

Financial summary

(Billion yen)	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Changes		Variance from forecast (Feb. 2014)	
	Amount	Amount	Amount	%	Amount	%
Revenues	1,508.6	1,210.6	+298.0	+24.6	+8.6	+0.6
Domestic	638.3	543.0	+95.3	+17.6	+23.3	+3.8
Overseas	870.2	667.5	+202.7	+30.4	-14.8	-1.7
Operating income	13.4% 202.4	10.0% 121.4	+81.1	+66.8	+6.4	+3.3
Net income attributable to Kubota Corp.	8.7% 131.7	6.4% 78.1	+53.6	+68.7	+9.2	+7.5

(Billion yen)	As of Mar. 31, 2014	As of Mar. 31, 2013	Changes	
	Amount	Amount	Amount	%
Total assets	2,104.7	1,846.6	+258.1	+14.0
Shareholders' equity	934.8	793.3	+141.5	+17.8



Revenues by reporting segment

(Billion yen)	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Changes	
			Amount	%
Farm & Industrial Machinery (Machinery)	1,153.1	892.0	+261.1	+29.3
Domestic	332.6	266.3	+66.3	+24.9
Overseas	820.5	625.7	+194.8	+31.1
Water & Environment (Water)	313.9	283.9	+30.0	+10.6
Domestic	268.9	245.6	+23.3	+9.5
Overseas	45.0	38.3	+6.7	+17.6
Other	41.6	34.6	+6.9	+20.1
Domestic	36.9	31.1	+5.8	+18.6
Overseas	4.7	3.5	+1.1	+32.9
Total revenues	1,508.6	1,210.6	+298.0	+24.6

Domestic revenues	638.3	543.0	+95.3	+17.6
Overseas revenues	870.2	667.5	+202.7	+30.4

[For reference: Changes excluding the effects of yen depreciation]

Overseas revenues increased 10%.

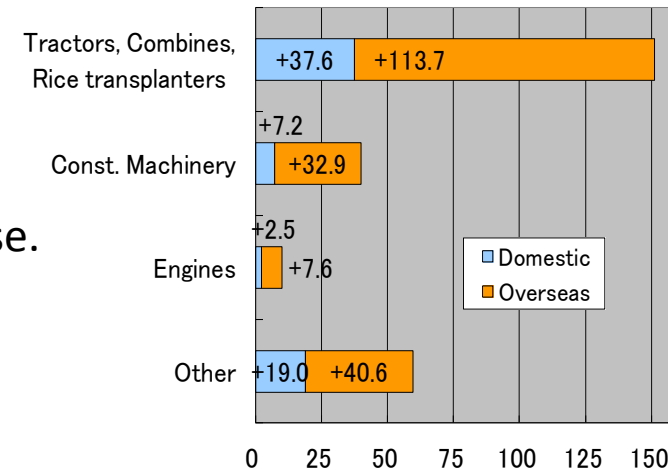
Total revenues increased 13%.

Revenues by reporting segment

▶ Machinery: +261.1 billion yen (Domestic: +66.3, Overseas: +194.8)

- ◇ Domestic: Sales of farm machinery increased sharply due to front-loaded demand before the tax hike and implementation of the supplemental budget. (Tractors: +29%, Combines and Rice transplanters: +38%) Construction machinery and engines also rose.
- ◇ Overseas: By product, sales of tractors, combines, rice transplanters, and construction machinery increased substantially. Sales of engines also increased. By region, all areas increased even excluding the effects of yen depreciation.

Increased revenues by product (Billion yen)



▶ Water: +30.0 billion yen (Domestic: +23.3, Overseas: +6.7)

- ◇ Domestic: Revenues in pipe-related products and environment-related products showed double-digit growth. Revenues in social infrastructure-related products also increased.
- ◇ Overseas: Sales of pumps and water engineering & solution products increased sharply. Sales of industrial castings also increased.

▶ Other: +6.9 billion yen (Domestic: 5.8, Overseas: +1.2)

- ◇ Domestic: } Revenues from both construction and services business increased.
- ◇ Overseas: }



Operating income

(Billion yen)	Year ended Mar. 31, 2014		Year ended Mar. 31, 2013		Changes	
	Amount	%	Amount	%	Amount	%
Operating income	202.4	13.4	121.4	10.0	+81.1	+66.8

Factors affecting operating income (YoY Change +81.1 Billion yen)

1. Fluctuation in exchange rates	US\$ (83→100) +28.0 billion yen Euro (107→134) +10.0 billion yen Other currencies +12.0 billion yen	+50.0 billion yen
Changes in operating income excluding the effects of yen depreciation were +25%.		
2. Material costs	Machinery +2.0 billion yen Water -2.0 billion yen	±0.0 billion yen
3. Non-recurring items		+6.3 billion yen
Additional amortization	Amortization of valuation difference between the amount paid and fair market value of net assets of Kverneland AS '13/3: -3.7 billion yen → '14/3: -2.5 billion yen	+1.2 billion yen
Variance of pension cost		+4.0 billion yen
Natural disasters-related	'13/3: +1.5 billion yen → '14/3: +2.1 billion yen	+0.6 billion yen
Gain on sales of unused land and loss on revaluation of land		+0.5 billion yen
4. Revenue increase and other factors		+24.8 billion yen

Operating income by reporting segment

Operating income excluding non-recurring items

(% shows OP margine)

(Billion yen)	Year ended Mar. 31, 2014			Year ended Mar. 31, 2013			Changes ①-④	Changes (Adjusted) ③-⑥	Changes in revenues
	Operating income ①	Non- recurring items ②	Adjusted operating income ③=①-②	Operating income ④	Non- recurring items ⑤	Adjusted Operating income ⑥=④-⑤			
Machinery	17.1% 196.9	-0.4	17.1% 197.3	13.0% 116.4	-4.4	13.5% 120.8	+80.5	+76.5	+261.1
Water	7.9% 24.9	-	7.9% 24.9	8.2% 23.4	-1.3	8.7% 24.7	+1.5	+0.2	+30.0
Other	9.1% 3.8	-	9.1% 3.8	6.9% 2.4	-	6.9% 2.4	+1.4	+1.4	+6.9
Adjustment	-23.1	-	-23.1	-20.8	-1.0	-19.8	-2.3	-3.4	
Total	13.4% 202.4	-0.4	13.4% 202.8	10.0% 121.4	-6.7	10.6% 128.1	+81.1	+74.7	+298.0

Other income (expenses)

(Billion yen)	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Changes
	Amount	Amount	Amount
Other income (expenses)	8.9	5.8	+3.0

(Details)



Interests and dividends	2.9	2.5	+0.5
Gain on sales of securities	4.7	0.2	+4.5
Valuation loss on other investments	-0.0	-0.4	+0.4
Foreign exchange loss-net	-4.2	8.8	-12.9
Other	5.4	-5.2	+10.6
Valuation gain (loss) on derivatives	6.2	-4.0	+10.2
Other-net	-0.9	-1.2	+0.4

-2.7

Taxable income/ net income

(Billion yen)	Year ended Mar. 31, 2014		Year ended Mar. 31, 2013		Changes	
	Amount	%	Amount	%	Amount	%
Taxable income (*)	211.3	14.0	127.2	10.5	+84.1	+66.1
Income taxes	71.9		41.7		-30.3	
(Effective tax rate)	(34.0%)		(32.8%)			
Equity in net income of affiliated companies	3.0		1.6		+1.4	
Net income	142.4	9.4	87.1	7.2	+55.3	+63.5
Less: Net income attributable to noncontrolling interests	10.8		9.1		-1.7	
Net income attributable to Kubota Corp.	131.7	8.7	78.1	6.4	+53.6	+68.7

Dividend (declared)	28 yen	17 yen	+11 yen
Payout ratio	27%	27%	±0point

Amount of shares purchased (Billion yen)	10.1	0.0	+10.1
Shareholder return ratio (Dividends and share buy-backs)	34%	27%	+7point

(*)Income before income taxes and equity in net income of affiliated companies



Balance sheets (Assets)

(Billion yen)	As of Mar. 31, 2014	As of Mar. 31, 2013	Changes
Current assets	1,234.0	1,080.5	+153.5
Cash and cash equivalents	87.0	99.8	-12.8
Notes and accounts receivable	601.7	507.8	+93.9
Short-term finance receivables-net	163.0	141.2	+21.8
Inventories	299.8	263.2	+36.5
Other current assets	82.5	68.5	+14.0
Investments and long-term finance receivables	494.4	422.1	+72.3
Long-term finance receivables-net	334.1	275.8	+58.3
Other	160.3	146.3	+14.0
Property, plant, and equipment	282.7	263.8	+18.9
Other assets	93.6	80.3	+13.3
Total assets	2,104.7	1,846.6	+258.1

Changes ex the effects of yen depreciation

+70.0

+17.0

Total finance receivables-net

497.1

417.0

+80.1

+51.5

<Reference> Foreign exchange rate at balance sheet date

(yen)

U.S. dollar	103	94	+9
Euro	142	121	+21

Balance sheets (Liabilities)

(Billion yen)	As of Mar. 31, 2014	As of Mar. 31, 2013	Changes
Current liabilities	718.9	635.0	+83.9
Short-term borrowings	181.6	140.3	+41.2
Notes and accounts payable	240.7	247.8	-7.1
Current portion of long-term debt	89.8	78.6	+11.2
Other current liabilities	206.9	168.2	+38.6
Long-term liabilities	385.1	359.7	+25.5
Long-term debt	315.6	291.1	+24.5
Accrued retirement and pension costs	13.0	29.1	-16.0
Other long-term liabilities	56.5	39.5	+17.0
Total liabilities	1,104.0	994.6	+109.4

Changes ex the effects of yen depreciation

Total interest-bearing debt	586.9	510.0	+76.9
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+46.5

Net debt equity ratio	0.53	0.52	+0.01
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Balance sheets (Equity)

(Billion yen)	As of Mar. 31, 2014	As of Mar. 31, 2013	Changes
Kubota Corp. shareholders' equity	934.8	793.3	+141.5
Common stock	84.1	84.1	-
Capital surplus	88.8	88.9	-0.2
Legal reserve	19.5	19.5	-
Retained earnings	703.7	606.0	+97.8
Accumulated other comprehensive income (loss)	39.0	-5.0	+44.0
Foreign currency translation adjustments	8.4	-22.7	+31.0
Unrealized losses on securities	44.9	35.1	+9.7
Pension liability adjustments	-14.2	-17.4	+3.2
Unrealized losses on derivatives	-0.0	-0.1	+0.1
Treasury stock	-0.3	-0.2	-0.1
Noncontrolling interests	65.8	58.7	+7.1
Total equity	1,000.6	852.0	+148.6

Kubota Corp. retired 6,200,000 shares of common stock in Mar. 2014.

Cash flow statements

(Billion yen)	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013	Changes
Net cash provided by operating activities	83.3	49.3	+34.0
Net cash used in investing activities	-104.2	-79.1	-25.1
Purchases of fixed assets	-53.2	-49.2	-4.0
Other	-51.1	-29.9	-21.2
Net cash provided by financing activities	3.2	28.9	-25.7
Effect of exchange rate changes on cash and cash equivalents	4.9	7.2	-2.3
Net increase (decrease) in cash and cash equivalents	-12.8	6.4	-19.2
Free cash flow	30.2	0.2	+30.0

Market Environment

Market environment (North America)

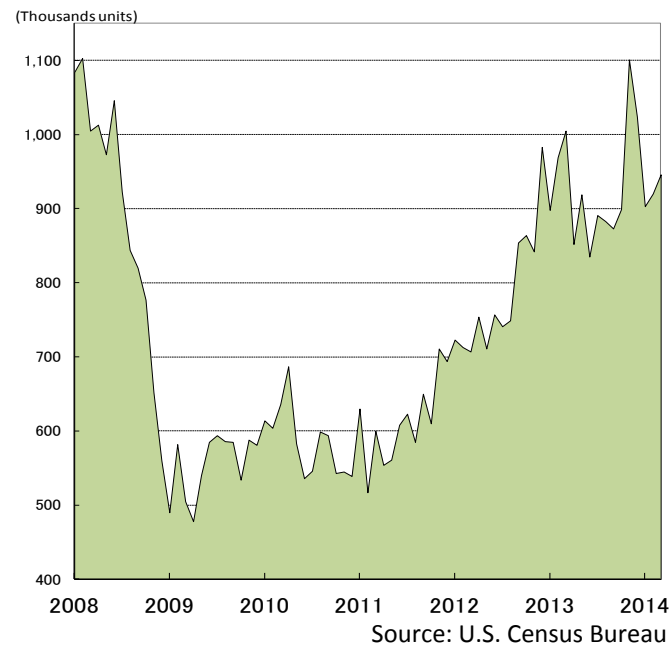
U.S. ■ ■ ■ Market growth continues due to the mild economic recovery.

<Tractors> Sales in the under the 120hp tractor market will continue to increase.

<Const. machinery> The market is steady. Demand from corporate users is brisk.

<Engines> The switch to Tier 4 engines is progressing. Front-loaded demand is expected due to tightening of the emission regulations.

【New Privately Owned Housing Units Started】
(Seasonally Adjusted Annual Rate)



【YoY growth rate of retail sales units in the tractor market by horsepower】

		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Dec.
2013	0-40hp	+ 5.2%	+ 13.9%	+ 15.5%	- 2.5%	+ 9.2%
	40-120hp	+ 11.8%	+ 7.0%	+ 15.7%	+ 3.3%	+ 8.9%
2014	0-40hp	+ 11.6%	-	-	-	-
	40-120hp	+ 3.7%	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)

【YoY growth rate of retail sales units in the mini-excavator market】

		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Dec.
2013		+ 3.2%	+ 13.6%	+ 29.2%	+ 19.3%	+ 16.3%
2014		+ 8.8%	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)



Market environment (Europe)

Europe ■ ■ ■ The market will recover due to the bottoming out of the economy. The market in southern Europe is moving toward recovery.

< Tractors > Market conditions are beginning to improve gradually. The market in southern Europe is moving toward recovery.

< Implements > The market demand will remain at the same level as in the prior year.

< Const. machinery > Sales will remain strong due to the economic recovery.

< Engines > Front-loaded demand for engines of more than 75 hp is expected due to tightening of the emission regulations.



Market environment (Asia)

Thailand ▪ ▪ ▪ The influence of political unrest is uncertain. We are making efforts to keep sales by expanding sales in the dry-field market and in neighboring countries.

< Tractors ▪
Combines > The market will take a tumble temporarily due to stoppage of the rice pledging scheme. The market is expected to recover in the second half.

< Const.
machinery > Expansion in new machinery market will continue.

< Neighboring
countries > Revenues are expected to increase due to expansion in sales of power tillers and engines.

Market environment (China)

China ▪ ▪ ▪ Subsidies are suspended for our farm machinery. We factored the worst-case scenario into our profit guidance. Sales of construction machinery will continue to expand.

< Combines ▪
Rice transplanters > We implemented countermeasures for the suspension from April. We put our efforts to keep product supply for customers.

< Const. machinery > The recovery trend in the demand for mini excavators will continue.

【Subsidies of China's central government for purchase of agricultural equipment】

		2007	2008	2009	2010	2011	2012	2013	2014
Subsidies (Billion RMB)	1st stage	-	-	-	-	11.0	13.0	20.0	17.0
	Full year	2.0	4.0	13.0	15.5	17.5	21.5	21.75	Undisclosed



Market environment (Japan)

Japan ■ ■ ■ There will be an adverse reaction to substantial increase in sales of farm machinery in the previous year.

Demand from the public sector will remain steady.

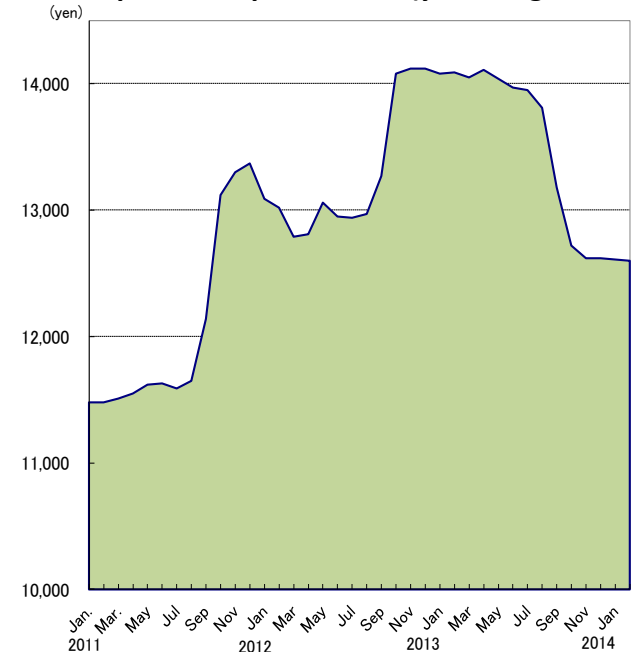
< Farm machinery > The market will shrink due to the adverse reaction especially in the first half. Demand is shifting to larger and higher functional machinery.

< Const. machinery > The market will continue to be strong owing to the steady public works spending.

< Engines > Sales will decrease due to the overseas transfer of producing regions of OEM clients.

< Water > Revenues are expected to increase due to the reconstruction and replacement demand.

【Producers price of Japanese rice (yen/60kg)】



【Shipments of farm machinery in the Japanese market, YoY (%)】

	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Dec.	Apr.-Mar.
2012	+ 5.9%	+ 7.2%	+ 8.7%	+ 3.6%	+ 6.3%	+ 6.3%
2013	+ 5.9%	+ 10.8%	+ 20.0%	+ 28.3%	+ 17.1%	+ 23.8%
2014	+ 34.6%	-	-	-	-	-

Source: JFMMA (Japan Federation of Machinery Manufacturers' Association)

Source: Ministry of Agriculture, Forestry and Fisheries



Forecast

Anticipated operating results

(Billion yen)	Year ending Mar. 31, 2015 (Forecast)	Year ended Mar. 31, 2014 (Actual)	Changes	Six months ended Sep. 30, 2014 (Forecast)
Revenues	1,550.0	1,508.6	+41.4	735.0
	12.9%	13.4%		12.9%
Operating income	200.0	202.4	-2.4	95.0
Other income	10.0	8.9	+1.1	2.0
	13.5%	14.0%		13.2%
Taxble income (*)	210.0	211.3	-1.3	97.0
	8.4%	8.7%		8.2%
Net income attributable to Kubota Corp.	130.0	131.7	-1.7	60.0

(*)Income before income taxes and equity in net income of affiliated companies

Anticipated revenues by reporting segment

(Billion yen)	Year ending Mar. 31, 2015	Year ended Mar. 31, 2014	Changes	
			Amount	%
Machinery	1,160.0	1,153.1	+6.9	+0.6
Domestic	290.0	332.6	-42.6	-12.8
Overseas	870.0	820.5	+49.5	+6.0
Water	360.0	313.9	+46.1	+14.7
Domestic	290.0	268.9	+21.1	+7.8
Overseas	70.0	45.0	+25.0	+55.6
Other	30.0	41.6	-11.6	-27.9
Domestic	30.0	36.9	-6.9	-18.7
Overseas	0.0	4.7	-4.7	-100.0
Total revenues	1,550.0	1,508.6	+41.4	+2.7
Domestic revenues	610.0	638.4	-28.4	-4.4
Overseas revenue	940.0	870.2	+69.8	+8.0

Anticipated operating income

(Billion yen)	Year ending Mar. 31, 2015		Year ended Mar. 31, 2014		Changes	
	Amount	%	Amount	%	Amount	%
Operating income	200.0	12.9	202.4	13.4	-2.4	-1.2

Factors affecting operating income (YoY change -2.4 billion yen)

1. Fluctuation in exchange rates	US\$ (100→100) Euro (134→140) Other currencies	+3.0 billion yen +4.0 billion yen ±0.0 billion yen	+7.0 billion yen
2. Material costs	Machinery Water	+1.0 billion yen -3.0 billion yen	-2.0 billion yen
3. Non-recurring items			-1.6 billion yen
Additional amortization	Amortization of valuation difference between the amount paid and fair market value of net assets of Kverneland AS '14/3: -2.5 billion yen → '15/3: -2.0 billion yen	+0.5 billion yen	
Thailand floods-related		-2.1 billion yen	
4. Other factors			-5.8 billion yen

Anticipated operating income by reporting segment

Anticipated operating income excluding non-recurring items

[% shows OP margin]

(Billion yen)	Year ending Mar. 31, 2015			Year ended Mar.31, 2014			Changes ①-④	Changes (Adjusted) ③-⑥	Chages in revenues
	Operating income ①	Non- recurring items ②	Adjusted operating income ③=①-②	Operating income ④	Non- recurring items ⑤	Adjusted operating income ⑥=④-⑤			
Machinery	16.4% 190.0	-2.0	16.6% 192.0	17.1% 196.9	-0.4	17.1% 197.3	-6.9	-5.3	+6.9
Water	8.3% 30.0	-	8.3% 30.0	7.9% 24.9	-	7.9% 24.9	+5.1	+5.1	+46.1
Other	10.0% 3.0	-	10.0% 3.0	9.1% 3.8	-	9.1% 3.8	-0.8	-0.8	-11.6
Adjustment	-23.0	-	-23.0	-23.1	-	-23.1	+0.1	+0.1	
Total	12.9% 200.0	-2.0	13.0% 202.0	13.4% 202.4	-0.4	13.4% 202.8	-2.4	-0.8	+41.4

【Anticipated foreign exchange rate】

		Year ending Mar. 31, 2015 (Forecast)	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
¥/US\$	1st Half (Apr.-Sept.)	100	99	79
	2nd Half (Oct.-Mar.)	100	102	87
	Full year average	100	100	83
¥/Euro	1st Half (Apr.-Sept.)	140	130	101
	2nd Half (Oct.-Mar.)	140	139	114
	Full year average	140	134	107

【CAPEX, Depreciation and R&D expenses】

(Billion yen)	Year ending Mar. 31, 2015 (Forecast)	Year ended Mar. 31, 2014	Year ended Mar. 31, 2013
Capital expenditures	64.0	51.2	50.5
Depreciation and amortization	39.0	35.3	29.9
R&D expenses	39.0	35.6	32.0

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.

