

KUBOTA CORP
Form 6-K
July 05, 2007
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6 - K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of June 2007

Commission File Number: 1-07294

KUBOTA CORPORATION

(Translation of registrant's name into English)

2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, Japan

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F :

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1) :

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7) :

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 :

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) : 82-_____

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Information furnished on this form:

EXHIBITS

Exhibit Number

1. Convocation notice for the 117th ordinary general meeting of shareholders (Wednesday, June 6, 2007)
2. Notice on purchase of shares on market (Friday, June 22, 2007)
3. Resolution of the ordinary general meeting of shareholders (Friday, June 22, 2007)

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CONVOCATION NOTICE FOR THE 117TH

ORDINARY GENERAL MEETING

OF SHAREHOLDERS

This is a translation of a notice in Japanese

Circulated to Japanese shareholders.

KUBOTA CORPORATION

OSAKA, JAPAN

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(Translation)

To: Shareholders

June 6, 2007

CONVOCAATION NOTICE FOR
THE 117th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs:

Notice is hereby given that the 117th Ordinary General Meeting of Shareholders of Kubota Corporation will be held as described hereunder. Your attendance is respectfully requested.

Date and Time: 10:00 a.m. on Friday, June 22, 2007
Place: Convention Hall of Kubota Corporation
2-47, Shikitsuhigashi 1-chome, Naniwa-ku Osaka, Japan

Matters for which the meeting is held:

Matters to be reported:

1. Business report for the 117th period, the consolidated financial statements and the non-consolidated financial statements for the 117th period (from April 1, 2006 to March 31, 2007)
2. The results of the audits of the consolidated financial statements by the Independent Auditors and by the Board of Corporate Auditors

Matters requiring resolutions:

1st Subject for Discussion:

Matters concerning election of 21 Directors

2nd Subject for Discussion:

Matters concerning election of 2 Corporate Auditors

3rd Subject for Discussion:

Matters concerning bonus payments for Directors

If you are unable to attend the meeting, the Company cordially requests that you study the referential materials annexed hereto, indicate your approval or disapproval of the proposals on the enclosed form of the voting exercise card with your signature thereon and return it to us.

When you attend the meeting, please present the enclosed form of the voting exercise card at the reception desk of the meeting.

If the Company amends the referential materials for the matters to be reported, the Company will release amendments of them on its website.
URL; http://www.kubota.co.jp/ir/english/sh_info/convocation/index_open.html

Yours very truly,

Daisuke Hatakake
President and Representative Director
KUBOTA CORPORATION
2-47, Shikitsuhigashi 1-chome,
Naniwa-ku Osaka, 556-8601 JAPAN

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**REFERENTIAL MATERIALS FOR THE MATTERS TO BE
REPORTED AND THE 1ST SUBJECT FOR DISCUSSION**

Business Report for the 117th Period

(from April 1, 2006, to March 31, 2007)

I. Item of Overview of Operations

(1) Review of Operations

1) General Condition of Kubota Corporation and its subsidiaries

Driven by expansion in overseas business activities, Kubota Corporation and its subsidiaries (hereinafter, the Company) continued to report a robust performance for fiscal 2007, ended March 31, 2007. Operating income, which is the best measure of the Company's earning power, moved to record levels for the third consecutive fiscal year. Overseas, we expanded the scope of our business activities by introducing new products meeting customer needs, principally in the Internal Combustion Engine and Machinery segment, and implemented aggressive measures to further develop our position in Asia outside Japan. In the domestic market, demand was relatively weak, but we secured profitability by continuing to reduce costs and increase productivity. These management efforts in Japan and overseas enabled Kubota to report growth in both revenues and profits for the fiscal year under review.

The Company reported consolidated revenues of ¥1,127.5 billion, an annual increase of ¥61.7 billion (5.8%), in fiscal 2007. Although revenues in Japan declined slightly, overall expansion was driven by continued major growth in overseas revenues, especially sales of tractors, engines, and construction machinery. As a consequence, the ratio of overseas revenues to consolidated revenues rose 5.8 percentage points, to 46.5%.

Operating income climbed ¥9.3 billion (7.7%), to ¥130.3 billion, from the prior year, the highest level in the Company's history. By segment, operating income in Internal Combustion Engine and Machinery expanded substantially, supported by the increase in revenues and the positive effect of the weakening of the yen. Pipes, Valves, and Industrial Castings also reported a gain in operating profit, owing to continued cost-cutting, including reductions in fixed expenses, and higher revenues in overseas markets. Environmental Engineering, however, posted a substantial decline in profitability and reported an operating loss accompanying the decline in sales prices. Operating income in Other, however, showed steady expansion, as a result of increased sales of vending machines and other products.

Notwithstanding the rise in operating income, income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies decreased ¥9.0 billion (6.4%), to ¥131.6 billion. This decline was due to the absence of the gain on an exchange of shares of ¥15.9 billion reported in the prior year. After deductions of ¥49.0 billion in income taxes (representing an effective tax rate of 37.2%), ¥4.9 billion of minority interests in earnings of subsidiaries and equity in net income of affiliated companies, and a ¥1.3 billion loss from discontinued operations, net of taxes, net income decreased ¥4.6 billion (5.6%), to ¥76.5 billion from the prior year.

2) Review of Operations by Industry Segments

(a) Internal Combustion Engine and Machinery

Revenues in Internal Combustion Engine and Machinery were ¥746.8 billion, 10.8% higher than the prior year, comprising 66.3% of consolidated revenues. Domestic revenues decreased 4.1%, to ¥258.3 billion, and overseas revenues increased 20.7%, to ¥488.5 billion. This segment comprises farm equipment, engines and construction machinery.

In the domestic market, sales of farm equipment declined because of lackluster market conditions. In the domestic market for farm equipment, new government agricultural policies have been introduced, and the implementation of these measures is resulting in structural changes within the agricultural sector, leading to a postponement of equipment purchases, principally among medium-sized farms. Within this operating environment, to revitalize the market, Kubota implemented sales expansion policies carefully tailored to various customer groups and was able to increase its market share; however, these efforts did not compensate for the market slump. On the other hand, sales of construction machinery significantly rose due to steady demand for construction machinery, introduction of new models, and expansion of sales to major machinery rental companies. In addition, sales of engines, mainly to manufacturers of construction and industrial machinery, showed steady expansion.

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In overseas markets, sales of tractors, the Company's core product, expanded steadily. In the United States, sales of medium-sized tractors showed marked expansion accompanying the introduction of new models, while sales of small-sized tractors weakened along with the slowdown in housing starts. In Europe, sales of tractors showed strong expansion as the Company introduced new products and implemented an active marketing program. Moreover, in Asia outside Japan, sales of tractors sustained a high rate of growth in Thailand, where demand for tractors is expanding rapidly.

Sales of construction machinery reported steady expansion in Europe, the principal overseas markets of construction machinery, along with rising demand and the introduction of new products. Sales of construction machinery in North America also increased. In addition, sales of engines in Europe and the United States grew steadily, and sales of combine harvesters in China increased rapidly.

(b) Pipes, Valves, and Industrial Castings

Revenues in Pipes, Valves, and Industrial Castings were ¥194.2 billion, 2.4 % higher than the prior year, comprising 17.2 % of consolidated revenues. Domestic revenues decreased 2.2 %, to ¥163.4 billion, and overseas revenues increased 36.7 %, to ¥30.8 billion. This segment comprises pipes, valves and industrial castings.

In the domestic market, demand for ductile iron pipes and plastic pipes was lackluster, but the Company was able to slightly increase sales of plastic pipes by raising prices, while sales of ductile iron pipes declined marginally. Sales of industrial castings expanded, mainly to the private sector, such as the steel and energy industries, but sales of products to the public sector fell sharply.

In overseas markets, exports of ductile iron pipe to the Middle East were robust, and sales of industrial castings continued to increase significantly, owing to high levels of private-sector capital expenditures.

(c) Environmental Engineering

Revenues in Environmental Engineering were ¥90.6 billion, 17.5% lower than the prior year, comprising 8.0% of consolidated revenues. Domestic revenues decreased 17.6%, to ¥86.5 billion, and overseas revenues decreased 16.8 %, to ¥4.1 billion. This segment comprises environmental control plants and pumps.

In the domestic market, the operating environment continued to be extremely challenging because of the decline in public-sector demand and the drop in sales prices accompanying more intense competition. In addition, the suspension of designating pre-approved suppliers that resulted from compliance issues had a major negative impact. As a result, the Water & Sewage Engineering Division and Pumps Division suffered substantial declines in revenues. Overseas revenues also declined due to a decrease in sales of pumps, which is the main export product in this segment.

(d) Other

Revenues in Other were ¥95.8 billion, 4.1% higher than the prior year, comprising 8.5% of consolidated revenues. Domestic revenues increased 4.9%, to ¥95.3 billion, and overseas revenues decreased 60.0%, to ¥0.5 billion. This segment comprises vending machines, electronically equipped machinery, air-conditioning equipment, construction, septic tanks, condominiums and other business.

Sales of construction fell sharply because of the Company's realignment measures, including discontinuance of receiving orders from the public sector as an original contractor. Sales of vending machines, condominiums and air-conditioning equipment increased favorably, while sales of electronically equipped machinery and septic tanks declined.

Table of Contents**Revenues by Industry Segment**

	Revenues (in billions of yen*)	Percentage Change	Percentage of total Revenues
Internal Combustion Engine & Machinery	746.8	10.8%	66.3%
Pipes, Valves, and Industrial Castings	194.2	2.4	17.2
Environmental Engineering	90.6	(17.5)	8.0
Other	95.8	4.1	8.5
Total	1,127.5	5.8	100.0

(*) The amounts have been rounded off to the nearest ¥0.1 billion.

3) Capital Expenditures

The Company made capital expenditures totaling ¥44.7 billion during the fiscal year under review, including investments for the expansion of production capacity in the Internal Combustion Engine and Machinery segment and land.

4) Financing

Financing for capital expenditures was obtained mainly from the Company's internal resources, but along with the increase in finance receivables accompanying the expansion of business activities in the United States, necessary additional funding was obtained mainly from borrowings.

(2) Management Issues upon which the Company should Implement Countermeasures

To achieve further development and steady increases in enterprise value, the Company is actively addressing the following management issues.

(1) Accelerating the Expansion of Internal Combustion Engine and Machinery in Overseas Operations

The Company is allocating management resources to the overseas operations of Internal Combustion Engine and Machinery on a priority basis to expand its business domain from the perspective of the product portfolio and geographical coverage, while working to strengthen the business structure of this segment to the level appropriate for a global enterprise.

From a product portfolio point of view, the Company is broadening the scope of overseas operations of the segment by expanding the model lineup of tractors, construction machinery, and farm machinery as well as substantially diversifying the product lineup. Concerning diesel engines, which are key components in Kubota products, the Company is endeavoring to develop and manufacture its diesel engines in a timely manner that meets more stringent emission regulations to be introduced in Japan, North America, and Europe. Through this effort, the Company is enhancing the competitive edge of its diesel engine powered products and further expanding sales of diesel engines to other manufacturers.

From a geographical perspective, the Company is promptly implementing different strategies in North America, Europe, and Asia, responding to the regional characteristics of each market. In North America and Europe, which are currently the segment's principal markets, the Company is working to significantly enhance its product and service supply capabilities. In Asia outside Japan, where rapid market expansion is ongoing, the Company is moving forward actively with initiatives to strengthen the capabilities of its production and sales networks in Thailand and China. Through the full implementation of these initiatives, the Company is promoting the geographical diversification of the overseas operations of Internal Combustion Engine and Machinery.

Moreover, to prevail in intense competition and accelerate the expansion of overseas business activities, it will be essential to enhance the segment's business structure to enable it to outpace the competition in global markets. The Company will fortify production capacity in Japan and overseas to meet rising overseas demand while also training personnel who can carry out the work of a global enterprise, speed up R&D activities, and work to consistently enhance design and manufacturing capabilities as well as operating efficiency all with the objective of strengthening the segment's business structure from a comprehensive perspective.

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(2) Restructuring the Public Works Related Businesses

The Company's public works related businesses are included in Pipes, Valves, and Industrial Castings and Environment Engineering. These businesses are confronting an exceptionally challenging operating environment because of the continuous cutbacks in public works investment. To respond effectively to changes in the operating environment, the Company is undertaking drastic restructuring in its business structure.

(a) Pipes, Valves, and Industrial Castings Segment to Step Up Initiatives to Expand Core Businesses

The Company has worked to strengthen its profitability by making drastic reductions in costs, including fixed expenses, bringing about major increases in productivity, and becoming thoroughly market-oriented and competitive. As a result of these efforts, the Company has been successful in raising the ratio of operating profitability to double-digit levels.

Going forward, to increase profits, the Company must actively focus on expanding core businesses while advancing into closely related areas as it strives to maintain and increase its earning power. This will require shifting the business activities from the public sector to the private sector, and also from the domestic market to overseas markets. The decision made at the end of the fiscal year under review to establish a joint venture in India for manufacturing ductile iron pipe is symbolic of what must be done in other product areas—shift the thrust of business development to the private sector and to opportunities overseas as a part of initiatives to further expand core businesses.

(b) Restructuring Environmental Engineering

The deterioration of the market environment and the intensification of competition in this segment have occurred faster than anticipated, thus creating a highly challenging set of operating conditions. In addition, the emergence of compliance issues has acted to accelerate deterioration in business performance, and the segment has fallen into a tough situation. To revitalize and restructure this segment, the Company is aggressively working to shift its business model and concentrate on its core competencies. Specifically, by developing its positions in the private sector and overseas markets, the Company is endeavoring to reduce dependency of this segment on the public sector while also promoting a shift from the plant engineering business to the sales and installation of machinery and equipment. In addition, by focusing on water-related businesses, the Company will work to make more efficient use of management resources in this segment and thereby promptly recover sound profitability and strengthen its business structure.

To make a successful transition to its new business model, the segment must have strong product development capabilities for stand-alone equipment and be cost-competitive. With this in mind, in April 2007, the Company formed the Environmental Equipment R&D Center. Through the activities of this new center, the Company intends to make the manufacturing technology and development capabilities nurtured by Internal Combustion Engine and Machinery available to this segment and, while taking thorough measures to lower costs, differentiate its technology from that of other companies.

(c) Moving toward Close Teamwork between the Two Segments

Both Pipes, Valves, and Industrial Castings and Environmental Engineering have core strengths in water-related products. By moving toward close teamwork between these segments, the Company will seek to realize synergies among their products and technologies and achieve greater operational efficiencies. The Company has taken specific measures in this direction by combining the organizations of the two segments within the parent company, beginning in April 2007. Going forward, by promoting the sharing of information related to products and technologies connected with water and strengthening teamwork in development and sales activities, the Company will work to increase the competitiveness of both segments.

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(3) Management Based on Corporate Social Responsibility (CSR)

To achieve medium-to-long term growth and development, the Company must be an enterprise that continuously contributes to the sustainable development of society in harmony with the environment in addition to increasing its economic value. With this awareness, the Company is implementing CSR management as the most important management policy, and it pursues its corporate activities with a strong sense of responsibility regarding the economic, social, and environmental aspects of its activities as a global corporate citizen that responds positively to the expectations and trust of its various stakeholders.

Looking ahead, the Company will adhere strongly to its management principle: The Kubota Group contributes to the development of society and the preservation of the earth's environment through its products, technology, and services that provide the foundation for society and for affluent lifestyles. To remain an upstanding and proud member of society, the Company will also strengthen its compliance, internal controls, and corporate governance, as well as ensure full adherence to these and other aspects of its activities that are basic to management in the spirit of CSR.

During the fiscal year under review, the management and staff of Kubota worked together and achieved the best performance in the Company's history in terms of operating profit. However, we cannot rest here because of the many uncertainties in the operating environment. Various developments, such as concern about a slowdown in the U.S. economy, changes in the agricultural market in Japan as new government policies go into effect, continuing price hikes of raw materials, and the uncertainty of foreign currency exchange and interest rate movements, are expected to bring about changes that will have a major impact on the Company's management and performance.

By responding quickly and appropriately to these changes in the operating environment and devoting our fullest energies to addressing the previously mentioned issues, we are committed to continuing to build our corporate value.

We thank you for your investment in Kubota and your continuing support in the years ahead.

Table of Contents**(3) The financial position and the results of operations****1) Consolidated Financial Summary**

Year (Period)	Year ended March 31, 2004 (114th)	Year ended March 31, 2005 (115th)	Year ended March 31, 2006 (116th)	Year ended March 31, 2007 (117th)
Revenues (in billions of yen)	939.2	994.5	1,065.7	1,127.5
Operating income (in billions of yen)	29.9	94.1	121.1	130.3
Income from continuing operations before income taxes, minority interests in earnings of subsidiaries, and equity in net income of affiliated companies (in billions of yen)	28.2	156.4	140.5	131.6
Net income (in billions of yen)	11.7	117.9	81.0	76.5
Net income per ADS (5 common shares) (in yen) (Basic)	44	446	311	295
Total assets (in billions of yen)	1,124.2	1,193.1	1,405.4	1,502.5
Shareholders' equity (in billions of yen)	391.1	481.0	606.5	659.6
Shareholders' equity per ADS (in yen)	1,459	1,850	2,334	2,554

ADS: American Depositary Shares

Notes:

- The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.
- The amounts have been rounded off to the nearest ¥0.1 billion except per ADS amounts and per ADS amounts have been rounded off to the nearest Yen.
- Finance income and expenses from retail finance business were previously classified mainly into Interest income and Interest expense. However, the Company currently classifies them into Revenues and Cost of revenues, since the significance of retail finance business has been increasing and the business is becoming one of major or central operations of the Company. Accordingly, the reclassification has been made to the presentation of the prior year's statement of income.
- Net income per ADS is calculated based on the weighted average number of outstanding common shares for the period. Shareholders' equity per ADS is calculated based on the number of outstanding common shares at the end of the period. These per ADS amounts have been calculated after deducting the number of shares of treasury stock.
- In accordance with Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the prior year figures relating to discontinued operations have been separately reported in discontinued operations.

2) Financial Summary (Non-consolidated)

Year (Period)	Year ended March 31, 2004 (114th)	Year ended March 31, 2005 (115th)	Year ended March 31, 2006 (116th)	Year ended March 31, 2007 (117th)
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Net sales (in billions of yen)	663.8	675.4	693.5	694.9
Operating income (in billions of yen)	41.8	56.8	74.7	72.5
Ordinary income (in billions of yen)	45.9	64.7	81.0	78.6
Net income (in billions of yen)	21.7	43.1	47.6	43.3
Net income per ADS (5 common shares) (in yen) (Basic)	81	163	182	167
Total assets (in billions of yen)	867.6	861.6	922.8	906.9
Net assets (in billions of yen)	383.9	397.9	484.7	492.3
Net assets per ADS (in yen)	1,432	1,529	1,864	1,906

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Notes:

1. The amounts have been rounded down to the nearest ¥0.1 billion except per ADS amounts and per ADS amounts have been rounded off to the nearest Yen.
2. Net income per ADS is calculated based on the weighted average number of outstanding common shares for the period. Net assets per ADS are calculated based on the number of outstanding common shares at the end of the period. These per ADS amounts have been calculated after deducting the number of shares of treasury stock.
3. From the fiscal year ended March 31, 2007, Kubota Corporation adopted Accounting Standard for Presentations of Net Assets in the Balance Sheet (Accounting Standards Board of Japan Statement No. 5 issued on December 9, 2005) and Guidance on Accounting Standard for Presentation on Net Assets in Balance Sheet (Accounting Standard Board of Japan Guidance No. 8 issued on December 9, 2005).

Table of Contents**(4) Main Subsidiaries and Affiliated Companies**

Name	Issued capital	Percentage of voting shares	Major operations
(Subsidiaries)			
1 Kubota Credit Co., Ltd.	¥ 0.3 billion	51.7 21.1*	Retail financing to purchasers of farm equipment, construction machinery and related products in Japan
2 Kubota-C.I. Co., Ltd.	¥ 3.0 billion	70.0	Manufacturing and sales of plastic pipes and fittings
3 Kubota U.S.A., Inc.	US\$167 million	100.0	Administration of subsidiaries in the U.S.A.
4 Kubota Tractor Corporation	US\$37 million	90.0*	Sales of tractors, small-sized construction machinery and other machinery in the U.S.A.
5 Kubota Credit Corporation	US\$8 million	10.0 90.0*	Retail financing to purchasers of tractors and related products in the U.S.A.
6 Kubota Manufacturing of America Corporation	US\$10 million	100.0*	Manufacturing and sales of small-sized tractors, lawn mower and utility vehicles
7 Kubota Engine America Corporation	US\$10 million	90.0*	Sales, engineering and after-sales service of engines, engine parts and engine accessories
8 Kubota Industrial Equipment Corporation	US\$20 million	100.0*	Manufacturing and sales of implements for tractors
9 Kubota Canada Ltd.	Can\$6 million	80.0	Sales of tractors, engines, small-sized construction machinery and other machinery in Canada
10 Kubota Metal Corporation	Can\$15 million	100.0	Manufacturing and sales of cast steel products in North America, mainly in Canada
11 Kubota Europe S.A.S.	EUR11 million	73.8	Sales of tractors, tillers, engines and small-sized construction machinery in Europe, mainly in France
12 Kubota Baumaschinen GmbH	EUR14 million	100.0	Manufacturing and sales of small-sized construction machinery in Europe, mainly in Germany
13 Kubota (Deutschland) GmbH	EUR3 million	80.0	Sales of tractors, tillers, engines and other machinery in Germany
14 Kubota (U.K.) Limited	£2 million	60.0	Sales of tractors, tillers, engines, small-sized construction machinery and other machinery in England and Ireland
15 The Siam Kubota Industry Co., Ltd.	208 million bahts	51.0	Manufacturing and sales of diesel engines and power tillers, and sales of tractors and other machinery in Southeast Asia, mainly in Thailand
(Affiliated Company)			
1 Kubota Matsushitadenko Exterior Works Co., Ltd.	¥ 8.0 billion	50.0	Manufacturing and sales of roofing and siding

* Indirect holding

Notes:

1. The number of consolidated subsidiaries is 118 (including 15 subsidiaries listed above), a decrease of four subsidiaries from the prior year. The number of affiliated companies is 24 (including 1 affiliated company listed above), a decrease of one from the prior year.
2. Consolidated financial results of fiscal year ended March 31, 2007 are described in I. Item of Overview of Operations, (1) Review of Operations .

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(5) Main Line of Business (As of March 31, 2007)

The Company is conducting its businesses in four fields: Internal Combustion Engine and Machinery Pipes, Valves, and Industrial Castings
Environmental Engineering and Other

Internal Combustion Engine and Machinery

- i Farm equipment (Tractors, Tillers, Power tillers, Combine harvesters, Reaper binders, Harvesters, Rice transplanters)
- ii Ancillary tools and Implements for Agriculture (Implements, Attachments, Rice dryers, Mower, Vegetable production Equipment, Multipurpose warehouse, Rice mill, Electric scooter, Automatic rice cooker and other equipment for agricultural use)
- iii Farm facilities (Cooperative facilities for rice drying and rice seedling, Gardening facilities, Cooperative separating facilities for fruits and vegetables, Rice mill plant)
- iv Outdoor power equipment (Lawn and garden equipment, Lawn mower, Utility vehicle)
- v Engines (for farming, construction, industrial machinery and generators)
- vi Construction machinery (Mini excavators, Wheel loaders, Carriers, Tractor shovels, Welders, Generators and other construction machinery related products)

Pipes, Valves, and Industrial Castings

- i Pipe systems (Ductile iron pipes, FW (Filament winding) pipes, Spiral welded steel pipes (Steel pipe pile, Steel pipe sheet pile), Preinsulated pipes, Plastic pipes (Unplasticized polyvinyl chloride pipe, Polyethylene pipe, Plastic lining steel pipe, Fittings and accessories), Valves (for water supply and sewerage systems, etc.)
- ii Industrial castings (Reformer tubes, Hearth roll, G-Columns, G-Pile, Rolls for steel mills, Ceramics, TXAX (friction materials), Cast-iron drainage pipe, Single stack drain fitting, Ductile tunnel segment, Ductile frames)

Environmental Engineering

- i Water and sewage engineering plant (Waste water treatment equipments and plants, Water purification facilities, Sludge incineration and melting plants)
- ii Waste engineering (Waste shredding, sorting and recycling plants, Waste incinerating and melting plants, Night-soil treatment plants)
- iii Pumps (Furnishing and commissioning of pumping equipment for water supply, sewerage, irrigation and various fields, Small scale hydraulic power generating facility)

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iv Membrane Solutions (Submerged membrane systems for night-soil and wastewater purification, Membrane methane fermentation unit)
Other

i House relation (Roofing, Siding, Johkasou systems (Septic Tanks), Bathtubs, Condominiums)

ii Vending machines (for drinks, tobaccos and tickets)

iii Electronic equipped machinery (Scales, Weighing and measuring control system, CAD systems, Printing and vending machine for tickets)

iv Other (Air-conditioning equipment, Software, Design and construction of water supply and sewerage systems, engineering works and architecture)

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Table of Contents**(6) Main domestic Offices and Factories**

	Name	Location
Offices	Head Office	Osaka [Osaka]
	Tokyo Head Office	Chuo-ku [Tokyo]
	Hokkaido Regional Office	Sapporo [Hokkaido]
	Tohoku Regional Office	Sendai [Miyagi]
	Chubu Regional Office	Nagoya [Aichi]
	Chugoku Regional Office	Hiroshima [Hiroshima]
	Shikoku Regional Office	Takamatsu [Kagawa]
	Kyusyu Regional Office	Fukuoka [Fukuoka]
	Hanshin Office	Amagasaki [Hyogo]
	Kyuhoji Business Center	Yao [Osaka]
	Farm & Industrial Machinery Sapporo Office	Sapporo [Hokkaido]
	Farm & Industrial Machinery Higashi-Nihon Office	Saitama [Saitama]
	Farm & Industrial Machinery Nishi-Nihon Office	Amagasaki [Hyogo]
	Farm & Industrial Machinery Fukuoka Office	Fukuoka [Fukuoka]
	Yokohama Branch	Yokohama [Kanagawa]
Plants	Hanshin Plant	Amagasaki [Hyogo]
	Keiyo Plant	Funabashi and Ichikawa [Chiba]
	Okajima Plant	Osaka [Osaka]
	Sakai Plant	Sakai [Osaka]
	Utsunomiya Plant	Utsunomiya [Tochigi]
	Tsukuba Plant	Tsukubamirai [Ibaraki]
	Sakai-Rinkai Plant	Sakai [Osaka]
	Hirakata Plant	Hirakata [Osaka]
	Shiga Plant	Konan [Shiga]
	Ryugasaki Plant	Ryugasaki [Ibaraki]

Main subsidiaries and affiliated companies

Internal Combustion Engine and Machinery (Location)

43 domestic sales companies of farm equipment
6 domestic sales companies of construction machinery
3 Kubota Agri Corporations
Kubota Credit Co., Ltd. (Osaka, Japan)
Kubota Farm & Industrial Machinery Service Ltd. (Sakai, Japan)
Kubota U.S.A., Inc. (U.S.A.)
Kubota Tractor Corporation (U.S.A.)
Kubota Credit Corporation U.S.A. (U.S.A.)
Kubota Manufacturing of America Corporation (U.S.A.)
Kubota Engine America Corporation (U.S.A.)
Kubota Industrial Equipment Corporation (U.S.A.)
Kubota Canada Ltd. (Canada)
Kubota Europe S.A.S. (France)
Kubota Baumaschinen GmbH (Germany)
Kubota (Deutschland) GmbH (Germany)
Kubota (U.K.) Ltd. (England)
The Siam Kubota Industry Co., Ltd. (Thailand)

Pipes, Valves, and Industrial Castings

Kubota-C.I. Co., Ltd. (Osaka, Japan)
Nippon Plastic Industry Co., Ltd. (Komaki, Japan)

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Kubota Metal Corporation (Canada)

Environmental Engineering

Kubota Environmental Service Co., Ltd. (Taito-ku, Tokyo, Japan)

Other

Kubota Construction Co., Ltd. (Osaka, Japan)

Kubota Matsushitadenko Exterior Works, Ltd. (Osaka, Japan)

Kubota Maison Co., Ltd. (Osaka, Japan)

Kubota Air Conditioner, Ltd. (Taito-ku, Tokyo, Japan)

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Table of Contents**(7) Employees**

	Number of employees	Change from previous period
Consolidated:	23,727	678
Non-consolidated:	8,674	(32)

(8) Main Financing Bank

Name	Balance of the loan
Mizuho Corporate Bank, Ltd.	¥ 52.8 billion
Sumitomo Mitsui Banking Corporation	¥ 49.6 billion

(9) Material matters regarding the Company**1) Actions for the health hazard of asbestos**

The Company's actions taken for asbestos health hazard issue since April 2006 are as follows.

The Company will continuously cope with this issue faithfully from the view point of Corporate Social Responsibility as one of manufacturers that once manufactured asbestos-containing products.

(a) Relief payment

Kubota Corporation has established Relief Payment System for the Asbestos-Related Patients and the Family Members of the Deceased near the Former Kanzaki Plant on April 17, 2006 and paid the relief payments to 125 parties up to March 31, 2007.

(b) Actions for Medical support for asbestos-related diseases

Kubota Corporation has decided to contribute ¥1.7 billion in total to Hyogo College of Medicine and Osaka Medical Center for Cancer and Cardiovascular Diseases for the purpose of medical treatment and research of asbestos-related diseases in 10 years starting from the fiscal year ended March 31, 2007. Kubota Corporation has paid such a contribution allocated for the fiscal year ended March, 2007, before September 30, 2006.

2) Compliance issue regarding Act concerning Prohibition of Private Monopoly and Maintenance of Fair Trade

Kubota Corporation was sentenced to penalties for the violation of Act concerning Prohibition of Private Monopoly and Maintenance of Fair Trade (hereinafter "Anti-monopoly Law"), as follows. Kubota Corporation takes the penalties very seriously and apologizes for giving the great concern to shareholders.

(a) Kubota Corporation entered into the consent order with the Fair Trade Commission on October 2, 2006, for the violation of

Anti-monopoly Law in engineering works for sewage pump system ordered by Tokyo Metropolitan Government Bureau of Sewerage. In relation to this consent order, Kubota Corporation was ordered by the Kinki Regional Development Bureau of the Ministry of Land, Infrastructure and Transport, to suspend its sales activities of engineering works regarding machinery and equipment in Metropolis of Tokyo (Suspension Period: 15 days from January 24, 2007 to February 7, 2007).

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- (b) The Fair Trade Commission filed a criminal prosecution against Kubota Corporation to the prosecutor's office for the alleged violation of Anti-monopoly Law in the bidding for the night soil treatment plant construction and Kubota Corporation and the employee concerned (at that time) were indicted on June 12, 2006.

Osaka District Court adjudicated Kubota Corporation and the former employee concerned to be guilty and Kubota Corporation and the former employee concerned accepted this adjudication on April 23, 2007.

Kubota Corporation integrated Industrial & Material Systems Consolidated Division and Environmental Engineering Consolidated Division into Water, Environment & Infrastructure Consolidated Division on April 1, 2007. The Company will continue to thoroughly reinforce its organizational structure, with a corporate compliance being top of mind, and cope with restructuring its businesses with such a firm determination that if certain business of the Company causes or is charged to cause compliance problem, the Company may decide to withdraw from such business. The Company cordially thanks and asks all investors in advance for continued understanding and support.

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II. Item on Shares of Kubota Corporation

(1) Stock Data

1) Total number of Authorized Common Shares:	1,874,700,000 shares
2) Total number of Common Shares Outstanding:	1,291,919,180 shares (including 38,365 shares of treasury stock)

Notes: Kubota Corporation has retired shares of common stock on March 30, 2007. Total number of shares authorized on March 31,

2007 decreased by 7,950,000 shares compared with the prior year.

3) Number of Shareholders:	45,363
4) Number of shares constituti	