

Financial Results

for the year ended March 31, 2012

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Financial Summary

(billion yen)	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011	Change		Variance from forecast	
	Amount	Amount	Amount	%	Amount	%
Revenues	1,008.0	933.7	74.3	8.0	8.0	0.8
Domestic	498.7	477.9	20.8	4.3	-2.3	-0.5
Overseas	509.3	455.8	53.6	11.8	10.3	2.1
Operating income	10.5% 105.7	9.2% 86.1	19.6	22.7	5.7	5.7
Net income attributable to Kubota Corp.	6.1% 61.6	5.9% 54.8	6.7	12.3	1.6	2.6

(billion yen)	As of Mar. 31, 2011	As of Mar. 31, 2011	Change	
	Amount	Amount	Amount	%
Total assets	1,487.7	1,356.9	130.8	9.6
Shareholders' equity	653.3	634.9	18.4	2.9



Revenues by reporting segment

(billion yen)	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011	Change	
			Amount	%
Farm & Industrial Machinery (Machinery)	713.9	651.5	62.4	9.6
Domestic	235.4	226.4	9.1	4.0
Overseas	478.5	425.1	53.4	12.6
Water & Environment Systems (Water)	198.5	192.8	5.7	3.0
Domestic	184.6	178.7	5.9	3.3
Overseas	13.9	14.1	-0.2	-1.4
Social Infrastructure (Infrastructure)	64.8	60.4	4.3	7.2
Domestic	48.1	44.3	3.8	8.6
Overseas	16.7	16.2	0.5	3.4
Other	30.8	29.0	1.8	6.3
Domestic	30.6	28.6	2.0	7.0
Overseas	0.2	0.4	-0.2	-42.9
Total revenues	1,008.0	933.7	74.3	8.0
Domestic revenues	498.7	477.9	20.8	4.3
Overseas revenues	509.3	455.8	53.6	11.8

▶ Machinery: +62.4 billion yen (Domestic: +9.1, Overseas: +53.4)

- ◇Domestic: Sales of construction machinery increased substantially.
Sales of engines also increased.
- ◇Overseas: Sales of construction machinery, engines and harvesters increased substantially.
Sales of tractors and rice transplanters also increased.
By region, North America and Europe: double-digit growth, Asia: growth

▶ Water: +5.7 billion yen (Domestic: +5.9, Overseas: -0.2)

- ◇Domestic: Sales of pipe-related products increased slightly.
Sales of environment-related products increased.
- ◇Overseas: Sales of ductile iron pipes decreased substantially.
Sales of environment-related products increased.

▶ Infrastructure: +4.3 billion yen (Domestic: +3.8, Overseas: +0.5)

- ◇Domestic: Sales of industrial castings and vending machines decreased.
Sales of spiral welded steel pipes and air-conditioning equipments increased.
- ◇Overseas: Sales of industrial castings increased.

▶ Other: +1.8 billion yen (Domestic: +2.0, Overseas: -0.2)

- ◇Domestic: Sales of construction decreased. Sales of services increased.



(billion yen)	Year ended Mar. 31, 2012		Year ended Mar. 31, 2011		Change	
	Amount	%	Amount	%	Amount	%
Operating Income	105.7	10.5	86.1	9.2	19.6	22.7

Factors affecting operating income

1. Appreciation of the yen

U.S. dollar (88→80)	-11.5 billion yen	} -17.0 billion yen
Euro (116→111)	-2.0 billion yen	
Other currencies	-3.5 billion yen	

2. Material costs

Machinery	+1.0 billion yen	} -0.5 billion yen
Water	-1.5 billion yen	

3. Losses from the earthquake & floods (non-recurring items)

Earthquake: +1.8 billion yen	} +1.1 billion yen
[0.7 - (-2.5)]	
<small>This year Prior year</small>	
Floods: -0.7 billion yen	} +6.0 billion yen
[Loss -3.8 + Insurance 3.1]	

4. Gain on sales of unused land and loss on revaluation of land (non-recurring item)

+6.0 billion yen

5. Revenue increase, cost reduction and other factors

+30.0 billion yen



Operating Income by reporting segment

Operating income excluding non-recurring items

(% shows OP margin)

(billion yen)	Year ended Mar. 31, 2012			Year ended Mar. 31, 2011			Change ①-④	Change (Adjusted) ③-⑥	Change in revenues
	Operating Income ①	Non- recurring Items (*1) ②	Adjusted Operating Income ③=①-②	Operating Income ④	Non- recurring Items (*2) ⑤	Adjusted Operating Income ⑥=④-⑤			
Machinery	13.7% 97.8	-0.9	13.8% 98.7	13.3% 86.5	-1.7	13.5% 88.2	11.3	10.5	62.4
Water	7.5% 14.8	-0.3	7.6% 15.1	6.8% 13.1	-0.3	7.0% 13.4	1.7	1.7	5.7
Infrastructure	4.1% 2.7	-0.1	4.2% 2.8	4.1% 2.5	-0.1	4.3% 2.6	0.2	0.2	4.3
Other	8.0% 2.5	-	8.0% 2.5	7.2% 2.1	-	7.2% 2.1	0.4	0.4	1.8
Adjustment	-12.0	5.9	-17.9	-18.1	-0.4	-17.6	6.0	-0.3	
計	10.5% 105.7	4.6	10.0% 101.1	9.2% 86.1	-2.5	9.5% 88.7	19.6	12.5	74.3

(*1) Losses from the Earthquake & Floods and Gain on sales of unused land and loss on revaluation of land

(*2) Losses from the Earthquake



Other income(expenses)

(billion yen)	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011	Change
	Amount	Amount	Amount
Other income (expenses)	-4.7	5.2	-9.9



(Details)

Interests and dividends	1.9	1.8	0.1
Gain on sales of securities	0.1	4.8	-4.7
Valuation loss on other investments	-2.6	-1.8	-0.8
Gain on nonmonetary exchange of securities	-	2.8	-2.8
Foreing exchange gain (loss)-net	-7.6	-1.6	-6.0
Valuation loss on derivative	4.4	-0.3	4.7
Other-net	-0.9	-0.5	-0.4
Other	3.5	-0.8	4.3

Taxable income/ net income

(billion yen)	Year ended Mar. 31, 2012		Year ended Mar. 31, 2011		Change	
	Amount	%	Amount	%	Amount	%
Taxable income*	100.9	10.0	91.3	9.8	9.6	10.6
Income taxes	36.5		30.7		-5.9	
(Effective tax rate)	(36.2%)		(33.6%)			
Equity in net income of affiliated companies	1.6		0.5		1.1	
Net income	66.0	6.5	61.1	6.5	4.9	8.0
Less: Net income attributable to noncontrolling interests	4.5		6.3		1.8	
Net income attributable to Kubota Corp.	61.6	6.1	54.8	5.9	6.7	12.3
Dividend (declared)	15 yen		14 yen		+1 yen	
Dividend ratio	31%		32%		-1 point	
Purchases of treasury stock (billion yen)	10.0		0.05		10.0	
Shareholder return ratio (Include Purchases of treasury stock)	47%		32%		+14 point	

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



Balance sheets(Assets)

(billion yen)	As of Mar. 31, 2012	As of Mar. 31, 2011	Change	Kverneland
Current assets	866.0	777.2	88.8	28.1
Cash and Cash equivalents	100.6	105.3	-4.7	
Notes and account receivables	390.8	353.6	37.2	
Short-term finance receivables-net	108.2	100.4	7.7	
Inventories	202.1	174.2	27.9	
Other current assets	64.5	43.6	20.8	
Investments and long-term finance receivables	323.9	316.9	7.1	0.6
Long-term finance receivables-net	204.3	199.8	4.4	
Other	119.7	117.1	2.6	
Property, plant, and equipment	225.1	217.4	7.7	8.2
Other assets	72.6	45.4	27.2	18.5
Total assets	1,487.7	1,356.9	130.8	55.4

Total finance receivables-net	312.4	300.3	12.2
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<Reference> Forex rate at balance sheet date (yen)

U.S. Dollar	78	81	-3
Euro	101	108	-7



Balance sheets(Liabilities)

(billion yen)	As of Mar.31, 2012	As of Mar.31, 2011	Change	Kverneland
Current liabilities	536.0	435.1	100.9	22.9
Short-term borrowings	69.6	76.6	-7.0	
Notes and accounts payable	216.0	164.8	51.2	
Current portion of long-term debt	107.2	85.6	21.7	
Other	143.2	108.1	35.0	
Long-term liabilities	244.5	240.4	4.1	9.4
Long-term debt	184.4	191.8	-7.4	
Accrued retirement and pension costs	41.9	35.3	6.6	
Other long-term liabilities	18.2	13.3	4.9	
Total liabilities	780.5	675.5	105.0	32.3
Total interest-bearing debt	361.2	354.0	7.3	8.9

Balance sheets(Equity)

(billion yen)	As of Mar.31, 2011	As of Mar.31, 2011	Change	Kverneland
Kubota Corp. shareholders' equity	653.3	634.9	18.4	0.0
Common stock	84.1	84.1	-	
Capital surplus	88.8	89.1	-0.3	
Legal reserve	19.5	19.5	-	
Retained earnings	560.7	516.9	43.9	
Accumulated other comprehensive loss	-80.5	-65.4	-15.2	
Foreign currency translation adjustments	-76.5	-65.7	-10.8	
Unrealized losses on securities	19.1	15.9	3.2	
Pention liability adjustments	-22.9	-14.8	-8.1	
Unrealized losses on derivetives	-0.3	-0.8	0.5	
Treasury stock	-19.3	-9.3	-10.0	
Noncontrolling interests	53.9	46.5	7.5	5.0
Total equity	707.2	681.4	25.9	5.0

Purchases of treasury stock	Number of shares (million shares)	15.8	0.1	15.7
	Amount (billion yen)	10.0	0.1	10.0



Cash flow statements

(billion yen)	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011	Change
Net cash provided by operating activities	79.9	81.9	-2.0
Net cash used in investing activities	-69.9	-43.6	-26.3
Purchases of fixed assets	-27.0	-27.4	0.4
Other	-43.0	-16.2	-26.7
Net cash used in financing activities	-13.3	-41.7	28.5
effect of exchange rate changes on cash and cash equivalents	-1.4	-2.7	1.3
Net increase (decrease) in cash and cash equivalents	-4.7	-6.1	1.4
Free cash flow	52.9	54.5	-1.6



Market Environment

▶ North America : Continuing upward momentum

▶ Tractors

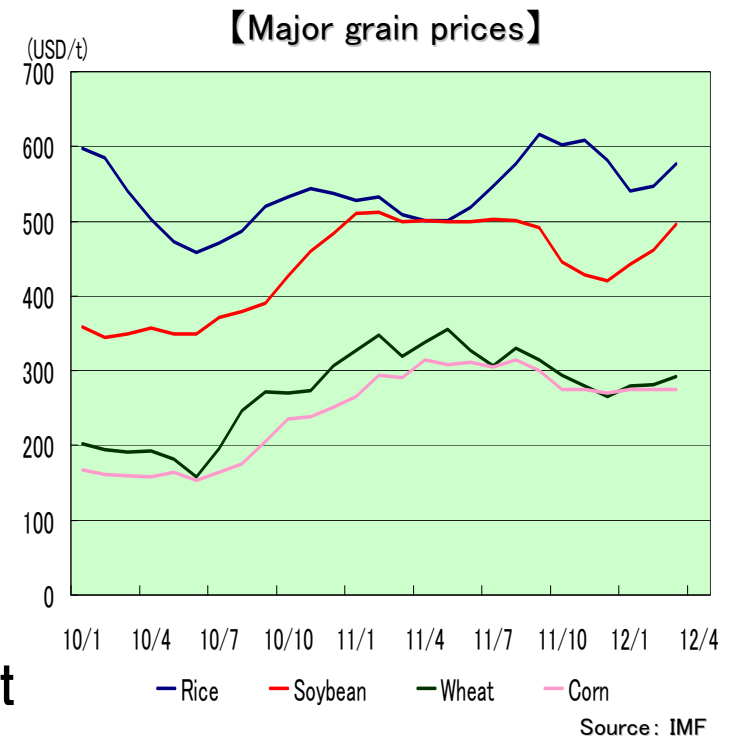
- ▶ Firmness in grain prices
- ▶ Demand for mowers will recover due to the alleviation of drought

▶ Construction Machinery

- ▶ Continuing double-digit growth

▶ Engines

- ▶ Aim for an increase in market share as Tier 4 regulations come into effect



▶ Europe: Uncertainty

- ▶ However, demand in the farming market is steady due to the firmness in grain prices.

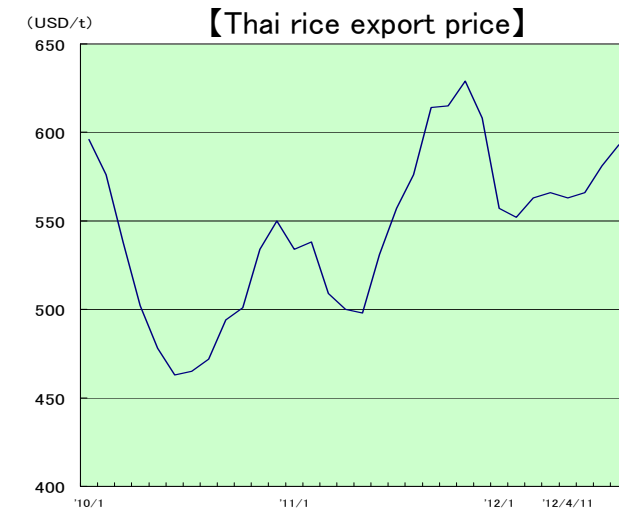
▶ Thailand: Active demand, Expect rapid recovery

▶ Increase in farm income due to firm crop prices

- ▶ Continuing rice mortgage scheme (virtually acts as governmental procurement)
- ▶ High rice export price

▶ Government support for farmers adversely affected by flood damage

- ▶ Subsidy, low interest financing, tax preferences and other



Source: USDA, Thai Rice Exporters Association

▶ China: Growth in farm equipment market

▶ Increased subsidies for farm machinery (17.5 billion RMB→20.0 billion RMB)

- Budget allocation focused on machinery related to agricultural work. Mechanization ratio is still low.

▶ There is hope that the construction machinery market will recover from the second half of the year.



▶ Japan

Farm machinery and public works related products: Flat

Construction Machinery: Growth

▶ Farm machinery

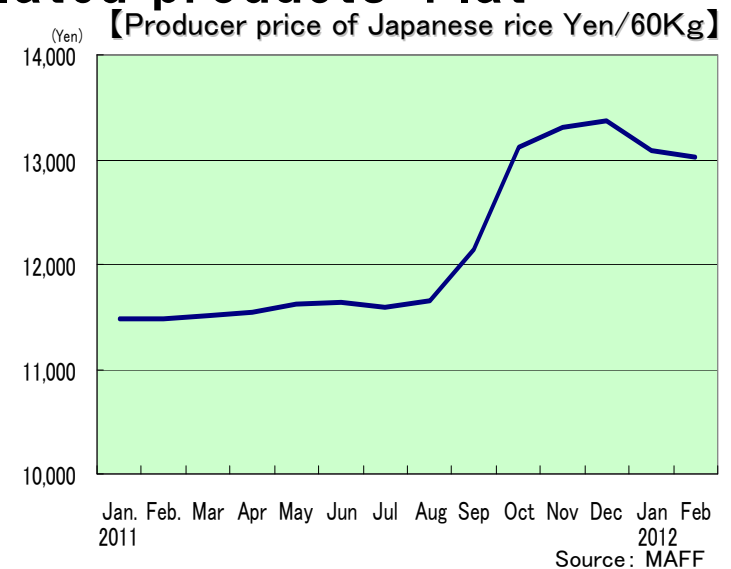
- ▶ Gradual decline in the number of farmers
- ▶ Underlying support for farm income through increased rice prices and individual (household) income support system for agriculture

▶ Construction machinery

- ▶ Continuing demand for earthquake disaster reconstruction

▶ Public works related products

- ▶ Areas of distress: Demand for reconstruction
- ▶ Other: Flat or decrease



Construction of earthquake-resistant pipes
in area of distress



Forecast

Anticipated operating results

(billion yen)	Year ending Mar. 31, 2013 (Forecast)	Year ended Mar. 31, 2012 (Actual)	Change	Six months ending Sep. 30, 2012 (Forecast)
Revenues	1,150.0	1,008.0	142.0	550.0
Operating income	9.1% 105.0	10.5% 105.7	-0.7	9.1% 50.0
Other income(expenses)	-	-4.7	4.7	-
Taxable income(*)	9.1% 105.0	10.0% 100.9	4.1	9.1% 50.0
Net income attributable to Kubota Corp.	5.7% 65.0	6.1% 61.6	3.4	5.5% 30.0

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



Anticipated revenues by reporting segment



(billion yen)	Year ended Mar. 31, 2013 (Forecast)	Year ended Mar. 31, 2012 (Actual)	Change	
			Amount	%
Farm & Industrial Machinery (Machinery)	830.0	713.9	116.1	16.3
Domestic	245.0	235.4	9.6	4.1
Overseas	585.0	478.5	106.5	22.3
Water & Environment Systems (Water)	215.0	198.5	16.5	8.3
Domestic	197.0	184.6	12.4	6.7
Overseas	18.0	13.9	4.1	29.5
Social Infrastructure (Infrastructure)	70.0	64.8	5.2	8.1
Domestic	50.0	48.1	1.9	4.0
Overseas	20.0	16.7	3.3	19.7
Other	35.0	30.8	4.2	13.7
Domestic	33.0	30.6	2.4	7.9
Overseas	2.0	0.2	1.8	809.1
Total revenues	1,150.0	1,008.0	142.0	14.1
Domestic revenues	525.0	498.7	26.3	5.3
Overseas revenues	625.0	509.3	115.7	22.7



Summary of operating income forecast

(billion yen)	Year ended Mar. 31, 2012		Year ended Mar. 31, 2011		Change	
	Amount	%	Amount	%	Amount	%
Operating Income	105.0	9.1	105.7	10.5	-0.7	-0.6

Factors affecting operating income (YoY change -0.7 billion yen)

1. Appreciation of the yen	Euro (111→105) Other currencies	-1.5 billion yen -2.0 billion yen	} -3.5 billion yen
2. Material costs	Machinery		+1.5 billion yen
3. Amortization of valuation difference between the amount paid and fair market value of Net Assets of Kverneland ASA (*)			-3.8 billion yen
4. Pension cost (*)			-4.3 billion yen
5. Losses from the earthquake & floods (Prior year) (*)			+1.4 billion yen
6. Gain on sales of unused land and loss on revaluation of land (Prior year) (*)			-6.0 billion yen
7. Revenue increase, cost reduction and other factors			+14.0 billion yen

(*) Non-recurring item



- ▶ Amortization of valuation difference between the amount paid and fair market value of net assets of Kverneland ASA
 - ▶ Substantial amount of valuation difference was recorded in reevaluation of net assets of Kverneland ASA at fair market value under M&A

Number of shares	Payment for the Stock	Equity at the time of acquisition			Goodwill
		Book value	Difference	Fair market value	
154 million shares	22.9	8.3	10.4	18.9	4.0

(billion yen)

3.8 billion yen will be amortized for the year ending Mar. 2013

- ▶ Increase in pension cost (one-time amortization of actuarial loss)
 - ▶ Increase in benefit obligations and actuarial loss due to the reduction in the discount ratio(2.5%→2.0%)

(billion yen)	For the year ended Mar. 2012	
	2.0% discount ratio	2.5% discount ratio
Benefit obligations	150.6	142.5
Actuarial loss	34.1	26.0
Amortization of actuarial loss (for the year ending Mar. 2013)	5.0	0.7

One time amortization of the amount exceeding 20% of pension obligations (34.1-150.6 × 20%=4.0 billion yen) for next year.

Increased amount of amortization is 4.3 billion yen

0.7 billion yen for the year ended Mar. 2012



Anticipated operating income excluding non-recurring items

(billion yen)	Year ending Mar. 31, 2013 (Forecast)			Year ended Mar. 31, 2012 (Actual)			Change ①-④	Change (Adjusted) ③-⑥	Change in revenues
	Operating Income ①	Non- recurring Items (*1) ②	Adjusted Operating Income ③=①-②	Operating Income ④	Non- recurring Items (2) ⑤	Adjusted Operating Income ⑥=④-⑤			
Machinery	12.4% 103.0	-6.2	13.2% 109.2	13.7% 97.8	-0.9	13.8% 98.7	5.2	10.5	116.1
Water	7.9% 17.0	-1.1	8.4% 18.1	7.5% 14.8	-0.3	7.6% 15.1	2.2	3.0	16.5
Infrastructure	5.7% 4.0	-0.4	6.3% 4.4	4.1% 2.7	-0.1	4.2% 2.8	1.3	1.6	5.2
Other	7.1% 2.5	-	7.1% 2.5	8.0% 2.5	-	8.0% 2.5	0.1	0.0	4.2
Adjustment	-21.5	-0.4	-21.1	-12.0	5.9	-17.9	-9.5	-3.2	
計	9.1% 105.0	-8.1	9.8% 113.1	10.5% 105.7	4.6	10.0% 101.1	-0.7	12.0	142.0

(*1) Amortization of variance of the estimate of Kverneland ASA and Pension cost

(*2) Losses from the Earthquake & Floods and Gain on sales of idle assets

<Reference>CAPEX, Depreciations, R&D expenses

【Anticipated foreign exchange rate】

		Year ending Mar. 31, 2013 (Forecast)	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011
¥/US\$	1st Half (Jan.–Jun.)	80	82	91
	2nd Half (Jul.–Dec.)	80	78	84
	Full year average	80	80	88
¥/Euro	1st Half (Jan.–Jun.)	105	115	121
	2nd Half (Jul.–Dec.)	105	107	111
	Full year average	105	111	116

【CAPEX, Depreciations R&D expenses】

(billion yen)	Year ending Mar. 31, 2013 (Forecast)	Year ended Mar. 31, 2012	Year ended Mar. 31, 2011
Capital expenditures	53.0	31.1	24.0
Depreciations and amortization	35.0	23.9	26.5
R&D expenses	30.0	27.9	25.0

Cautionary Statements with Respect to Forward-Looking Statements

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



Kubota

For Earth, For Life