

[Translation]

Quarterly Report

(The Second Quarter of 124th Business Term)
From July 1, 2013 to September 30, 2013

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

KUBOTA Corporation

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[Company Name in English]	KUBOTA Corporation
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This is an English translation of the Quarterly Report filed with the Director of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork (“EDINET”) pursuant to the Financial Instruments and Exchange Act of Japan.

The translation of the Confirmation Letter for the original Quarterly Report is included at the end of this document.

As used in this quarterly report herein, the “Company” refers to the Kubota Corporation and its subsidiaries unless the context otherwise indicates.

References in this document to the “Financial Instruments and Exchange Act” are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

PART 1. Information on the Company

1. Overview of the Company

1. Key Financial Data

(¥ in millions, except per share amounts)

	Six months ended September 30, 2013	Six months ended September 30, 2012	Year ended March 31, 2013
Revenues	¥ 729,057 [367,303]	¥ 563,435 [286,736]	¥ 1,210,566
Income before income taxes and equity in net income of affiliated companies	105,968	53,051	127,178
Net income attributable to Kubota Corporation	67,404 [36,557]	31,255 [15,177]	78,054
Comprehensive income	94,115	11,403	158,078
Total Kubota Corporation Shareholders' equity	870,757	674,704	793,311
Total equity	934,019	728,467	851,965
Total assets	1,929,014	1,537,944	1,846,602
Net income attributable to Kubota Corporation per common share:			
—basic	53.67 [29.11]	24.89 [12.08]	62.15
—diluted	—	—	—
Total Kubota Corporation shareholders' equity ratio (%)	45.1	43.9	42.9
Net cash provided by operating activities	70,079	43,370	49,323
Net cash used in investing activities	(58,935)	(39,294)	(79,061)
Net cash provided by (used in) financing activities	(10,338)	2,807	28,894
Cash and cash equivalent, end of period	104,082	97,955	99,789

(Notes)

1. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
2. The figures of "Revenues," "Net income attributable to Kubota Corporation," and "Net income attributable to Kubota Corporation per common share—basic" in square bracket are those in the three months ended September 30, 2013 and 2012, respectively.
3. Revenues do not include the consumption tax.
4. "Net income attributable to Kubota Corporation per common share—diluted" is not stated because the Company did not have potential dilutive common shares that were outstanding for the period.
5. Amounts less than presentation units are rounded.
6. Beginning with the first quarter of the current consolidation 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 by a method of provisional settlement. To reflect the impact of these changes, the Company retrospectively adjusted the (quarterly) consolidated financial statements for the prior years.

2. Description of Business

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP. The scope of consolidation is also defined in accordance with these accounting principles. The same applies to "1. Business Overview".

The Company engages in various fields of business and industries by providing products and services which are categorized into the following three segments: Farm & Industrial Machinery, Water & Environment, and Other.

There was no material change in the business of the Company during the cumulative second quarter of 124th business term.

. Business Overview

1. Risk Factors

During the six months ended September 30, 2013, none of event or fact described in . Business Overview or . Financial Information which may have a significant influence on investor's investment decisions was identified. There was no significant change from the information described in the Risk Factors section of the Annual Securities Report for the year ended March 31, 2013.

In addition, any significant concerns or events do not exist as of the filing date.

2. Material Contracts

There was no material contract concluded during the three months ended September 30, 2013.

3. Analyses of Consolidated Financial Condition, Results of Operations, and Status of Cash Flows

(1) Analyses of Results of Operations

For the six months ended September 30, 2013, revenues of the Company increased by ¥165.6 billion (29.4%) to ¥729.1 billion from the corresponding period in the prior year.

Domestic revenues expanded in all reporting segments: Farm & Industrial Machinery, Water & Environment, and Other, by ¥28.5 billion (11.2%) to ¥282.3 billion from the corresponding period in the prior year.

Overseas revenues also rose in all reporting segments by ¥137.1 billion (44.3%) to ¥446.7 billion from the corresponding period in the prior year. In particular, Farm & Industrial Machinery increased substantially due partly to the effects of yen depreciation.

Operating income increased by ¥44.6 billion (80.1%) to ¥100.3 billion from the corresponding period in the prior year due to increased revenues in both domestic and overseas markets and the effects of yen depreciation.

Income before income taxes and equity in net income of affiliated companies rose by ¥52.9 billion (99.7%) to ¥106.0 billion from the corresponding period in the prior year due to increased operating income and an increase in gain on sales of securities.

Income taxes were ¥35.6 billion and net income increased by ¥38.0 billion (110.3%) to ¥72.6 billion from the corresponding period in the prior year.

Net income attributable to Kubota Corporation increased by ¥36.1 billion (115.7%) to ¥67.4 billion from the corresponding period in the prior year.

Revenues from external customers and operating income by each reporting segment were as follows.

1) Farm & Industrial Machinery

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

Revenues in this segment increased by 34.7% to ¥587.3 billion from the corresponding period in the prior year, and accounted for 80.6% of consolidated revenues.

Domestic revenues grew by 14.2 % to ¥162.9 billion from the corresponding period in the prior year. Sales of farm equipment increased as agricultural revenues of farmers remained stable due to the government budget for subsidies to stabilize farmers' income. Sales of construction machinery expanded owing to steady construction demand. Sales of engines also rose.

Overseas revenues increased by 44.7% to ¥424.4 billion from the corresponding period in the prior year. In North America, sales of engines remained with a slight increase. However, sales of tractors showed major expansion due to favorable demand trends and the effect of launching a new line of products. Sales of construction machinery also increased substantially owing to economic recovery. In Europe, sales of tractors and construction machinery reported significant growth, and sales of engines increased steadily due to the bottoming out of demand and stronger sales promotion. In Asia, significant increase in sales of combine harvesters and rice transplanters was continuously recorded mainly in China and Thailand. Sales of tractors and engines also rose. Sales of construction machinery increased significantly owing to the recovering demand in China and expanding demand in Thailand.

Operating income in Farm & Industrial Machinery increased by 72.2% to ¥103.0 billion from the corresponding period in the prior year mainly due to the effects of yen depreciation and sales expansion.

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 by 10.0% to ¥123.5 billion from the corresponding period in the prior year and accounted for 16.9% of consolidated revenues.

Domestic revenues grew by 7.3% to ¥103.7 billion from the corresponding period in the prior year. Among pipe-related products, sales of ductile iron pipes and plastic pipes increased. Sales of environment-related products also expanded. Sales of social infrastructure-related products remained at almost the same level as in the corresponding period in the prior year due to increasing sales of spiral-welded steel pipes, precision equipment, and air-conditioning equipment offset by declining sales of industrial castings.

Overseas revenues rose by 26.9% to ¥19.8 billion from the corresponding period in the prior year. Sales of pipe-related products expanded largely due to growing sales of ductile iron pipes and pumps. In addition, sales of environment-related products and social infrastructure-related products increased.

Operating income in Water & Environment increased by 30.1% to ¥6.9 billion from the corresponding period in the prior year.

3) Other

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

Revenues in this segment increased by 19.8% to ¥18.2 billion from the corresponding period in the prior year and accounted for 2.5% of consolidated revenues. Construction, services, and other businesses all reported sales growth.

Operating income in Other increased by 22.5% to ¥0.8 billion from the corresponding period in the prior year.

(2) Analyses of Financial Condition

Total assets at September 30, 2013 amounted to ¥1,929.0 billion, an increase of ¥82.4 billion from March 31 2013.

Among assets, notes and accounts receivable decreased, while inventories increased. Furthermore, short- and long-term finance receivables increased owing to increased overseas sales.

Among liabilities, trade notes and accounts payable decreased. However, the aggregated amount of interest-bearing debt, which is composed of short-term borrowings, current portion of long-term debt, and long-term debt rose due to an increase in finance receivables.

Equity increased because of the accumulation of retained earnings and a favorable change in accumulated other comprehensive income (loss). The shareholders' equity ratio was 45.1%, 2.2 percentage points higher than at the prior fiscal year-end.

(3) Analyses of Status of Cash Flows

Net cash provided by operating activities during the six months ended September 30, 2013 was ¥70.1 billion. Although net income and income taxes payable increased, an increase in cash inflow from operating activities remained at 26.7 billion compared with the corresponding period in the prior year due to the changes in working capital, including inventories and trade notes and account payable.

Net cash used in investing activities was ¥58.9 billion, an increase of ¥19.6 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to an increase in cash outflow for purchases of fixed assets and an increase in finance receivables, while proceeds from sales of investments increased.

Net cash used in financing activities was ¥10.3 billion, an increase of ¥13.1 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to a decrease in short-term borrowings, while proceeds from the issuance of long-term debt increased.

As a result, after taking account of the effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents at September 30, 2013 were ¥104.1 billion, an increase of ¥4.3 billion from the beginning of the period.

(4) Issues to Address on Business and Finance

There was no material change in the issues for the Company to address and challenge during the six months ended September 30, 2013. No additional issue rose.

(5) Research and Development

The Company's research and development expenses for the six months ended September 30, 2013 were ¥16.9 billion.

. Information on the Company

1. Information on the Company's Stock

(1) Total Number of Shares

1) Total Number of Shares

Class	Total number of shares authorized to be issued (shares)
Common stock	1,874,700,000
Total	1,874,700,000

2) Issued Shares

Class	Number of shares issued as of the end of period (shares) (September 30, 2013)	Number of shares issued as of the filing date (shares) (November 12, 2013)	Stock exchange on which the Company is listed	Description
Common stock	1,256,419,180	1,256,419,180	Tokyo Stock Exchange, Inc. (the first section)	The number of shares per one unit of shares is 1,000 shares.
Total	1,256,419,180	1,256,419,180	—	—

(Note) The Company's stock was delisted on the New York Stock Exchange on July 16, 2013.

(2) Information on the Stock Acquisition Rights

Not applicable

(3) Information on Moving Strike Convertible Bonds

Not applicable

(4) Information on Shareholder Right Plans

Not applicable

(5) Changes in the Total Number of Issued Shares, the Amount of Common Stock, and Other

Date	Changes in the total number of issued shares (thousands of shares)	Balance of the total number of issued shares (thousands of shares)	Changes in common stock (¥ in million)	Balance of common stock (¥ in million)	Changes in capital reserve (¥ in million)	Balance of capital reserve (¥ in million)
From: July 1, 2013	—	1,256,419	—	¥ 84,070	—	¥ 73,057
To: September 30, 2013						

(6) Major Shareholders

(As of September 30, 2013)

Name	Address	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	11-3, Hamamatsucho 2-chome, Minato-ku Tokyo, JAPAN	113,465	9.03
Nippon Life Insurance Company	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	72,431	5.76
Meiji Yasuda Life Insurance Company	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, JAPAN	59,929	4.76
Japan Trustee Services Bank, Ltd. (Trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo, JAPAN	58,607	4.66
Moxley & Co. LLC (Standing proxy: Sumitomo Mitsui Banking Corporation)	270 Park Avenue New York N.Y. 10017-2070 U.S.A. (2-3, Otemachi 1-chome, Chiyoda-ku, Tokyo, JAPAN)	47,570	3.78
Sumitomo Mitsui Banking Corporation	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	45,006	3.58
Mizuho Bank, Ltd.	3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, JAPAN	45,006	3.58
State Street Bank and Trust Company (Standing proxy: The Hongkong Shanghai Banking Corporation Limited, Tokyo Branch)	P.O. BOX 351 Boston Massachusetts 02101 U.S.A. (11-1, Nihombashi 3-chome, Chuo-ku, Tokyo, JAPAN)	27,835	2.21
Japan Trustee Services Bank, Ltd. (Mitsui Sumitomo Trust and Banking Co., Ltd. Retirement benefit trust account)	8-11, Harumi 1-chome, Chuo-ku, Tokyo, JAPAN	22,982	1.82
Bank of Tokyo-Mitsubishi UFJ, Ltd.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, JAPAN	18,156	1.44
Total	—	510,989	40.67

(Notes)

1. Numbers less than presentation units are rounded in the columns of "Share ownership" and "Ownership percentage to the total number of issued shares."
2. The shares held by The Master Trust Bank of Japan, Ltd. (Trust account), Japan Trustee Services Bank Ltd. (Trust account), and Japan Trustee Services Bank, Ltd. (Mitsui Sumitomo Trust and Banking Co., Ltd. Retirement benefit trust account) are invested as their fiduciary services.
3. The Company received copies of change report pertaining to large shareholding reports from Mitsubishi UFJ Financial Group, Inc. dated March 1, 2010. However, the information in the reports is not stated in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2013. Summary of the reports dated February 22, 2010 is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,173	1.57
Mitsubishi UFJ Trust and Banking Corporation	83,120	6.46
Mitsubishi UFJ Securities Co., Ltd.	2,461	0.19
Mitsubishi UFJ Asset Management Co., Ltd.	4,665	0.36
Total	110,420	8.59

4. The Company received copies of change reports pertaining to large shareholding reports from Sumitomo Mitsui Trust Holdings Inc. dated April 18, 2012. However, the information in the report is not stated in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2013. Summary of the reports dated April 13, 2012 is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Sumitomo Mitsui Trust Bank, Limited	60,526	4.71
Sumitomo Mitsui Trust Asset Management Co., Ltd.	3,143	0.24
Nikko Asset Management Co., Ltd.	14,893	1.16
Total	78,562	6.11

5. The Company received copies of change reports pertaining to large shareholding reports from Nippon Life Insurance Company dated July 6, 2012. However, the information in the report is not stated in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2013. Summary of the reports dated June 29, 2012 is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Nippon Life Insurance Company	82,844	6.44
Nissay Asset Management Corporation	5,825	0.45
Total	88,669	6.90

6. The Company received copies of change reports pertaining to large shareholding reports from Mizuho Bank, Ltd. dated July 22, 2013. However, the information in the report is not stated in the above table since the Company does not confirm the actual status of shareholdings as of September 30, 2013. Summary of the reports dated July 15, 2013 is as follows:

Name	Share ownership (thousands of shares)	Ownership percentage to the total number of issued shares (%)
Mizuho Bank, Ltd.	45,006	3.58
Mizuho Securities Co., Ltd.	2,125	0.17
Mizuho Trust & Banking Co., Ltd.	21,362	1.70
Mizuho Asset Management Co., Ltd.	2,430	0.19
Shinko Asset Management Co., Ltd.	1,499	0.12
Total	72,422	5.76

(7) Information on Voting Rights

1) Issued Shares

(As of September 30, 2013)

Classification		Number of shares (shares)	Number of voting rights	Description
Shares without voting rights		—	—	
Shares with restricted voting rights (treasury stock)		—	—	
Shares with restricted voting rights (others)		—	—	
Shares with full voting rights (treasury stock)	(Treasury stock)			
	Common stock:	109,000	—	
	(Reciprocal share holding)			
	Common stock:	829,000	—	
Shares with full voting rights (others)	Common stock:	1,253,010,000	1,253,010	
Shares less than one unit	Common stock:	2,471,180	—	Shares less than one unit (1,000 shares)
Number of issued shares		1,256,419,180	—	
Total number of voting rights		—	1,253,010	

(Note) The "Shares with full voting rights (others)" column includes 1,000 shares (1 voting right) registered in the name of Japan Securities Depository Center, Incorporated.

2) Treasury Stock

(As of September 30, 2013)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
(Treasury stock)					
Kubota Corporation	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN	109,000	—	109,000	0.00
(Reciprocal share holding)					
Akita Kubota Corporation	295-38, Terauchikamiyashiki, Akita-shi, Akita, JAPAN	41,000	—	41,000	0.00
Minami Tohoku Kubota Corporation	16-1, Takakura Sugishita, Hiwadamachi, Koriyama-shi, Fukushima, JAPAN	102,000	—	102,000	0.00
Toyama Kubota Corporation	1540, Nishitoheizo, Takaoka-shi, Toyama, JAPAN	9,000	—	9,000	0.00
Chugoku Kubota Corporation	275, Shijikai, Higashi-ku, Okayama, JAPAN	111,000	—	111,000	0.00
Fukuokakyushu Kubota Corporation	11-36, Noma 1-chome, Minami-ku, Fukuoka, JAPAN	566,000	—	566,000	0.04
Total reciprocal share holding	—	829,000	—	829,000	0.06
Total	—	938,000	—	938,000	0.07

2. Changes in Senior Management

There has been no change in senior management since the filing date of the Annual Securities Report for the 123rd business term pursuant to the Financial Instruments and Exchange Act of Japan to September 30, 2013.

(Reference Information)

The Company adopts Executive Officer System. During the six months ended September 30, 2013, there has been no change in executive officers who do not hold the post of director, since the filing date of the Annual Securities Report for the 123rd business term pursuant to the Financial Instruments and Exchange Act of Japan.

. Financial Information

1. Consolidated Financial Statements

KUBOTA Corporation and Subsidiaries

(1) Consolidated Balance Sheets

(¥ in millions)	September 30, 2013	March 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 104,082	¥ 99,789
Notes and accounts receivable:		
Trade notes	48,257	73,895
Trade accounts	437,399	436,642
Less: Allowance for doubtful notes and accounts receivable	(3,120)	(2,712)
Short-term finance receivables—net	157,843	141,157
Inventories	276,123	263,217
Other current assets	80,624	68,476
Total current assets	1,101,208	1,080,464
Investments and long-term finance receivables:		
Investments in and loan receivables from affiliated companies	21,782	19,535
Other investments	134,165	126,715
Long-term finance receivables—net	309,938	275,815
Total investments and long-term finance receivables	465,885	422,065
Property, plant, and equipment:		
Land	92,606	91,367
Buildings	248,858	243,327
Machinery and equipment	406,549	397,213
Construction in progress	12,084	12,844
Total	760,097	744,751
Less: Accumulated depreciation	(490,137)	(480,968)
Net property, plant, and equipment	269,960	263,783
Other assets:		
Goodwill and intangible assets—net	31,405	30,475
Long-term trade accounts receivable	39,702	32,010
Other	21,506	18,461
Less: Allowance for doubtful non-current receivables	(652)	(656)
Total other assets	91,961	80,290
Total	¥ 1,929,014	¥ 1,846,602

(¥ in millions)

	September 30, 2013	March 31, 2013
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	¥ 119,423	¥ 140,324
Trade notes payable	14,656	19,655
Trade accounts payable	207,413	228,178
Advances received from customers	9,903	10,122
Notes and accounts payable for capital expenditures	10,954	15,871
Accrued payroll costs	34,979	32,846
Accrued expenses	39,672	39,725
Income taxes payable	23,703	18,097
Other current liabilities	53,862	51,580
Current portion of long-term debt	106,589	78,589
Total current liabilities	621,154	634,987
Long-term liabilities:		
Long-term debt	298,475	291,085
Accrued retirement and pension costs	24,615	29,050
Other long-term liabilities	50,751	39,515
Total long-term liabilities	373,841	359,650
Commitments and contingencies		
Equity:		
Kubota Corporation shareholders' equity:		
Common stock, authorized 1,874,700,000 shares and issued 1,256,419,180 shares at September 30 and March 31, 2013	84,070	84,070
Capital surplus	89,087	88,919
Legal reserve	19,539	19,539
Retained earnings	662,059	605,962
Accumulated other comprehensive income (loss)	16,247	(4,976)
Treasury stock (497,077 shares and 468,372 shares at September 30 and March 31, 2013, respectively), at cost	(245)	(203)
Total Kubota Corporation shareholders' equity	870,757	793,311
Noncontrolling interests	63,262	58,654
Total equity	934,019	851,965
Total	¥ 1,929,014	¥ 1,846,602

See notes to consolidated financial statements.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Loss)
For the six months ended September 30, 2013 and 2012

Consolidated Statements of Income

(¥ in millions, except per share amounts)

	2013		2012	
Revenues	¥	729,057	¥	563,435
Cost of revenues		514,993		410,307
Selling, general, and administrative expenses		113,560		96,941
Other operating expenses		180		495
Operating income		100,324		55,692
Other income (expenses):				
Interest and dividend income		2,139		1,775
Interest expense		(673)		(530)
Gain on sales of securities—net		3,689		122
Valuation loss on other investments		—		(290)
Foreign exchange loss—net		(2,396)		(3,071)
Other—net		2,885		(647)
Other income (expenses), net		5,644		(2,641)
Income before income taxes and equity in net income of affiliated companies		105,968		53,051
Income taxes:				
Current		33,346		16,356
Deferred		2,242		3,640
Total income taxes		35,588		19,996
Equity in net income of affiliated companies		2,172		1,450
Net income		72,552		34,505
Less: Net income attributable to noncontrolling interests		5,148		3,250
Net income attributable to Kubota Corporation	¥	67,404	¥	31,255
Net income attributable to Kubota Corporation per common share:				
Basic	¥	53.67	¥	24.89

Consolidated Statements of Comprehensive Income (Loss)

(¥ in millions)

	2013		2012	
Net income	¥	72,552	¥	34,505
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments		12,530		(16,628)
Unrealized gains (losses) on securities		8,971		(8,242)
Unrealized gains on derivatives		53		122
Pension liability adjustments		9		1,646
Total other comprehensive income (loss)		21,563		(23,102)
Comprehensive income		94,115		11,403
Less: Comprehensive income attributable to noncontrolling interests		5,488		1,383
Comprehensive income attributable to Kubota Corporation	¥	88,627	¥	10,020

See notes to consolidated financial statements.

For the three months ended September 30, 2013 and 2012

Consolidated Statements of Income

(¥ in millions, except per share amounts)

	2013	2012
Revenues	¥ 367,303	¥ 286,736
Cost of revenues	258,212	209,156
Selling, general, and administrative expenses	55,742	53,247
Other operating expenses	115	146
Operating income	53,234	24,187
Other income (expenses):		
Interest and dividend income	595	450
Interest expense	(332)	(81)
Gain (loss) on sales of securities—net	2,333	(4)
Valuation loss on other investments	—	(285)
Foreign exchange gain—net	201	2,567
Other—net	(100)	(1,443)
Other income, net	2,697	1,204
Income before income taxes and equity in net income of affiliated companies	55,931	25,391
Income taxes:		
Current	20,272	9,680
Deferred	(1,941)	96
Total income taxes	18,331	9,776
Equity in net income of affiliated companies	1,144	769
Net income	38,744	16,384
Less: Net income attributable to noncontrolling interests	2,187	1,207
Net income attributable to Kubota Corporation	¥ 36,557	¥ 15,177
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 29.11	¥ 12.08

Consolidated Statements of Comprehensive Income (Loss)

(¥ in millions)

	2013	2012
Net income	¥ 38,744	¥ 16,384
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(751)	(3,035)
Unrealized gains (losses) on securities	5,167	(1,950)
Unrealized gains (losses) on derivatives	(4)	134
Pension liability adjustments	(5)	818
Total other comprehensive income (loss)	4,407	(4,033)
Comprehensive income	43,151	12,351
Less: Comprehensive income attributable to noncontrolling interests	2,344	1,515
Comprehensive income attributable to Kubota Corporation	¥ 40,807	¥ 10,836

See notes to consolidated financial statements.

(3) Consolidated Statements of Changes in Equity

(¥ in millions, except per share amounts)

	Kubota Corporation shareholders' equity							
	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock at cost	Non-controlling interests	Total equity
Balance at March 31, 2013 (1,255,951 thousands of shares)	¥84,070	¥88,919	¥19,539	¥605,962	¥ (4,976)	¥ (203)	¥58,654	¥851,965
Net income				67,404			5,148	72,552
Other comprehensive income					21,223		340	21,563
Cash dividends paid to Kubota Corporation shareholders, ¥9 per common share				(11,307)				(11,307)
Cash dividends paid to noncontrolling interests							(610)	(610)
Purchases and sales of treasury stock (less 29 thousands of shares)						(42)		(42)
Changes in ownership interests in subsidiaries		168					(270)	(102)
Balance at September 30, 2013 (1,255,922 thousands of shares)	¥84,070	¥89,087	¥19,539	¥662,059	¥ 16,247	¥ (245)	¥63,262	¥934,019
Balance at March 31, 2012 (1,255,941 thousands of shares)	¥84,070	¥88,869	¥19,539	¥567,161	¥ (65,894)	¥ (19,345)	¥57,963	¥732,363
Net income				31,255			3,250	34,505
Other comprehensive loss					(21,235)		(1,867)	(23,102)
Cash dividends paid to Kubota Corporation shareholders, ¥8 per common share				(10,051)				(10,051)
Cash dividends paid to noncontrolling interests							(396)	(396)
Purchases and sales of treasury stock (less 9 thousands of shares)						(8)		(8)
Increase in noncontrolling interests related to contribution							175	175
Changes in ownership interests in subsidiaries		418			(75)		(5,362)	(5,019)
Balance at September 30, 2012 (1,255,932 thousands of shares)	¥84,070	¥89,287	¥19,539	¥588,365	¥ (87,204)	¥ (19,353)	¥53,763	¥728,467

See notes to consolidated financial statements.

(4) Consolidated Statements of Cash Flows

(¥ in millions)		
For the six months ended September 30:	2013	2012
Operating activities:		
Net income	¥ 72,552	¥ 34,505
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	16,722	13,292
Gain on sales of securities—net	(3,689)	(122)
Valuation loss on other investments	—	290
Equity in net income of affiliated companies	(2,172)	(1,450)
Deferred income taxes	2,242	3,640
Changes in assets and liabilities:		
Decrease in notes and accounts receivable	22,511	21,044
Increase in inventories	(4,189)	(22,343)
Increase in other current assets	(9,892)	(8,249)
Increase (decrease) in trade notes and accounts payable	(27,841)	7,445
Increase (decrease) in income taxes payable	5,336	(5,319)
Increase in other current liabilities	914	130
Decrease in accrued retirement and pension costs	(4,680)	(1,733)
Other	2,265	2,240
Net cash provided by operating activities	70,079	43,370
Investing activities:		
Purchases of fixed assets	(26,128)	(22,593)
Proceeds from sales of property, plant, and equipment	902	978
Proceeds from sales and redemption of investments	10,457	349
Increase in finance receivables	(138,865)	(88,689)
Collection of finance receivables	93,601	67,498
Net decrease in short-term loan receivables from affiliated companies	1,315	2,345
Net (increase) decrease in time deposits	(498)	130
Other	281	688
Net cash used in investing activities	(58,935)	(39,294)
Financing activities:		
Proceeds from issuance of long-term debt	59,044	40,802
Repayments of long-term debt	(29,450)	(32,798)
Net increase (decrease) in short-term borrowings	(27,928)	9,996
Cash dividends	(11,307)	(10,051)
Purchases of treasury stock	(42)	(8)
Purchases of noncontrolling interests	(45)	(4,915)
Other	(610)	(219)
Net cash provided by (used in) financing activities	(10,338)	2,807
Effect of exchange rate changes on cash and cash equivalents	3,487	(2,318)
Net increase in cash and cash equivalents	4,293	4,565
Cash and cash equivalents, beginning of year	99,789	93,390
Cash and cash equivalents, end of period	¥ 104,082	¥ 97,955

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

KUBOTA Corporation and Subsidiaries

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Kubota Corporation (the “parent company”) and its subsidiaries (collectively called the “Company”) are one of Japan’s leading manufacturers of a comprehensive range of machinery and other industrial and consumer products, including farm equipment, engines, construction machinery, pipe-related products, environment-related products, and infrastructure-related products.

Basis of Financial Statements

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Changes of Accounting Policies

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 the (quarterly) consolidated financial statements for the prior years.

With these retrospective adjustments, the amount of retained earnings at the beginning of the fiscal year ended March 31, 2013 was recalculated from ¥560,710 million to ¥567,161 million.

The following tables present effects of retrospective adjustments as of March 31, 2013 and for the six months and three months ended September 30, 2012:

(¥ in millions)

	March 31, 2013	
	Before retrospective adjustments	After retrospective adjustments
Consolidated Balance Sheets:		
Total current assets	¥ 1,014,675	¥ 1,080,464
Total investments and long-term finance receivables	395,090	422,065
Net property, plant, and equipment	255,526	263,783
Total other assets	78,379	80,290
Total current liabilities	594,856	634,987
Total long-term liabilities	338,206	359,650
Total equity	810,608	851,965

(¥ in millions, except per share amounts)

	Six months ended September 30, 2012	
	Before retrospective adjustments	After retrospective adjustments
Consolidated Statements of Income:		
Net income	¥ 34,024	¥ 34,505
Net income attributable to Kubota Corporation	30,632	31,255
Consolidated Statements of Cash Flows:		
Net cash provided by operating activities	¥ 31,322	¥ 43,370
Net cash used in investing activities	(28,957)	(39,294)
Net cash provided by financing activities	5,826	2,807
Cash and cash equivalents, end of period	107,927	97,955
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 24.39	¥ 24.89

(¥ in millions, except per share amounts)

	Three months ended September 30, 2012			
	Before retrospective adjustments		After retrospective adjustments	
Consolidated Statements of Income:				
Net income	¥	19,758	¥	16,384
Net income attributable to Kubota Corporation		17,797		15,177
Net income attributable to Kubota Corporation per common share:				
Basic	¥	14.17	¥	12.08

Adoption of Specific Accounting Procedures for Consolidated Quarterly Report

The provision for income taxes is computed by multiplying quarterly income before income taxes and equity in net income of affiliated companies by estimated annual effective tax rate.

2. INVENTORIES

Inventories are comprised of the following:

(¥ in millions)	September 30, 2013		March 31, 2013	
Finished products	¥	161,942	¥	159,262
Spare parts		36,054		33,129
Work in process		43,606		35,451
Raw materials and supplies		34,521		35,375
	¥	276,123	¥	263,217

3. OTHER INVESTMENTS

The following table presents the cost, fair value, and gross unrealized holding gains and losses for securities by major security type:

(¥ in millions)	September 30, 2013				March 31, 2013			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses
Other investments:								
Available-for-sale:								
Equity securities of financial institutions	¥ 22,736	¥ 54,843	¥ 32,107	¥ —	¥ 24,110	¥ 50,247	¥ 26,137	¥ —
Other equity securities	14,683	75,598	60,919	4	14,743	67,716	52,973	—
	¥ 37,419	¥ 130,441	¥ 93,026	¥ 4	¥ 38,853	¥ 117,963	¥ 79,110	¥ —

The following table presents the gross unrealized losses on, and related fair value of, the Company's available-for-sale securities, aggregated by the length of time that individual investment securities have been in a continuous unrealized loss position:

(¥ in millions)

	September 30, 2013				March 31, 2013			
	Less than 12 months		12 months or longer		Less than 12 months		12 months or longer	
	Fair value	Gross unrealized holding losses	Fair value	Gross unrealized holding losses	Fair value	Gross unrealized holding losses	Fair value	Gross unrealized holding losses
Other investments:								
Available-for-sale:								
Equity securities of financial institutions	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other equity securities	84	4	—	—	87	—	—	—
	¥ 84	¥ 4	¥ —	¥ —	¥ 87	¥ —	¥ —	¥ —

The following table presents proceeds from sales of available-for-sale securities and the gross realized gains and losses on these sales:

(¥ in millions)

	2013	2012
For the six months ended September 30:		
Proceeds from sales of available-for-sale securities	¥ 4,392	¥ —
Gross realized gains	2,667	—
Gross realized losses	—	—

(¥ in millions)

	2013	2012
For the three months ended September 30:		
Proceeds from sales of available-for-sale securities	¥ 3,835	¥ —
Gross realized gains	2,333	—
Gross realized losses	—	—

Investments in nonmarketable equity securities of ¥3,724 million and ¥8,752 million are recorded in other investment on the consolidated balance sheets at September 30, 2013 and March 31, 2013, respectively. Investments in nonmarketable equity securities for which there is no readily determinable fair value were accounted for using the cost method. Each investment in nonmarketable equity securities is reviewed annually for impairment or upon the occurrence of an event on change in circumstances that may have a significant adverse effect on the carrying value of the investment.

4. SALES FINANCING RECEIVABLES AND OTHER LOAN RECEIVABLES

Sales Financing Receivables

The Company classifies sales financing receivables into the following three types:

(1) Retail finance receivables

The Company provides retail finance to customers who purchase the Company's farm equipment products from dealers in North America and Other Areas. Retail finance receivables are purchased under agreements between the Company and dealers in relation to the products offered to individual and corporate end-users. These receivables are recorded at the principal amount and are subsequently carried at amortized cost, less any allowance for credit losses.

(2) Finance lease receivables

The Company also provides finance leases in Japan and Asia outside Japan. Finance lease receivables in Japan relate to the Company's products leased to individual and corporate end-users. Finance lease receivables in Asia outside Japan relate to the Company's farm equipment and construction machinery products leased to individual and corporate end-users. These receivables are recorded at the aggregate of lease payments receivable plus the estimated residual value of the leased property, less unearned income and allowance for credit losses. There are no unguaranteed residual values related to finance leases at September 30, 2013.

(3) Long-term trade accounts receivable

Long-term trade accounts receivable is generated mainly from direct sale to individual end-users in the farm equipment market in Japan and Asia outside Japan.

Retail finance receivables and finance lease receivables are collectively reported as short-term finance receivables—net and long-term finance receivables—net on the consolidated balance sheets. Long-term trade accounts receivable in this note includes the current portion, which is included in trade accounts receivable on the consolidated balance sheets. These receivables are secured by the products being sold or financed.

The Company also analyzes sales financing receivables by four regions: North America, Japan, Asia Outside Japan, and Other Area. Credit risks on these receivables are affected by economic conditions, such as consumer demand, unemployment level, and the level of government subsidies, which differ from location to location.

(Credit Quality Indicator)

The Company classifies sales financing receivables into risk categories based on relevant information about the ability of borrowers to service their debt, such as the collection status of receivables, customers' financial health, historical credit loss experiences, and economic trends. Subsequent to origination, the Company reviews the credit quality of these receivables on a quarterly basis. The Company's credit quality ratings for these receivables are defined as follows:

- Rank A – These receivables are performing on schedule under their terms. They are not likely to incur losses arising from customers' inability to repay and the Company expects to collect all amounts due.
- Rank B – These receivables require management's attention to potential losses but are not categorized as rank C. Such receivables do not indicate that it is individually probable that losses will be incurred arising from customers' inability to repay.
- Rank C – The Company becomes aware of a customer's inability to repay, such as a customer's long-term nonperformance, a bankruptcy filing, or deterioration in a customer's results of operations or financial position. In such cases, it is probable that losses will be incurred arising from customers' inability to repay.

The following table presents the recorded investment in sales financing receivables by types of receivables, region, and credit quality indicator based on the information available at the end of each fiscal year:

(¥ in millions)

Credit risk profile by internally assigned rank:	Retail finance receivables		Finance lease receivables		Long-term trade accounts receivable		
	North America	Other Areas	Japan	Asia Outside Japan	Japan	Outside Japan	Asia
At September 30, 2013:							
Rank A	¥ 313,521	¥ 7,402	¥ 8,707	¥ 121,825	¥ 70,831		¥ 925
Rank B	13,368	—	179	12,018	1,569		—
Rank C	12	16	—	—	480		—
Total	¥ 326,901	¥ 7,418	¥ 8,886	¥ 133,843	¥ 72,880		¥ 925
At March 31, 2013:							
Rank A	¥ 267,568	¥ 6,533	¥ 7,379	¥ 115,677	¥ 57,745		¥ 578
Rank B	11,606	—	154	15,967	1,505		—
Rank C	360	33	—	—	429		—
Total	¥ 279,534	¥ 6,566	¥ 7,533	¥ 131,644	¥ 59,679		¥ 578

(Aging)

All Sales financing receivables are considered past due when a scheduled payment, including principal and interest, has not been received by the contractual due date. If any of installment payments have not been received by the contractual due date, the entire remaining balance is classified as being past due.

The following table presents an aging analysis of past due sales financing receivables by types of receivables and region:

(¥ in millions)

Type of receivables	Region	Up to 30 days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total past due	Current	Total
At September 30, 2013								
Retail finance receivables	North America	¥ 12,110	¥ 857	¥ 165	¥ 248	¥ 13,380	¥ 313,521	¥ 326,901
Retail finance receivables	Other Areas	—	—	—	—	—	7,418	7,418
Finance lease receivables	Japan	58	18	—	95	171	8,715	8,886
Finance lease receivables	Asia Outside Japan	949	2,005	1,602	7,462	12,018	121,825	133,843
Long-term trade accounts receivable	Japan	583	232	70	599	1,484	71,396	72,880
Long-term trade accounts receivable	Asia Outside Japan	—	—	—	—	—	925	925
Total		¥ 13,700	¥ 3,112	¥ 1,837	¥ 8,404	¥ 27,053	¥ 523,800	¥ 550,853
At March 31, 2013								
Retail finance receivables	North America	¥ 10,434	¥ 747	¥ 95	¥ 690	¥ 11,966	¥ 267,568	¥ 279,534
Retail finance receivables	Other Areas	—	—	—	—	—	6,566	6,566
Finance lease receivables	Japan	50	13	20	69	152	7,381	7,533
Finance lease receivables	Asia Outside Japan	2,147	2,390	2,015	9,415	15,967	115,677	131,644
Long-term trade accounts receivable	Japan	338	155	366	522	1,381	58,298	59,679
Long-term trade accounts receivable	Asia Outside Japan	—	—	—	—	—	578	578
Total		¥ 12,969	¥ 3,305	¥ 2,496	¥ 10,696	¥ 29,466	¥ 456,068	¥ 485,534

(Nonaccrual)

Retail finance receivables in North America are placed on nonaccrual status at the earlier of when the contractual principal and interest are determined to be uncollectible or when these receivables become greater than 90 days past the contractual due date. For these receivables on nonaccrual status, interest income is subsequently recognized only to the extent a cash payment is received. These receivables are restored to accrual status as of the date the principal and interest become 90 days or less past the due date. Nonaccrual retail finance receivables in North America at September 30, 2013, and March 31, 2013, amounted to ¥248 million and ¥690 million, respectively.

Retail finance receivables in Other Areas, finance lease receivables in Japan and Asia Outside Japan and long-term trade accounts receivable in Japan and Asia outside Japan are not placed on nonaccrual status, but these receivables are charged off against the allowance for doubtful accounts and credit losses when payments due are no longer expected to be received.

(Troubled Debt Restructuring and Impaired Loans)

The amounts of debts restructured or impaired loans were not material for the six months ended September 30, 2013 and the year ended March 31, 2013.

Loan Receivables from Affiliated Companies

The Company finances loans to affiliated companies mainly through group financing and records such loan receivables from affiliated companies at the principal on the consolidated balance sheets. The amounts of these loan receivables from affiliated companies are ¥2,898 million and ¥4,530 million at September 30, 2013 and March 31, 2013, respectively, and such amounts are recorded in other current assets and investment in and loan receivables from affiliated companies on the consolidated balance sheets. These loans are financed to the affiliated companies which sell farm equipment products in Japan and both the principal and interest have been fully collected by the contractual due date. The Company reviews the credit quality of these loan receivables based on relevant information about the ability of borrowers to service their debt. Since no negative factors in the borrowers' financial condition or collection status of receivables have been identified, these loan receivables are expected to be fully collectible by the Company. The credit risk of these loan receivables is primarily developed from the borrowers' business environment such as market demand of farm equipment products.

Other Receivables

The amounts of other receivables and related allowance were not material for the six months ended September 30, 2013 and at the year ended March 31, 2013.

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CREDIT LOSSES

An allowance for doubtful accounts and credit losses is established to cover probable losses arising from customers' inability to repay by type of receivables and region.

The allowance for doubtful accounts and credit losses on receivables which will probably not be collected is maintained at a level that is adequate to cover probable losses based on a combination of various factors, such as a customer's ability to repay and collateral values. The allowance for smaller-balance homogeneous receivables is collectively evaluated using reserve rates, which are calculated depending on the period past due, reflecting the collection status of these receivables, historical credit loss experience, economic trends and other factors. Historical collection trends, as well as prevailing and anticipated economic conditions, are routinely monitored by management, and any required adjustment to the allowance is reflected in current operations. Loan receivables from affiliated companies are individually evaluated based on the relevant information, such as historical credit loss experience, and economic trends and conditions.

When amounts due are determined to be uncollectible or the related collateral is repossessed, receivables and the related allowance are charged off. Repossessed assets are recorded at their estimated fair value less costs to sell and reported in other current assets on the consolidated balance sheets, which amounted to ¥372 million and ¥215 million at September 30, 2013 and March 31, 2013, respectively. Recoveries on receivables previously charged off as uncollectible are credited to the allowance for doubtful accounts and credit losses.

The following table presents the changes in allowance for doubtful accounts and credit losses and the recorded investments in finance receivables and long-term trade accounts receivable:

(¥ in millions)

Allowance for doubtful accounts and credit losses for the six months ended September 30, 2013:	Retail finance receivables	Finance lease receivables	Long-term trade accounts receivable	Total
Balance at beginning of year	¥ 697	¥ 7,608	¥ 594	¥ 8,899
Provision	402	2,013	57	2,472
Charge-offs	(736)	(481)	—	(1,217)
Recoveries	4	—	—	4
Other	24	(264)	—	(240)
Balance at end of period	¥ 391	¥ 8,876	¥ 651	¥ 9,918
Individually evaluated for impairment	28	—	468	496
Collectively evaluated for impairment	363	8,876	183	9,422
Recorded Investment at September 30, 2013:				
Balance at end of period	¥ 334,319	¥ 142,729	¥ 73,805	¥ 550,853
Individually evaluated for impairment	28	—	480	508
Collectively evaluated for impairment	334,291	142,729	73,325	550,345
Allowance for doubtful accounts and credit losses for the year ended March 31, 2013:				
Balance at beginning of year	¥ 679	¥ 4,218	¥ 1,027	¥ 5,924
Provision	345	2,212	(433)	2,124
Charge-offs	(423)	(50)	—	(473)
Recoveries	9	—	—	9
Other	87	1,228	—	1,315
Balance at end of year	¥ 697	¥ 7,608	¥ 594	¥ 8,899
Individually evaluated for impairment	393	—	415	808
Collectively evaluated for impairment	304	7,608	179	8,091
Recorded Investment at March 31, 2013:				
Balance at end of year	¥ 286,100	¥ 139,177	¥ 60,257	¥ 485,534
Individually evaluated for impairment	393	—	429	822
Collectively evaluated for impairment	285,707	139,177	59,828	484,712

Long-term trade accounts receivable in the table includes the current portion, which is included in trade accounts receivable on the consolidated balance sheets.

There is no related allowance for loan receivables from affiliated companies for the six months ended September 30, 2013 and for the year ended March 31, 2013.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The following table summarizes the carrying value and fair value of financial instruments:

(¥ in millions)

	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
At September 30, 2013:					
Financial assets:					
Finance receivables—net	¥ 333,928	¥ —	¥ 332,603	¥ —	¥ 332,603
Long-term trade accounts receivable	73,154	—	76,865	—	76,865
Financial liabilities:					
Long-term debt	(400,713)	—	(398,460)	—	(398,460)
At March 31, 2013:					
Financial assets:					
Finance receivables—net	¥ 285,403	¥ —	¥ 285,934	¥ —	¥ 285,934
Long-term trade accounts receivable	59,663	—	63,532	—	63,532
Financial liabilities:					
Long-term debt	(365,450)	—	(365,260)	—	(365,260)

The fair value of finance receivables, long-term trade accounts receivable, and long-term debt is based on discounted cash flows using the current market rate. The carrying value of finance receivables—net in the table excludes finance leases. Long-term trade accounts receivable in the table includes the current portion, which is included in trade accounts receivable on the consolidated balance sheets. The carrying value of long-term debt in the table excludes capital lease obligations but includes the current portion, which is included in current portion of long-term debt on the consolidated balance sheets.

The carrying value of cash and cash equivalents, notes and accounts receivable and payable (excluding the current portion of long-term trade accounts receivable), short-term borrowings, and other current financial assets and liabilities approximate the fair value because of the short maturity of those instruments. The fair value measurements of these assets and liabilities are categorized into Level 2, except for cash which is categorized into Level 1. The carrying value and fair value of other investments and derivatives are disclosed in Note 7. FAIR VALUE MEASUREMENTS.

7. FAIR VALUE MEASUREMENTS

Assets and liabilities that are measured at fair value on a recurring basis

The following table presents the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis:

(¥ in millions)

	Level 1	Level 2	Level 3	Total
At September 30, 2013:				
Assets:				
Available-for-sale securities:				
Equity securities of financial institutions	¥ 54,843	¥ —	¥ —	¥ 54,843
Other equity securities	75,598	—	—	75,598
Derivatives:				
Foreign exchange contracts	—	498	—	498
Cross-currency swap contracts	—	595	—	595
Interest rate swap contracts	—	40	—	40
Cross-currency interest rate swap contracts	—	1,877	—	1,877
Total assets	¥ 130,441	¥ 3,010	¥ —	¥ 133,451
Liabilities:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 114	¥ —	¥ 114
Interest rate swap contracts	—	94	—	94
Cross-currency interest rate swap contracts	—	574	—	574
Total liabilities	¥ —	¥ 782	¥ —	¥ 782

At March 31, 2013:

Assets:

Available-for-sale securities:				
Equity securities of financial institutions	¥ 50,247	¥ —	¥ —	¥ 50,247
Other equity securities	67,716	—	—	67,716
Derivatives:				
Foreign exchange contracts	—	255	—	255
Cross-currency swap contracts	—	365	—	365
Total assets	¥ 117,963	¥ 620	¥ —	¥ 118,583

Liabilities:

Derivatives:				
Foreign exchange contracts	¥ —	¥ 3,373	¥ —	¥ 3,373
Interest rate swap contracts	—	147	—	147
Cross-currency interest rate swap contracts	—	3,649	—	3,649
Total liabilities	¥ —	¥ 7,169	¥ —	¥ 7,169

Available-for-sale securities are valued using a quoted price for identical instruments in active markets. Derivatives are valued using observable market inputs from major international financial institutions. The reconciliation to the line items presented in the consolidated balance sheets of available-for-sale securities and derivatives are disclosed in Note 3. OTHER INVESTMENTS and Note 8. DERIVATIVE FINANCIAL INSTRUMENTS, respectively.

Assets and liabilities that are measured at fair value on a nonrecurring basis

The assets and liabilities that are measured at fair value on a nonrecurring basis were not material at March 31, 2013.

There were no assets and liabilities that are measured at fair value on a nonrecurring basis for the six months ended September 30, 2013.

8. DERIVATIVE FINANCIAL INSTRUMENTS

(1) Risk Management Policy

The Company is subject to market rate risks due to fluctuation of foreign currency exchange rates and interest rates. The Company manages these risks by using derivative financial instruments in accordance with established policies and procedures. The Company does not use derivative financial instruments for trading purposes. The credit risks associated with these instruments are not considered to be significant since the counterparties are financial institutions with high creditworthiness and the Company does not anticipate any such losses.

(2) Foreign Currency Exchange Risks

The Company's foreign currency exposure relates primarily to its foreign currency denominated assets in its international operations. The Company entered into foreign exchange forward contracts, foreign currency option contracts (collectively "foreign exchange contracts"), cross-currency swap contracts, and cross-currency interest rate swap contracts which are designated to mitigate its exposure to foreign currency exchange risks.

(3) Interest Rate Risks

The Company is exposed to interest rate risks mainly inherent in its debt obligations with both fixed and variable rates. In order to hedge these risks, the Company uses interest rate swap contracts and cross-currency interest rate swap contracts to change the characteristics of its fixed and variable rate exposures.

(4) Cash Flow Hedges

The accounting treatments of changes in the fair value of foreign exchange contracts, interest rate swap contracts and cross-currency interest rate swap contracts depend on whether derivatives are designated as cash flow hedges. The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges are reported in accumulated other comprehensive income (loss). As for foreign exchange contracts related to forecasted intercompany transactions, the amounts are subsequently reclassified into earnings when unrelated third party transactions occur. In the case of interest rate swap contracts, the amounts are reclassified into earnings when the related interest expense is recognized. In the case of cross-currency interest rate swap contracts, the amounts are reclassified into earnings through interest expense and foreign exchange gain (loss) when the related earning is recognized. The unrecognized net loss (net of tax) of approximately ¥15 million on derivatives included in accumulated other comprehensive income (loss) at September 30, 2013 will be reclassified into earnings within the next 12 months. The ineffective portion of changes in the fair value of derivatives is immediately recorded in earnings.

(5) Derivatives Not Designated as Hedging Instruments

The Company uses derivatives not designated as cash flow hedges in certain relationships, such as a part of foreign exchange contracts, cross-currency swap contracts, interest rate swap contracts, and cross-currency interest rate swap contracts, for economic purposes. Changes in the fair value of derivatives not designated are reported in earnings immediately.

(6) Fair Values of Derivative Instruments and Income Effect of Derivative Instruments

The following table presents fair values of derivative instruments:

(¥ in millions)

	Other current assets		Other assets — Other		Other current liabilities		Other long-term liabilities		
	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013	
Derivatives designated as hedging instruments:									
Interest rate swap contracts	¥ 40	¥ —	¥ —	¥ —	¥ 65	¥ 96	¥ 10	¥ 23	
Total derivatives designated as hedging instruments	¥ 40	¥ —	¥ —	¥ —	¥ 65	¥ 96	¥ 10	¥ 23	
Derivatives not designated as hedging instruments:									
Foreign exchange contracts	¥ 498	¥ 255	¥ —	¥ —	¥ 114	¥ 3,373	¥ —	¥ —	
Cross-currency swap contracts	424	223	171	142	—	—	—	—	
Interest rate swap contracts	—	—	—	—	18	25	1	3	
Cross-currency interest rate swap contracts	886	—	991	—	574	1,981	—	1,668	
Total derivatives not designated as hedging instruments	¥ 1,808	¥ 478	¥ 1,162	¥ 142	¥ 706	¥ 5,379	¥ 1	¥ 1,671	
Total	¥ 1,848	¥ 478	¥ 1,162	¥ 142	¥ 771	¥ 5,475	¥ 11	¥ 1,694	

The following table presents income effects of derivatives:

(¥ in millions)

Derivative instruments in cash flow hedges	Gain (Loss) recognized in other comprehensive Income and realized in net Income, before tax		
	Effective portion recognized in OCI	Consolidated statements of income line item	Effective portion reclassified from accumulated OCI to net income
For the six months ended September 30, 2013:			
Interest rate swap contracts	¥ 31	Interest expense	¥ (53)
Total	¥ 31		¥ (53)
For the six months ended September 30, 2012:			
Interest rate swap contracts	¥ 35	Interest expense	¥ (152)
Total	¥ 35		¥ (152)

(¥ in millions)

	Gain (Loss) recognized in net Income, before tax	
	Consolidated statements of income line item	Gain (Loss) recognized in net income
Derivative instruments not designated as hedging instruments		
For the six months ended September 30, 2013:		
Foreign exchange contracts	Foreign exchange loss—net	¥ (3,194)
Cross-currency swap contracts	Foreign exchange loss—net	203
Interest rate swap contracts	Other—net	2
Cross-currency interest rate swap contracts	Other—net	3,025
Total		¥ 36
For the six months ended September 30, 2012:		
Foreign exchange contracts	Foreign exchange loss—net	¥ 3,639
Cross-currency swap contracts	Foreign exchange loss—net	(125)
Interest rate swap contracts	Other—net	(2)
Cross-currency interest rate swap contracts	Other—net	492
Total		¥ 4,004

(¥ in millions)

	Gain (Loss) recognized in other comprehensive Income and realized in net Income, before tax		
	Effective portion recognized in OCI	Consolidated statements of income line item	Effective portion reclassified from accumulated OCI to net income
Derivative instruments in cash flow hedges			
For the three months ended September 30, 2013:			
Interest rate swap contracts	¥ (50)	Interest expense	¥ (46)
Total	¥ (50)		¥ (46)
For the three months ended September 30, 2012:			
Interest rate swap contracts	¥ 112	Interest expense	¥ (95)
Total	¥ 112		¥ (95)

(¥ in millions)

	Gain (Loss) recognized in net Income, before tax	
	Consolidated statements of income line item	Gain (Loss) recognized in net income
Derivative instruments not designated as hedging instruments		
For the three months ended September 30, 2013:		
Foreign exchange contracts	Foreign exchange gain—net	¥ (102)
Cross-currency swap contracts	Foreign exchange gain—net	(284)
Interest rate swap contracts	Other—net	(1)
Cross-currency interest rate swap contracts	Other—net	(23)
Total		¥ (410)
For the three months ended September 30, 2012:		
Foreign exchange contracts	Foreign exchange gain—net	¥ 1,913
Cross-currency swap contracts	Foreign exchange gain—net	(335)
Interest rate swap contracts	Other—net	7
Cross-currency interest rate swap contracts	Other—net	(1,037)
Total		¥ 548

The amount of gain or loss related to the hedging ineffectiveness was not material.

9. PLEDGED ASSETS

Assets pledged as collateral are comprised of the following:

(¥ in millions)

	September 30, 2013	March 31, 2013
Trade notes	¥ 131	¥ 71
Trade accounts	569	1,054
Short-term finance receivables	18,976	15,880
Other current assets ^{*1}	709	612
Long-term finance receivables	41,527	37,129
Property, plant, and equipment	967	2,116
Total	¥ 62,879	¥ 56,862

^{*1} Other current assets represent the restricted cash which is pledged as collateral in accordance with the terms of borrowing.

The above assets were pledged against the following liabilities:

(¥ in millions)

	September 30, 2013	March 31, 2013
Short-term borrowings	¥ 1,031	¥ 1,407
Current portion of long-term debt	16,717	13,970
Long-term debt	37,169	33,072
Total	¥ 54,917	¥ 48,449

10. RETIREMENT AND PENSION PLANS

The following table presents the components of the total net periodic benefit cost:

(¥ in millions)			
For the six months ended September 30:			
		2013	2012
Service cost	¥	3,715	¥ 3,489
Interest cost		1,499	1,733
Expected return on plan assets		(1,911)	(1,618)
Amortization of prior service benefit		(370)	(404)
Amortization of actuarial loss		540	3,063
Total	¥	3,473	¥ 6,263

(¥ in millions)			
For the three months ended September 30:			
		2013	2012
Service cost	¥	1,865	¥ 1,745
Interest cost		749	866
Expected return on plan assets		(956)	(810)
Amortization of prior service benefit		(186)	(202)
Amortization of actuarial loss		270	1,531
Total	¥	1,742	¥ 3,130

11. SUPPLEMENTAL EXPENSE INFORMATION

(1) Reserch and Development Expenses, Advertising Costs, Shipping and Handling Costs, and Depreciation and Amortization

The following table presents the amounts of research and development expenses, advertising costs, shipping and handling costs, and depreciation and amortization included in cost of revenues and selling, general, and administrative expenses:

(¥ in millions)			
For the six months ended September 30:			
		2013	2012
Research and development expenses	¥	16,922	¥ 15,231
Advertising costs		5,368	3,861
Shipping and handling costs		26,869	21,506
Depreciation and amortization		16,722	13,292

(¥ in millions)			
For the three months ended September 30:			
		2013	2012
Research and development expenses	¥	8,843	¥ 7,868
Advertising costs		2,832	2,052
Shipping and handling costs		14,287	11,350
Depreciation and amortization		8,192	7,087

(2) Other Operating Expenses

Other operating expenses for the six months ended September 30, 2013 included a loss from sales and disposals of fixed assets of ¥178 million.

Other operating expenses for the six months ended September 30, 2012 included a loss from impairment of long-lived assets of ¥297 million.

Other operating expenses for the three months ended September 30, 2013 included a loss from sales and disposals of fixed assets of ¥115 million.

Other operating expenses for the three months ended September 30, 2012 included a loss from sales and disposals of fixed assets of ¥129 million.

12. NET INCOME ATTRIBUTABLE TO KUBOTA CORPORATION PER COMMON SHARE

The following table presents the numerator and the denominator to calculate Net income attributable to Kubota Corporation per common share—basic:

For the six months ended September 30:	2013	2012
Net income attributable to Kubota Corporation (¥ in millions)	¥67,404	¥ 31,255
Weighted average number of shares (in thousands)	1,255,934	1,255,936

For the three months ended September 30:	2013	2012
Net income attributable to Kubota Corporation (¥ in millions)	¥ 36,557	¥ 15,177
Weighted average number of shares (in thousands)	1,255,927	1,255,931

There are no potentially dilutive shares outstanding for the six months ended September 30, 2013 and 2012.

13. OTHER COMPREHENSIVE INCOME (LOSS)

In February 2013, the Financial Accounting Standards Board (the “FASB”) issued a new accounting standard related to the presentation for the net income effects of amounts reclassified out of accumulated other comprehensive income. This standard requires entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component as well as to present, either on the face of the statement of income or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The standard is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2012 and was adopted by the Company on April 1, 2013. The adoption of this standard did not have a material impact on the Company’s consolidated financial statements.

The following table presents the components of other comprehensive income (loss) attributable to Kubota Corporation and noncontrolling interests—net of tax:

(¥ in millions)

	2013			2012		
	Kubota Corporation	Non-controlling interests	Total	Kubota Corporation	Non-controlling interests	Total
For the six months ended September 30:						
Foreign currency translation adjustments	¥ 12,546	¥ (16)	¥ 12,530	¥ (14,584)	¥ (2,044)	¥ (16,628)
Unrealized gains (losses) on securities	8,622	349	8,971	(8,299)	57	(8,242)
Unrealized gains on derivatives	53	—	53	122	—	122
Pension liability adjustments	2	7	9	1,526	120	1,646
Other comprehensive income (loss)	¥ 21,223	¥ 340	¥ 21,563	¥ (21,235)	¥ (1,867)	¥ (23,102)

(¥ in millions)

	2013			2012		
	Kubota Corporation	Non-controlling interests	Total	Kubota Corporation	Non-controlling interests	Total
For the three months ended September 30:						
Foreign currency translation adjustments	¥ (700)	¥ (51)	¥ (751)	¥ (3,261)	¥ 226	¥ (3,035)
Unrealized gains (losses) on securities	4,962	205	5,167	(1,975)	25	(1,950)
Unrealized gains (losses) on derivatives	(4)	—	(4)	134	—	134
Pension liability adjustments	(8)	3	(5)	761	57	818
Other comprehensive income (loss)	¥ 4,250	¥ 157	¥ 4,407	¥ (4,341)	¥ 308	¥ (4,033)

The following table presents the changes in the accumulated balances for each component of accumulated other comprehensive income attributable to the Company:

(¥ in millions)

	2013				
	Foreign currency translation adjustments	Unrealized gains (losses) on securities	Unrealized gains (losses) on derivatives	Pension liability adjustments	Total
For the six months ended September 30:					
Beginning balance	¥ (22,650)	¥ 35,127	¥ (76)	¥ (17,377)	¥ (4,976)
Other comprehensive income (loss) before reclassification	12,546	10,340	20	(100)	22,806
Reclassification to net income	—	(1,718)	33	102	(1,583)
Net gain	12,546	8,622	53	2	21,223
Ending balance	¥ (10,104)	¥ 43,749	¥ (23)	¥ (17,375)	¥ 16,247

The following table presents the effect of the reclassifications out of accumulated other comprehensive income (loss) on the consolidated statements of income:

(¥ in millions)

	2013	
	Amount reclassified from accumulated other comprehensive income (loss)	Affected line item in the statement where net income is presented
For the six months ended September 30:		
Unrealized gains (losses) on securities	¥ (2,667)	Gain on sales of securities—net
	949	Income taxes—current
	(1,718)	Net income attributable to Kubota Corporation
Unrealized gains (losses) on derivatives	53	Interest expense
	(20)	Income taxes—current
	33	Net income attributable to Kubota Corporation
Pension liability adjustments	170	
	(61)	Income taxes—current
	109	Net income
	(7)	Net income attributable to noncontrolling interests
	102	Net income attributable to Kubota Corporation
Total	¥ (1,583)	

*1 Indicates decrease (increase) in the consolidated statements of income.

*2 Included in net periodic benefit costs (See Note 10. RETIREMENT AND PENSION PLANS)

(¥ in millions)

	2013	
	Amount reclassified from accumulated other comprehensive income (loss)	Affected line item in the statement where net income is presented
For the three months ended September 30:		
Unrealized gains (losses) on securities	¥ (2,333)	Gain on sales of securities—net
	830	Income taxes—current
	(1,503)	Net income attributable to Kubota Corporation
Unrealized gains (losses) on derivatives	46	Interest expense
	(17)	Income taxes—current
	29	Net income attributable to Kubota Corporation
Pension liability adjustments	84	
	(30)	Income taxes—current
	54	Net income
	(3)	Net income attributable to noncontrolling interests
	51	Net income attributable to Kubota Corporation
Total	¥ (1,423)	

*1 Indicates decrease (increase) in the consolidated statements of income.

*2 Included in net periodic benefit costs (See Note 10. RETIREMENT AND PENSION PLANS)

14. DIVIDENDS

(1) Dividends Paid

Resolution	Class of shares	Appropriation from	Cash dividend (¥ in millions)	Cash dividends per share	Record date	Effective date
The board of directors on May 10, 2013	Common stock	Retained earnings	¥11,307	¥9.00	March 31, 2013	June 24, 2013

(2) Dividends of which Record Date is in the Six Months Ended September 30, 2013 and of which Effective Date is After September 30, 2013

Resolution	Class of shares	Appropriation from	Cash dividends (¥ in millions)	Cash dividends per share	Record date	Effective date
The board of directors on November 8, 2013	Common stock	Retained earnings	¥12,563	¥10.00	September 30, 2013	December 2, 2013

15. COMMITMENTS AND CONTINGENCIES

(1) Guarantees

The Company is contingently liable as guarantor of the indebtedness of distributors including affiliated companies, and customers for their borrowings from financial institutions. The Company would have to perform under these guarantees in the event of default on a payment within the guarantee periods of one year to five years. The maximum potential amount of undiscounted future payments of these financial guarantees at September 30, 2013 was ¥10,849 million. The fair value of these financial guarantees is not material and the probability of incurrence of a loss is remote.

(2) Legal Proceedings

Since May 2007, the Company has been subject to 22 asbestos-related lawsuits in Japan, which were filed against the Company or defendant parties consisting of the Japanese Government and asbestos-related companies including the Company. The claims for compensation totaling ¥18,600 million consisted mostly of 18 lawsuits, which concerned a total of 479 construction workers who suffered from asbestos-related diseases, and were filed against the Japanese Government and 44 asbestos-related companies including the Company. The Company does not have any cost-sharing arrangements with other potentially responsible parties for these 22 lawsuits. The Company discloses the aggregate claimed amount of the above ¥18,600 million as the maximum within the reasonably possible range of loss because the expected loss will be between zero and the aggregate claimed amount. The Company is currently unable to develop an amount that appears at this time to be a better estimate than any other amount within the range.

Among the major 18 lawsuits, two district courts ruled in favor of 44 asbestos-related companies including the Company, but the plaintiff appealed the court ruling right after the judgment. Since the above cases will be also continued until the ultimate outcome will be made, the Company believes that the current progress of them have not provided any developments that would facilitate a better estimation for any of the above key assumptions.

(3) Matters Related to Health Hazard of Asbestos

The Company's plant in Amagasaki, Hyogo Prefecture, Japan, used to produce asbestos-related products in the past. The Company established the relief payment program in place of the consolation payment to the residents in April 2006. With regard to the current and former employees who suffered and are suffering from asbestos-related diseases, the Company provides the compensation which is not required by law but is made in accordance with the Company's internal policies.

With the establishment of the Law for the Relief of Patients Suffering from Asbestos-Related Diseases ("the New Asbestos Law") by the Japanese government, the contribution made by business entities includes a special contribution by the companies which operated a business closely related to asbestos, and commenced from the year ended March 31, 2008.

The Company expenses payments to certain residents who lived near the Company's plant and current and former employees when the Company determines that a payment is warranted.

The Company also accrues an estimated loss from asbestos-related matters by a charge to income if both of the

following conditions are met:

(a) It is probable that a liability has been incurred at the date of financial statements.

(b) The amount of loss can be reasonably estimated.

The Company has accrued balances for the asbestos-related expenses of ¥414 million and ¥440 million at September 30, 2013 and at March 31, 2013, respectively. The accrual includes possible payments to certain residents who lived near the Company's plant current and former employees, and the special contribution in accordance with the New Asbestos Law.

Though the Company is not certain if the claimants who are currently under review will meet the Company's specified criteria at the time of their filing claims with the Company, the Company accrued the possible payments calculated by using the historical designation rate of the Company's payment program since the payments to those claimants are considered to be probable. The Company believes it is not possible to reasonably estimate the number of residents who lived near the Company's plant and current and former employees will apply for payments in the future. Accordingly, such payments are not included in the accrued amounts as described above.

The Company believes it is not possible to reasonably estimate the possible loss or range of loss relating to this contingency.

Segment Information

KUBOTA Corporation and Subsidiaries

16. SEGMENT INFORMATION

The Company engages in various fields of business and industries by providing products and services which are categorized into the following three segments: Farm & Industrial Machinery; Water & Environment; and Other. The Farm & Industrial Machinery segment manufactures and distributes farm equipment, engines, and construction machinery. The Water & Environment segment manufactures and distributes 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). The Other segment includes construction, services, and other businesses.

The segments represent the components of the Company for which separate financial information is available that is utilized on a regular basis by the chief executive officer in determining how to allocate the Company's resources and evaluate performance. The segments also represent the Company's organizational structure principally based on the nature of products and services.

The accounting policies for the reporting segments are consistent with the accounting policies used in the Company's consolidated financial statements.

(1) Reporting Segments

Information by reporting segment is summarized as follows:

(¥ in millions)

For the six months ended September 30:	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
2013:					
Revenues:					
External customers	¥ 587,317	¥ 123,519	¥ 18,221	¥ —	¥ 729,057
Intersegment	27	2,862	10,674	(13,563)	—
Total	587,344	126,381	28,895	(13,563)	729,057
Operating income	¥ 102,953	¥ 6,875	¥ 761	¥ (10,265)	¥ 100,324
2012:					
Revenues:					
External customers	¥ 435,919	¥ 112,309	¥ 15,207	¥ —	¥ 563,435
Intersegment	30	2,431	8,881	(11,342)	—
Total	435,949	114,740	24,088	(11,342)	563,435
Operating income	¥ 59,782	¥ 5,284	¥ 621	¥ (9,995)	¥ 55,692

(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.

(¥ in millions)

For the three months ended September 30:	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
2013:					
Revenues:					
External customers	¥ 287,270	¥ 70,389	¥ 9,644	¥ —	¥ 367,303
Intersegment	14	2,070	5,732	(7,816)	—
Total	287,284	72,459	15,376	(7,816)	367,303
Operating income	¥ 53,580	¥ 4,315	¥ 585	¥ (5,246)	¥ 53,234
2012:					
Revenues:					
External customers	¥ 216,120	¥ 62,493	¥ 8,123	¥ —	¥ 286,736
Intersegment	16	1,574	4,956	(6,546)	—
Total	216,136	64,067	13,079	(6,546)	286,736
Operating income	¥ 25,994	¥ 2,645	¥ 426	¥ (4,878)	¥ 24,187

(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.

(2) Geographic Information

Information for revenues from external customers by destinations is summarized as follows:

(¥ in millions)

For the six months ended September 30:	2013	2012
Revenues from external customers by destinations:		
Japan	¥ 282,334	¥ 253,839
North America	181,483	133,960
Europe	85,920	54,616
Asia Outside Japan	154,135	100,560
Other Areas	25,185	20,460
Total	¥ 729,057	¥ 563,435

(Notes)

1. Revenues from North America include those from the United States of ¥156,995 million and ¥115,815 million for the six months ended September 30, 2013 and 2012, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

(¥ in millions)

For the three months ended September 30:	2013	2012
Revenues from external customers by destinations:		
Japan	¥ 156,135	¥ 136,290
North America	90,407	66,932
Europe	39,217	27,458
Asia Outside Japan	66,699	44,488
Other Areas	14,845	11,568
Total	¥ 367,303	¥ 286,736

(Notes)

1. Revenues from North America include those from the United States of ¥79,132 million and ¥57,789 million for the six months ended September 30, 2013 and 2012, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

17. SUBSEQUENT EVENTS

Not applicable

2. Other

On November 8, 2013, the Company's Board of Directors resolved to pay a cash dividend as follows:

1) Shareholders to be paid cash dividend

Shareholders of record on September 30, 2013

2) Year-end dividend

¥10 per common share, a total of ¥12,563 million

3) Effective date of claim of payment and start date of payment

December 2, 2013

PART . Information on Guarantors for the Company

Not applicable

COVER

[Document Filed]	Confirmation Letter
[Applicable law]	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act Japan
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	November 12, 2013
[Company Name]	Kabushiki Kaisha Kubota
[Company Name in English]	KUBOTA Corporation
[Title and Name of Representative]	Yasuo Masumoto, Representative Director, Chairman, President & CEO
[Title and Name of CFO]	Shigeru Kimura, Director and Managing Executive Officer
[Address of Head Office]	2-47, Shikitsuhigashi 1-chome, Naniwa-ku, Osaka, JAPAN
[Place Where Available for Public Inspection]	KUBOTA Corporation, Hanshin Office (1-1, Hama 1-chome, Amagasaki-shi, Hyogo, JAPAN) KUBOTA Corporation, Tokyo Head Office (1-3, Nihombashi-Muromachi 3-chome, Chuo-ku, Tokyo, JAPAN) KUBOTA Corporation, Chubu Regional Office (22-8, Meieki 3-chome, Nakamura-ku, Nagoya, JAPAN) Tokyo Stock Exchange, Inc (2-1, Nihombashi Kabutocho Chuo-ku, Tokyo, JAPAN)

1. Matters Related to Adequacy of Statements Contained in the Quarterly Report

Mr. Yasuo Masumoto, Representative Director, Chairman, President & CEO and Mr. Shigeru Kimura, Director and Managing Executive Officer confirmed that statements contained in the Quarterly Report for the second quarter of 124th fiscal year (from July 1, 2013 to September 30, 2013) were adequate under the Financial Instruments and Exchange Act of Japan.

2. Special Notes

None