

**CONVOCATION NOTICE FOR THE 125TH
ORDINARY GENERAL MEETING
OF SHAREHOLDERS**

This is a translation of a notice in Japanese
circulated to Japanese shareholders.

KUBOTA Corporation

OSAKA, JAPAN

To: Shareholders

CONVOCAATION NOTICE FOR THE 125th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs:

Kubota Corporation hereby notifies you that the 125th Ordinary General Meeting of Shareholders will be held as follows. Your attendance is respectfully requested.

Date and Time: 10:00 a.m. on Friday, June 19, 2015

Place: Convention Hall of Kubota Corporation
2-47, Shikitsuhashigashi 1-chome, Naniwa-ku Osaka, Japan

Matters for which the meeting is held:

Matters to be Reported:

1. Business report for the 125th period (from April 1, 2014 to March 31, 2015), the consolidated financial statements and the non-consolidated financial statements for the 125th period
2. The results of the audits of the consolidated financial statements by the Independent Auditors and by the Audit & Supervisory Board

Matters Requiring Resolutions:

1st Subject for Discussion:

Matters Concerning Amendment of a Part of the Articles of Incorporation

2nd Subject for Discussion:

Matters Concerning Election of 7 Directors

3rd Subject for Discussion:

Matters Concerning Election of 2 Audit & Supervisory Board Members

4th Subject for Discussion:

Matters Concerning Bonus Payments for Directors

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

When you attend the meeting, please present the enclosed voting instruction card to the receptionist at the meeting. Early arrival will be recommended because the reception desk will be crowded at the opening time of the meeting.

Any revision of the referential materials for the meeting, business report, or the consolidated financial statements and the non-consolidated financial statements will be posted on our following internet website (http://www.kubota-global.net/ir/sh_info/meeting/convocation.html)

Yours very truly,

木 股 昌 俊

Masatoshi Kimata
President and Representative Director
KUBOTA Corporation
2-47, Shikitsuhashigashi 1-chome,
Naniwa-ku Osaka, 556-8601 JAPAN

REFERENTIAL MATERIALS FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. Subjects for Discussion and Referential Materials

1st Subject for Discussion:

Matters Concerning Amendment of a Part of the Articles of Incorporation

1. Purposes of amendments

In order that the Kubota Group will strengthen and refine its financial reporting and management system throughout the world by aligning the accounting year of the Kubota Corporation (hereinafter, "KUBOTA") with its foreign subsidiaries, KUBOTA, at its Meeting of Board of Directors held on January 27, 2015, resolved the change in its accounting year from the accounting year of the 126th business term as follows;

Current: One year commencing on April 1 each year and ending on March 31 of the next following year.

After the change: One year commencing on January 1 each year and ending on December 31 of the same year.

Consequently, KUBOTA will make necessary amendments to the current Articles of Incorporation. In addition, as the 126th business term will be a nine-month period commenced on April 1, 2015 and ending on December 31, 2015, KUBOTA will add Supplementary Provisions in the Articles of Incorporation to settle a transitional measure related to these amendments.

2. Details of amendments

Details of the amendments are as described below.

(Underlining indicates portions changed.)

Current Articles	Proposed amendments to the Articles
<p>Article 13. (Convocation of General Meeting of Shareholders) An ordinary general meeting of shareholders shall be convened in <u>June</u> each year and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>Article 14. (Record date for ordinary general meeting of shareholders) The record date with respect to voting rights at an ordinary general meeting of shareholders shall be <u>March</u> 31 of each applicable year.</p> <p>Article 34. (Accounting Year) The accounting year of the Company shall be one (1) year commencing on <u>April</u> 1 each year and ending on <u>March</u> 31 of the <u>next following</u> year.</p> <p>Article 36. (Record date of dividend distribution of surplus) 1. The record date for dividend distribution of surplus for each accounting year shall be <u>March</u> 31 of each applicable year.</p> <p>Article 37. (Interim dividend) The Company may, by resolution of the Board of Directors, distribute interim dividends, the record date for which shall be <u>September</u> 30 each applicable year.</p> <p>[Newly established]</p>	<p>Article 13. (Convocation of General Meeting of Shareholders) An ordinary general meeting of shareholders shall be convened in <u>March</u> each year and an extraordinary general meeting of shareholders shall be convened whenever necessary.</p> <p>Article 14. (Record date for ordinary general meeting of shareholders) The record date with respect to voting rights at an ordinary general meeting of shareholders shall be <u>December</u> 31 of each applicable year.</p> <p>Article 34. (Accounting Year) The accounting year of the Company shall be one (1) year commencing on <u>January</u> 1 each year and ending on <u>December</u> 31 of the <u>same</u> year.</p> <p>Article 36. (Record date of dividend distribution of surplus) 1. The record date for dividend distribution of surplus for each accounting year shall be <u>December</u> 31 of each applicable year.</p> <p>Article 37. (Interim dividend) The Company may, by resolution of the Board of Directors, distribute interim dividends, the record date for which shall be <u>June</u> 30 each applicable year.</p> <p style="text-align: center;"><u>SUPPLEMENTARY PROVISIONS</u></p> <p><u>Article 1. (Accounting year of 126th business term)</u> <u>Notwithstanding the provision of Article 34, the accounting year of the 126th business term shall be a nine-month</u></p>

Current Articles	Proposed amendments to the Articles
	<p data-bbox="804 159 1374 226"><u>period commencing on April 1, 2015 and ending on December 31, 2015.</u></p> <p data-bbox="804 264 1390 331"><u>Article 2. (Record date of interim dividend for 126th business term)</u></p> <p data-bbox="804 333 1465 434"><u>Notwithstanding the provision of Article 37, the record date for interim dividends for the 126th business term shall be September 30, 2015.</u></p> <p data-bbox="804 472 1433 501"><u>Article 3. (Effective period of supplementary provisions)</u></p> <p data-bbox="804 504 1445 604"><u>The preceding two Articles and this Article shall remain in full force and effect until December 31, 2015, and shall be deleted after the passage of that date.</u></p>

2nd Subject for Discussion:

Matters Concerning Election of 7 Directors

The term of office of all 7 Directors of KUBOTA will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, it's proposed to elect 7 Directors of KUBOTA.

Among the candidates for Directors, Messrs. Yuzuru Matsuda and Koichi Ina are candidates for Outside Directors.

The candidates for Directors are as follows:

	Name	Current Positions at KUBOTA and Material Concurrent Positions
1 [Reappointment]	Masatoshi Kimata	President and Representative Director of Kubota Corporation
2 [Reappointment]	Toshihiro Kubo	Representative Director and Executive Vice President of Kubota Corporation, General Manager of CSR Planning & Coordination Headquarters, General Manager of Human Resources & General Affairs Headquarters, General Manager of Head Office
3 [Reappointment]	Shigeru Kimura	Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Planning & Control Headquarters
4 [Reappointment]	Kenshiro Ogawa	Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Manufacturing Engineering Headquarters, General Manager of Health & Safety Promotion Headquarters
5 [Reappointment]	Yuichi Kitao	Director and Senior Managing Executive Officer of Kubota Corporation, In charge of Farm & Industrial Machinery Domain, General Manager of Farm & Utility Machinery Division
6 [Reappointment]	Yuzuru Matsuda	Director of Kubota Corporation, President of Kato Memorial Bioscience Foundation, Director of BANDAI NAMCO Holdings, Inc.
7 [New Nomination]	Koichi Ina	Chairman of Daihatsu Motor Co., Ltd.

[Detailed information about each candidate]

	Name (Birthday) [Term of office]	Shares Ownership	Current Positions and Brief Occupational History (including important concurrent offices)	
1 [Reappointment]	Masatoshi Kimata (June 22, 1951) [3 years, at the conclusion of this meeting]	54,000 Shares	July 2014:	President and Representative Director of Kubota Corporation (to present)
			April 2014:	Representative Director and Executive Vice President of Kubota Corporation
			April 2013:	General Manager of Procurement Headquarters
			August 2012:	Administrative Officer- Corporate Staff, General Manager of Water Engineering & Solution Division
			June 2012:	Director and Senior Managing Executive Officer of Kubota Corporation
			April 2012:	In charge of Water & Environment Domain, General Manager of Tokyo Head Office
			August 2010:	President of SIAM KUBOTA Corporation Co., Ltd.
			July 2010:	Senior Managing Executive Officer of Kubota Corporation
			June 2009:	Managing Executive Officer of Kubota Corporation
			April 2009:	Director and Managing Executive Officer of Kubota Corporation
			April 2009:	Deputy General Manager of Farm & Industrial Machinery Consolidated Division, General Manager of Sales Headquarters in Farm & Industrial Machinery Consolidated Division
			April 2008:	Managing Director of Kubota Corporation
			April 2007:	Deputy General Manager of Sales Headquarters in Farm & Industrial Machinery Consolidated Division
			June 2005:	Director of Kubota Corporation
October 2001:	General Manager of Tsukuba Plant			
April 1977:	Joined Kubota Corporation			

2 [Reappointment]	Toshihiro Kubo (April 5, 1953) [4 years, at the conclusion of this meeting]	28,000 Shares	October 2014:	General Manager of CSR Planning & Coordination Headquarters (to present)
			July 2014:	Representative Director and Executive Vice President of Kubota Corporation (to present)
			April 2013:	Director and Senior Managing Executive Officer of Kubota Corporation
			April 2012:	General Manager of Human Resources & General Affairs Headquarters (to present)
			June 2011:	Director and Managing Executive Officer of Kubota Corporation
			April 2011:	Managing Executive Officer of Kubota Corporation
			June 2010:	In charge of Secretary Dept. and Corporate Communications Dept.
			April 2010:	General Manager of Head Office (to present)
			April 2010:	In charge of Personnel Dept., Secretary & Public Relations Dept., General Affairs Dept. and Tokyo Administration Dept.
			June 2009:	Executive Officer of Kubota Corporation
			April 2009:	Director and Executive Officer of Kubota Corporation
			April 2009:	Deputy General Manager of Water & Environment Systems Consolidated Division, General Manager of Water & Environment Systems, Social Infrastructure Business Promotion Headquarters, Water & Environment Systems, Social Infrastructure Production Control Dept.
			June 2007:	Director of Kubota Corporation
			June 2007:	General Manager of Coordination Dept. in Water, Environment & Infrastructure Consolidated Division and Production Control Headquarter in Water, Environment & Infrastructure Consolidated Division
3 [Reappointment]	Shigeru Kimura (September 10, 1953) [3 years, at the conclusion of this meeting]	24,000 Shares	October 2005:	General Manager of Planning Dept. in Ductile Iron Pipe Division
			April 1979:	Joined Kubota Corporation
			April 2014:	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
			October 2013:	General Manager of Corporate Planning & Control Dept.
			June 2012:	Director and Managing Executive Officer of Kubota Corporation
			April 2011:	Managing Executive Officer of Kubota Corporation
			October 2010:	General Manager of Planning & Control Headquarters (to present)
			June 2009:	Executive Officer of Kubota Corporation
			April 2009:	Director and Executive Officer of Kubota Corporation
			April 2009:	In charge of Corporate Planning & Control Dept. (assistant)
4 [Reappointment]	Kenshiro Ogawa (July 23, 1953) [1 year, at the conclusion of this meeting]	39,000 Shares	June 2008:	Director of Kubota Corporation
			December 2002:	General Manager of Finance & Accounting Dept.
			April 1977:	Joined Kubota Corporation
			April 2015:	General Manager of Manufacturing Engineering Headquarters. (to present)
			July 2014:	General Manager of Procurement Headquarters
			June 2014:	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
			April 2014:	Senior Managing Executive Officer of Kubota Corporation
			January 2013:	General Manager of Health & Safety Promotion Headquarters (to present)

			April 2012:	General Manager of Quality Assurance & Manufacturing Headquarters
			April 2011:	General Manager of Construction Machinery Division and General Manager of Construction Machinery Planning and Coordinate Dept.
			April 2011:	Managing Executive Officer of Kubota Corporation
			April 2010:	General Manager of Sakai Plant
			June 2009:	Executive Officer of Kubota Corporation
			April 2009:	Director and Executive Officer of Kubota Corporation
			June 2007:	Director of Kubota Corporation
			April 2007:	General Manager of Tsukuba Plant and General Manager of Production Engineering Center of Emission in Manufacturing Headquarters in Farm & Industrial Machinery Consolidated Division
			April 1979:	Joined Kubota Corporation
5 [Reappointment]	Yuichi Kitao (July 15, 1956) [1 year, at the conclusion of this meeting]	38,000 Shares	April 2015:	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
			April 2015:	In charge of Farm & Industrial Machinery Domain (to present)
			June 2014:	Director and Managing Executive Officer of Kubota Corporation
			October 2013:	General Manager of Farm & Utility Machinery Division (to present)
			October 2013:	General Manager of Farm & Utility Machinery International Operations Headquarters
			April 2013:	Managing Executive Officer of Kubota Corporation
			January 2011:	President of Kubota Tractor Corporation
			April 2009:	Executive Officer of Kubota Corporation
			April 2009:	General Manager of Tractor Division
			April 2005:	General Manager of Tractor Engineering Dept.
			April 1979:	Joined Kubota Corporation
6 [Reappointment, Candidate for Independent Director defined by the TSE and Outside Director]	Yuzuru Matsuda (June 25, 1948) [1 year, at the conclusion of this meeting]	0 Shares	June 2014:	Director of Kubota Corporation (to present)
			June 2014:	Director of BANDAI NAMCO Holdings, Inc. (to present)
			June 2012:	President of Kato Memorial Bioscience Foundation (to present)
			March 2012:	Senior Advisor of Kyowa Hakko Kirin Co., Ltd.
			October 2008:	President and Chief Executive Officer of Kyowa Hakko Kirin Co., Ltd.
			June 2003:	President and Chief Operating Officer of Kyowa Hakko Kogyo Co., Ltd.
			June 2002:	Managing Director of Kyowa Hakko Kogyo Co., Ltd.
			June 2002:	Director of Corporate Planning Department
			June 2000:	Executive Officer of Kyowa Hakko Kogyo Co., Ltd.
			June 2000:	Executive Director of Pharmaceutical Research Institute
			June 1999:	Director of Drug Discovery Research Laboratories, Pharmaceutical Research Institute in Fuji Plant of Kyowa Hakko Kogyo Co., Ltd.
			April 1977:	Joined Kyowa Hakko Kogyo Co., Ltd. (currently, Kyowa Hakko Kirin Co., Ltd.)
7 [New nomination, Candidate for Independent Director defined by the TSE and Outside Director]	Koichi Ina (May 6, 1948) [-]	0 Shares	June 2013:	Chairman of Daihatsu Motor Co., Ltd. (to present)
			June 2010:	President of Daihatsu Motor Co., Ltd.
			June 2009:	Director and Executive Vice President of Daihatsu Motor Co., Ltd.
			June 2009:	Advisor of Toyota Motor Corporation
			June 2007:	Director and Senior Managing Director of Toyota Motor Corporation

		June 2007:	General Manager of Manufacturing Group, General Manager of Production Planning Group of Toyota Motor Corporation
		June 2006:	Plant General Manager, Miyoshi Plant of Toyota Motor Corporation
		June 2005:	Plant General Manager, Takaoka Plant, Plant General Manager, Tsutsumi Plant of Toyota Motor Corporation
		June 2004:	Plant General Manager, Myochi Plant of Toyota Motor Corporation
		June 2003:	Managing Officer of Toyota Motor Corporation
		June 2003:	General Manager of Global Production Center of Toyota Motor Corporation
		June 2002:	Plant General Manager, Honsha Plant, Plant General Manager, Motomachi Plant of Toyota Motor Corporation
		June 2002:	Director of Toyota Motor Corporation
		April 1973:	Joined Toyota Motor Corporation

Notes:

- No conflict of interest exists between KUBOTA and the above candidates for Directors.
- The term of office shows most recent consecutive number of years served as a director at the conclusion of 125th Meeting.
- Mr. Yuzuru Matsuda served as President of Kyowa Hakko Kirin Co., Ltd. listed on the first section of the Tokyo Stock Exchange (hereinafter the "TSE") for a long time. Therefore, KUBOTA expects him to give advice on the globalization, corporate management and strategy through his wealth of experience and considerable insight, and nominates him as a candidate for Outside Director. KUBOTA has no business transaction with Kyowa Hakko Kirin Co., Ltd. He attended all 11 meetings of the Board of Directors after his appointment on June 20, 2014. KUBOTA executed the agreement, which limited the liability for damages, pursuant to the provisions of Article 427, Paragraph 1 of the Corporate Law of Japan with him. However, the maximum amount of the liability under the agreement is the minimum liability amount prescribed by the relevant laws or regulations. Upon the approval of his election pursuant to this subject for discussion, KUBOTA will continue this agreement with him. KUBOTA has reported to the TSE that he has been an Independent Director defined by the TSE. In November 2013, Kubota Agri Service Corporation was investigated by the Japan Fair Trade Commission (hereinafter the "JFTC") due to the violation of the Antimonopoly Act in Japan relating to the receiving contract of cooperative drying facilities from Japan Agricultural Cooperatives. Thereafter, in March 2015, Kubota Agri Service Corporation received a cease and desist order and a surcharge payment order from the JFTC, and KUBOTA also received a surcharge payment order from the JFTC. With this matter, he stated that the company shall contract and enhance compliance system, and prevent the recurrence of such violation in a group-wide.
- Mr. Koichi Ina served as the plant and manufacturing manager in TOYOTA Motor Corporation, and has also served as both President and Chairman of Daihatsu Motor Co., Ltd. Therefore, KUBOTA expects him to give advice on the globalization, corporate management and strategy through his wealth of experience and considerable insight, and nominates him as a candidate for Outside Director. KUBOTA has no business transaction with Daihatsu Motor Co., Ltd. Upon the approval of his election pursuant to this subject for discussion, KUBOTA will execute the agreement, which limit the liability for damages, pursuant to the provisions of Article 427, Paragraph 1 of the Corporate Law of Japan with him. However, the maximum amount of the liability under the agreement shall be the minimum liability amount prescribed by the relevant laws or regulations. KUBOTA will report to the TSE that he will be an Independent Director defined by the TSE.

3rd Subject for Discussion:

Matters Concerning Election of 2 Audit & Supervisory Board Members

The term of office for 2 Audit & Supervisory Board Members of KUBOTA will expire at the conclusion of the 125th Ordinary General Meeting of Shareholders. Accordingly, it's proposed to elect 2 Audit & Supervisory Board Members.

Consent for this subject has been obtained from the Audit & Supervisory Board.

Messrs. Yuzuru Matsuda and Teruo Suzuki are candidates for Outside Audit & Supervisory Board Members.

The candidates for Audit & Supervisory Board Members are as follows:

	Name (Birthday)	Shares Ownership	Brief Occupational History (including important concurrent offices)	
1 [New nomination, Candidate for Independent Audit & Supervisory Board Member defined by the TSE and Outside Audit & Supervisory Board Member]	Akira Morita (January 15, 1949)	0 Shares	March 2005:	Attorney at law of Osaka Bar Association (to present)
			March 2005:	Visiting attorney at law of Miyake & Partners Law Firm (to present)
			April 2004:	Professor of Law, Doshisha Law School (to present)
			October 2003:	Attorney at law of Kyoto Bar Association
			April 1991:	Professor of Law, Graduate school of Law, Doshisha University (to present)
			April 1991:	Professor of Law, Faculty of Law, Doshisha University
			April 1987:	Professor of law, Graduate school of Law, Kobe Gakuin University
			April 1987:	Professor of Law, Faculty of Law, Kobe Gakuin University
2 [New nomination, Candidate for Independent Audit & Supervisory Board Member defined by the TSE and Outside Audit & Supervisory Board Member]	Teruo Suzuki (October 21, 1949)	0 Shares	June 2012:	Audit & Supervisory Board Member of Kao Corporation (to present)
			September 2011:	Partner of KPMG AZSA LLC
			June 2010:	Deputy Managing Partner of AZSA & Co. (currently, KPMG AZSA LLC)
			June 2006:	Executive Board Member of AZSA & Co.
			June 2004:	Board Member of AZSA & Co.
			June 2003:	Board Member of Asahi & Co. (currently, KPMG AZSA LLC)
			June 1993:	Representative Partner of Asahi & Co.
			April 1989:	Representative Partner of Eiwa Audit Corporation (currently, KPMG AZSA LLC)
			August 1978:	Registered as a Certified Public Accountant of Japan
April 1973:	Joined Tokyo branch of Arthur Andersen & Co.			

Notes:

- No conflict of interest exists between KUBOTA and the above candidates for Audit & Supervisory Board Members.
- Mr. Akira Morita has a wealth of experience and considerable insight as the professional of laws and regulations, especially the Corporate Law and the Financial Instruments and Exchange Act of Japan. Therefore, KUBOTA expects him to enhance company's auditing procedures through his expert viewpoint, and nominates him as a candidate for Outside Audit & Supervisory Board Member. KUBOTA has no business transactions with Doshisha University and Miyake & Partners.
- Mr. Teruo Suzuki has a wealth of experience and considerable insight regarding accounting and finance, especially generally accepted accounting principles in the United States of America and International Financial Reporting Standards as the Certified Public Accountant. Therefore, KUBOTA expects him to enhance company's auditing procedures through professional viewpoint, and nominates him as a candidate for Outside Audit & Supervisory Board Member. KUBOTA has no business transaction with KPMG AZSA LLC.
- Upon the approval of the election pursuant to this subject for discussion, KUBOTA will execute the agreement, which limit the liability for damages, pursuant to the provisions of Article 427, Paragraph 1 of the Corporate Law of Japan with Messrs. Yuzuru Matsuda and Teruo Suzuki. However, the maximum amount of the liability under the agreement shall be the minimum liability amount prescribed by the relevant laws or regulations.
- KUBOTA will report to the TSE that Messrs. Yuzuru Matsuda and Teruo Suzuki will be Independent Audit & Supervisory Board Members defined by the TSE.

4th Subject for Discussion:

Matters Concerning Bonus Payments for Directors

KUBOTA will pay Directors' bonuses (¥172.1 million) for 5 Directors (excluding Outside Directors) at the end of the fiscal year ended March 31, 2015, in consideration of results of operations for the fiscal year ended March 31, 2015.

The amount for each Director shall be decided by the Board of Directors.

End of documents

REFERENTIAL MATERIALS FOR THE MATTERS TO BE REPORTED

BUSINESS REPORT FOR THE 125TH PERIOD

(FROM APRIL 1, 2014 TO MARCH 31, 2015)

1. Item of Overview of Operations

(1) Review of Operations

1) General Condition of Kubota Corporation and Subsidiaries

For the year ended March 31, 2015, Kubota Corporation and its subsidiaries (hereinafter, the “Company”) revenues and operating income recorded the historical high. The positive impact of favorable market trends in the Europe and North America, yen depreciation, and Company-wide marketing activities exceeded the negative impact of dropped sales of farm equipment in domestic markets and slower business growth in Asia outside Japan.

For the year ended March 31, 2015, revenues of the Company increased by ¥78.3 billion [5.2%] from the prior year, to ¥1,586.9 billion. In the domestic market, revenues decreased from the prior year. Domestic revenues in Farm & Industrial Machinery decreased due to a substantial decline in sales of farm equipment, while sales of construction machinery and engines steadily increased. Revenues in Water & Environment products related to public works spending slightly decreased. Overseas revenues in Farm & Industrial Machinery rose significantly due to continuing economic recovery in North America and recovery in demand for construction machinery in Europe. Revenues in Asia outside Japan were higher than in the prior year, as the revenues in Thailand exceeded the prior year revenues at the second half, and sales in some countries in Southeast Asia and India increased. However, sales in China were weak. Revenues in Water & Environment also expanded mainly in the Middle East. As a result, the ratio of overseas revenues to consolidated revenues was 64.6%, 6.9 percentage points higher than in the prior year.

Operating income increased by ¥1.7 billion [0.8%] from the prior year, to ¥204.1 billion. Operating income in Farm & Industrial Machinery decreased as the impact of increased revenues in overseas markets and the effects of yen depreciation could not offset the negative impact of decreased revenues in Japan. Operating income in Water & Environment increased due to expansion of exports and higher product prices. Operating income in Other decreased slightly from the prior year.

Income before income taxes and equity in net income of affiliated companies, equivalent to operating income plus other income of ¥7.1 billion, amounted to ¥211.3 billion, which was almost the same as that of in the prior year. Income taxes were ¥61.2 billion, and equity in net income of affiliated companies was ¥1.7 billion. Furthermore, after deduction of net income attributable to non-controlling interests of ¥11.8 billion, net income attributable to Kubota Corporation was ¥140.0 billion, ¥8.4 billion [6.3%] higher than in the prior year.

2) Review of Operations by Reporting Segments

(a) Farm & Industrial Machinery

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

Revenues in this segment increased by 5.4% from the prior year, to ¥1,215.0 billion, and accounted for 76.6% of consolidated revenues.

Domestic revenues decreased by 22.6%, to ¥257.6 billion. Sales of farm equipment showed a substantial decline owing to an adverse reaction to the special demand prior to Japan’s consumption tax hike in the prior fiscal year and the decline in rice prices. However, revenues in construction machinery and engines increased due to demand for reconstruction work and an increase in public works spending.

Overseas revenues increased by 16.7%, to ¥957.4 billion. In North America, as economic recovery trends continued, sales of tractors remained steady due to market expansion and other factors. Sales of construction machinery and engines increased due to market expansion in the civil engineering and construction industry along with steady demand in the housing market. Revenues in Europe rose significantly because of increased sales of

tractors, construction machinery and engines owing to the effect of yen depreciation, the bottoming out of the economy and business expansion in Central and Eastern Europe, including Poland. Revenues in Asia outside Japan were higher than in the prior year due to increased sales of farm equipment in some countries in Southeast Asia and India. However, sales in China were weak due to the temporary suspension of subsidies for our products.

(b) 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 5.2% from the prior year, to ¥343.3 billion, and accounted for 21.6% of consolidated revenues.

Domestic revenues decreased by 0.6%, to ¥275.7 billion. Revenues from environment-related products and social infrastructure-related products increased, while revenues from pipe-related products, such as ductile iron pipes, decreased. Overseas revenues increased by 38.1%, to ¥67.6 billion owing to increased sales of ductile iron pipes and industrial castings.

(c) Other

Other is comprised of services and other business.

Revenues in this segment decreased by 2.1% from the prior year, to ¥28.7 billion, and accounted for 1.8% of consolidated revenues.

Revenues by Reporting Segment

	<u>Revenues</u> (in billions of yen*)	<u>Percentage</u> Change	<u>Percentage of</u> total Revenues
Farm & Industrial Machinery	1,215.0	+5.4 %	76.6 %
Water & Environment	343.3	+5.2	21.6
Other	28.7	-2.1	1.8
Total	1,586.9	+5.2	100.0

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

3) Capital Expenditures

The Company made capital expenditures totaling ¥50.7 billion during the fiscal year under review, including investments in new establishment of overseas manufacturing facility for large-scale tractors for upland farming and investments to respond manufacturing of new products.

4) Financing

Funds for capital expenditures were obtained mainly from the Company's internal resources. On the other hand, funds for sales finance were obtained mainly from borrowings.

(2) Initiatives of the Company Going Forward

The Company has designated “Priority Onsite” and “Customer First Principle” as its highest priority measures. By steadily implementing a growth strategy with a medium-to-long-term perspective and maximizing synergies within the Kubota Group, the Company aims to be a “sustainable company” that continues to develop in the long-term. To realize this aim, the Company is implementing the following strategies.

1) Steadily Develop Strategic Businesses

The Company will develop its business activities by expanding its presence in the farm machinery market for upland farming as the core of its growth strategy. In the European and North American markets, the Company has thus far pursued a number of measures to reach this objective. These have included the development of large-scale products that can take their place along with the products of the world’s leading manufacturers of farm equipment, expansion of its sales and service network, and acquisition of an upland farming implement manufacturer. From the 126th business term, the Company is launching large-scale, 170 hp tractors and will make a full-scale entry into the farm machinery market for upland farming. With this as a beginning, the Company is further expanding its product lineup and taking initiatives to ensure product quality, cost, and delivery that will surpass other companies in the field and thereby position it as one of the major players in the farm equipment business. Also, in the emerging markets, the Company is focusing its resources on farm machinery for upland farming, which is expected to be a growth business. The Company will launch a series of new products that have been developed with its approach of being an integral part of the markets it supplies. The Company will also work to attain growth in the overall farm equipment business, through collaboration with farm equipment for rice paddy cultivation, where continued market expansion is expected.

In the North American construction machinery market, the Company will introduce a skid-steer loader and work toward substantial expansion in this market as an all-round manufacturer of small construction machinery with a full product lineup. In addition, the Company will work toward further expansion, even in the farm equipment markets, through collaboration with large-scale farm equipment such as 170 hp tractors.

In the Water & Environment business, the Company will review its approach to its development in the Asian markets. In these businesses, the Company has generated some results in individual projects, including its success in obtaining an order for all related facilities in the Thilawa Special Economic Zone in Myanmar and expansion in exports of ductile iron pipes to the Middle East, but the Company is still short of initiatives that will allow it to demonstrate the comprehensive capabilities of the Kubota Group. Looking ahead, the Company will sharpen the focus of its activities on the regions, technologies, and products that it should aim for, and, in the Water & Environment business as a whole, it will switch to a cross-divisional mode of development that will draw on the strengths of the Kubota Group, including the Farm & Industrial Machinery business as a whole. This will enable the Company to attain its objective of making a substantive contribution to improving the water and environment in Asia.

2) Globalize All Aspects of Management

With an eye to substantial expansion in international business operations, the Company will review and restructure its R&D activities. This will include clarifying the roles of R&D centers in Japan and overseas and moving forward with the expansion of domestic R&D locations, which are the core of these activities. The Company will also proceed to augment and strengthen R&D personnel and facilities in its overseas centers, as these R&D functions become increasingly important along with closer ties to regional markets.

In production, based on the basic policy of regional production for regional consumption in overseas markets, the Company will continue to expand its overseas production. To support these initiatives, the Company will promptly establish its “Kubota Production Method,” which will involve making major cost reductions through the complete elimination of all wastes. In procurement, the Company will expand its global procurement activities through strengthening its capabilities for local procurement in the emerging countries, and work toward optimal procurement from a long-term perspective.

In management, for the pursuit of continuous and steady growth as a global company, the Company will align the fiscal year-end among the Kubota Group and promote the integrated business operation as a whole. The Company will strengthen and refine its consolidated management system and make its operation more efficient through this alignment. Also, as the Company proceeds with business expansion, it will always keep in mind the need to maintain sound financial management. In this connection, the Company will work to maintain its working capital at optimal levels through the strengthening of asset administration, while working to improve cash flows and further strengthen its financial position.

3) Increase Profitability in the Water & Environment Business

In the Water & Environment business, rather than aiming for expansion in sales, for the time being, the Company will give priority to improving profitability and eliminating deficits in a few unprofitable sections. To strengthen competitiveness in global markets, the Company will aim to maximize profits in domestic businesses through reducing manufacturing costs and other expenses. In businesses that are reporting losses, the Company will confirm the viability of business at the individual product level. For those products that have no prospects for recovery in profitability, the Company will include withdrawal from those businesses as an option, and formulate appropriate measures. In addition, the Company will focus on finding synergies within the Kubota Group and implement organizational reforms that will contribute to this.

4) Revitalize the Farm Equipment Business in Japan

Conditions in the domestic agriculture machinery market have remained difficult since the fiscal year ended March 31, 2015. This has not been due to such temporary factors as the consumption tax hike, and can be understood by looking at such factors as the continuing decline in rice consumption, the decline in the number of farming households, and the demographic aging of the agricultural population and other structural factors. Looking to the future, the Company will proceed to respond forcefully to these structural changes. The Company will exert its fullest energies to revitalizing the domestic farm equipment business, which is its base business, by concentrating marketing activities and providing Company-wide support for business activities. In addition, not only focusing on sales promotion of machinery, but also, the Company will work actively to strengthen its service capabilities, propose such new methods of operation as “smart agriculture”, and support the development of agriculture as a sixth sector with an eye to processing and marketing of agricultural crops. Through comprehensive contributions to the revitalization of agriculture in Japan, the Company will work toward the expansion of agriculture-related businesses, including peripheral businesses.

5) Issues Upon Which the Company Should Implement Countermeasures

(Actions for the health hazard of asbestos)

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

Initiatives to date

- Relief payment

The Company has established “Relief Payment System for the Asbestos-Related Patients and the Family Members of the Deceased near the Former Kanzaki Plant” on April 17, 2006 and paid the relief payments to 276 parties up to March 31, 2015.

- Actions for medical support for asbestos-related diseases

The Company has paid a contribution to Hyogo College of Medicine for the purpose of medical treatment and research of asbestos-related diseases, which was allocated for the year ended March 31, 2015.

The world economy is expected to be far from optimism. While the U.S. economy continues to grow moderately, the European economies, even supported by monetary-easing policies, still inherent several risk factors, and slower economic growth becomes obvious in the Asian economy. In Japan, sustainable growth can not be optimistically expected since a reaction from Japan's consumption tax hike has not been eliminated yet even with improvement in cooperate performance thanks to the yen depreciation and higher stock prices. The company also expects to face fierce competition due to the slump of the domestic agricultural machinery market and challenge for a new field in an overseas market, Nevertheless, the Company intends to attain further increase of its corporate value through long-term growth and development by steadily implementing the previously mentioned initiatives.

We aim to establish a Kubota brand as a world major brand in long-term objectives; we look forward to the continuing support of you, our shareholders, in the years ahead.

(3) The Financial Position and the Results of Operations

1) Consolidated Financial Summary

Fiscal year (Business term)	Year ended March 31, 2011 (121st)	Year ended March 31, 2012 (122nd)	Year ended March 31, 2013 (123rd)	Year ended March 31, 2014 (124th)	Year ended March 31, 2015 (125th)
Revenues (in billions of yen)	946.8	1,021.6	1,210.6	1,508.6	1,586.9
Operating income (in billions of yen)	88.5	103.2	121.4	202.4	204.1
Income before income taxes and equity in net income of affiliated companies (in billions of yen)	94.3	99.8	127.2	211.3	211.3
Net income attributable to Kubota Corporation (in billions of yen)	56.8	61.3	78.1	131.7	140.0
Net income attributable to Kubota Corporation per common share (in yen) (Basic)	44.66	48.54	62.15	104.94	112.07
Total assets (in billions of yen)	1,398.4	1,550.7	1,846.6	2,104.7	2,476.8
Total equity (in billions of yen)	697.8	732.4	852.0	1,000.6	1,179.4
Kubota Corporation shareholders' equity (in billions of yen)	648.7	674.4	793.3	934.8	1,101.0
Kubota Corporation shareholders' equity per common share (in yen)	510.09	536.97	631.64	748.00	883.84
Ratio of net income attributable to Kubota Corporation to shareholders' equity (%)	8.9	9.3	10.6	15.2	13.8

Notes:

1. The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.
2. Net income attributable to Kubota Corporation per common share is calculated based on the weighted average number of outstanding common shares for the period. Shareholders' equity per common share is calculated based on the number of outstanding common shares at the end of the period. These per common share amounts have been calculated after deducting the number of shares of treasury stock.
3. Kubota Corporation shareholders' equity per common share is calculated based on total amount of Kubota Corporation shareholders' equity in consolidated balance sheets.
4. The amounts are rounded off to the nearest ¥0.1 billion except per common share amounts and per common share amounts are rounded off to the nearest ¥0.01.
5. Beginning with the 124th business term, the Company has aligned the reporting periods of certain subsidiaries and affiliated companies with different financial statement closing dates to that of Kubota Corporation. To reflect the impact of these changes, the Company has retrospectively adjusted its consolidated financial statements for the prior years.

2) Financial Summary (Non-consolidated)

Fiscal year (Business term)	Year ended March 31, 2011 (121st)	Year ended March 31, 2012 (122nd)	Year ended March 31, 2013 (123rd)	Year ended March 31, 2014 (124th)	Year ended March 31, 2015 (125th)
Net sales (in billions of yen)	565.0	622.8	674.7	765.3	776.5
Operating income (in billions of yen)	28.7	35.2	51.1	75.4	66.9
Ordinary income (in billions of yen)	33.8	41.6	63.8	99.8	92.7
Net income (in billions of yen)	20.5	29.7	41.8	66.4	65.9
Net income per common share (in yen) (Basic)	16.11	23.52	33.30	52.97	52.76
Total assets (in billions of yen)	719.2	798.1	882.6	953.2	1,007.5
Total net assets (in billions of yen)	432.8	438.8	479.5	521.4	558.5
Net assets per common share (in yen)	340.27	349.30	381.71	417.10	448.27

Notes:

1. Net income per common share is calculated based on the weighted average number of outstanding common shares for the period. Net assets per common share is calculated based on the number of

- outstanding common shares at the end of the period. These per common share amounts have been calculated after deducting the number of shares of treasury stock.
2. The amounts are rounded down to the nearest ¥0.1 billion except per common share amounts and per common share amounts are rounded down to the nearest ¥0.01.

(4) Material Subsidiaries and Affiliated Companies (As of March 31, 2015)

	Name	Issued capital	Percentage of voting shares	Major operations
(Subsidiaries)				
Japan	Kubota Credit Co., Ltd.	¥0.5 billion	73.0 【18.0】	Retail financing to purchasers of farm equipment and related products in Japan
	Kubota-C.I. Co., Ltd.	¥3.0 billion	70.0	Manufacturing and sales of plastic pipes and fittings
North America	Kubota U.S.A., Inc.	US\$167 million	100.0	Administration of subsidiaries in the U.S.A.
	Kubota Tractor Corporation	US\$37 million	100.0 【100.0】	Sales of tractors, small-sized construction machinery and related products in the U.S.A.
	Kubota Credit Corporation U.S.A.	US\$8 million	100.0 【90.0】	Retail financing to purchasers of tractors, construction machinery and related products in the U.S.A.
	Kubota Manufacturing of America Corporation	US\$10 million	100.0 【100.0】	Manufacturing of small-sized tractors, lawn mowers and utility vehicles
	Kubota Industrial Equipment Corporation	US\$70 million	100.0 【100.0】	Manufacturing of tractors and implements for tractors
	Kubota Engine America Corporation	US\$10 million	100.0 【100.0】	Sales, engineering and after-sales service of engines, engine parts and engine accessories
	Kubota Canada Ltd.	Can\$6 million	100.0	Sales of tractors, engines, small-sized construction machinery and other machinery in Canada
	Kubota Materials Canada Corporation *	Can\$15 million	100.0	Manufacturing and sales of cast steel products in North America
Europe	Kubota Europe S.A.S.	EUR11 million	100.0	Sales of tractors, engines and small-sized construction machinery in Europe, mainly in France
	Kubota Baumaschinen GmbH	EUR14 million	100.0	Manufacturing and sales of small-sized construction machinery in Europe, mainly in Germany
	Kverneland AS	EUR17 million	100.0 【100.0】	Manufacturing and sales of agricultural implements
Asia and Middle East	Kubota China Holdings Co., Ltd.	RMB 1,701 million	100.0	Administration of subsidiaries in China
	Kubota Agricultural Machinery (Suzhou) Co., Ltd.	RMB 170 million	100.0 【100.0】	Manufacturing and sales of combine harvesters, rice transplanters, tractors and parts in China
	Kubota Construction Machinery (Wuxi) Co., Ltd.	RMB 289 million	100.0 【100.0】	Manufacturing small-sized construction machinery in China
	Kubota China Financial Leasing Ltd.	RMB 527 million	100.0 【100.0】	Finance leasing of Kubota products centering on farm equipment and construction machinery
	SIAM KUBOTA Corporation Co., Ltd.	THB 2,739 million	60.0	Manufacturing and sales of tractors, combine harvesters, implement, horizontal type diesel engines, power tillers and other machinery in Thailand and neighboring countries
	Siam Kubota Leasing Co., Ltd.	THB 2,000 million	100.0 【100.0】	Retail financing to purchasers of tractors and combine harvesters
	SIAM KUBOTA Metal Technology Co., Ltd.	THB 900 million	100.0 【100.0】	Manufacturing of casting parts for tractors and engines

	Kubota Engine (Thailand) Co., Ltd.	THB 1,400 million	100.0	Manufacturing of diesel engines mounted on tractors and combine harvesters of Kubota and diesel engines for external customers
	Kubota Saudi Arabia Company, LLC	SAR 56 million	51.0	Manufacturing and sales of reformer & cracking tubes for Middle East, North Africa and Europe
(Affiliated Company)				
Japan	KMEW Co., Ltd.	¥8.0 billion	50.0	Manufacturing and sales of roofing and siding materials

Notes:

1. Figures inside【 】represents ratio of indirect holding shares to total shares of each subsidiary, which is included in total percentage of voting shares described above 【 】.
2. As of March 31, 2015, the company had 156 (including above 22 companies), decrease of 6 companies from the prior year.
3. Consolidated financial results of fiscal year ended March 31, 2015 are described in “1. Item of Overview of Operations, (1) Review of Operations”.

(5) Main Line of Business (As of March 31, 2015)

1) Main Line of Business

The Company is conducting its businesses in three fields: "Farm & Industrial Machinery", "Water & Environment" and "Other".

Farm & Industrial Machinery		
	Farm equipment	Tractors, Tillers, Power tillers, Combine harvesters, Reaper binders, Harvesters, Rice transplanters
	Ancillary tools and Implements for Agriculture	Implements, Attachments, Rice dryers, Mowers, Pesticide sprayers, Vegetable production equipments, Rice mills, Refrigerators, Electric carts, Automatic rice cookers and other equipment for agricultural use
	Farm facilities	Cooperative drying facilities, Gardening facilities, Joint collecting, sorting and forwarding facilities for fruits and vegetables, Rice mill plants, Farming sheds
	Outdoor power equipment	Lawn and garden equipment, Lawn mowers, Utility vehicles
	Engines	Engines (for farming, construction, industrial machinery and generators)
	Construction machinery	Mini excavators, Wheel loaders, Compact track loaders, Carriers, Power shovels, Generators and other construction machinery related products
Water & Environment		
	Pipe-related Products	Ductile iron pipes, Plastic pipes (Unplasticized polyvinyl chloride pipes, Polyethylene pipes, Fittings and accessories), Pumps (Furnishing and commissioning of pumping equipment for water supply, sewerage, irrigation and various fields), Valves (for water supply and sewerage systems, etc.), Small scale hydraulic power generating facilities, Cast-iron drainage pipes, Single stack drain fittings, Design and construction of water supply and sewerage systems, engineering works and architecture
	Environment-related Products	Waste water treatment equipments and plants, Water purification facilities, Sludge incineration and melting plants, Membrane solutions (Submerged membrane systems for night-soil and wastewater purification), Membrane methane fermentation units, Flue gas desulfurization systems, Waste shredding, sorting and recycling plants, Waste incinerating and melting plants, Night-soil treatment plants, Johkasou systems (Septic tanks), Bathtubs
	Social Infrastructure-related Products	Reformer and cracking tubes, Hearth rolls, G-Columns, G-Piles, Rolls for steel mills, Ceramics, TXAX (friction materials), Spiral welded steel pipes (Steel pipe pile, Steel pipe sheet pile), Vending machines (for drinks and cigarettes), Scales, Weighing and measuring control systems, Air-conditioning equipment
Other		
	Services, Roofing and siding materials	

2) Violation of the Antimonopoly Act in Japan of the Cooperative Drying Facilities Business

In March 2015, Kubota Agri Service Corporation received a cease and desist order and a surcharge payment order on violation of the Antimonopoly Act in Japan relating to the receiving contract of cooperative drying facilities from Japan Agricultural Cooperatives, from the JFTC. KUBOTA also received a surcharge payment order.

Because of this, KUBOTA decided to close down of the cooperative drying facilities business for an unlimited period and implement strict measures for President, all executive officers, and parties involved in the incident. Prior to the above, KUBOTA conducted an internal investigation by the Investigation Committee, which consisted of external attorneys. Based on the results of investigation, KUBOTA expanded power of Internal Risk Management Committee, reviewed audit procedures and system, and conducted thorough education toward employees.

The company takes it very seriously that we have caused such situation despite its efforts in promoting compliance management, and will strive to prevent a recurrence and to recover trust with serious reflection.

(6) Main Offices and Factories (As of March 31, 2015)

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

Main Subsidiaries and Affiliated Companies (Location)

Farm & Industrial Machinery	Japan	18 domestic sales companies of farm equipment Kubota Agri Service Corporation (Osaka, Japan) KUBOTA Construction Machinery Japan Corporation (Amagasaki, Japan) Kubota Credit Co., Ltd. (Osaka, Japan) Kubota Farm & Industrial Machinery Service Ltd. (Sakai, Japan)
	North America	Kubota U.S.A., Inc. (U.S.A.) Kubota Tractor Corporation (U.S.A.) Kubota Credit Corporation U.S.A. (U.S.A.) Kubota Manufacturing of America Corporation (U.S.A.) Kubota Industrial Equipment Corporation (U.S.A.) Kubota Engine America Corporation (U.S.A.) Kubota Canada Ltd. (Canada)
	Europe	Kubota Europe S.A.S. (France) Kubota Baumaschinen GmbH (Germany) Kubota (Deutschland) GmbH (Germany) Kubota(U.K.) Ltd. (U.K.) Kverneland AS (Norway)
	Asia outside Japan	Kubota Agricultural Machinery (Suzhou) Co., Ltd. (China) Kubota Construction Machinery (Wuxi) Co., Ltd. (China) SIAM KUBOTA Corporation Co., Ltd. (Thailand) Siam Kubota Leasing Co., Ltd. (Thailand) SIAM KUBOTA Metal Technology Co.,Ltd. (Thailand) Kubota Engine (Thailand) Co., Ltd. (Thailand)
	Australia	Kubota Tractor Australia Pty Ltd. (Australia)
	Water & Environment	Japan
North America		Kubota Materials Canada Corporation (Canada)
Middle East		Kubota Saudi Arabia Company, LLC (Kingdom of Saudi Arabia)
Other	Japan	Kubota Construction Co., Ltd. (Osaka, Japan) KMEW Co., Ltd. (Osaka, Japan)
	Asia outside Japan	Kubota China Holdings Co., Ltd. (China) Kubota China Financial Leasing Ltd. (China)

(7) Employees (As of March 31, 2015)

	Number of employees	Change from previous period
Consolidated:	35,487	+1,642
Non-consolidated:	10,679	+292

(8) Main Financing Bank (As of March 31, 2015)

Name	Balance of the loan
Sumitomo Mitsui Banking Corporation	¥100.2 billion
Mizuho Bank, Ltd.	¥87.9 billion
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥84.7 billion
Sumitomo Mitsui Trust Bank, Ltd.	¥76.2 billion

2. Item on Shares of Kubota Corporation

(1) Stock Data (As of March 31, 2015)

1) Total Number of Authorized Common Shares:	1,874,700,000 shares
2) Total Number of Common Shares Outstanding:	1,246,219,180 shares (including 129,631 shares of treasury stock)

* Because KUBOTA retired Common Shares on March 31, 2015, total number of Common Shares Outstanding decreased 4,000,000 from the prior year-end.

3) Number of Shareholders: 31,598

4) Number of Shares Constituting One Full Unit of Shares of Kubota Corporation Shall be One Thousand.

5) Principal Shareholders (Top 10)

Name	Number of Shares (thousand of shares)	Percentage of Issued Shares
The Master Trust Bank of Japan, Ltd. (Trust Account)	120,500	9.67
Japan Trustee Services Bank, Ltd. (Trust Account)	63,073	5.06
Nippon Life Insurance Company	62,542	5.01
Meiji Yasuda Life Insurance Company	59,929	4.80
Sumitomo Mitsui Banking Corporation	45,006	3.61
Mizuho Bank, Ltd.	45,006	3.61
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account)	21,282	1.70
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	18,156	1.45
State Street Bank and Trust Company 505223	15,322	1.22
The Bank of New York Mellon SA/NV 10	15,034	1.20

Note: Percentage of issued shares is calculated excluding treasury stock on March 31, 2015.

(2) Purchase, Sale and Possession of Treasury Stock

1) Total Amount of Shares Purchased during This Fiscal Year

Total number of treasury stock purchased:	4,046,159 common shares
Total amount of treasury stock purchased:	¥7,817,535,918

Notes:

(a) Total amount of treasury stock purchased, pursuant to the resolutions of at the Meeting of Board of Directors

Total number of treasury stock purchased:	4,007,000 common shares
Total amount of treasury stock purchased:	¥7,754,528,000

(b) Total amount of shares purchased less than the minimum unit

Total number of shares purchased:	39,159 common shares
Total amount of shares purchased:	¥63,007,918

2) Total Amount of Shares Sold Less than the Minimum Unit during This Fiscal Year

Total number of shares sold:	853 common shares
Total amount of shares sold:	¥1,349,365

3) Total Amount of Shares Retired during This Fiscal Year

Total number of shares retired:	4,000,000 common shares
Date of retirement:	March 31, 2015

4) Total Number of Treasury Stock on March 31, 2015:

(Total number of treasury stock on March 31, 2014: 129,631 of common shares
84,325 of common shares)

3. Item of Directors, Audit & Supervisory Board Members and Executive Officers of KUBOTA

(1) Name of Directors and Audit & Supervisory Board Members (As of March 31, 2015)

<u>Title</u>	<u>Name</u>	<u>Responsibilities and important concurrent offices</u>
President and Representative Director	Masatoshi Kimata	
Representative Director and Executive Vice President	Toshihiro Kubo	General Manager of CSR Planning & Coordination Headquarters, General Manager of Human Resources & General Affairs Headquarters, General Manager of Head Office
Director and Senior Managing Executive Officer	Shigeru Kimura	General Manager of Planning & Control Headquarters
Director and Senior Managing Executive Officer	Kenshiro Ogawa*	General Manager of Procurement Headquarters, General Manager of Quality Assurance & Manufacturing Headquarters, General Manager of Health & Safety Promotion Headquarters
Director and Managing Executive Officer	Yuichi Kitao*	General Manager of Farm & Utility Machinery Division
Director	Yukitoshi Funo*	Senior Advisor to the Board of Toyota Motor Corporation, Representative Director of the Institute for International Economic Studies, Audit & Supervisory Board Member of Hino Motors, Ltd., Audit & Supervisory Board Member of Aich Steel Corporation
Director	Yuzuru Matsuda*	President of Kato Memorial Bioscience Foundation, Director of BANDAI NAMCO Holdings, Inc.
Audit & Supervisory Board Member	Satoru Sakamoto*	Full-time
Audit & Supervisory Board Member	Toshikazu Fukuyama*	Full-time
Audit & Supervisory Board Member	Masaharu Kawachi	Full-time
Audit & Supervisory Board Member	Akira Negishi	Attorney, Professor of Konan Law School
Audit & Supervisory Board Member	Ryoji Sato	Certified Public Accountant, Professor of Waseda Graduate School of Accountancy

Notes:

- Messrs. Yukitoshi Funo and Yuzuru Matsuda are Outside Directors.
- Messrs. Masaharu Kawachi, Akira Negishi, and Ryoji Sato are Outside Audit & Supervisory Board Members.
- KUBOTA reported to the TSE that all Outside Directors and Outside Audit & Supervisory Board Members of KUBOTA are independent directors/auditors (Audit & Supervisory Board Members) defined by the TSE.
- Mr. Ryoji Sato, an Outside Audit & Supervisory Board Member of KUBOTA, is a Certified Public Accountant and has an adequate knowledge regarding accounting and finance including generally accepted accounting principles in the United States of America.
- KUBOTA has no special relationship with Toyota Motor Corporation, the Institute for International Economic Studies, Hino Motors, Ltd., and Aich Steel Corporation of which Mr. Yukitoshi Funo currently holds an important post.
KUBOTA has no special relationship with Kato Memorial Bioscience Foundation and BANDAI NAMCO Holdings, Inc., of which Mr. Yuzuru Matsuda currently holds an important post.
- Changes of Directors and Audit & Supervisory Board Members during the fiscal year ended March 31, 2015
 - Persons indicated by an asterisk (*) in the above table, were newly elected at the 124th Ordinary General Meeting of Shareholders held on June 20, 2014 and assumed their offices.
 - Representative Director, Chairman, President & CEO of KUBOTA, namely Mr. Yasuo Masumoto left by his passing on June 4, 2014 and Directors of KUBOTA, namely Messrs. Tetsuji Tomita, Satoru Sakamoto, and Yuzuru Mizuno retired at the conclusion of the 124th Ordinary General Meeting of Shareholders held on June 20, 2014. Audit & Supervisory Board Members of KUBOTA, namely Messrs. Hirokazu Nara and Hiroshi Shiaku resigned at the conclusion of the 124th Ordinary General Meeting of Shareholders held on June 20, 2014.
- KUBOTA had changed title and responsibilities and principal position of Directors as follows on April 1, 2015.

<u>Title</u>	<u>Name</u>	<u>Responsibilities and principal position</u>
Director and Senior Managing Executive Officer	Kenshiro Ogawa	General Manager of Manufacturing Engineering Headquarters,

		General Manager of Health & Safety Promotion Headquarters
Director and Senior Managing Executive Officer	Yuichi Kitao	In charge of Farm & Industrial Machinery Domain, General Manager of Farm & Utility Machinery Division

8. KUBOTA appointed Executive Officers as follows on April 1, 2015.

Executive Officers indicated by an asterisk (*) in the below table were newly appointed on April 1, 2015.

Executive Officers (on April 1, 2015)

<u>Title</u>	<u>Name</u>	<u>Responsibilities and important concurrent offices</u>
Senior Managing Executive Officer	Satoshi Iida	General Manager of Research & Development Headquarters, General Manager of Water & Environment R&D
Senior Managing Executive Officer	Shinji Sasaki	General Manager of Engine Division
Managing Executive Officer	Yujiro Kimura	In charge of Water & Environment Domain, General Manager of Pipe Systems Division
Managing Executive Officer	Hiroshi Matsuki	General Manager of Water & Environment Business Promotion Headquarters, Deputy General Manager of Human Resources & General Affairs Headquarters, General Manager of Tokyo Head Office
Managing Executive Officer	Kunio Suwa	Deputy General Manager of CSR Planning & Coordination Headquarters
Managing Executive Officer	Toshihiko Kurosawa	General Manager of Water Engineering & Solution Division
Managing Executive Officer	Hiroshi Kawakami	President of SIAM KUBOTA Corporation Co.,Ltd.
Managing Executive Officer	Yoshiyuki Fujita	Deputy General Manager of Planning & Control Headquarters, General Manager of Corporate Planning & Control Dept.
Managing Executive Officer	Hironobu Kubota	President of Kubota Manufacturing of America Corporation, President of Kubota Industrial Equipment Corporation
Managing Executive Officer	Masato Yoshikawa	President of Kubota Tractor Corporation
Executive Officer	Taichi Ito	Deputy General Manager of Human Resources & General Affairs Headquarters
Executive Officer	Kaoru Hamada	General Manager of Materials Division, General Manager of Material Center
Executive Officer	Junji Ogawa	Deputy General Manager of Planning & Control Headquarters
Executive Officer	Yasuo Nakata	General Manager of Quality Assurance Headquarters
Executive Officer	Kazuhiro Kimura	General Manager of Electronic Equipped Machinery Division
Executive Officer	Dai Watanabe	President of Kverneland AS
Executive Officer	Haruyuki Yoshida	General Manager of Farm & Industrial Machinery International Operations Headquarters
Executive Officer	Takao Shomura	General Manager of Procurement Headquarters
Executive Officer	Yuji Tomiyama	Deputy General Manager of Farm and Utility Machinery Division
Executive Officer	Kazunari Shimokawa	General Manager of Construction Machinery Division
Executive Officer	Mutsuo Uchida	General Manager of Pipe Systems Business Unit
Executive Officer	Nobuyuki Ishii	President of Kubota Europe S.A.S.
Executive Officer	Kazuhiro Shinabe*	Deputy General Manager of Water Engineering & Solution Division, General Manager of Water Engineering & Solution Business Unit
Executive Officer	Ryuichi Minami*	President of Kubota Agricultural Machinery (SUZHOU) Co.,Ltd.
Executive Officer	Yoshimitsu Ishibashi*	General Manager of Farm Machinery Japan Operation, President and Representative Director of Kubota Agri Service Corporation

(2) Remuneration for Directors and Audit & Supervisory Board Members

<u>Title</u>	<u>Number</u>	<u>Total</u>
Director	12	¥ 504 million (including ¥ 25 million for 4 Outside Directors)
Audit & Supervisory Board Member	7	¥ 111 million (including ¥ 49 million for 3 Outside Audit & Supervisory Board Members)

Notes:

1. The above remuneration for Directors and Audit & Supervisory Board Members includes remuneration for 1 Director of KUBOTA who left his office on June 4, 2014, 4 Directors (including 2 Outside Directors) and 2 Audit & Supervisory Board Members who left their offices at the end of the 124th Ordinary General Meeting of Shareholders held on June 20, 2014.
2. Remuneration for Directors includes ¥172 million of bonuses for Directors to be proposed on the 125th Ordinary General Meeting of Shareholders.

(3) Policy for Determination of Remuneration and its Calculation Method for Directors and Audit & Supervisory Board Members

The remuneration for Directors is determined at the Meeting of Board of Directors in consideration of operating result, compensation levels of other companies, wage level of employees, and the report of the Compensation Council within the range of remuneration amounts resolved by the General Meeting of Shareholders. The Compensation Council is composed of representative directors excluding the President and Executive Officers in charge of indirect departments. The report of the Compensation Council is submitted to the Meetings of the Board of Directors after approval of President.

The remuneration for Audit & Supervisory Board Members is determined by agreement of the Audit & Supervisory Board within the range of remuneration amounts resolved by the General Meeting of Shareholders.

(4) Activity Report for Outside Directors and Outside Audit & Supervisory Board Members

<u>Position</u>	<u>Name</u>	<u>Their Activities</u>
Director	Yukitoshi Funo	Mr. Yukitoshi Funo attended all 11 Meetings of Board of Directors after his assuming office on June 20, 2014. He made use of considerable experience and extensive knowledge of business management, and expressed opinions about corporate management based on viewpoint of business management and business strategy.
Director	Yuzuru Matsuda	Mr. Yuzuru Matsuda attended all 11 Meetings of Board of Directors after his assuming office on June 20, 2014. He made use of considerable experience and extensive knowledge of business management, and expressed opinions about corporate management based on viewpoint of business management and business strategy.
Audit & Supervisory Board Member	Masaharu Kawachi	Mr. Masaharu Kawachi, who is an Audit & Supervisory Board Member (full-time), attended all 14 Meetings of Board of Directors and all 14 Meetings of Audit & Supervisory Board. He expressed opinions based on long experience in corporate administration and management and wide-ranging viewpoint. He also attended the regular meetings with Representative Directors and expressed opinions.
Audit & Supervisory Board Member	Akira Negishi	Mr. Akira Negishi attended 12 Meetings of Board of Directors (out of 14 meetings) and all 14 Meetings of Audit & Supervisory Board. He expressed opinions based on long experience of legal scholar and expert viewpoint. He also attended the regular meetings with Representative Directors and expressed opinions.
Audit & Supervisory Board Member	Ryoji Sato	Mr. Ryoji Sato attended 12 Meetings of Board of Directors (out of 14 meetings) and all 14 Meetings of Audit & Supervisory Board, and expressed opinions based on considerable experience as Certified Public Accountant and professional viewpoint, regarding accounting and financial matters, including generally accepted accounting principles in the United States of America. He also attended the regular meetings with Representative Directors and expressed opinions.

In March 2015, Kubota Agri Service Corporation received a cease and desist order and a surcharge payment order on violation of the Antimonopoly Act in Japan relating to the receiving contract of cooperative drying facilities, from the JFTC, and KUBOTA also received a surcharge payment order from the JFTC. Each Outside Audit & Supervisory Board Members did not recognize it until the facts were known, but they usually proposed thorough compliance during the Meeting of Board of Directors. And after the facts were known, they expressed opinions and suggested that the company shall contract and enhance compliance system, and prevent the recurrence of such violation in a group-wide. Each Outside Director assumed the office after the incident occurred, but they expressed opinions and suggested that the Company needed to focus on establishing/promoting its compliance system and making efforts to prevent a recurrence in a group-wide.

(5) Overview of Agreements on Limitation of Liabilities of Outside Directors and Outside Audit & Supervisory Board Members

KUBOTA executed agreements, which limited the liability for damages, pursuant to the provisions of Article 427, Paragraph 1 of the Corporate Law with all Outside Directors and all Outside Audit & Supervisory Board Members. The maximum amount of the liability under such agreements shall be the minimum liability amount prescribed by the relevant laws or regulations.

4. Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation for the Independent Auditor for the Fiscal Year Ended March 31, 2015

1) Amount of compensation provided for the fiscal year ended March 31, 2015	¥ 210 million
2) Total amount of cash and other financial benefits payable by Kubota Corporation and its subsidiaries to the Independent Auditor	¥ 233 million

Notes:

1. The compensation for auditing are not divided into the compensation related to the Corporate Law and the compensation related to the Financial Instruments and Exchange Act of Japan in the audit contract between KUBOTA and the Independent Auditor, and it cannot be divided into the two portions. Therefore, the amount 1) described above is a total amount of the two portions.
2. KUBOTA paid fees to the Independent Auditor for the support services related to consultations on accounting and finance, which are not services specified in Article 2 Paragraph 1 of the Certified Public Accountant Act.
3. Kubota Tractor Corporation and other 19 principal subsidiaries are audited by independent auditors different from the Independent Auditor of KUBOTA.

(3) Policies for Determining Dismissal or Non-Reelection of Independent Auditor

In the case that dismissal of the accounting auditor is valid pursuant to any provisions of Article 340, Paragraph 1 of the Corporate Law, the Audit & Supervisory Board may dismiss the accounting auditor with the approval of all Audit & Supervisory Board Members.

In addition, in the case that appropriate audit by the accounting auditor is not expected, the Audit & Supervisory Board may submit a proposal to the General Meeting of Shareholders to dismiss or not reappoint the accounting auditor.

5. Item of Systems to be Developed to Establish Internal Control Systems

The Company has set and is implementing the following nine systems to ensure the propriety of our business operations.

(1) System to Ensure That Directors and Employees Perform Their Duties in Compliance with Laws and Regulations, and the Articles of Incorporation

As the basis of a system to ensure that Directors, Executive Officers and employees perform their duties in compliance with laws and regulations, and the articles of incorporation, Kubota Corporation establishes the “Charter for Action” and “Code of Conduct” to be observed by all Directors, Executive Officers and employees of Kubota Corporation and its subsidiaries.

Under the Company-Wide Risk Control Committee, the department in charge designated for each risk category of management risks (hereinafter referred to as the “department in charge”) undertakes such activities as education and training to promote compliance with laws and ethics, and performs internal audits.

In addition, based on the operational regulations “Operation of Whistle Blowing System”, Kubota Corporation sets up the “Kubota Hotline,” a service counter for in-house whistle blowing and consultation that is equipped with rules to protect whistle blowers, to discover at an early stage any improper conduct that infringes on laws or other regulations and to prevent such infringements from occurring.

(2) System Related to the Holding and Control of Information about Kubota Corporation’s Directors Execution of Their Duties

Kubota Corporation properly keeps and controls information on the execution of duties by the Directors and Executive Officers in accordance with its in-house rules and regulations, such as the “Regulations on Custody of Documents” and other items. Kubota Corporation also maintains a standard by which such documents are available for examination, as necessary.

(3) Rules and Regulations on the Management of Risks of Losses and Other Systems

Kubota Corporation manages risks of compliance, environment, health and safety, disasters, quality, and other risks relating to the performance of business operations by establishing in-charge departments or committees under the Company-Wide Risk Control Committee, and by providing internal rules and regulations, manuals, and other guidelines to respond to such risks.

In order to respond to new risks, the Company-Wide Risk Control Committee will determine the department in charge, and the new risks will be controlled by the said department.

(4) System to Ensure the Efficient Execution of Duties by the Directors

The Board of Directors decides management execution policy, matters set in laws and regulations and other important matters regarding management, and oversees Directors and Executive Officers execution of their duties.

At the Executive Officers’ Meeting, President & Representative Director gives directions and information to the Executive Officers about policies and resolutions of the Board of Directors. The progress of execution of their duties is reported to President & Representative Director by the Executive Officers.

Kubota Corporation enhances our decision-making process by having adequate discussions in “management committee”, with the participation of the President and other Directors, to decide important management matters. Kubota Corporation also implements multidimensional studies in an “investment council,” mainly consisting of Directors in charge of indirect departments, to discuss important investment projects. The results of these discussions are reported to the Board of Directors to enhance the effectiveness of the system, in accordance with the operational regulations “Operation of Management Committee and Investment Council”.

(5) System to Ensure Proper Business Operations within Kubota Corporation, Consisting of Kubota Corporation and its Subsidiaries

To create a control environment for Kubota Corporation, Kubota Corporation establishes the “Charter for Action” and “Code of Conduct” and shares these philosophies. To ensure proper business operations of Kubota Corporation, including its subsidiaries, Kubota Corporation sets its in-house rules and regulations and establishes proper internal control systems. The status of the establishment and operation of internal control systems related to the management risks including the internal control systems over financial reporting is audited by the internal auditing department and departments in charge, after self-audits performed by each department of the Company and its

subsidiaries, and the results of such audits are reported to the Directors in charge, Chairman of the Company-Wide Risk Control Committee, President & Representative Director, the Board of Directors and Audit & Supervisory Board Members.

Kubota Corporation manages its subsidiaries in accordance with the “Regulations on Management of Affiliated Companies” in order to keep their proper operations.

(6) System for Directors and Employees to Report to Audit & Supervisory Board Members and Other Systems Related to Reports to Audit & Supervisory Board Members

The Directors, Executive Officers and employees report the following matters to the Audit & Supervisory Board Members without delay, in addition to the matters that need to be reported in accordance with laws and regulations:

- (a) Matters that could affect Kubota Corporation’s management;
- (b) Contents of internal audits performed by the internal auditing department and departments in charge
- (c) Contents of whistle blowing revealed in the "Kubota Hotline"; and
- (d) Other matters requested by the Audit & Supervisory Board or Audit & Supervisory Board Members

(7) Matters Related to Employees Who Are Requested to Assist Audit & Supervisory Board Members in Their Duties

Kubota Corporation establishes an office of Audit & Supervisory Board Members and assigns employees to exclusively support the Audit & Supervisory Board Members perform their duties.

(8) Independence of Employees in Item 7. above from the Directors

Assignment or other handling of the employees in Item 7. is made after consultation and agreement between the Director in charge of Human Resources Dept. and the Audit & Supervisory Board Members.

(9) Other Systems to Ensure Effective Audits by the Audit & Supervisory Board Members

- (a) The President & Representative Director of Kubota Corporation has meetings with the Audit & Supervisory Board Members periodically, and as needed, to exchange views on matters that Kubota Corporation must deal with, the improvement of audit environments, and other issues.
- (b) The Audit & Supervisory Board Members explain the audit policies and audit plan to the Board of Directors, and the Directors make efforts to improve communication with the Audit & Supervisory Board Members to enhance the exchange of information and establish an effective cooperation with the Audit & Supervisory Board Members.

6. Policy on Appropriation of Retained Earnings

KUBOTA’s basic policy for the return of profit to shareholders is to maintain stable dividends and raise dividends together with share buy-backs and retirement of treasury stock. KUBOTA recognizes returning profit to shareholders is one of the most important missions and will strive to expand it, considering requirements of maintaining sound business operations as well as adapting to the future business environment.

KUBOTA decided at the Meeting of Board of Directors held on May 12, 2015 that KUBOTA would pay ¥16 year-end dividend per common share on June 22, 2015. As a result, including the interim dividend of ¥12 per common share already paid, the annual dividend per common share for the fiscal year ended March 31,2015 is ¥28, which is the same amount as for the previous fiscal year.

Notice of year-end dividend	
1) Amount of year-end dividend	¥16 per common share (Total ¥ 19,937,432,784)
2) Record date of year-end dividend	March 31, 2015
3) Payment date	Monday, June 22, 2015
4) Resource of year-end dividend	Retained earnings

Consolidated Balance Sheets

Assets

(In millions of yen)

	March 31, 2015	March 31, 2014 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current assets:			
Cash and cash equivalents	113,016	87,022	25,994
Notes and accounts receivable:			
Trade notes	87,505	69,974	17,531
Trade accounts	597,016	534,921	62,095
Less: Allowance for doubtful notes and accounts receivable	(4,068)	(3,186)	(882)
Total notes and accounts receivable, net	680,453	601,709	78,744
Short-term finance receivables—net	206,756	162,983	43,773
Inventories	338,033	299,765	38,268
Other current assets	104,756	82,482	22,274
Total current assets	1,443,014	1,233,961	209,053
Investments and long-term finance receivables:			
Investments in and loan receivables from affiliated companies	24,601	22,631	1,970
Other investments	156,216	137,641	18,575
Long-term finance receivables-net	441,129	334,112	107,017
Total investments and long-term finance receivables	621,946	494,384	127,562
Property, plant, and equipment:			
Land	86,293	93,308	(7,015)
Buildings	270,010	255,657	14,353
Machinery and equipment	457,618	424,478	33,140
Construction in progress	14,398	11,300	3,098
Total Property, plant, and equipment	828,319	784,743	43,576
Less: Accumulated depreciation	(531,229)	(502,042)	(29,187)
Total property, plant, and equipment, net	297,090	282,701	14,389
Other assets:			
Goodwill and intangible assets—net	34,696	34,628	68
Long-term trade accounts receivable	37,589	35,737	1,852
Other	43,035	23,824	19,211
Less: Allowance for doubtful non-current receivables	(550)	(578)	28
Total other assets	114,770	93,611	21,159
Total	2,476,820	2,104,657	372,163

Consolidated Balance Sheets

Liabilities and Equity

(In millions of yen)

	March 31, 2015	March 31, 2014 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current liabilities:			
Short-term borrowings	160,866	181,573	(20,707)
Trade notes payable	112,792	40,561	72,231
Trade accounts payable	115,541	200,145	(84,604)
Advances received from customers	10,491	7,873	2,618
Notes and accounts payable for capital expenditures	19,469	15,262	4,207
Accrued payroll costs	39,175	36,829	2,346
Accrued expenses	60,371	48,939	11,432
Income taxes payable	17,430	36,349	(18,919)
Other current liabilities	67,293	61,626	5,667
Current portion of long-term debt	126,771	89,766	37,005
Total current liabilities	730,199	718,923	11,276
Long-term liabilities:			
Long-term debt	479,952	315,598	164,354
Accrued retirement and pension costs	13,067	13,026	41
Other long-term liabilities	74,209	56,497	17,712
Total long-term liabilities	567,228	385,121	182,107
Equity:			
Kubota Corporation shareholders' equity:			
Common stock	84,070	84,070	—
Capital surplus	87,880	88,753	(873)
Legal reserve	19,539	19,539	—
Retained earnings	798,547	703,740	94,807
Accumulated other comprehensive income	111,363	38,996	72,367
Treasury stock, at cost	(401)	(287)	(114)
Total Kubota Corporation shareholders' equity	1,100,998	934,811	166,187
Non-controlling interests	78,395	65,802	12,593
Total equity	1,179,393	1,000,613	178,780
Total	2,476,820	2,104,657	372,163

Consolidated Statements of Income

(In millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2014 (Reference)	Change (Reference)
	Amount	Amount	Amount
Revenues	1,586,937	1,508,590	78,347
Cost of revenues	1,104,761	1,057,003	47,758
Selling, general, and administrative expenses	278,775	247,865	30,910
Other operating expenses (income)—net	(744)	1,291	(2,035)
Operating income	204,145	202,431	1,714
Other income (expenses):			
Interest and dividend income	5,208	4,446	762
Interest expense	(1,183)	(1,500)	317
Gain on sales of securities—net	1,366	4,700	(3,334)
Valuation loss on other investments	—	(6)	6
Foreign exchange gain (loss)—net	3,246	(4,150)	7,396
Other—net	(1,523)	5,372	(6,895)
Other income (expenses)—net	7,114	8,862	(1,748)
Income before income taxes and equity in net income of affiliated companies	211,259	211,293	(34)
Income taxes:			
Current	64,299	74,024	(9,725)
Deferred	(3,094)	(2,108)	(986)
Total income taxes	61,205	71,916	(10,711)
Equity in net income of affiliated companies	1,736	3,034	(1,298)
Net income	151,790	142,411	9,379
Less: Net income attributable to the non-controlling interests	11,778	10,750	1,028
Net income attributable to Kubota Corporation	140,012	131,661	8,351

Consolidated Statements of Changes in Equity

Year ended March 31, 2015

(In millions of yen)

	Shares of common stock outstanding (thousands)	Kubota Corporation shareholders' equity						Non- controlling interests	Total equity
		Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost		
Balance at April 1, 2014	1,249,746	84,070	88,753	19,539	703,740	38,996	(287)	65,802	1,000,613
Net income					140,012			11,778	151,790
Other comprehensive income						72,160		6,805	78,965
Cash dividends paid to Kubota Corporation shareholders, ¥30 per common share					(37,503)				(37,503)
Cash dividends paid to the non-controlling interests								(658)	(658)
Purchases and sales of treasury stock	(4,046)						(7,816)		(7,816)
Retirement of treasury stock					(7,702)		7,702		-
Changes in ownership interests in subsidiaries			(873)			207		(5,332)	(5,998)
Balance at March 31, 2015	1,245,700	84,070	87,880	19,539	798,547	111,363	(401)	78,395	1,179,393

Year ended March 31, 2014 (Reference)

(In millions of yen)

	Shares of common stock outstanding (thousands)	Kubota Corporation shareholders' equity						Non- controlling interests	Total equity
		Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost		
Balance at April 1, 2013	1,255,951	84,070	88,919	19,539	605,962	(4,976)	(203)	58,654	851,965
Net income					131,661			10,750	142,411
Other comprehensive income						44,034		1,893	45,927
Cash dividends paid to Kubota Corporation shareholders, ¥19 per common share					(23,870)				(23,870)
Cash dividends paid to the non-controlling interests								(970)	(970)
Purchases and sales of treasury stock	(6,205)						(10,097)		(10,097)
Retirement of treasury stock					(10,013)		10,013		-
Increase in non-controlling interests related to contribution								207	207
Changes in ownership interests in subsidiaries			(166)			(62)		(4,732)	(4,960)
Balance at March 31, 2014	1,249,746	84,070	88,753	19,539	703,740	38,996	(287)	65,802	1,000,613

Notes to Consolidated Financial Statements

Significant Accounting Policies

1. Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") pursuant to the provision of paragraph 1, Article 120-2 of the Company Accounting Regulations of Japan. Certain supplementary material and notes required under U.S. GAAP are omitted pursuant to the second sentence in the same provision.

2. Scope of Consolidation and Application of Equity Method

156 subsidiaries are consolidated. 18 affiliated companies are accounted for using the equity method.

3. Valuation of Inventories

Inventories are mainly stated at the lower of cost or market. Cost is generally determined by the moving-average method.

4. Valuation of Securities

Available-for-sale securities are stated at fair value based on market prices at fiscal year-end. Any changes in unrealized holding gains or losses are included directly in equity, and cost of securities sold is determined by the moving-average method.

5. Depreciation and Amortization of Fixed Assets

Depreciation of tangible fixed assets is mainly computed by using the declining-balance method.

Goodwill is not amortized, but is instead tested for impairment at least annually. Amortization of intangible fixed assets with definite useful lives is mainly computed by using the straight-line method based on their respective estimated useful lives.

6. Basis of Provision for Allowance

The allowance for doubtful accounts and credit losses is determined on the basis of the collection status of receivables, historical credit loss experience, economic trends, customer's ability to repay, and collateral values. 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.

7. Other Significant Accounting Policies

(1) Retirement and Pension Plans

The prior service costs are amortized by the straight-line method over the average remaining years of service of the participants. The Company recognizes actuarial gains and losses in excess of 20% of the larger of the projected benefit obligation or plan assets in the year following the year in which such gains and losses were incurred, and the portion between 10% and 20% is amortized over the average participants' remaining service period while the portion of less than 10% is not amortized.

(2) Consumption Taxes

Consumption taxes are accounted for tax exclusion method.

Notes to Consolidated Balance Sheets

1. Amounts less than presentation units are rounded.

2. At March 31, 2015, the balances of each classification within accumulated other comprehensive income were as follows:

	(In millions of yen)
Foreign currency translation adjustments	¥ 64,910
Unrealized gains on securities	57,483
Unrealized losses on derivatives	(10)
Pension liability adjustments	(11,020)
Accumulated other comprehensive income	¥ 111,363

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. Fair Value of Financial Instruments

The carrying value and fair value of financial instruments at March 31, 2015 were as follows:

	(In millions of yen)	
	Carrying Value	Fair Value
Financial assets:		
Finance receivables-net	*1 ¥ 469,030	¥ 468,588
Other investments	*2 152,563	152,563
Long-term trade accounts receivable	*1 67,837	72,228
Financial liabilities:		
Long-term debt	*1 (603,174)	(595,631)
Derivative financial instruments		
Foreign exchange contracts	*3 390	390
Cross-currency swaps contracts	1,102	1,102
Interest rate swaps contracts	(25)	(25)
Cross-currency interest rate swaps contracts	2,496	2,496

*1 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.

*2 Available-for-sale securities are stated at fair value based on market prices for identical instruments at fiscal year-end. The amount of other investments in the table excludes investments in non-marketable equity securities (¥3,653 million) for which there is no readily determinable fair value.

*3 Derivative financial instruments are stated at fair value based on observable market inputs from major international financial institutions.

*4 The carrying value of cash and cash equivalents, notes and accounts receivable and payable (excluding the current portion of long-term trade accounts receivable), and short-term, and other current financial assets and liabilities borrowings approximate the fair value because of the short maturity of those instruments.

Notes to Per Common Share Information

1. Kubota Corporation shareholders' equity per common share	¥ 883.84
2. Net income attributable to Kubota Corporation per common share	¥ 112.07

Balance Sheets (Non-consolidated)

Assets

(In millions of yen)

	March 31, 2015	March 31, 2014 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current assets:	516,865	496,122	20,743
Cash and deposits	25,055	32,399	(7,344)
Trade notes receivable	20,840	16,886	3,953
Electronically recorded accounts receivable	27,530	11,750	15,779
Trade accounts receivable	270,235	289,408	(19,172)
Finished goods	45,548	37,334	8,213
Work in process	25,978	22,642	3,336
Raw materials and supplies	7,758	6,730	1,028
Deferred tax assets	11,126	12,667	(1,540)
Other	82,831	66,404	16,427
Allowance for doubtful receivables	(40)	(102)	62
Fixed asset:	490,695	457,143	33,551
Property, plant, and equipment, net of accumulated depreciation:	135,840	138,949	(3,109)
Buildings	35,043	34,349	693
Machinery and equipment	26,419	23,911	2,507
Land	59,989	68,778	(8,788)
Construction in progress	4,120	4,045	75
Other	10,267	7,864	2,403
Intangibles:	9,607	9,198	409
Software	9,344	8,925	418
Other	263	272	(9)
Investments:	345,247	308,995	36,251
Investment securities	152,050	133,403	18,646
Investments in subsidiaries and affiliated companies	111,651	104,837	6,813
Long-term loans receivable	29,010	26,135	2,875
Prepaid pension cost	22,186	13,498	8,688
Other	30,589	31,363	(774)
Allowance for doubtful receivables	(239)	(243)	3
Total assets	1,007,561	953,265	54,295

Balance Sheets (Non-consolidated)

Liabilities and net assets

(In millions of yen)

	March 31, 2015	March 31, 2014 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current liabilities:	307,363	352,989	(45,626)
Trade notes payable	1,299	2,943	(1,644)
Electronically recorded accounts payable	86,025	23,097	62,927
Trade accounts payable	56,896	132,299	(75,403)
Short-term borrowings	3,000	30,500	(27,500)
Current portion of bonds	—	10,000	(10,000)
Other accounts payable	11,938	14,941	(3,003)
Income tax payable	6,282	23,317	(17,035)
Accrued expenses	37,562	36,408	1,154
Deposits received	67,986	69,617	(1,631)
Provision for warranty costs	4,243	3,609	634
Provision for directors' bonuses	149	192	(43)
Other	31,979	6,060	25,919
Long-term liabilities:	141,601	78,835	62,765
Bonds	40,000	40,000	—
Long-term borrowings	68,000	11,000	57,000
Deferred tax liabilities	32,445	26,675	5,769
Other	1,155	1,159	(3)
Total liabilities	448,964	431,824	17,139
Shareholders' equity	476,815	456,196	20,618
Common stock	84,070	84,070	—
Capital surplus:	73,057	73,057	—
Additional paid-in capital	73,057	73,057	—
Retained earnings:	319,936	299,204	20,732
Legal reserve	19,539	19,539	—
Other retained earnings:	300,397	279,665	20,732
Reserve for special depreciation	34	33	1
Reserve for reduction entry of land	167	159	8
General reserve	234,442	222,942	11,500
Unappropriated retained earnings	65,753	56,530	9,222
Treasury stock	(249)	(136)	(113)
Valuation and translation adjustments	81,781	65,245	16,536
Unrealized holding gain on securities	81,781	65,246	16,534
Unrealized gain (loss) from hedging activities	0	(1)	1
Total net assets	558,596	521,441	37,155
Total liabilities and net assets	1,007,561	953,265	54,295

Statements of Income (Non-consolidated)

(In millions of yen)

	Year ended March 31, 2015	Year ended March 31, 2014 (Reference)	Change (Reference)
	Amount	Amount	Amount
Net sales	776,518	765,341	11,177
Cost of sales	599,852	588,225	11,627
Gross profit	176,666	177,115	(449)
Selling, general, and administrative expenses	109,698	101,659	8,038
Operating income	66,968	75,456	(8,488)
Non-operating income:	30,460	29,208	1,252
Interest and dividend income	5,370	5,966	(595)
Royalty income	11,720	10,693	1,027
Other	13,369	12,548	820
Non-operating expenses:	4,660	4,784	(124)
Interest expense	734	864	(130)
Other	3,925	3,920	5
Ordinary income	92,768	99,879	(7,111)
Income before income taxes	92,768	99,879	(7,111)
Income taxes:	26,828	33,400	(6,571)
Current	22,531	32,357	(9,826)
Deferred	4,297	1,043	3,254
Net income	65,939	66,479	(540)

Statements of Changes in Net Assets (Non-consolidated)

Year ended March 31, 2015

(In millions of yen)

	Shareholders' equity									Valuation and translation adjustments			Total net assets	
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Unrealized gain (loss) from hedging activities		Total valuation and translation adjustments
		Additional paid-in capital	Other capital surplus		Other retained earnings									
					Reserve for special depreciation	Reserve for reduction entry of land	General reserve	Unappropriated retained earnings						
Balance at April 1, 2014	84,070	73,057	—	19,539	33	159	222,942	56,530	(136)	456,196	65,246	(1)	65,245	521,441
Changes in this fiscal year														
Appropriation to reserve for special depreciation					1			(1)		—			—	—
Appropriation to reserve for						8		(8)		—			—	—
Appropriation to general reserve							11,500	(11,500)		—			—	—
Dividends								(37,503)		(37,503)			—	(37,503)
Net income								65,939		65,939			—	65,939
Purchase of treasury stock									(7,817)	(7,817)			—	(7,817)
Disposal of treasury stock			(0)						1	1			—	1
Retirement of treasury stock								(7,702)	7,702	—			—	—
Transfer to retained earnings from other capital surplus			0					(0)	0	—			—	—
Net change of items other than shareholders' equity										—	16,534	1	16,536	16,536
Total changes in this fiscal year	—	—	—	—	1	8	11,500	9,222	(113)	20,618	16,534	1	16,536	37,155
Balance at March 31, 2015	84,070	73,057	—	19,539	34	167	234,442	65,753	(249)	476,815	81,781	0	81,781	558,596

Year ended March 31, 2014 (Reference)

(In millions of yen)

	Shareholders' equity									Valuation and translation adjustments			Total net assets	
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Unrealized gain (loss) from hedging activities		Total valuation and translation adjustments
		Additional paid-in capital	Other capital surplus		Other retained earnings									
					Reserve for special depreciation	Reserve for reduction entry of land	General reserve	Unappropriated retained earnings						
Balance at April 1, 2013	84,070	73,057	—	19,539	32	159	223,942	22,935	(52)	423,684	55,854	23	55,877	479,561
Changes in this fiscal year														
Appropriation to reserve for special depreciation					0			(0)		—			—	—
Appropriation to general reserve							300	(300)		—			—	—
Reversal of general reserve							(1,300)	1,300		—			—	—
Dividends								(23,870)		(23,870)			—	(23,870)
Net income								66,479		66,479			—	66,479
Purchase of treasury stock									(10,099)	(10,099)			—	(10,099)
Disposal of treasury stock			0						0	1			—	1
Retirement of treasury stock			(0)					(10,013)	10,013	—			—	—
Net change of items other than shareholders' equity										—	9,392	(25)	9,367	9,367
Total changes in this fiscal year	—	—	—	—	0	—	(1,000)	33,595	(84)	32,511	9,392	(25)	9,367	41,879
Balance at March 31, 2014	84,070	73,057	—	19,539	33	159	222,942	56,530	(136)	456,196	65,246	(1)	65,245	521,441

Notes to Financial Statements (Non-consolidated)

Significant Accounting Policies

1. Standards and Methods of Valuation of Assets

(1) Securities

Investments in subsidiaries and affiliated companies are stated at cost, which is determined by the moving-average method.

Marketable securities are stated at fair value based on market prices at fiscal year-end. Any changes in unrealized holding gains or losses are included directly in net assets, and cost of securities sold is determined by the moving-average method.

Non-marketable securities are stated at cost, which is determined by the moving-average method.

(2) Derivatives

Derivatives are stated at fair value.

(3) Inventories

Inventories are stated at cost (method of lowering carrying amount due to a decline in profitability), which is determined by the moving-average method. Finished goods and work-in-process manufactured under specific production orders are stated at cost, which is determined by the specific cost method.

2. Methods of Depreciation and Amortization of Fixed Assets

Depreciation of tangible fixed assets except for lease assets is computed by using the declining-balance method.

Amortization of intangible fixed assets is computed by using the straight-line method. With regard to internal-use software, amortization is computed by using the straight-line method based on useful life in Kubota Corporation (five years).

Amortization of lease assets corresponding to transactions of non-transfer ownership finance lease is computed by using the straight-line method over the leased term. In the afore-mentioned transactions of non-transfer ownership finance lease, Kubota Corporation uses accounting method for ordinary rental transactions for lease transactions started on and before March 31, 2008.

3. Standards of Provision for Allowances

The allowance for doubtful receivables is provided for possible bad debt at an amount determined based on the historical experience of bad debt for normal receivables; in addition, an estimate of uncollectible amounts is made by reference to specific doubtful receivables from customers which are experiencing financial difficulties.

Provision for warranty costs is provided based on an analysis of the historical data of costs to perform under product warranties, in which Kubota Corporation generally guarantees for products delivered.

Provision for directors' bonuses is provided based on an estimated amount to be paid to directors for the duties executed during the fiscal year ended March 31, 2015.

Accrued retirement and pension costs (prepaid pension cost) is provided for payments of retirement benefits based on the retirement benefit obligation and the fair value of the pension plan assets at year-end.

Since the fair value of pension assets as of March 31, 2015 exceeded retirement benefit obligations, after deduction of unrecognized prior year service cost and actuarial gains or losses, prepaid pension cost was recorded on the balance sheets.

Unrecognized prior year service cost is amortized over the estimated average remaining service period (14.2-16.3 years) of employees by using the straight-line method.

Actuarial gains or losses are amortized over the estimated average remaining service period of employees by using the declining balance method from the following year in which they are incurred.

Average remaining service period of employees as a basis of amortization ratio is 16.3 years.

4. Standards of Recognition of Revenue and Costs

The Company applies the percentage-of-completion method to construction contracts commencing on and after April 1, 2009, when it is possible to develop reasonably dependable estimates of the extent of progress towards completion of individual contracts. Otherwise, the Company applies completed-contract method to them. In measuring the extent of progress toward completion, the Company uses the cost-to-cost method.

5. Other Significant Accounting Policies

(1) Translation of assets and liabilities in foreign currency

Receivables and payables in foreign currency are translated to Japanese yen based on the current exchange rate prevailing at each balance sheet date and gains and losses arising from exchange rate changes are recorded in earnings.

(2) Hedge accounting

All short-term foreign exchange forwards contract are measured at fair value. Except that the amounts are traded as planned, they are recorded in earnings after being offset with foreign exchange gain or loss of foreign currency receivables and payables.

Interest rate swap contracts for which exceptional treatments permitted are not recorded on the balance sheets .

(3) Consumption taxes

Consumption taxes are accounted for tax exclusion method.

Notes to Balance Sheets

1. Amounts in the statements are rounded down to the nearest million yen.
2. Receivables from and payable to subsidiaries and affiliated companies
 - Short-term receivables from subsidiaries and affiliated companies ¥ 272,762 million
 - Long-term receivables from subsidiaries and affiliated companies ¥ 29,003 million
 - Short-term payables to subsidiaries and affiliated companies ¥ 75,476 million
3. Accumulated depreciation of tangible fixed assets ¥ 363,574million
4. Contingent Liabilities:
 - (1) Guarantees
 - Guarantees for borrowings of subsidiaries and affiliated companies from financial institutions
Kubota Saudi Arabia Company, LLC ¥ 1,957 million
 - Guarantees for group financing
Kubota Credit Co., Ltd. ¥ 16,350 million
 - (2) Notes discounted ¥ 118 million

Notes to Statements of Income

1. Amounts in the statements are rounded down to the nearest million yen.
2. Transactions with subsidiaries and affiliated companies
 - Sales to subsidiaries and affiliated companies ¥ 530,635 million
 - Purchases from subsidiaries and affiliated companies ¥ 95,876 million
 - Transactions with subsidiaries and affiliated companies other than operating transactions ¥ 16,305 million

Notes to Statement of Changes in Net Assets

1. Amounts in the statements are rounded down to the nearest million yen.
2. Type and number of shares outstanding

Type of shares	Number of shares as of April 1, 2014 (thousands)	Number of shares increased (thousands)	Number of shares decreased (thousands)	Number of shares as of March 31, 2015 (thousands)
Common stock	1,250,219	—	4,000	1,246,219

Note:

The number of shares decreased reflects the retirement of shares under the resolution at the Board of Directors' Meeting held on March 20, 2015:

4,000 thousand common shares

3. Type and number of treasury stock

Type of shares	Number of shares as of April 1, 2014 (thousands)	Number of shares increased (thousands)	Number of shares decreased (thousands)	Number of shares as of March 31, 2015 (thousands)
Common stock	84	4,046	4,000	129

Notes:

1. Details of shares increased in the fiscal year are as follows:

Shares purchased pursuant to the resolutions of Board of Directors' Meeting held on February 6, 2015:	4,007 thousand common shares
Shares purchased less than the minimum unit:	39 thousand common shares

2. Details of shares decreased in the fiscal year are as follows:

Shares retired pursuant to the resolutions of Board of Directors' Meeting held on March 20, 2015:	4,000 thousand common shares
Shares sold less than the minimum unit:	0 thousand common shares

4. Dividend

(1) Details of dividend paid

Date of resolution	Type of shares	Total amount of dividend (million)	Dividend per share	Record date	Date of payment
Board of Directors' Meeting on May 13, 2014	Common stock	¥ 22,502	¥ 18.00	March 31, 2014	June 23, 2014
Board of Directors' Meeting on November 6, 2014	Common stock	¥ 15,001	¥ 12.00	September 30, 2014	December 1, 2014

(2) Dividend of which record date is in the current fiscal year and of which effective date is in the next fiscal year.

Date of resolution	Type of shares	Total amount of dividend (million)	Resource of dividend	Dividend per share	Record date	Date of payment
Board of Directors' Meeting on May 12, 2015	Common Stock	¥ 19,937	Retained earnings	¥ 16.00	March 31, 2015	June 22, 2015

Notes to Deferred Income Tax

1. Significant components of deferred tax assets

Accrued enterprise tax	¥ 882 million
Accrued bonus	¥ 4,860 million
Provision for warranty costs	¥ 1,400 million
Valuation losses on securities	¥ 2,048 million
Other	¥ 9,898 million
Subtotal	¥ 19,088 million
Valuation allowance	¥ (3,526) million
Total deferred tax assets	¥ 15,562 million

2. Significant components of deferred tax liabilities

Prepaid pension costs	¥ (4,199) million
Unrealized holding gain on securities	¥ (31,795) million
Other	¥ (886) million
Total deferred tax liabilities	¥ (36,881) million
Net deferred tax liabilities	¥ (21,318) million

Notes to related party transactions

Type	Subsidiary	Subsidiary	Subsidiary	
Name	Kubota Tractor Corporation	Kubota Engine America Corporation	SIAM KUBOTA Corporation Co., Ltd.	
Location	California, U.S.A.	Illinois, U.S.A.	Pathomtani, Thailand	
Common stock	US\$37 million	US\$10 million	THB 2,739 million	
Operations	Sales of tractors, small-sized construction machinery and related products in the U.S.A.	Sales, engineering and after-sales service of engines, engine parts and engine accessories	Manufacturing and sales of tractors, combine harvesters, implement, diesel engines, power tillers and other machinery in Thailand and neighboring countries	
Percentage of voting shares	100.0*	100.0*	60.0	
Relationship	Sales of products of Kubota	Sales of products of Kubota	Manufacturing and sales of products of Kubota	
Contents of transaction	Sales of tractors and other machinery (Note 1)	Sales of engines (Note 1)	Patent royalty (Note 2)	Management advice fee (Note 2)
Amount of transaction (¥ million)	117,126	63,671	3,054	3,051
Accounts	Trade accounts receivable	Trade accounts receivable	Other (Current assets)	Other (Current assets)
Balance, March 31, 2015 (¥ million)	36,607	21,720	2,178	2,435

* Indirect holding

Type	Subsidiary	Subsidiary	Subsidiary	
Name	Kubota Baumaschinen GmbH	KUBOTA EUROPE S.A.S.	KUBOTA Construction Machinery Japan Corporation	
Location	Zweibrucken, Germany	Argenteuil, France	Amagasaki, Japan	
Common stock	EUR14 million	EUR11 million	¥300 million	
Operations	Manufacturing and sales of small-sized construction machinery in Europe, mainly in Germany	Manufacturing and sales of tractors and other machinery in Europe, mainly in France	Sales of construction machinery, etc in Japan	
Percentage of voting shares	100.0	100.0	100.0	
Relationship	Manufacturing and sales of products of Kubota	Sales of products of Kubota	Sales of products of Kubota	
Contents of transaction	Sales of construction machinery, etc (Note 1)	Sales of tractors, etc (Note 1)	Sales of construction machinery, etc (Note 1)	
Amount of transaction (¥ million)	29,291	30,399	30,914	
Accounts	Trade accounts receivable	Trade accounts receivable	Trade accounts receivable	
Balance, March 31, 2015 (¥ million)	11,778	10,534	16,385	

Transcript copy of the independent auditors' report concerning Consolidated Financial Statements
(Translation)

INDEPENDENT AUDITORS' REPORT

May 6, 2015

To the Board of Directors of Kubota Corporation

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner, Engagement Partner	Certified Public Accountant:	Seiichiro Azuma
Designated Unlimited Liability Partner, Engagement Partner	Certified Public Accountant:	Teruhisa Tamai
Designated Unlimited Liability Partner, Engagement Partner	Certified Public Accountant:	Akihiro Okada

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2015 of Kubota Corporation and its consolidated subsidiaries ("the Company"), and the related consolidated statements of income and changes in equity, and the related notes for the fiscal year from April 1, 2014 to March 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company as of March 31, 2015, and the results of their operations for the year then ended.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Transcript copy of the independent auditors' report concerning Financial Statements (Non-consolidated)
(Translation)

INDEPENDENT AUDITORS' REPORT

May 6, 2015

To the Board of Directors of Kubota Corporation

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner, Engagement Partner	Certified Public Accountant:	Seiichiro Azuma
Designated Unlimited Liability Partner, Engagement Partner	Certified Public Accountant:	Teruhisa Tamai
Designated Unlimited Liability Partner, Engagement Partner	Certified Public Accountant:	Akihiro Okada

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2015 of Kubota Corporation ("the Company") and the related statements of income and changes in net assets, and the related notes for the 125th fiscal year from April 1, 2014 to March 31, 2015, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2015, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Transcript Copy of the Audit Report of the Audit & Supervisory Board

(TRANSLATION)

AUDIT REPORT

In respect of the execution of duties of the Directors during the 125th fiscal year from April 1, 2014 to March 31, 2015, the Audit & Supervisory Board (hereinafter “we”), following the discussion among us, have prepared this audit report based on the audit report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

1. Methods and details of audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

We have formulated an audit policy, sharing of duties among audit & supervisory board members, and other audit-related items. We have received reports from each Audit & Supervisory Board Member on the implementation and results of audits, and received reports from the Directors of Kubota Corporation, the Independent Auditor, and other parties on their execution of duties, and requested explanations from them when necessary.

In accordance with the Standards for Auditing by Audit & Supervisory Board Members, the audit policy, sharing of duties among Audit & Supervisory Board Members, and other audit-related items that were determined by us, each Audit & Supervisory Board Member: communicated well with Directors, the internal auditing department, other employees, and other bodies; gathered information and improved the audit environment; attended the Board of Directors meetings and other important meetings; received reports from Directors and other employees on their execution of duties; requested explanations from them when necessary; reviewed documents concerning matters such as important decisions; and conducted inspections of the business and financial condition at Kubota Corporation’s Head Office and other principle offices. Each Audit & Supervisory Board Member periodically received reports regarding the status of establishment and operation from Directors and other employees, requested explanations from them when necessary, and expressed opinions regarding the Board of Directors’ resolution on a system to ensure that the directors’ execution of their duties comply with laws and Kubota Corporation’s Articles of Incorporation, and also comply with the establishing and improving structure prescribed in the Companies Act Enforcement Regulation Article 100 Clauses 1 and 3 to ensure that joint-stock company’s operations are carried out appropriately and a system (internal control systems) established based on the said resolution. Each Audit & Supervisory Board Member strove to communicate well and exchange information with the subsidiaries’ Directors and Audit & Supervisory Board Members, and inspected some subsidiaries whenever necessary. Through these methods, each Audit & Supervisory Board Member examined the business report for the 125th period and the supplementary schedules for the fiscal year under review.

In addition, we monitored and verified whether the Independent Auditor made appropriate audits while maintaining its independence. We received reports from the Independent Auditor on its operations, and requested explanations when necessary. The Independent Auditor notified us and we requested its explanations when necessary, concerning its establishment of a “System for Ensuring the Appropriate Execution of Duties” (the Corporate Calculation Regulations Article 131) in accordance with the “Quality Control Standards for Audits” (issued by the Business Accounting Council on October 28, 2005). Through these methods, we reviewed the consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of shareholders’ equity and notes of consolidated financial statements) and the financial statements (balance sheets, statements of income, statement of changes in net assets and notes of non-consolidated financial statements) and the supplementary schedules for the fiscal year under review.

2. Results of the Audit:

(1) Results of the Audit for the Business Report

- 1) We have found that the business report and the supplementary schedules present fairly the current position of Kubota Corporation in conformity with applicable laws and regulations and the Articles of Incorporation.
- 2) In respect to the execution of duties of the Directors, we have found neither improper conduct nor any material breach of applicable laws and regulations and the Articles of Incorporation.
- 3) We have found that the resolutions of the Board of Directors regarding the internal control system are proper and correct. We have found nothing that needs to be pointed out concerning the content of the business report and the Directors’ performance of their duties regarding the internal control system.

(2) Results of the Audit for the consolidated financial statements and the financial statements and the supplementary schedules

We have found that the auditing methods employed by Deloitte Touche Tohmatsu LLC, Independent Auditor, and the results thereof are appropriate and sufficient.

May 8, 2015

The Audit & Supervisory Board of Kubota Corporation

Audit & Supervisory Board Member (full time)	Satoru Sakamoto
Audit & Supervisory Board Member (full time)	Toshikazu Fukuyama
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member, full time)	Masaharu Kawachi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Akira Negishi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Ryoji Sato

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