized gains of securities affected by stock market slump. Property, plant, and equipment decreased ¥12.5 billion to ¥225.6 billion ($2,302 million), while other assets increased ¥10.8 billion to ¥63.9 billion ($652 million) mainly due to an increase of long-term deferred tax assets.

2) Liabilities

Total liabilities amounted to ¥769.6 billion ($7,853 million), a decrease of ¥3.4 billion (0.4%) from the end of the prior year.

Current liabilities were ¥494.4 billion ($5,045 million), a decrease of ¥25.1 billion from the prior year-end, interest-bearing debt such as short-term borrowings increased substantially resulting from switching the funding source from sale of trade receivables to borrowing from financial institutions, while trade notes payable, trade accounts payable and income taxes payable decreased. On the other hand, long-term liabilities increased ¥21.7 billion, to ¥275.2 billion ($2,808 million). Accrued retirement and pension costs and other long-term debt increased largely, while other long-term liabilities decreased due to a decrease of deferred tax liabilities affected by shrinkage of unrealized gains of securities.

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3) Minority Interests

Minority interests amounted to ¥38.0 billion ($388 million), a decrease of ¥5.3 billion (12.2%) from the end of the prior year mainly due to a decrease in foreign currency translation adjustments of foreign subsidiaries resulting from the appreciation of the yen.

4) Shareholders Equity

Total shareholders equity amounted to ¥578.3 billion ($5,901 million), a decrease of ¥69.8 billion (10.8%) from the end of the prior year.

Retained earnings increased steadily due to recorded net income, however; accumulated other comprehensive income decreased substantially due to decreases in foreign currency translation adjustments and unrealized losses on securities. The Company repurchased ¥5.3 billion ($54 million) of treasury stock during the year under review.

The shareholders equity ratio* was 41.7%, 2.6 percentage point lower than at the prior year-end. The debt-to-equity ratio** was 69.4%, 13.4 percentage points higher than at the prior year-end.

* Shareholders equity ratio = shareholders equity / total assets
** Debt-to-equity ratio = interest-bearing debt / shareholders equity

Derivatives

To offset currency and interest rate fluctuation risks, the Company uses various types of derivatives, including foreign exchange forward contracts, currency swaps, and interest rate swaps. As a basic policy, the Company conducts its derivative transactions within the range of its outstanding credit and obligations, and the Company does not engage in speculative derivative transactions. The counterparties for the Company s derivative transactions are financial institutions with high creditworthiness; therefore, the Company does not anticipate any credit losses on such transactions. For more specific details, please refer to Note 13 to the consolidated financial statements.

C. Research and Development, Patents and Licenses, etc

Research and Development

The following table shows the Company s research and development expenses for the last three fiscal years.

	Millions of yen			Thousands of U.S. dollars
	2009	2008	2007	2009
R&D Expenses	¥ 26,290	¥ 24,784	¥ 22,925	$ 268,265
As a percentage of consolidated revenues	2.4%	2.1%	2.4%	

The R&D activities are conducted principally in R&D departments in each business division and subsidiary. In our business divisions and subsidiaries, there are 33 R&D departments. Each department promotes the R&D activities fortifying each business.

Total R&D expenses of four industrial segments, which are Internal Combustion Engine and Machinery, Pipes, Valves, and Industrial Castings, Environmental Engineering, and Other segment, were ¥19.7 billion, ¥1.8 billion, ¥2.5 billion, and ¥2.3 billion, respectively.

Patents and Licenses

With respect to licenses or patents, the Company does not rely on specific licenses or patents. As of March 31, 2009, the Company held 4,642 Japanese patents and 1,065 foreign patents. Although patent rights are important to Kubota, the Company does not consider that the expiration of any single patent or group of related patents would materially affect Kubota s business. Kubota grants licenses to others to use its technology including its patents, and obtains licenses under patents from third parties for technological assistance on a royalty basis. In fiscal 2008, royalty income and expenses were ¥740 million ($7,551 thousand) and ¥106 million ($1,082 thousand), respectively, under such licensing arrangements.

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D. Trend Information

Outlook for the Next Fiscal Year

The Company forecasts consolidated revenues for the year ending March 31, 2010 will decrease from the year under review. Domestic revenues are forecast to decrease due to a decrease of revenues in Internal Combustion Engine and Machinery, and Pipes, Valves, and Industrial Castings, while revenues in Environmental Engineering are expected to be the same level as the year under review. In overseas markets, although revenues in Pipes, Valves, and Industrial Castings, and Environmental Engineering are expected to increase from the year under review, revenues in Internal Combustion Engine and Machinery are forecast to decrease substantially. As a result, total overseas revenues are forecast to decrease from the year under review.

The Company forecasts operating income will decrease from the year under review, mainly due to a significant decrease in revenues and the appreciation of the yen.

The Company expects income from continuing operation before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies and net income for the next fiscal year will decrease from the year under review mainly due to a decrease in operating income.

Matters Related to the health hazard of Asbestos

Background

Until 1995, the Company s plant in Amagasaki, Hyogo Prefecture, which is now a company office, had produced products containing asbestos. In April 2005, the Company was advised that some residents who lived near the former plant suffered from mesothelioma, a form of cancer that is said to be mainly caused by the aspiration of asbestos. The Company announced its intention in June 2005 to act seriously and faithfully concerning various issues of the health hazard of asbestos from the viewpoint of corporate social responsibility (CSR) as a company that had once manufactured products containing asbestos for a long time.

According to the Company s basic policy, the Company started the program of consolation payments to patients with mesothelioma who lived near the former plant and to the families of residents who died from mesothelioma. In April 2006, the Company decided to establish the relief payment system in place of the consolation payment system and make additional payment to the residents to whom consolation payment were eligible to be paid or payable.

After the Company established its internal policies and procedures of relief payment system, the Company has received claims for relief payments from 198 residents and paid or accrued relief payments to 178 of those residents after carefully reviewing those claims as of March 31, 2009.

With regard to the procedures for making claims to the Company for relief payments, the Company has asked the residents or the bereaved family of the residents who lived close to its former plant to communicate with the Company through Amagasaki Occupational Safety and Health Center with the documents requested by the Company.

With regard to current and former employees of the Company who are suffering from or have died of asbestos-related disease, in accordance with the Company s internal policies, the Company shall pay compensation which is not required by law. Upon certification of medical treatment compensation from the Workers Accident Compensation Insurance for asbestos-related diseases, the compensation for asbestos-related disease shall be paid. In case an employee dies during medical treatment and are certified for compensation from the Workers Accident Compensation Insurance for bereaved families, the compensation for asbestos-related disease for the bereaved family shall also be paid**.** In addition, the Company shall provide other financial aids, such as medical expenses during medical treatment which are incurred by the diseased employees or salary payments during the period of their absence from work. The cumulative number of current and former employees who are eligible for compensation in accordance with the Company s internal policies that are not required by law is 152 as of the end of March 2007, 160 as of the end of March 2008, and 162 as of the end of March 2009.

In August 2006, the Company announced that the Company would provide a total donation of ¥1.2 billion to Hyogo College of Medicine made over 10 years and a ¥0.5 billion to Osaka Medical Center for Cancer and Cardiovascular Diseases over five years. And the Company donated ¥200 million ($2,041 thousand) as a contribution for the year ended March 31, 2009.

As a result of the asbestos issue becoming an object of public concern, the Japanese government newly established the Law for the Relief of Patients Suffering from Asbestos-Related Diseases (New Asbestos Law) in March 2006. This law was enacted for the purpose of promptly providing relief to people suffering from asbestos-related diseases who are not eligible for relief by compensation from the Insurance in accordance with the Workers Accident Compensation Insurance Law. The relief aid payments are contributed by the national government, municipal governments, and business entities. The contribution includes a special contribution by companies which operated a business closely related to asbestos, and was made by business entities commencing from the year ended March 31, 2008. During the year ended March 31, 2007, the Company accounted for ¥735 million ($7,500 thousand) of the special contribution as a lump sum expense, which is imposed based on the New Asbestos Law during the four-year period commencing on April 1, 2007.

Contingencies Regarding Asbestos-Related Matters

The Company expenses the payments for the health hazard of asbestos based on the Company s policies and procedures. The expenses include payments to certain residents who lived near the Company s plant and current and former employees, and a special contribution in accordance with the New Asbestos Law. The amounts of these expenses during the year ended March 31, 2009 were approximately ¥1,155 million ($11,786 thousand). Of the ¥1,155 million ($11,786 thousand), ¥876 million ($8,939 thousand) represented expenses relating to the payment for the relief payment system established in April 2006. The Company has no basis or information to estimate the number of residents and current and former employees that are going to apply for payments.

Although the Company is currently a defendant in litigations relating to asbestos, the ultimate outcome of these litigations is also unpredictable with certainty due to inherent uncertainties in litigation.

Accordingly, the Company believes it is not possible to reasonably estimate the amount of its ultimate liability relating to asbestos issues. However, the Company believes asbestos-related issues contain potentially material risks for the Company s consolidated results of operations, financial position, and its liquidity.

Subsequent events

On May 13, 2009, the Company s Board of Directors resolved to pay a cash dividend to shareholders of record on March 31, 2009 of ¥7 per common share (¥35 per 5 common shares) or a total of ¥8,907 million ($90,888 thousand).

E. Off-balance Sheet Arrangements

The Company previously utilized accounts receivable securitization programs, which were important for the Company to broaden its funding sources and raise cost-effective funds. However, in the United States, financing by securitization of trade receivables was quite difficult in the year ended March 31, 2009 because of turmoil in the U.S. financial markets. Under this situation, the Company terminated all securitization programs during the year ended March 31, 2009. As a result, the Company has no sold receivables at March 31, 2009.

The Company provides guarantees to distributors, including affiliated companies, and customers for their borrowings from financial institutions. The Company would have to perform under these guarantees in the event of default on a payment within the guarantee periods. The maximum potential amount of undiscounted future payments of these financial guarantees as of March 31, 2009 was ¥2.5 billion ($26 million).

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F. Tabular Disclosure of Contractual Obligations

The following summarizes contractual obligations at March 31, 2009.

	Millions of yen				
	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual obligations:					
Short-term borrowings	¥ 132,100	¥ 132,100	¥	¥	¥
Capital lease obligations	6,521	3,457	2,849	188	27
Long-term debt	262,445	56,921	152,010	40,327	13,187
Deposits from customers	2,466	2,466			
Operating lease obligations	2,845	1,017	1,065	631	132
Commitments for capital expenditures	2,822	2,822			
Interest payments	13,125	6,010	5,875	1,032	208
Total	¥ 422,324	¥ 204,793	¥ 161,799	¥ 42,178	¥ 13,554

	Thousands of U.S. dollars				
	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual obligations:					
Short-term borrowings	$ 1,347,959	$ 1,347,959	$	$	$
Capital lease obligations	66,541	35,275	29,072	1,918	276
Long-term debt	2,678,010	580,827	1,551,122	411,500	134,561
Deposits from customers	25,163	25,163			
Operating lease obligations	29,031	10,378	10,867	6,439	1,347
Commitments for capital expenditures	28,796	28,796			
Interest payments	133,929	61,327	59,949	10,531	2,122
Total	$ 4,309,429	$ 2,089,725	$ 1,651,010	$ 430,388	$ 138,306

Long-term debt represents unsecured bonds and loans principally from banks and insurance companies.

The Company s contributions to pension plans for the year ending March 31, 2010 are expected to be ¥13,884 million ($142 million).

Payments due by periods for interest payments are calculated using the contract rate of each borrowing or debt at March 31, 2009.

Payments under interest rate swap contracts for the year ending March 31, 2010 are expected to be ¥2,533 million ($26 million)

Liabilities for unrecognized tax benefits of ¥6,759 million ($69 million) at March 31, 2009 are excluded from the table. Liabilities for unrecognized tax benefits are due mainly to a bilateral Advance Pricing Agreement (APA), and it is reasonably possible that the amount of unrecognized tax benefits may significantly increase or decrease within the next 12 months depending on the business results of the U.S. subsidiaries in the future periods.

There are ongoing potential remediation issues. However, effect cannot be quantified.

G. Safe Harbor

Projected results of operations and other future forecasts contained in this annual 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 products which will be accepted in the market. Finally the users of this information should note that the factors that could influence the ultimate outcome of the Company s activities are not limited to the above.

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Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following sets forth the information about the Company s Directors, Executive Officers and Corporate Auditors as of the date of filing of this Report, together with their respective dates of birth and positions. The term of office of all Directors will expire at the conclusion of the ordinary general meeting of shareholders which will be held in 2010.

Name (Birthday)	Number of Company Shares Owned as of June 19, 2009	Current Positions and Brief Occupational History (including responsibilities in other companies)	
Yasuo Masumoto (April 21, 1947)	32,000 Shares	Representative Director, President & CEO of Kubota Corporation	
		January 2009:	Representative Director, President & CEO of Kubota Corporation (to present)
		April 2008:	Executive Vice President and Director of Kubota Corporation
		April 2007:	In charge of Tokyo Head Office, General Manager of Water, Environment & Infrastructure Consolidated Division, General Manager of Tokyo Head Office, General Manager of Production Control Headquarters in Water, Environment & Infrastructure Consolidated Division, General Manager of Coordination Dept. in Water, Environment & Infrastructure Consolidated Division
		April, 2006:	Executive Managing Director of Kubota Corporation
		April 2005:	Deputy General Manager of Industrial & Material Systems Consolidated Division
		January 2005:	In charge of Quality Assurance & Manufacturing Promotion Dept.
		June 2004:	General Manager of Purchasing Dept. in Industrial & Material Systems Consolidated Division
		April 2004:	Managing Director of Kubota Corporation, in charge of Manufacturing Planning & Promotion Dept.
		April 2003:	General Manager of Production Control Headquarters in Industrial & Material Systems Consolidated Division
		June 2002:	Director of Kubota Corporation
		October 2001:	General Manager of Farm Machinery Division
		April 1971:	Joined Kubota Corporation
Daisuke Hatakake (June 29, 1941)	74,000 Shares	Chairman of the Board of Directors of Kubota Corporation	
		June 2009:	Chairman of the Board of Directors of Kubota Corporation (to present)
		January 2009:	Representative Director, Chairman of the Board of Directors of Kubota Corporation
		April 2003:	President and Representative Director of Kubota Corporation
		June 2002:	General Manager of Corporate Compliance Headquarters
		June 2001:	Managing Director of Kubota Corporation, in charge of Corporate Planning & Control Dept., Finance & Accounting Dept., Corporate Information Systems Planning Dept. (assistant)
		August 2000:	In charge of PV Business Planning & Promotion Dept.
		June 2000:	In charge of Compliance Auditing Dept., Business Alliance Dept. (assistant), Corporate Information Systems Planning Dept. (assistant), General Manager of Corporate Planning & Control Dept.

June 1999:	Director of Kubota Corporation
December 1998:	General Manager of Corporate Planning & Control Dept.
April 1964:	Joined Kubota Corporation

Moriya Hayashi (May 7, 1944)	39,000 Shares	Vice Chairman of the Board of Directors of Kubota Corporation	
		January 2009:	Vice Chairman of the Board of Directors of Kubota Corporation (to present)
		April 2006:	Executive Vice President and Representative Director of Kubota Corporation
		April 2004:	General Manager of Farm & Industrial Machinery Consolidated Division
		April 2004:	Executive Managing Director of Kubota Corporation
		April 2003:	Managing Director of Kubota Corporation, General Manager of Tractor Division
		January 2002:	General Manager of International Operations Headquarters in Farm & Industrial Machinery Consolidated Division
		October 2001:	Deputy General Manager of Tractor Division
		June 2001:	Director of Kubota Corporation
		June 1999:	President of Kubota Tractor Corporation
		April 1969:	Joined Kubota Corporation
Hirokazu Nara (October 2, 1948)	23,000 Shares	Representative Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Water & Engineering Consolidated Division	
		April 2009:	General Manager of Water & Engineering Consolidated Division (to present)
		April 2009:	Representative Director and Senior Managing Executive Officer of Kubota Corporation (to present)
		April 2007:	Managing Director of Kubota Corporation, in charge of Corporate Staff Section (assistant)
		October 2005:	In charge of Corporate Planning & Control Dept.
		June 2005:	In charge of Finance & Accounting Dept.
		June 2005:	Director of Kubota Corporation, in charge of Air Condition Equipment Division, Septic Tanks Division, Housing & Building Materials Business Coordination Dept., PV Business Planning & Promotion Dept., General Manager of Corporate Planning & Control Dept.
		April 2005:	In charge of Air Condition Equipment Division (assistant), Septic Tanks Division (assistant), Housing & Building Materials Business Coordination Dept. (assistant), PV Business Planning & Promotion Dept. (assistant), Finance & Accounting Dept. (assistant) and General Manager of Corporate Planning & Control Dept.
		April 2003:	General Manager of Corporate Planning & Control Dept.
		April 1971:	Joined Kubota Corporation
Tetsuji Tomita (March 6, 1950)	16,000 Shares	Representative Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Farm & Industrial Machinery Consolidated Division, General Manager of International Operations Headquarters in Farm & Industrial Machinery Consolidated Division	
		April 2009:	Representative Director and Senior Managing Executive Officer of Kubota Corporation (to present)
		January 2009:	General Manager of Farm & Industrial Machinery Consolidated Division, General Manager of International Operations Headquarters in Farm & Industrial Machinery Consolidated Division (to present)
		April 2008:	Managing Director of Kubota Corporation
		June 2005:	Director of Kubota Corporation
		April 2004:	President of Kubota Tractor Corporation
		January 2003:	President of Kubota Europe S.A.S.
		April 1973:	Joined Kubota Corporation

Satoru Sakamoto	12,000 Shares	Director and Managing Executive Officer of Kubota Corporation, In charge of Corporate Planning & Control Dept. and Finance & Accounting Dept.	
(July 18, 1952)			
		April 2009:	In charge of Corporate Planning & Control Dept. and Finance & Accounting Dept. (to present)
		April 2009:	Director and Executive Managing Officer of Kubota Corporation (to present)
		June 2006:	Director of Kubota Corporation
		April 2006:	General Manager of Air Condition Equipment Division and President of Kubota Air Conditioner, Ltd.
		October 2005:	Deputy General Manager of Air Condition Equipment Division and Director of Kubota Air Conditioner, Ltd.
		April 2003:	General Manager of Planning Dept. in Ductile Iron Pipe Division
		June 2001:	General Manager of Corporate Planning & Control Dept.
		April 1976:	Joined Kubota Corporation
Yuzuru Mizuno	13,000 Shares	Director of Kubota Corporation,	
(January 21, 1948)		Executive Vice President of Matsushita Real Estate Co., Ltd.	
		June 2009:	Director of Kubota Corporation (to present)
		July 2008:	Executive Vice President of Matsushita Real Estate Co., Ltd. (to present)
		July 2005:	Executive Senior Councilor of Corporate Accounting & Finance of Matsushita Electric Industrial Co., Ltd.
		June 2005:	Corporate Auditor of Kubota Corporation (to present)
		July 2004:	Executive Director of Matsushita Electric Industrial Co., Ltd., In charge of Corporate Finance & Investor Relations
		February 2004:	Director (non full-time) of Nippon Otis Elevator Company
		October 2000:	President (non full-time) of Panasonic Finance (Japan) Co., Ltd.
		October 2000:	General Manager of Corporate Finance Dept. of Matsushita Electric Industrial Co., Ltd.
		June 1998:	Managing Director of Matsushita Industrial Corporation Sdn. Bhd.
		December 1995:	General Manager of Accounting Dept. in Compressor Division of Matsushita Electric Industrial Co., Ltd.
		April 1970:	Joined Matsushita Electric Industrial Co., Ltd.
Kan Trakulhoon	0 Share	Director of Kubota Corporation	
(May 15, 1955)		President and CEO, Siam Cement Group (SCG)	
		June 2009;	Director of Kubota Corporation (to present)
		January 2006:	President and CEO, Siam Cement Group (SCG) (to present)
		July 2004:	Executive Vice President of The Siam Cement Plc.
		January 2003:	Vice President of The Siam Cement Plc.
		January 1999:	President of Cementhai Ceramics Co., Ltd.
		June 1977:	Joined The Siam Cement Plc.

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Yoshiharu Nishiguchi	23,000 Shares	Corporate Auditor of Kubota Corporation	
(January 29, 1947)			
		June 2007:	Corporate Auditor of Kubota Corporation (to present)
		April 2007:	Director of Kubota Corporation
		April 2006:	In charge of General Affairs Dept., Tokyo Administration Dept.
		April 2005:	Managing Director of Kubota Corporation, In charge of Personnel Dept., Health & Safety Planning & Promotion Dept., General Manager of Head Office
		April 2004:	In charge of Septic Tanks Division, Housing & Building Materials Business Coordination Dept., Secretary & Public Relations Dept., PV Business Planning & Promotion Dept.,
		June 2003:	Director of Kubota Corporation, In charge of Air Condition Equipment Division, Corporate Planning & Control Dept., Finance & Accounting Dept.
		December 2002:	General Manager of Compliance Auditing Dept.
		June 2000:	General Manager of Finance & Accounting Dept.
		July 1998:	General Manager of Accounting Dept.
		April 1970:	Joined Kubota Corporation
Toshihiro Fukuda	63,000 Shares	Corporate Auditor of Kubota Corporation	
(October 12, 1945)			
		June 2009:	Corporate Auditor of Kubota Corporation (to present)
		April 2009:	Director of Kubota Corporation
		April 2008:	Executive Vice President and Director of Kubota Corporation
		April 2007:	In charge of Corporate Staff Section
		April 2006:	In charge of Secretary & Public Relations Dept.
		April 2005:	Executive Managing Director of Kubota Corporation, In charge of CSR Planning & Coordination Dept., General Manager of Corporate Compliance Headquarters
		April 2004:	Managing Director of Kubota Corporation, in charge of Corporate Compliance Headquarters, Environmental Protection Dept., General Affairs Dept.
		April 2003:	General Manager of Farm Machinery Division
		March 2003:	In charge of Related Products Division
		June 2002:	Director of Kubota Corporation
		October 2001:	Deputy General Manager of Sales Headquarters in Farm & Industrial Machinery Consolidated Division and General Manager of Sales Coordination Dept. in Farm & Industrial Machinery Consolidated Division
		April 1969:	Joined Kubota Corporation

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Masao Morishita	0 Share	Corporate Auditor of Kubota Corporation,	
(January 22, 1949)		Director and CFO of MT Picture Display Co., Ltd., In charge of Administration Dept.	
		June 2009:	Corporate Auditor of Kubota Corporation (to present)
		April 2006:	Director and CFO of MT Picture Display Co., Ltd., In charge of Administration Dept. (to present)
		April 2003:	Director and General Manager of Administrative Headquarter of Matsushita Toshiba Picture Display Co., Ltd.
		April 1998:	General Manager of Accounting Dept. and Business Planning Dept. in Compressor Division of Matsushita Electric Industrial Co., Ltd.
		April 1994	President and Director of Matsushita Compressor Corporation of America
		April 1971:	Joined Matsushita Electric Industrial Co., Ltd. (subsequently, Panasonic Corporation)
Yoshio Suekawa	19,000 Shares	Corporate Auditor of Kubota Corporation	
(September 1, 1937)			
		June 2004:	Corporate Auditor of Kubota Corporation (to present)
		April 2004:	Appointed as a special visiting professor, the Faculty of Commerce, Doshisha University
		July 2002:	Established Suekawa CPA Office (to present)
		June 2002:	Retired from Representative Partner of Deloitte Touche Tohmatsu, Osaka
		May 1989:	Assumed Representative Partner of Deloitte Touche, Tohmatsu, Osaka
		July 1984:	Joined Sanwa Tokyo Marunouchi (currently, Deloitte Touche Tohmatsu)
		October 1963:	Registered as a CPA with the Japanese Institute of Certified Public Accountants
		October 1959:	Joined Lowe Bingham and Luckie (currently, PricewaterhouseCoopers, Osaka)
Masanobu Wakabayashi	3,000 Shares	Corporate Auditor of Kubota Corporation	
(January 19, 1944)			
		June 2007:	Corporate Auditor of Kubota Corporation (to present)
		Mar 2004:	Chairman of Osaka Prefectural Labour Relations Commission
		April 1993:	Vice President of Osaka Bar Association
		April 1979:	Established Masanobu Wakabayashi Law Office (to present)
		April 1970:	Registered as an attorney with Osaka Bar Association

Among Directors or Corporate Auditors of Kubota Corporation, there is no family relationship. No Directors or Corporate Auditors, except Yuzuru Mizuno, Kan Trakulhoon, Masao Morishita, Yoshio Suekawa, and Masanobu Wakabayashi, have business activities outside the Company. Two Directors, Yuzuru Mizuno and Kan Trakulhoon, have directorship at other companies as above mentioned.

There is not any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person named above was selected as a Director or a Corporate Auditor.

The Company is not dependent on specific Directors, researchers, or any other entity for its management.

The Company resolved at the meeting of the Board of Directors held on February 10, 2009 to introduce the Executive Officer System and 26 Executive Officers were newly appointed by the Board of Directors on April 1, 2009. The following sets for the information about the Executive Officers except three persons who also hold the post of Directors as of the date of filing of this Report, together with their respective positions and responsibilities. Please refer to Item 6C Board Practices for details of the Executive Officer System.

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Title	Name	Responsibilities and principal position
Senior Managing Executive Officer	Eisaku Shinohara	In charge of Research & Development Planning & Promotion Dept. and Environmental Equipment R&D Center
Managing Executive Officer	Morimitsu Katayama	General Manager of Manufacturing Headquarters in Farm & Industrial Machinery Consolidated Division, General Manager of Sakai Plant, In charge of Quality Assurance & Manufacturing Promotion Dept.
Managing Executive Officer	Nobuyuki Toshikuni	General Manager of R & D Headquarters in Farm & Industrial Machinery Consolidated Division
Managing Executive Officer	Masayoshi Kitaoka	In charge of Personnel Dept., Secretary & Public Relations Dept., General Affairs Dept., Tokyo Administration Dept., General Manager of Head Office
Managing Executive Officer	Masatoshi Kimata	Deputy General Manager of Farm & Industrial Machinery Consolidated Division, General Manager of Sales Headquarters in Farm & Industrial Machinery Consolidated Division
Managing Executive Officer	Nobuyo Shioji	General Manager of Construction Machinery Division, President of Kubota Construction Machinery Japan Co., Ltd.
Managing Executive Officer	Takeshi Torigoe	General Manager of Social Infrastructure Consolidated Division, General Manager of Material Division, General Manager of Steel Castings Business Unit
Managing Executive Officer	Hideki Iwabu	General Manager of Water Engineering & Solution Division, General Manager of Water & Sewage Engineering Business Unit, General Manager of Membrane Systems Business Unit, General Manager of Membrane Systems Business Coordination Dept., General Manager of Tokyo Head Office, President of Kubota Membrane Co., Ltd.
Executive Officer	Takashi Yoshii	President of Kubota Manufacturing of America Corporation
Executive Officer	Kohkichi Uji	General Manager of Pipe Systems Division, General Manager of Ductile Iron Pipe Business Unit
Executive Officer	Toshihiro Kubo	Deputy General Manager of Water & Environment Systems Consolidated Division, General Manager of Water & Environment Systems, Social Infrastructure Business Promotion Headquarter, General Manager of Production Control Dept. in Water & Environment Systems, Social Infrastructure Business Promotion Headquarter
Executive Officer	Kenshiro Ogawa	General Manager of Tsukuba Plant,

		General Manager of Production Engineering Center of Emission in Manufacturing Headquarters in Farm & Industrial Machinery Consolidated Division
Executive Officer	Tetsu Fukui	General Manager of Environmental Equipment R&D Center, General Manager of Environmental Consolidated Technology Dept. in Environmental Equipment R&D Center
Executive Officer	Satoshi Iida	President of Kubota Tractor Corporation
Executive Officer	Shigeru Kimura	In charge of Corporate Planning & Control Dept. (Assistant), General Manager of Finance & Accounting Dept.
Executive Officer	Katsuyuki Iwana	General Manager of Related Products Division
Executive Officer	Masakazu Tanaka	General Manager of Farm Machinery Division
Executive Officer	Taichi Itoh	General Manager of Health & Safety Planning & Promotion Dept.
Executive Officer	Yujiro Kimura	General Manager of Electronic Equipped Machinery Division
Executive Officer	Shinji Sasaki	General Manager of Engine Division
Executive Officer	Hiroshi Matsuki	General Manager of Steel Pipe Division
Executive Officer	Yuichi Kitao	General Manager of Tractor Division
Executive Officer	Kunio Suwa	General Manager of CSR Planning & Coordination Headquarters

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B. Compensation

The aggregate remuneration, including bonuses, paid by the Company in fiscal 2009 to all Directors and Corporate Auditors of the Company as a group (29 persons) was ¥1,027 million. No options to purchase securities from the registrant or any of its subsidiaries were outstanding on March 31, 2009. At the meeting of the Board of Directors of the Company held on May 13, 2005, the Company resolved that the retirement benefit systems for Directors and Corporate Auditors should be terminated as of the date of the ordinary general meeting of shareholders held on June 24, 2005 and retirement benefits should be paid to the then Directors and Corporate Auditors for the services rendered before the termination of the system. The Board of Directors also resolved that the timing of payment would be at the time of the retirement of each Director and/or Corporate Auditor from his/her office. The amount of the retirement benefits for the services rendered before the termination of the system was allocated to other long-term liabilities in the Company s consolidated balance sheets.

C. Board Practices

The Company s Articles of Incorporation as revised as of June 19, 2009 provide that the number of Directors of the Company shall be not more than 10 and that of the Corporate Auditors shall be not more than six.

Directors and Corporate Auditors shall be elected by the general meeting of shareholders. The Board of Directors has ultimate responsibility for administration of the Company s affairs. The Board of Directors may, by its resolution, appoint one Chairman of the Board of Directors, one Vice Chairman of the Board of Directors, one President-Director, and one or more Vice President-Directors, Executive Managing Directors and Managing Directors. The Board of Directors shall, by its resolution, appoint Representative Directors. A Japanese joint stock corporation with corporate auditors, such as the Company, is not obliged under the Corporate Law to have any outside directors on its board of directors. However, the Company elected two outside Directors at the ordinary general meeting of shareholders held in June 2009. An outside director is defined as a director of the company who does not engage or has not engaged in the execution of business of the company or its subsidiaries as a director of any of these corporations, and who does not serve or has not served as an executive officer, manager or in any other capacity as an employee of the company or its subsidiaries. The term of office of Directors shall, under the Articles of Incorporation of the Company, expire at the conclusion of the ordinary general meeting of shareholders with respect to the last closing of accounts within one year from their assumption of office, and in the case of Corporate Auditors, within four years from their assumption of office. However, they may serve any number of consecutive terms.

Under the Corporate Law, the Corporate Auditors of the Company are not required to be and are not certified public accountants. However, at least half of the Corporate Auditors shall be a person who has not been a Director, accounting counselor, corporate executive officer, manager or any other employee of the Company or any of its subsidiaries at any time prior to his or her election as a Corporate Auditor.

The Corporate Auditors may not at the same time be Directors, accounting counselor, corporate executive officers, managers or any other employees of the Company or any of its subsidiaries. Each Corporate Auditor has the statutory duty to examine the Company s consolidated and non-consolidated financial statements and business report to be submitted by a Representative Director at the general meeting of shareholders and, based on such examination and a report of an Accounting Auditor referred to below, to respectively prepare his or her audit report. Each Corporate Auditor also has the statutory duty to supervise the administration by the Directors of the Company s affairs. They are required to attend in meetings of the Board of Directors and express opinions, if necessary, at such meetings, but they are not entitled to vote.

In addition to Corporate Auditors, an independent certified public accountant or an audit corporation must be appointed at general meetings of shareholders as Accounting Auditor of the Company. Such Accounting Auditor has the duties to examine the consolidated and non-consolidated financial statements proposed to be submitted by a Representative Director at general meetings of shareholders and to report their opinion thereon to certain Corporate Auditors designated by the Board of Corporate Auditors to receive such report (if such Corporate Auditors are not designated, all Corporate Auditors) and the Directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements).

The Corporate Auditors constitute the Board of Corporate Auditors. The Board of Corporate Auditors has a statutory duty to, based upon the reports prepared by respective Corporate Auditors, prepare and submit its audit report to the accounting auditor and certain directors designated to receive such report (if such Directors are not designated, the Directors who prepared the financial statements and the business report). A Corporate Auditor may note his or her opinion in the audit report if his or her opinion expressed in his or her audit report is different from the opinion expressed in the audit report. The Board of Corporate Auditors shall elect one or more full-time Corporate Auditors from among its members. The Board of Corporate Auditors is empowered to establish audit principles, method of examination by Corporate Auditors of the Company s affairs and financial position and other matters concerning the performance of the Corporate Auditors duties.

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The Company resolved at the meeting of the Board of Directors held on February 10, 2009 to reform its management systems by (i) introducing the Executive Officer System, (ii) reducing the number of Directors, (iii) electing outside Directors, (iv) reorganizing business divisions of the Company and (v) establishing the strategic planning committees to enhance research and development, quality control and manufacturing.

Executive Officers are appointed by the Board of Directors. 26 Executive Officers were newly appointed on April 1, 2009 in order that the Company may promptly respond to changes in the business environment and improve management efficiency by strengthening strategic decision-making function of the Board of Directors and the operational functions of business activities by President and other Executive Officers. The Executive Officer System is not a statutory system and is different from the statutory executive officer system which is adopted by a company with specified committees, where the company is required to have audit, nominating and compensation committees, each composed of a majority of outside Directors.

The number of the incumbent Directors was reduced from 24 to 6 in order to promote strategic decision-making by the Board of Directors more agilely. In addition, the Company elected 2 outside Directors as described above at the ordinary general meeting of shareholders held in June 2009 in order to improve supervisory function of the Board of Directors.

There are no Directors service contracts with Kubota Corporation providing for benefits upon termination of service.

The rights of ADR holders, including their rights relating to corporate governance practices, are governed by the Amended and Restated Deposit Agreement (incorporated by reference to the Registration Statement on Form F-6 (File No. 333-91654) filed on June 26, 2002).

D. Employees

Head Count at the End of the Year

	2007	2008	2009
	23,727	24,464	25,140

Head Count in Each Segment

	2007	2008	2009
Internal Combustion Engine and Machinery	13,440	14,281	15,057
Pipes, Valves, and Industrial Castings	3,951	4,075	4,008
Environmental Engineering	2,484	2,297	2,308
Other	3,390	3,312	3,269
Corporate	462	499	498
Total	23,727	24,464	25,140

The number of full-time employees of Kubota as of March 31, 2009 was 25,140. Most employees of the Company in Japan, other than managerial personnel, are union members. The unions belong to the Federation of all Kubota Labor Union, which is affiliated with the Japanese Trade Union Confederation. The Company believes it maintains good relationship with the union.

Basic wage rates are reviewed annually in spring, normally in April. In addition, in accordance with Japanese custom, Kubota grants its full-time employees semiannual bonuses.

The parent company and its domestic subsidiaries have a number of unfunded severance indemnity plans and defined benefit pension plans covering substantially all Japanese employees. Most employees of overseas subsidiaries are covered by defined benefit pension plans or defined contribution pension plans. As is customary in Japan, the Company provides a wide range of fringe benefits to its employees.

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E. Share Ownership

The total number of shares of the Company s common stock beneficially owned by the Directors and Corporate Auditors as a group as of June 19, 2009 was as follows:

Title of Class	Identity of persons or group	Number of shares owned	Percentage of class
Common stock	Directors and Corporate Auditors	304,000	0.02%

For individual shareholdings, see Item 6.A Directors and Senior Management.

Employee Stock Ownership Association (Kubota Fund) owned 16,608,257 shares as of March 31, 2009, which amounted to 1.3% of total shares issued.

The association consists of employees of the Company and some of its subsidiaries, and the members contribute a portion of their salaries to the association. The association purchases shares of Kubota s common stock on behalf of members.

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Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

As of March 31, 2009, three shareholders held 5% or more of the shares issued. The 10 largest shareholders are as follows:

	(As of March 31, 2009)	
Name	**Number of shares (thousand)**	**(%)**
Japan Trustee Services Bank, Ltd.	199,380	15.66
The Master Trust Bank of Japan Ltd.	123,078	9.67
Nippon Life Insurance Company	82,304	6.46
Meiji Yasuda Life Insurance Company	61,501	4.83
Sumitomo Mitsui Banking Corporation	45,006	3.53
Mizuho Corporate Bank, Ltd.	40,851	3.21
Trust & Custody Service Bank, Ltd.	30,662	2.40
The Dai-ichi Mutual Life Insurance Company	30,491	2.39
Mizuho Bank, Ltd.	28,388	2.23
Sumitomo Life Insurance Company	25,307	1.98

As far as is known to the Company, there is no arrangement, the operation of which may at a subsequent date result in a change in control of the Company. The major shareholders have the same voting rights as other common shareholders of the Company.

As of March 31, 2009, there were 1,272,062,889 shares of Common Stock outstanding, of which 18,710,658 shares were in the form of ADR and 107,108,561 shares were held by the residents in the U.S. The number of registered ADR holders was 49 and the number of registered holders of common stock in the U.S. was 117.

To the best knowledge of the Company, the Company is not, directly or indirectly, owned or controlled by other corporations or by the Japanese or any foreign government.

B. Related Party Transactions

In the ordinary course of business, the Company has transactions with numerous companies. During the fiscal year ended March 31, 2009, the Company had sales transactions with affiliates accounted under the equity method, aggregating ¥55,374 million ($565,041 thousand). As of March 31, 2009, the Company had trade notes and accounts receivable from affiliated companies of ¥21,302 million ($217,367 thousand).

Refer to Note 3 of the Consolidated Financial Statements for additional information regarding the Company s investments in and advances to affiliated companies.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

The information required by this item, except as stated below, appears in the consolidated financial statements of this

Form 20-F.

Export Sales

Revenues from unaffiliated customers outside Japan are disclosed in SEGMENT INFORMATION Revenues by Region on Page F-3.

Legal Proceedings

Kubota is subject to various legal actions arising in the ordinary course of business including the following major legal proceedings.

Antitrust

In the fiscal year ended March 31, 1999, the Fair Trade Commission of Japan (the FTCJ) began an investigation of the Company for an alleged violation of the Anti-Monopoly Law (prohibition of private monopoly or unfair trade restraint) relating to participation in fixing the shares of ductile iron straight pipe orders in Japan. In March 1999, the Company received a cease and desist recommendation from the FTCJ, which was accepted by the Company in April 1999.

In December, 1999, the Company received a surcharge order of ¥7,072 million from the FTCJ. The Company has challenged this order and filed a petition for the initiation of hearing procedures that were started in March 2000. Under Section 49 of the then Anti-Monopoly Law, upon the initiation of the procedures, the surcharge order lost effect. In addition, Section 7-2 of the then Anti-Monopoly Law stipulates that surcharges are imposed in cases where price cartels or cartels that influence prices by curtailing the volume of supply are carried out. The Company believes that the alleged share cartel does not meet the requirement of Section 7-2

The Company established a provision of ¥7,072 million ($72,163 thousand) for the ultimate liability in the fiscal year ended March 31, 2009, because the Company received the preliminary decision ordering a surcharge of ¥7,072 million in March, 2009. The Company has scrutinized the preliminary decision and considers it unacceptable. Accordingly, the Company filed a motion for objection to the Commission in accordance with the Rules on Hearing by the Fair Trade Commission.

Asbestos-related lawsuits

Since the middle of the year 2005, with the asbestos issue becoming an object of public concern in Japan, five asbestos-related lawsuits were filed against the Company, or the Japanese Government and asbestos-related companies including the Company before the year ended March 31, 2009 and the aggregate amount of claims is ¥8,373 million ($85,439 thousand). The two lawsuits concerning an aggregate 212 construction workers who suffered from asbestos-related diseases consist mostly of the aggregate amount of five claims and defendants of these two lawsuits are the Japanese Government and 46 asbestos-related companies including the Company.

The Company does not have cost-sharing arrangements with other potentially responsible parties for these lawsuits. These asbestos-related lawsuits are all pending, and there have been no claim dismissed, settled, and otherwise resolved. There was not any amount of damages paid out and no accruals. The aggregate costs of administering and litigating the claims are immaterial. The time frame is not available over which presently unrecognized amount may be paid out.

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Policy on Dividends Distributions

The Company s basic policy for the allocation of profit is to maintain stable dividends or to provide increased 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.

B. Significant Changes

Except as disclosed in this annual report, there have been no significant changes since the date of latest annual financial statements of the Company.

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Item 9. The Offer and Listing

A. Offer and Listing Details

The primary market for Kubota s common stock is the Tokyo Stock Exchange (the TSE) in the form of original common stock. Kubota s common stock has been listed on the TSE since 1949, and has also been listed on the Osaka Securities Exchange since 1949.

Overseas, Kubota s common stock is listed on the New York Stock Exchange (the NYSE) in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs). Prior to July 15, 2002, each ADS represented 20 shares of common stock. On July 15, 2002, the Company changed the unit of ADS from 20 common shares to 5 in order to help increase the number of ADS holders and improve the liquidity of its ADSs.

Kubota s ADSs, which have been listed on the NYSE since 1976, are issued by JPMorgan Chase Bank, as Depositary. Kubota s common stock was also listed on Frankfurt Stock Exchange. However the Company applied for delisting its common stock form the Frankfurt Stock Exchange on January 7, 2009 and it was delisted on April 16, 2009.

The following table sets forth, for the periods indicated, the reported high and low sales prices of Kubota s common stock on the TSE and of Kubota s ADSs on the NYSE.

	TSE price per share of common stock		NYSE price per ADS (5 common shares)	
	High	**Low**	**High**	**Low**
Annual Highs and Lows				
2005	¥ 596	¥ 446	$ 28 46	$ 19 05
2006	1,295	517	55 21	24 20
2007	1,379	897	60 60	38 51
Quarterly Highs and Lows				
2008				
1 st quarter	¥ 1,162	¥ 909	$ 48 30	$ 37 80
2 nd quarter	1,116	802	45 80	35 32
3 rd quarter	987	724	42 39	32 52
4 th quarter	791	575	37 47	28 34
2009				
1 st quarter	918	612	43 41	31 00
2 nd quarter	811	614	35 81	28 91
3 rd quarter	669	328	36 29	17 72
4 th quarter	667	423	36 79	22 51
Monthly Highs and Lows				
November, 2008	¥ 588	¥ 443	$ 30 00	$ 22 92
December	652	482	36 29	24 93
January, 2009	667	466	36 79	26 47
February	540	423	29 24	22 57
March	585	449	30 17	22 51
April	634	540	31 58	27 66
May	732	578	38 25	29 80

The Company has never experienced trade suspension, and keeps enough liquidity for trading.

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B. Plan of Distribution

Not applicable.

C. Markets

The stock of the Company is listed on two stock exchanges in Japan (Tokyo and Osaka), and one overseas stock exchange (New York). In May 1949, the stock was listed on Tokyo Stock Exchange (the TSE) and Osaka Securities Exchange. The stock was also listed on the New York Stock Exchange (the NYSE) in November 1976.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

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Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Organization

The Company is a joint stock corporation *(kabushiki kaisha)* incorporated in Japan under the Corporate Law of Japan. The Company is registered in the Commercial Register *(shogyo tokibo)* maintained by the Osaka Legal Affairs Bureau.

Objects and Purposes

Article 2 of the Articles of Incorporation of the Company provides that the Company s purpose is to engage in the following lines of business:

1. Manufacture, sale and laying work of cast iron pipe, various kinds of pipe and fittings thereof;

2. Manufacture and sale of castings, powder-metallurgy products and ceramic and other moldings;

3. Manufacture and sale of internal combustion engines, automobiles, agricultural machinery and ancillary farming products;

4. Manufacture, sale and installation of construction machinery, machine tools, pumps, valves, various kinds of industrial machinery and other machinery;

5. Manufacture, sale and installation of weighing, measuring and control equipment, electrical, electronic and communication machinery and equipment, automatic vending machines and automatizing machinery and equipment;

6. Manufacture and sale of various kinds of materials for civil engineering and construction as well as various kinds of machinery and equipment for houses;

7. Construction and civil engineering, and planning, manufacture, supervision, performance and sale of, and contracting for, houses, building structures, steel-frame structures and storage facilities and equipment;

8. Sale, purchase, lease and management of real estate and development of residential land;

9. Planning, manufacture, engineering and construction of, and contracting for, various environmental control devices and equipment and various plants;

10. Treatment, recovery and recycling business of various kinds of wastewater, exhaust gas and contaminated soil;

11. Treatment, recovery and recycling business of municipal and industrial wastes;
12. Manufacture and sale of chemicals for household use and for environmental control devices and equipment as well as bioproducts;
13. Manufacture, processing and sale of synthetic resins and other chemical synthetic products;
14. Development and sale of information processing and communication systems, and computer software;
15. Operation of facilities for sports, lodging, training, health and medical care, recuperation and recreation;
16. Road cargo transportation business, water transportation business and warehousing business;
17. General leasing business;
18. Personnel dispatching agency business;
19. Business of soliciting life insurance, casualty insurance agency business and insurance agency business pursuant to the Automobile Injury Compensation Law;
20. Fee-charging employment agency;
21. Accounting and payroll administration services;
22. Copying, printing and bookbinding businesses;
23. Any consulting business relating to each of the foregoing items; and
24. Any other business ancillary to or relating to any of the foregoing items.

Directors

Each Director (other than an outside Director) has executive powers and duties to manage the affairs of the Company and each Representative Director, who is elected from among the Directors by the Board of Directors, has the statutory authority to represent the Company in all respects. Under the Corporate Law, the Directors must refrain from engaging in any business competing with the Company unless approved by the Board of Directors and any Director who has a special interest in the subject matter of a resolution to be taken by the Board of Directors cannot vote on such resolution. The maximum aggregate amounts of remunerations, bonuses, and other financial benefits given in consideration of the performance of duties (the remunerations, etc.) for the Company s Directors and those of the Company s Corporate Auditors must be, approved at a general meeting of shareholders, respectively. The Company must also obtain the approval at a general meeting of shareholders if the Company desires to change such maximum aggregate amounts of remunerations, etc. The amount of remuneration for each class of Director is determined by the remuneration committee, which is not a statutory organization but is delegated to make such determination by the Board of Directors, and such amount of remuneration so determined by the remuneration committee is approved by the President. The same applies *mutatis mutandis* to the amount of bonus for each Director. The amount of remuneration for each Corporate Auditor is determined upon consultation among the Corporate Auditors.

Except as stated below, neither the Corporate Law nor the Company s Articles of Incorporation make special provisions as to the Directors or Corporate Auditors power to vote in connection with their own compensation, the borrowing power exercisable by a Representative Director (or a Director who is given power by a Representative Director to exercise such power), their retirement age or requirements to hold any shares of Common Stock of the Company. The Corporate Law specifically requires the resolution of the Board of Directors for a company to acquire or dispose of material assets; to borrow a substantial amount of money; to appoint or dismiss important employees, such as executive officers; to establish, change or abolish material corporate organizations such as a branch office; to determine material conditions concerning offering of corporate bonds set forth in the ordinances of the Ministry of Justice; and to establish and maintain the internal control system set forth in the ordinances of the Ministry of Justice, such as the system to ensure the legitimacy of the performance of duties by Directors. The Regulations of the Board of Directors and the relevant internal regulation of the Company require a resolution of the Board of Directors for the Company s borrowing in an amount more than ¥5 billion or guaranteeing in an amount more than ¥1 billion or its equivalent.

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Common Stock

General

Except as otherwise stated, set forth below is information relating to the Company s Common Stock, including brief summaries of the relevant provisions of the Company s Articles of Incorporation and Share Handling Regulations, as currently in effect, and of the Corporate Law of Japan and related regulations.