

**KUBOTA Corporation**

Contact: IR Group  
 Global Management Promotion Dept.  
 2-47, Shikitsu Higashi 1-chome,  
 Naniwa-ku, Osaka 556-8601, Japan  
 Phone: +81-6-6648-2645

**RESULTS OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2014**

Kubota Corporation reported its consolidated results for the year ended March 31, 2014 today.

**Consolidated Financial Highlights****1. Consolidated results of operations for the year ended March 31, 2014****(1) Results of operations**

(In millions of yen, except per common share amounts)

	Year ended Mar. 31, 2014	Change [%]	Year ended Mar. 31, 2013	Change [%]
Revenues	¥1,508,590	24.6	¥1,210,566	18.5
Operating income	¥202,431	66.8	¥121,359	17.6
% of revenues	13.4%		10.0%	
Income before income taxes and equity in net income of affiliated companies	¥211,293	66.1	¥127,178	27.4
% of revenues	14.0%		10.5%	
Net income attributable to Kubota Corporation	¥131,661	68.7	¥78,054	27.4
% of revenues	8.7%		6.4%	
Net income attributable to Kubota Corporation per common share				
Basic	¥104.94		¥62.15	
Diluted	-		-	
Ratio of net income attributable to Kubota Corporation to shareholders' equity	15.2%		10.6%	
Ratio of income before income taxes and equity in net income of affiliated companies to total assets	10.7%		7.5%	

**(2) Financial position**

(In millions of yen, except per common share amounts)

	Mar. 31, 2014	Mar. 31, 2013
Total assets	¥2,104,657	¥1,846,602
Equity	¥1,000,613	¥851,965
Kubota Corporation shareholders' equity	¥934,811	¥793,311
Ratio of Kubota Corporation shareholders' equity to total assets	44.4%	42.9%
Kubota Corporation shareholders' equity per common share	¥748.00	¥631.64

**(3) Summary of statements of cash flows**

(In millions of yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Net cash provided by operating activities	¥83,322	¥49,323
Net cash used in investing activities	(¥104,209)	(¥79,061)
Net cash provided by financing activities	¥3,214	¥28,894
Cash and cash equivalents, end of year	¥87,022	¥99,789

Notes:

1. Change [%] represents percentage change from the prior year.
2. Comprehensive income for the years ended March 31, 2014 and 2013 were ¥188,338 million [19.1%] and ¥158,078 million [179.0%], respectively.
3. Equity in net income of affiliated companies for the years ended March 31, 2014 and 2013 were ¥3,034 million and ¥1,606 million, respectively.

## 2. Cash dividends

(In millions of yen except per common share amounts)

	Cash dividends per common share					Annual cash dividends	Payout ratio	Annual cash dividends as % to shareholders' equity
	First quarter period	Second quarter period	Third quarter period	Year-end	Total			
Year ended Mar. 31, 2014	—	¥ 10.00	—	¥ 18.00	¥ 28.00	¥35,066	26.7%	4.1%
Year ended Mar. 31, 2013	—	¥ 8.00	—	¥ 9.00	¥ 17.00	¥21,358	27.4%	2.9%

Note:

Although Kubota Corporation's basic policy for the return of profit to shareholders is to maintain stable dividends and raise dividends, the specific amount of cash dividends for each fiscal year is decided in consideration of the development of business performance, financial conditions, and shareholder return ratio calculated from dividends and share buy-backs. The specific amount of cash dividends for the year ending March 31, 2015 has not been decided at this time and Kubota Corporation will publicize the amount as soon as a decision has been made.

## 3. Anticipated results of operations for the year ending March 31, 2015

(In millions of yen except per common share amounts)

	Six months ending Sep. 30, 2014	Change [%]	Year ending Mar. 31, 2015	Change [%]
Revenues	¥ 735,000	0.8	¥ 1,550,000	2.7
Operating income	¥ 95,000	(5.3)	¥ 200,000	(1.2)
Income before income taxes and equity in net income of affiliated companies	¥ 97,000	(8.5)	¥ 210,000	(0.6)
Net income attributable to Kubota Corporation	¥ 62,000	(8.0)	¥ 130,000	(1.3)
Net income attributable to Kubota Corporation per common share	¥ 49.61		¥ 104.02	

Notes:

1. Change [%] represents percentage change from the prior year.
2. Please refer to page 6 for further information related to the anticipated results of operations.

## 4. Other

(1) Changes in material subsidiaries: No

(2) Changes in accounting principles, procedures, and presentations for consolidated financial statements

a) Changes due to the revision of accounting standards: No

b) Changes in matters other than a) above: Yes

Please refer to "(7) Notes to consolidated financial statements" on page 15 for further details.

(3) Number of common shares outstanding including treasury stock as of March 31, 2014	:	1,250,219,180
Number of common shares outstanding including treasury stock as of March 31, 2013	:	1,256,419,180
Number of treasury stock as of March 31, 2014	:	473,439
Number of treasury stock as of March 31, 2013	:	468,372
Weighted average number of common shares outstanding during the year ended March 31, 2014	:	1,254,590,484
Weighted average number of common shares outstanding during the year ended March 31, 2013	:	1,255,946,117

Please refer to "(9) Per common share information" on page 19.

**(Reference) Non-consolidated Financial Highlights**

(1) Results of operations

(In millions of yen except per common share amounts)

	Year ended Mar. 31, 2014	Change [%]	Year ended Mar. 31, 2013	Change [%]
Net sales	¥ 765,341	13.4	¥ 674,739	8.3
Operating income	¥ 75,456	47.5	¥ 51,160	45.3
Ordinary income	¥ 99,879	56.3	¥ 63,885	53.3
Net income	¥ 66,479	58.9	¥ 41,846	40.8
Net income per common share				
Basic	¥ 52.97		¥ 33.30	
Diluted	-		-	

Note:

Change [%] represents percentage change from the prior year.

(2) Financial position

(In millions of yen except per common share amounts)

	Mar. 31, 2014	Mar. 31, 2013
Total assets	¥ 953,265	¥ 882,663
Net assets	¥ 521,441	¥ 479,561
Equity	¥ 521,441	¥ 479,561
Ratio of equity to total assets	54.7%	54.3%
Net assets per common share	¥ 417.10	¥ 381.71

(\*Information on status of the audit by the independent auditor)

This release has not been audited in accordance with the Financial Instruments and Exchange Law of Japan by the independent auditor because this release is not subject to audit.

As of the date of this release, the consolidated financial statements for the year ended March 31, 2014 of Kubota Corporation and its subsidiaries (hereinafter, the "Company") are under procedures of the audit.

< Cautionary Statements with Respect to Forward-Looking Statements >

This document may contain forward-looking statements that are based on management's expectations, estimates, projections and assumptions. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation: general economic conditions in the Company's markets, particularly government agricultural policies, levels of capital expenditures both in public and private sectors, foreign currency exchange rates, the occurrence of natural disasters, 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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## **1. Review of operations and financial condition**

### **(1) Review of operations**

#### **a) Summary of the results of operations for the year under review**

For the year ended March 31, 2014, revenues of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased ¥298.0 billion [24.6%], to ¥1,508.6 billion, from the prior year.

In the domestic market, revenues increased ¥95.3 billion [17.6%], to ¥638.3 billion, from the prior year. Domestic revenues in Farm & Industrial Machinery increased substantially due to higher sales of farm equipment, construction machinery, and engines. Revenues in Water & Environment also increased steadily owing to sales growth of products related to public works spending.

In overseas markets, revenues increased ¥202.7 billion [30.4%], to ¥870.2 billion, from the prior year. Overseas revenues in Farm & Industrial Machinery rose in North America, Asia outside Japan, and Europe. Revenues in Water & Environment and Other expanded mainly in Asia outside Japan. The ratio of overseas revenues to consolidated revenues was 57.7%, 2.6 percentage points higher than in the prior year.

Operating income increased ¥81.1 billion [66.8%] from the prior year, to ¥202.4 billion, due to increased domestic and overseas revenues and the effect of yen depreciation.

Income before income taxes and equity in net income of affiliated companies, equivalent to operating income plus other income of ¥8.9 billion, amounted to ¥211.3 billion, which was ¥84.1 billion [66.1%] higher than in the prior year. Income taxes were ¥71.9 billion, and equity in net income of affiliated companies was ¥3.0 billion. Furthermore, after deduction of net income attributable to noncontrolling interests of ¥10.8 billion, net income attributable to Kubota Corporation was ¥131.7 billion, ¥53.6 billion [68.7%] higher than in the prior year.

#### **b) Review of operations by reporting segment**

##### **1) Farm & Industrial Machinery**

Farm & Industrial Machinery is comprised of farm equipment, engines, and construction machinery.

Revenues in this segment increased 29.3% from the prior year, to ¥1,153.1 billion, and accounted for 76.4% of consolidated revenues.

Domestic revenues increased 24.9%, to ¥332.6 billion. Sales of farm equipment marked a record increase due to front-loaded demand before the consumption tax hike and execution of the agricultural-related supplemental budget. Sales of construction machinery expanded sharply due to the increase in public works spending and other factors. Sales of engines also rose.

Overseas revenues increased 31.1%, to ¥820.5 billion. In North America, as economic recovery trends continued, sales of tractors increased favorably due to the effects of launching a new line of products and other factors. Sales of construction machinery expanded along with the recovery of housing starts, while sales of engines showed only a slight increase. Revenues in Europe rose significantly because of increased sales of tractors and construction machinery and steady sales of engines owing to the bottoming out of the economy. Revenues in Asia outside Japan increased sharply owing to higher sales of farm equipment and recovery in sales of construction machinery in China.

Operating income in this segment increased 69.2%, to ¥196.9 billion due to increased revenues in Japan and overseas and the effects of yen depreciation.

##### **2) Water & Environment**

Water & Environment is comprised of pipe-related products (ductile iron pipes, plastic pipes, pumps, valves, and other products), environment-related products (environmental control plants and other products), and social

infrastructure-related products (industrial castings, spiral welded steel pipes, vending machines, precision equipment, air-conditioning equipment, and other products).

Revenues in this segment increased 10.6%, to ¥313.9 billion from the prior year, and accounted for 20.8% of consolidated revenues.

Domestic revenues increased 9.5%, to ¥268.9 billion. Revenues in pipe-related products rose mainly due to higher sales of plastic pipes. In addition, revenues in environment-related products and social infrastructure-related products also increased. Overseas revenues expanded 17.6%, to ¥45.0 billion owing to increased sales of pumps and industrial castings.

Operating income in this segment increased 6.5%, to ¥24.9 billion, as the increase in revenues offset an increase in material costs.

### **3) Other**

Other is comprised of construction, services, and other business.

Revenues in this segment increased 20.1%, to ¥41.6 billion from the prior year, and accounted for 2.8% of consolidated revenues. Revenues generated from construction and other business also rose.

Operating income in this segment increased 57.7%, to ¥3.8 billion.

### **c) Prospects for the year ending March 31, 2015**

The Company forecasts consolidated revenues for the year ending March 31, 2015 at ¥1,550.0 billion, ¥41.4 billion higher than during the year under review. Domestic revenues are forecast to decrease due to the anticipated adverse reaction to the front-loaded demand in Farm & Industrial Machinery, while revenues in Water & Environment are expected to increase. Overseas revenues are forecast to increase due to higher revenues in Farm & Industrial Machinery and Water & Environment. Overseas revenues in Farm & Industrial Machinery are expected to increase mainly in North America and Europe.

The Company forecasts operating income of ¥200.0 billion, almost the same level as in the year under review, owing to the lower domestic revenues and increased selling expenses and fixed costs, while overseas revenues are forecast to increase. The Company expects Income before income taxes and equity in net income of affiliated companies for the next fiscal year to be ¥210.0 billion. Net income attributable to Kubota Corporation is forecast to be ¥130.0 billion. (These forecasts are based on the assumption of exchange rates of ¥100=US\$1 and ¥140=€1.)

## **(2) Financial condition**

### **a) Assets, liabilities and equity**

Total assets at the end of March 2014 amounted to ¥2,104.7 billion, an increase of ¥258.1 billion from the prior year-end. Among assets, notes and accounts receivable, inventories, and short- and long-term finance receivables increased from the prior year-end due to the yen depreciation, expansion of sales, and other factors.

Among liabilities, trade accounts payables decreased. However, trade notes payable increased. In addition, short-term borrowings, long-term debt, and the current portion of long-term debt increased along with an expansion in sales financing programs.

Equity increased because of the accumulation of retained earnings and a significant improvement in accumulated other comprehensive income (loss). The shareholders' equity ratio was 44.4%, 1.5 percentage points higher than at the prior fiscal year-end.

### **b) Cash flows**

Net cash provided by operating activities during the year under review was ¥83.3 billion, an increase of ¥34.0 billion in cash inflow compared with the prior year. This increase resulted from the increase in net income and income taxes payable as well as the changes in working capital, such as notes and accounts receivable and trade notes and

accounts payable.

Net cash used in investing activities was ¥104.2 billion, an increase of ¥25.1 billion in cash outflow compared with the prior year. This increase was mainly due to the increase in cash outflow due to the purchases of fixed assets and the increase in finance receivables, while proceeds from sales of investments increased.

Net cash provided by financing activities was ¥3.2 billion, a decrease of ¥25.7 billion in cash inflow compared with the prior year. This decrease was mainly due to a decrease in funds procurement and an increase in the purchases of treasury stock, payments of cash dividends, and other factors. Meanwhile, the cash outflow related to purchases of noncontrolling interests decreased.

As a result, after taking account of the effects of fluctuations in exchange rates, cash and cash equivalents at the end of March 31, 2014 were ¥87.0 billion, a decrease of ¥12.8 billion from the prior fiscal year-end.

(Reference) Cash flow indices

	Year ended March 31, 2014	Year ended March 31, 2013
Ratio of shareholders' equity to total assets [%]	44.4	42.9
Equity ratio based on market capitalization [%]	81.2	91.0
Interest-bearing debt / Net cash provided by operating activities [year]	7.0	10.3
Interest coverage ratio [times]	7.2	5.8

Notes.

Equity ratio based on market capitalization:  $\text{market capitalization} / \text{total assets}$

Interest coverage ratio:  $\text{cash flows provided by operating activities} / \text{interest paid}$

Each ratio is calculated based on the figures in the consolidated financial statements. Market capitalization is calculated based on closing price at the end of the fiscal year multiplied by the number of shares outstanding at the end of the fiscal year, excluding treasury stock. Net cash provided by operating activities is the amount in the consolidated statements of cash flows. Interest-bearing debt includes short-term borrowings, current portion of long-term debt, and long-term debt in the consolidated balance sheets. Additionally, interest paid is the amount of cash paid during the year for interest in the consolidated statements of cash flows.

## **2. Management policies**

### **(1) Basic management policy**

For more than a century since its founding, the Company has continued to contribute to society through helping to improve people's quality of life, by offering products and services—including farm equipment, pipes for water supply and sewage systems and environmental control plants.

The Company is developing its business globally under the corporate mission "Continue to support the future of the earth and humanity by contributing products that help the affluent and stable production of food, help supply and restore reliable water, and help create a comfortable living environment through its superior products, technologies and services" with the aim of solving the worldwide problems of food, water and the environment, which are indispensable for human beings.

In the years to come, the Company will strive to attain an even higher enterprise value, through improvement of its capabilities for responding with flexibility to changes in society by emphasizing agility in its operations, strengthening its global operational presence, and relentlessly working to transform itself.

### **(2) Principal business policies for medium-to-long-term growth in profit**

The Company is aiming to be an enterprise that can grow sustainably in the long term by accelerating its initiatives to expand its overseas business activities, entering new businesses, and expanding the geographical coverage of its operations. To realize these objectives, the Company is implementing the following policies on a priority basis.

#### **a) Accelerating business development in strategic markets**

The Company is accelerating the development of its large-scale agricultural machinery for dry-field cultivation. Thus far, the Company has expanded its overseas business activities by building on the base it has developed in Japan in the agricultural machinery for rice paddy cultivation. To realize growth in the medium-to-long term, the Company will dramatically expand its agricultural machinery business by making a full-scale entry into the market for dry-field cultivation, where the area under cultivation is estimated to be more than four times larger than the rice cultivation market. Following the Company's acquisition of a tractor implement manufacturer for dry-field cultivation based in Europe in 2012, the Company made the decision in December 2013 to establish a manufacturing plant for dry-field cultivation machinery in Europe, and is thus taking its first step toward becoming a comprehensive manufacturer of agricultural machinery. The Company will accelerate the development of its business in this field by expanding its lineup of products at an early date, strengthening and expanding its sales and service network with the aim of building a strong position in the market for dry-field cultivation machinery, and implementing other measures to rank alongside existing European and U.S. manufacturers in this field. As the members of the Company implement this policy, they will act as a team, and the Company will consider a range of options, including alliances with other companies.

The Company is accelerating the development of its Water and Environment business activities in Asia. In China, the Company is moving forward with the further development of its operations in that country through the subsidiaries it has already established in the engineering, pump, and other businesses there. In Southeast Asia, the Company is entering new business fields, including its initiatives to obtain such orders as those for palm oil mill effluent treatment systems it has received in Malaysia and Indonesia. However, to accelerate the development of business throughout Southeast Asia, the Company is utilizing the business locations of subsidiaries that it acquired in 2012. The Company will allocate management resources on a priority basis, and, as it employs local resources, move ahead with the development of business activities without restricting these to existing products, technologies, or business models.

#### **b) Strengthening global business operating systems**

In addition to entering the market for dry-field agricultural machinery and expanding its Water and Environment business activities in Asia, the Company will pursue growth opportunities in global markets. To do this, the Company is



expanding and upgrading its R&D systems. With an eye to developing products meeting the needs of local markets, the Company is already implementing such development initiatives locally in North America, Thailand, China, and elsewhere, and these are generating results. Going forward, to implement more widely and thoroughly the approach of “being in the markets where it sells its products,” the Company will strengthen its R&D systems by clarifying the roles and functions of product development centers in Japan and those located overseas. Since human resources are the wellspring of development capabilities, the Company will not hesitate to invest ample resources in furthering the development and upgrading the capabilities of its R&D personnel. Also, to speed up R&D activities, the Company will not insist solely on in-house development initiatives, but will also actively participate in alliances with other companies and other joint arrangements.

In the field of production, the Company is working to increase the ratio of overseas manufacturing. With the basic policy of manufacturing products that are sold overseas at plants that are located overseas, the Company has added to its overseas production plant network. In 2012, the Company began the production of engines, which are the core of its machinery business, in Thailand. Also, in 2013, the Company expanded its production of tractors in the United States and opened tractor production facilities in China. The Company will also begin engine manufacturing in China this year. Going forward, the Company will further expand its overseas production capacity. At the same time, the Company is working to expand and upgrade the functions of its production plants in Japan with the aim of promoting the further development of its established core technologies and management techniques that form the basis for its excellence in manufacturing. To maintain the same standards of quality, cost, and on-time delivery that “Made by Kubota” represents, at all its production plants around the world, the Company is working to implement the manufacturing excellence it has nurtured in Japan in all its facilities worldwide.

In its procurement activities, the Company is putting a global purchasing system in place. Last year, a company-wide procurement headquarters was formed, and it is working to strengthen teamwork among all its business departments and business locations. In addition, to make information related to procurement available on a shared basis throughout the organization, the Company is taking initiatives to structure the required information systems. The objective of these activities is to create a globally optimal procurement structure based on both the strengthening of the procurement organization and its functions as well as the upgrading of IT systems.

### **c) Realigning Water and Environment business**

In comparison with Farm & Industrial Machinery business, the development of overseas operations in Water and Environment business has lagged. The Company will, therefore, work to expand the business in global markets while, at the same time, realigning the business with a long-term perspective. The Company will reexamine its business units and products from the point of view of growth and profitability, and aggressively allocate management resources to those units and products that should be strengthened. The Company will reconsider those business units and products that are judged to have little growth potential or have limited prospects for improving profitability with a view to realignments, including exiting such business units and products as one option.

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

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

### 3. Consolidated financial statements

#### (1) Consolidated balance sheets

Assets

(In millions of yen)

	Mar. 31, 2014		Mar. 31, 2013		Change
	Amount	%	Amount	%	Amount
<b>Current assets:</b>					
Cash and cash equivalents	87,022		99,789		(12,767)
Notes and accounts receivable:					
Trade notes	69,974		73,895		(3,921)
Trade accounts	534,921		436,642		98,279
Less: Allowance for doubtful notes and accounts receivable	(3,186)		(2,712)		(474)
Total notes and accounts receivable, net	601,709		507,825		93,884
Short-term finance receivables-net	162,983		141,157		21,826
Inventories	299,765		263,217		36,548
Other current assets	82,482		68,476		14,006
Total current assets	1,233,961	58.6	1,080,464	58.5	153,497
<b>Investments and long-term finance receivables:</b>					
Investments in and loan receivables from affiliated companies	22,631		19,535		3,096
Other investments	137,641		126,715		10,926
Long-term finance receivables-net	334,112		275,815		58,297
Total investments and long-term finance receivables	494,384	23.5	422,065	22.9	72,319
<b>Property, plant, and equipment:</b>					
Land	93,308		91,367		1,941
Buildings	255,657		243,327		12,330
Machinery and equipment	424,478		397,213		27,265
Construction in progress	11,300		12,844		(1,544)
Total	784,743		744,751		39,992
Less: Accumulated depreciation	(502,042)		(480,968)		(21,074)
Net property, plant, and equipment	282,701	13.4	263,783	14.3	18,918
<b>Other assets:</b>					
Goodwill and intangible assets-net	34,628		30,475		4,153
Long-term trade accounts receivable	35,737		32,010		3,727
Other	23,824		18,461		5,363
Less: Allowance for doubtful non-current receivables	(578)		(656)		78
Total other assets	93,611	4.5	80,290	4.3	13,321
<b>Total</b>	<b>2,104,657</b>	<b>100.0</b>	<b>1,846,602</b>	<b>100.0</b>	<b>258,055</b>

Liabilities and equity

(In millions of yen)

	Mar. 31, 2014		Mar. 31, 2013		Change
	Amount	%	Amount	%	Amount
<b>Current liabilities:</b>					
Short-term borrowings	181,573		140,324		41,249
Trade notes payable	40,561		19,655		20,906
Trade accounts payable	200,145		228,178		(28,033)
Advances received from customers	7,873		10,122		(2,249)
Notes and accounts payable for capital expenditures	15,262		15,871		(609)
Accrued payroll costs	36,829		32,846		3,983
Accrued expenses	48,939		39,725		9,214
Income taxes payable	36,349		18,097		18,252
Other current liabilities	61,626		51,580		10,046
Current portion of long-term debt	89,766		78,589		11,177
<b>Total current liabilities</b>	<b>718,923</b>	<b>34.2</b>	<b>634,987</b>	<b>34.4</b>	<b>83,936</b>
<b>Long-term liabilities:</b>					
Long-term debt	315,598		291,085		24,513
Accrued retirement and pension costs	13,026		29,050		(16,024)
Other long-term liabilities	56,497		39,515		16,982
<b>Total long-term liabilities</b>	<b>385,121</b>	<b>18.3</b>	<b>359,650</b>	<b>19.5</b>	<b>25,471</b>
<b>Equity:</b>					
Kubota Corporation shareholders' equity:					
Common stock	84,070		84,070		—
Capital surplus	88,753		88,919		(166)
Legal reserve	19,539		19,539		—
Retained earnings	703,740		605,962		97,778
Accumulated other comprehensive income (loss)	38,996		(4,976)		43,972
Treasury stock, at cost	(287)		(203)		(84)
<b>Total Kubota Corporation shareholders' equity</b>	<b>934,811</b>	<b>44.4</b>	<b>793,311</b>	<b>42.9</b>	<b>141,500</b>
Noncontrolling interests	65,802	3.1	58,654	3.2	7,148
<b>Total equity</b>	<b>1,000,613</b>	<b>47.5</b>	<b>851,965</b>	<b>46.1</b>	<b>148,648</b>
<b>Total</b>	<b>2,104,657</b>	<b>100.0</b>	<b>1,846,602</b>	<b>100.0</b>	<b>258,055</b>

**(2) Consolidated statements of income**

(In millions of yen)

	Year ended Mar. 31, 2014		Year ended Mar. 31, 2013		Change	
	Amount	%	Amount	%	Amount	%
Revenues	1,508,590	100.0	1,210,566	100.0	298,024	24.6
Cost of revenues	1,057,003	70.1	880,891	72.8	176,112	20.0
Selling, general, and administrative expenses	247,865	16.4	208,605	17.2	39,260	18.8
Other operating expenses (income)-net	1,291	0.1	(289)	( 0.0 )	1,580	-
<b>Operating income</b>	<b>202,431</b>	<b>13.4</b>	<b>121,359</b>	<b>10.0</b>	<b>81,072</b>	<b>66.8</b>
Other income (expenses):						
Interest and dividend income	4,446		3,799		647	
Interest expense	(1,500)		(1,330)		(170)	
Gain on sales of securities-net	4,700		154		4,546	
Valuation loss on other investments	(6)		(360)		354	
Foreign exchange gain (loss)-net	(4,150)		8,753		(12,903)	
Other-net	5,372		(5,197)		10,569	
<b>Other income (expenses)-net</b>	<b>8,862</b>		<b>5,819</b>		<b>3,043</b>	
<b>Income before income taxes and equity in net income of affiliated companies</b>	<b>211,293</b>	<b>14.0</b>	<b>127,178</b>	<b>10.5</b>	<b>84,115</b>	<b>66.1</b>
Income taxes:						
Current	74,024		41,376		32,648	
Deferred	(2,108)		284		(2,392)	
<b>Total income taxes</b>	<b>71,916</b>		<b>41,660</b>		<b>30,256</b>	
Equity in net income of affiliated companies	3,034		1,606		1,428	
<b>Net income</b>	<b>142,411</b>	<b>9.4</b>	<b>87,124</b>	<b>7.2</b>	<b>55,287</b>	<b>63.5</b>
Less: Net income attributable to noncontrolling interests	10,750		9,070		1,680	
<b>Net income attributable to Kubota Corporation</b>	<b>131,661</b>	<b>8.7</b>	<b>78,054</b>	<b>6.4</b>	<b>53,607</b>	<b>68.7</b>

### (3) Consolidated statements of comprehensive income (loss)

(In millions of yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Change
Net income	142,411	87,124	55,287
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	32,522	48,766	(16,244)
Unrealized gains on securities	10,065	16,205	(6,140)
Unrealized gains on derivatives	55	135	(80)
Pension liability adjustments	3,285	5,848	(2,563)
Total other comprehensive income	45,927	70,954	(25,027)
Comprehensive income	188,338	158,078	30,260
Less: Comprehensive income attributable to noncontrolling interests	12,643	17,071	(4,428)
Comprehensive income attributable to Kubota Corporation	175,695	141,007	34,688

### (4) Consolidated statements of changes in equity

(In millions of yen)

	Shares of common stock outstanding (thousands)	Shareholders' Equity						Non- controlling interests	Total equity
		Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost		
Balance at Mar. 31, 2012	1,255,941	84,070	88,869	19,539	567,161	(65,894)	(19,345)	57,963	732,363
Net income					78,054			9,070	87,124
Other comprehensive income						62,953		8,001	70,954
Cash dividends paid to Kubota Corporation shareholders, ¥16 per common share					(20,102)				(20,102)
Cash dividends paid to noncontrolling interests								(420)	(420)
Purchases and sales of treasury stock	10						(10)		(10)
Retirement of treasury stock			(1)		(19,151)		19,152		—
Increase in noncontrolling interests related to contribution								175	175
Changes in ownership interests in subsidiaries			51			(2,035)		(16,135)	(18,119)
Balance at Mar. 31, 2013	1,255,951	84,070	88,919	19,539	605,962	(4,976)	(203)	58,654	851,965
Net income					131,661			10,750	142,411
Other comprehensive income						44,034		1,893	45,927
Cash dividends paid to Kubota Corporation shareholders, ¥19 per common share					(23,870)				(23,870)
Cash dividends paid to noncontrolling interests								(970)	(970)
Purchases and sales of treasury stock	(6,205)						(10,097)		(10,097)
Retirement of treasury stock					(10,013)		10,013		—
Increase in noncontrolling interests related to contribution								207	207
Changes in ownership interests in subsidiaries			(166)			(62)		(4,732)	(4,960)
Balance at Mar. 31, 2014	1,249,746	84,070	88,753	19,539	703,740	38,996	(287)	65,802	1,000,613

**(5) Consolidated statements of cash flows**

(In millions of yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Change
<b>Operating activities:</b>			
Net income	142,411	87,124	
Depreciation and amortization	35,344	29,942	
Gain on sales of securities-net	(4,700)	(154)	
Valuation loss on other investments	6	360	
Loss from disposal of fixed asset-net	737	851	
Impairment loss on long-lived assets	885	296	
Equity in net income of affiliated companies	(3,034)	(1,606)	
Deferred income taxes	(2,108)	284	
Increase in notes and accounts receivable	(82,602)	(61,445)	
Increase in inventories	(16,932)	(19,651)	
Increase in other current assets	(178)	(2,853)	
Increase (decrease) in trade notes and accounts payable	(13,013)	15,824	
Increase (decrease) in income taxes payable	17,570	(2,267)	
Increase in other current liabilities	13,075	8,347	
Decrease in accrued retirement and pension costs	(10,302)	(4,533)	
Other	6,163	(1,196)	
<b>Net cash provided by operating activities</b>	<b>83,322</b>	<b>49,323</b>	<b>33,999</b>
<b>Investing activities:</b>			
Purchases of fixed assets	(53,157)	(49,175)	
Purchases of investments	(2,125)	(234)	
Proceeds from sales of property, plant, and equipment	1,050	1,228	
Proceeds from sales and redemption of investments	11,563	412	
Acquisition of business, net of cash acquired	—	642	
Increase in finance receivables	(258,945)	(200,614)	
Collection of finance receivables	198,923	167,992	
Net (increase) decrease in short-term loan receivables from affiliated companies	(360)	1,680	
Net (increase) decrease in time deposits	(1,075)	31	
Other	(83)	(1,023)	
<b>Net cash used in investing activities</b>	<b>(104,209)</b>	<b>(79,061)</b>	<b>(25,148)</b>
<b>Financing activities:</b>			
Proceeds from issuance of long-term debt	140,068	148,685	
Repayments of long-term debt	(121,334)	(114,218)	
Net increase in short-term borrowings	24,170	32,830	
Payments of cash dividends	(23,870)	(20,102)	
Purchases of treasury stock	(10,097)	(10)	
Purchases of noncontrolling interests	(4,753)	(18,048)	
Other	(970)	(243)	
<b>Net cash provided by financing activities</b>	<b>3,214</b>	<b>28,894</b>	<b>(25,680)</b>
Effect of exchange rate changes on cash and cash equivalents	4,906	7,243	(2,337)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12,767)</b>	<b>6,399</b>	
<b>Cash and cash equivalents, beginning of year</b>	<b>99,789</b>	<b>93,390</b>	
<b>Cash and cash equivalents, end of year</b>	<b>87,022</b>	<b>99,789</b>	<b>(12,767)</b>

(In millions of yen)

Notes:			
Cash paid during the year for:			
Interest	11,493	8,483	3,010
Income taxes, net of refunds	56,510	43,517	12,993

## **(6) Notes to assumptions for going concern**

None

## **(7) Notes to consolidated financial statements**

### **a) Summary of accounting policies**

The accompanying consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP)

### **b) Consolidated subsidiaries and affiliated companies under the equity method**

162 subsidiaries are consolidated.

Major consolidated subsidiaries:	Domestic	Kubota Credit Co., Ltd. Kubota-C.I. Co., Ltd.
	Overseas	Kubota U.S.A., Inc. Kubota Tractor Corporation Kubota Credit Corporation, U.S.A. Kubota Manufacturing of America Corporation Kubota Industrial Equipment Corporation Kubota Engine America Corporation Kubota Canada Ltd. Kubota Materials Canada Corporation Kubota Europe S.A.S. Kubota Baumaschinen GmbH Kverneland AS Kubota China Holdings Co., Ltd. Kubota Agricultural Machinery (Suzhou) Co., Ltd. Kubota Construction Machinery (Wuxi) Co., Ltd. Kubota China financial Leasing Ltd. SIAM KUBOTA Corporation Co., Ltd. Siam Kubota Leasing Co., Ltd. SIAM KUBOTA Metal Technology Co., Ltd. Kubota Engine (Thailand) Co., Ltd. Kubota Saudi Arabia Company, LLC

18 affiliated companies are accounted for under the equity method.

Major affiliated companies:	Domestic	KMEW Co., Ltd.
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### **c) Accounting changes for consolidated financial statements**

Beginning with the first quarter of the current consolidated fiscal year, the Company aligned the reporting periods of certain subsidiaries and affiliated companies with different financial statement closing dates to that of Kubota Corporation (as of March 31, 2013, 64 subsidiaries and 10 affiliated companies among 110 subsidiaries and 13 affiliated companies with different closing dates) by a method of provisional settlement to enhance the quality of disclosure and management of the Company's financial results. To reflect the impact of these changes, the Company has retrospectively adjusted its consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income (loss), consolidated statements of changes in equity, consolidated statements of cash flows, consolidated segment information, and per common share information for the prior year.

Retrospectively adjusted net income attributable to Kubota Corporation for the year ended March 31, 2013 and Kubota Corporation shareholders' equity and total assets as of March 31, 2013, were as follows:

(In millions of yen)

	Before retrospective adjustment	Adjustment	After retrospective adjustment
Net income attributable to Kubota Corporation	73,688	4,366	78,054
Kubota Corporation's shareholders' equity	758,515	34,796	793,311
Total assets	1,743,670	102,932	1,846,602



## **(8) Consolidated segment information**

### **a) Reporting segment**

Year ended Mar. 31, 2014

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	1,153,088	313,931	41,571	—	1,508,590
	Intersegment	76	6,147	23,676	(29,899)	—
	Total	1,153,164	320,078	65,247	(29,899)	1,508,590
Operating income		196,891	24,878	3,791	(23,129)	202,431
Identifiable assets at March 31, 2014		1,584,062	269,272	92,703	158,620	2,104,657
Depreciation and amortization		25,272	6,995	749	2,328	35,344
Capital expenditures		36,541	10,038	748	3,902	51,229

Year ended Mar. 31, 2013

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	892,018	283,921	34,627	—	1,210,566
	Intersegment	59	5,497	22,075	(27,631)	—
	Total	892,077	289,418	56,702	(27,631)	1,210,566
Operating income		116,387	23,352	2,404	(20,784)	121,359
Identifiable assets at Mar. 31, 2013		1,344,365	260,258	83,582	158,397	1,846,602
Depreciation and amortization		20,811	6,213	741	2,177	29,942
Capital expenditures		38,587	8,024	742	3,102	50,455

Notes:

1. "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses that cannot be apportioned to business segments, and corporate assets. Corporate assets mainly consist of certain assets of the parent company such as cash and cash equivalents, securities and assets related to administration departments.
2. The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
3. Intersegment transfers are recorded at values that approximate market prices.

**b) Revenues from external customers by product group**

(In millions of yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Farm Equipment and Engines	1,002,913	781,911
Construction Machinery	150,175	110,107
Farm & Industrial Machinery	1,153,088	892,018
Pipe-related Products	167,741	151,032
Environment-related Products	73,180	64,917
Social Infrastructure-related Products	73,010	67,972
Water & Environment	313,931	283,921
Other	41,571	34,627
Total	1,508,590	1,210,566

**c) Geographic information**

Information for revenues from external customers by destination

(In millions of yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Japan	638,346	543,027
North America	356,890	278,976
Europe	177,466	118,305
Asia Outside Japan	283,971	226,367
Other Areas	51,917	43,891
Total	1,508,590	1,210,566

Notes:

1. Revenues from North America include those from the United States of ¥315,688 million and ¥244,448 million for the years ended March 31, 2014 and 2013, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

Information for property, plant, and equipment based on physical location

(In millions of yen)

	Mar. 31, 2014	Mar. 31, 2013
Japan	180,735	178,672
North America	29,859	25,566
Europe	19,661	14,274
Asia Outside Japan	47,941	41,101
Other Areas	4,505	4,170
Total	282,701	263,783

**(9) Per common share information**

(In yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Kubota Corporation shareholders' equity per common share	¥ 748.00	¥ 631.64
Basic net income attributable to Kubota Corporation per common share	¥ 104.94	¥ 62.15

The numerators and denominators of the basic net income per common share computation are as follows:

**Numerators**

(In millions of yen)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Basic net income attributable to Kubota Corporation	¥ 131,661	¥ 78,054

**Denominators**

(In thousands of shares)

	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Weighted average number of common shares outstanding	1,254,590	1,255,946

Note: Diluted net income attributable to Kubota Corporation is not described because there are no dilutive securities.

**(10) Subsequent events**

None

**(11) Consolidated revenues by product group**

(In millions of yen)

	Year ended Mar. 31, 2014		Year ended Mar. 31, 2013		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	<b>1,002,913</b>	<b>66.5</b>	<b>781,911</b>	<b>64.6</b>	<b>221,002</b>	<b>28.3</b>
Domestic	291,740		232,691		59,049	25.4
Overseas	711,173		549,220		161,953	29.5
Construction Machinery	<b>150,175</b>	<b>9.9</b>	<b>110,107</b>	<b>9.1</b>	<b>40,068</b>	<b>36.4</b>
Domestic	40,846		33,632		7,214	21.4
Overseas	109,329		76,475		32,854	43.0
Farm & Industrial Machinery	<b>1,153,088</b>	<b>76.4</b>	<b>892,018</b>	<b>73.7</b>	<b>261,070</b>	<b>29.3</b>
Domestic	332,586	22.0	266,323	22.0	66,263	24.9
Overseas	820,502	54.4	625,695	51.7	194,807	31.1
Pipe-related Products	<b>167,741</b>	<b>11.1</b>	<b>151,032</b>	<b>12.5</b>	<b>16,709</b>	<b>11.1</b>
Domestic	150,302		135,638		14,664	10.8
Overseas	17,439		15,394		2,045	13.3
Environment-related Products	<b>73,180</b>	<b>4.9</b>	<b>64,917</b>	<b>5.3</b>	<b>8,263</b>	<b>12.7</b>
Domestic	68,012		61,610		6,402	10.4
Overseas	5,168		3,307		1,861	56.3
Social Infrastructure-related Products	<b>73,010</b>	<b>4.8</b>	<b>67,972</b>	<b>5.6</b>	<b>5,038</b>	<b>7.4</b>
Domestic	50,574		48,366		2,208	4.6
Overseas	22,436		19,606		2,830	14.4
Water & Environment	<b>313,931</b>	<b>20.8</b>	<b>283,921</b>	<b>23.4</b>	<b>30,010</b>	<b>10.6</b>
Domestic	268,888	17.8	245,614	20.3	23,274	9.5
Overseas	45,043	3.0	38,307	3.1	6,736	17.6
Other	<b>41,571</b>	<b>2.8</b>	<b>34,627</b>	<b>2.9</b>	<b>6,944</b>	<b>20.1</b>
Domestic	36,872	2.5	31,090	2.6	5,782	18.6
Overseas	4,699	0.3	3,537	0.3	1,162	32.9
Total	<b>1,508,590</b>	<b>100.0</b>	<b>1,210,566</b>	<b>100.0</b>	<b>298,024</b>	<b>24.6</b>
Domestic	638,346	42.3	543,027	44.9	95,319	17.6
Overseas	870,244	57.7	667,539	55.1	202,705	30.4

**(12) Anticipated consolidated revenues by reporting segment**

(In billions of yen)

	Year ending Mar. 31, 2015		Year ended Mar. 31, 2014		Change	
	Amount	%	Amount	%	Amount	%
Domestic	290.0		332.6		(42.6)	(12.8)
Overseas	870.0		820.5		49.5	6.0
Farm & Industrial Machinery	1,160.0	74.9	1,153.1	76.4	6.9	0.6
Domestic	290.0		268.9		21.1	7.8
Overseas	70.0		45.0		25.0	55.6
Water & Environment	360.0	23.2	313.9	20.8	46.1	14.7
Domestic	30.0		36.9		(6.9)	(18.7)
Overseas	0.0		4.7		(4.7)	(100.0)
Other	30.0	1.9	41.6	2.8	(11.6)	(27.9)
Total	1,550.0	100.0	1,508.6	100.0	41.4	2.7

  

Domestic	610.0	39.4	638.4	42.3	(28.4)	(4.4)
Overseas	940.0	60.6	870.2	57.7	69.8	8.0

## 4. Results of operations for the three months ended March 31, 2014

### (1) Consolidated statements of income

(In millions of yen)

	Three months ended Mar. 31, 2014		Three months ended Mar. 31, 2013		Change	
	Amount	%	Amount	%	Amount	%
Revenues	422,723	100.0	348,853	100.0	73,870	21.2
Cost of revenues	296,687	70.2	248,330	71.2	48,357	19.5
Selling, general, and administrative expenses	67,515	15.9	58,759	16.9	8,756	14.9
Other operating expenses-net	740	0.2	144	0.0	596	413.9
Operating income	57,781	13.7	41,620	11.9	16,161	38.8
Other income (expenses):						
Interest and dividend income	585		658		(73)	
Interest expense	(292)		(539)		247	
Gain on sales of securities-net	4		33		(29)	
Valuation loss on other investments	(6)		(6)		—	
Foreign exchange gain (loss) -net	(1,876)		6,182		(8,058)	
Other-net	(398)		(2,858)		2,460	
Other income (expenses)-net	(1,983)		3,470		(5,453)	
Income before income taxes and equity in net income of affiliated companies	55,798	13.2	45,090	12.9	10,708	23.7
Income taxes	17,398		12,528		4,870	
Equity in net income of affiliated companies	49		183		(134)	
Net income	38,449	9.1	32,745	9.4	5,704	17.4
Less: Net income attributable to noncontrolling interests	2,797		3,229		(432)	
Net income attributable to Kubota Corporation	35,652	8.4	29,516	8.5	6,136	20.8

Net income attributable to Kubota Corporation per common share

(In yen)

Basic	28.51	23.50	
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## **(2) Consolidated segment information**

### **a) Reporting segment**

Three months ended Mar. 31, 2014

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	297,742	111,113	13,868	—	422,723
	Intersegment	16	1,574	6,678	(8,268)	—
	Total	297,758	112,687	20,546	(8,268)	422,723
Operating income		51,248	11,878	1,863	(7,208)	57,781

Three months ended Mar. 31, 2013

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	239,147	98,338	11,368	—	348,853
	Intersegment	15	2,017	8,824	(10,856)	—
	Total	239,162	100,355	20,192	(10,856)	348,853
Operating income		35,603	10,648	1,254	(5,885)	41,620

Notes:

1. "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
2. The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
3. Intersegment transfers are recorded at values that approximate market prices.

### **b) Geographic information**

Information for revenues from external customers by destination

(In millions of yen)

	Three months ended Mar. 31, 2014	Three months ended Mar. 31, 2013
Japan	207,276	162,289
North America	84,937	70,190
Europe	49,655	33,884
Asia Outside Japan	67,853	68,950
Other Areas	13,002	13,540
Total	422,723	348,853

Notes:

1. Revenues from North America include those from the United States of ¥75,273 million and ¥61,054 million for the three months ended March 31, 2014 and 2013, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

**(3) Consolidated revenues by product group**

(In millions of yen)

	Three months ended Mar. 31, 2014		Three months ended Mar. 31, 2013		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	<b>254,106</b>	<b>60.1</b>	<b>206,777</b>	<b>59.2</b>	<b>47,329</b>	<b>22.9</b>
Domestic	86,845		59,915		26,930	44.9
Overseas	167,261		146,862		20,399	13.9
Construction Machinery	<b>43,636</b>	<b>10.3</b>	<b>32,370</b>	<b>9.3</b>	<b>11,266</b>	<b>34.8</b>
Domestic	11,141		8,807		2,334	26.5
Overseas	32,495		23,563		8,932	37.9
Farm & Industrial Machinery	<b>297,742</b>	<b>70.4</b>	<b>239,147</b>	<b>68.5</b>	<b>58,595</b>	<b>24.5</b>
Domestic	97,986	23.1	68,722	19.7	29,264	42.6
Overseas	199,756	47.3	170,425	48.8	29,331	17.2
Pipe-related Products	<b>56,607</b>	<b>13.4</b>	<b>50,704</b>	<b>14.5</b>	<b>5,903</b>	<b>11.6</b>
Domestic	50,458		42,815		7,643	17.9
Overseas	6,149		7,889		(1,740)	(22.1)
Environment-related Products	<b>32,978</b>	<b>7.8</b>	<b>29,159</b>	<b>8.4</b>	<b>3,819</b>	<b>13.1</b>
Domestic	31,107		28,024		3,083	11.0
Overseas	1,871		1,135		736	64.8
Social Infrastructure-related Products	<b>21,528</b>	<b>5.1</b>	<b>18,475</b>	<b>5.3</b>	<b>3,053</b>	<b>16.5</b>
Domestic	15,061		13,201		1,860	14.1
Overseas	6,467		5,274		1,193	22.6
Water & Environment	<b>111,113</b>	<b>26.3</b>	<b>98,338</b>	<b>28.2</b>	<b>12,775</b>	<b>13.0</b>
Domestic	96,626	22.9	84,040	24.1	12,586	15.0
Overseas	14,487	3.4	14,298	4.1	189	1.3
Other	<b>13,868</b>	<b>3.3</b>	<b>11,368</b>	<b>3.3</b>	<b>2,500</b>	<b>22.0</b>
Domestic	12,664	3.0	9,527	2.7	3,137	32.9
Overseas	1,204	0.3	1,841	0.6	(637)	(34.6)
Total	<b>422,723</b>	<b>100.0</b>	<b>348,853</b>	<b>100.0</b>	<b>73,870</b>	<b>21.2</b>
Domestic	207,276	49.0	162,289	46.5	44,987	27.7
Overseas	215,447	51.0	186,564	53.5	28,883	15.5



## 5. Other

### (1) Changes of management (Effective as of June 20, 2014)

#### a) Appointment of new Directors

<u>Name</u>	<u>Current responsibility</u>
Kenshiro Ogawa	Senior Managing Executive Officer of Kubota Corporation
Yuichi Kitao	Managing Executive Officer of Kubota Corporation
Yukitoshi Funo	Senior Advisor to the Board of Toyota Motor Corporation, Former Executive Vice President Member of the Board of Toyota Motor Corporation
Yuzuru Matsuda	President of Kato Memorial Bioscience Foundation, Former Executive Director of the Board, President and Chief Executive Officer of Kyowa Hakko Kirin Co., Ltd.

\*Messrs. Yukitoshi Funo and Yuzuru Matsuda are candidates for outside Directors.

#### b) Appointment of new Audit & Supervisory Board Members

<u>Name</u>	<u>Current responsibility</u>
Satoru Sakamoto	Director of Kubota Corporation
Toshikazu Fukuyama	Corporate Planning & Control Dept. of Kubota Corporation

#### c) Retirement of Directors (Expiration of the term of offices)

<u>Name</u>	<u>New responsibility after retirement</u>
Tetsuji Tomita	Advisor of Kubota Corporation
Satoru Sakamoto	Audit & Supervisory Board Member of Kubota Corporation (full time)
Yuzuru Mizuno	Honorable Associate of Kubota Corporation
Junichi Sato	Honorable Associate of Kubota Corporation

#### d) Retirement of Audit & Supervisory Board Members

<u>Name</u>	<u>New responsibility after retirement</u>
Hirokazu Nara (full time)	Advisor of Kubota Corporation
Hiroshi Shiaku (full time)	Advisor of Kubota Corporation