

KUBOTA Corporation

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RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2015

Kubota Corporation reported its consolidated results for the six months ended September 30, 2015 today.

Consolidated Financial Highlights**1. Consolidated results of operations for the six months ended September 30, 2015****(1) Results of operations**

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

	Six months ended Sept. 30, 2015	Change [%]	Six months ended Sept. 30, 2014	Change [%]
Revenues	¥ 818,816	9.9	¥ 745,061	2.2
Operating income	¥ 116,308	16.1	¥ 100,184	(0.1)
Income before income taxes and equity in net income of affiliated companies	¥ 117,759	13.7	¥ 103,558	(2.3)
Net income attributable to Kubota Corporation	¥ 75,713	14.6	¥ 66,091	(1.9)
Net income attributable to Kubota Corporation per common share				
Basic	¥ 60.84		¥ 52.88	
Diluted	-		-	

(2) Financial condition

(In millions of yen)

	Sept. 30, 2015	Mar. 31, 2015
Total assets	¥ 2,465,558	¥ 2,476,820
Equity	¥ 1,204,727	¥ 1,179,393
Kubota Corporation shareholders' equity	¥ 1,129,179	¥ 1,100,998
Ratio of Kubota Corporation shareholders' equity to total assets	45.8%	44.4%

Notes:

1. Change [%] represents percentage change from the corresponding period in the prior year.
2. Comprehensive income for the six months ended September 30, 2015 and 2014 was ¥50,080 million [(48.7%)] and ¥97,666 million [3.8%], respectively.

2. Cash dividends

(In yen)

	Cash dividends per common share		
	Interim	Year-end	Total
Year ending Dec. 31, 2015	¥ 14.00	¥ 14.00 (forecast)	¥ 28.00 (forecast)
Year ended Mar. 31, 2015	¥ 12.00	¥ 16.00	¥ 28.00

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

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

	Year ending Dec. 31, 2015	Adjusted change [%]
Revenues	¥ 1,250,000	9.2
Operating income	¥ 173,000	15.9
Income before income taxes and equity in net income of affiliated companies	¥ 175,000	10.7
Net income attributable to Kubota Corporation	¥ 115,000	13.4
Net income attributable to Kubota Corporation per common share	¥ 92.41	

Notes:

- At the 125th Ordinary General Meeting of Shareholders held on June 19, 2015, a partial amendment to the Articles of Incorporation was resolved. Accordingly, Kubota Corporation has changed its fiscal year-end from March 31 to December 31, from the 126th business term. The same change in the fiscal year-end has been made to subsidiaries in Japan that had fiscal year-ends other than December 31. For this reason, the anticipated results of operations for the 126th business term, a transitional period for the change in the fiscal year-end, are the prospects for the nine-month period that commenced on April 1, 2015 and will end on December 31, 2015. Additionally, adjusted change [%] for the year ending December 31, 2015 represents percentage change from the corresponding period in the prior year for the nine-month period from April 1, 2014 to December 31, 2014.
- Please refer to the accompanying materials, "1. Review of operations and financial condition (3) Prospects for the year ending December 31, 2015" on page 6 for further information related to the anticipated results of operations.

4. Other information

(1) Changes in material subsidiaries: No

(2) Adoption of simplified accounting procedures or specific accounting procedures for quarterly consolidated financial statements: Yes

Note:

See the accompanying materials, "2. Other information (2) Adoption of specific accounting procedures for quarterly consolidated financial statements" on page 6.

(3) Accounting changes for consolidated financial statements

- Changes due to the revision of accounting standards: No
- Changes in matters other than a) above: No

(4) Number of common shares issued including treasury stock as of September 30, 2015	: 1,246,219,180
Number of common shares issued including treasury stock as of March 31, 2015	: 1,246,219,180
Number of treasury stock as of September 30, 2015	: 1,701,276
Number of treasury stock as of March 31, 2015	: 518,708
Weighted average number of common shares outstanding during the six months ended September 30, 2015	: 1,244,527,475
Weighted average number of common shares outstanding during the six months ended September 30, 2014	: 1,249,734,556

(Information on status of the quarterly review by the independent auditor)

This release has not been reviewed in accordance with the Financial Instruments and Exchange Act of Japan by the independent auditor because this release is not subject to a quarterly review.

As of the date of this release, consolidated financial statements for the six months ended September 30, 2015 of Kubota Corporation and its subsidiaries (hereinafter, the "Company") are under procedures of the quarterly review.

< Cautionary Statements with Respect to Forward-Looking Statements >

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

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1. Review of operations and financial condition

(1) Summary of the results of operations for the six months under review

For the six months ended September 30, 2015, revenues of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased by ¥73.8 billion [9.9%] from the corresponding period in the prior year, to ¥818.8 billion.

Domestic revenues increased by ¥7.0 billion [2.8%], to ¥260.7 billion, from the corresponding period in the prior year. Domestic revenues in Farm & Industrial Machinery increased due to higher sales of farm equipment and construction machinery, while revenues in Water & Environment decreased owing to lower sales of ductile iron pipes.

Overseas revenues grew by ¥66.8 billion [13.6%], to ¥558.2 billion. In Farm & Industrial Machinery, revenues increased significantly due to the effect of yen depreciation and growing sales in China. Revenues in Water & Environment also increased owing to higher sales of ductile iron pipes and industrial castings.

Operating income increased by ¥16.1 billion [16.1%] from the corresponding period in the prior year, to ¥116.3 billion, because increased revenues in the domestic and overseas markets and the effect of yen depreciation exceeded the negative impact of increased selling expenses. Income before income taxes and equity in net income of affiliated companies, equivalent to operating income plus other income of ¥1.5 billion, amounted to ¥117.8 billion, which was ¥14.2 billion [13.7%] higher than in the corresponding period in the prior year. Income taxes were ¥38.1 billion, and net income increased by ¥9.6 billion [13.5%], to ¥80.9 billion. Net income attributable to Kubota Corporation increased by ¥9.6 billion [14.6%] from the corresponding period in the prior year, to ¥75.7 billion.

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

1) Farm & Industrial Machinery

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

Revenues in this segment increased by 11.1% from the corresponding period in the prior year, to ¥683.1 billion, and accounted for 83.4% of consolidated revenues.

Domestic revenues increased by 6.7%, to ¥157.9 billion. Sales of farm equipment rose mainly in tractors due to recovery from an adverse reaction to the front-loaded demand before Japan's consumption tax hike, and aggressive sales promotion activities timed to coincide with the revisions in emission regulations. Sales of construction machinery steadily increased, supported by high volumes of construction work and preferential taxation systems.

Overseas revenues increased by 12.5%, to ¥525.2 billion. In North America, increased sales of compact tractors and mowers and the effect of yen depreciation, offset decreased sales of midscale tractors. Sales of construction machinery and engines expanded along with the economic recovery and steady housing starts. In Europe, revenues showed a small increase because higher sales of construction machinery and engines, which resulted from the positive trend of economic recovery in the UK and southern Europe, offset the stagnation in the agricultural market owing to the decline in agricultural prices and the effect of euro depreciation. In Asia outside Japan, sales in China rose significantly due to the effect of the resumption of government subsidies, increased sales of combines and tractors, and the effect of yen depreciation. In Thailand, the impact of increasing sales of combine harvesters and the effect of yen depreciation exceeded the negative impact of lower sales of tractors, power tillers, and engines resulting from severe drought.

Operating income in Farm & Industrial Machinery increased by 22.1% from the corresponding period in the prior year, to ¥124.5 billion. The effect of higher sales in Japan and China and the effect of yen

depreciation offset an increase in fixed costs.

2) Water & Environment

Water & Environment is comprised of pipe-related products (ductile iron pipes, plastic pipes, pumps, valves, and other products), environment-related products (environmental control plants and other products), and social infrastructure-related products (industrial castings, ceramics, spiral-welded steel pipes, and other products).

Revenues in this segment increased by 4.4% from the corresponding period in the prior year, to ¥122.3 billion, and accounted for 14.9% of consolidated revenues.

Domestic revenues decreased by 3.4%, to ¥89.6 billion. Revenues from pipe-related products decreased from the corresponding period in the prior year due to lower sales of ductile iron pipes and plastic pipes. Revenues from environment-related products increased slightly owing to higher sales of water purification facilities and other plants, including operation and maintenance, while sales of waste water treatment equipment and plants decreased. Revenues from social infrastructure-related products also increased due to higher sales of industrial castings.

Overseas revenues increased by 34.1%, to ¥32.6 billion. Revenues from pipe-related products increased sharply due to expansion in exports of ductile iron pipes. Revenues from environment-related products and social infrastructure-related products also increased, owing to higher sales of membrane systems, water & environment plant business (Engineering, Procurement, Construction), and industrial castings.

Operating income in Water & Environment decreased by 42.6%, to ¥4.1 billion, due to lower revenues in domestic markets and the negative impact of higher selling expenses.

3) Other

Other is comprised of services and other businesses.

Revenues in this segment increased by 1.0% from the corresponding period in the prior year, to ¥13.4 billion, and accounted for 1.7% of consolidated revenues.

Operating income in Other decreased by 4.6%, to ¥1.0 billion.

* Beginning with the current consolidated fiscal year, the amounts related to "electronic equipped machinery" are reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Water & Environment" segment, in conformity with the change in the business reporting structure of the Company. The segment information for the prior fiscal year has been retrospectively adjusted to conform to the current year's presentation.

(2) Financial condition

1) Assets, liabilities, and equity

Total assets at September 30, 2015 amounted to ¥2,465.6 billion, a decrease of ¥11.3 billion from March 31, 2015. Among assets, short- and long-term finance receivables and inventories increased, while trade notes and accounts receivable decreased substantially. The yen value of assets denominated in foreign currencies decreased, due to the effect of yen appreciation compared to the prior fiscal year-end.

Among liabilities, the aggregated amount of interest-bearing debt, which is composed of short-term borrowings, long-term debt, and current portion of long-term debt, decreased due to the effect of yen appreciation and the decline in trade notes and accounts receivable. Equity increased as the accumulation of retained earnings exceeded the deterioration in accumulated other comprehensive income due to fluctuations

in exchange rates and stock prices. The shareholders' equity ratio was 45.8%, 1.4 percentage points higher than at the prior fiscal year-end.

2) Cash flows

Net cash provided by operating activities during the six months ended September 30, 2015 was ¥152.7 billion, an increase of ¥80.5 billion in cash inflow from the corresponding period in the prior year. This increase resulted from the rise in net income as well as the changes in working capital, including trade notes and accounts receivable, and trade notes and accounts payable.

Net cash used in investing activities was ¥90.7 billion, an increase of ¥9.1 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to an increase in finance receivables along with an expansion in overseas sales financing operations.

Net cash used in financing activities was ¥39.2 billion, an increase of ¥62.6 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to a significant decrease in proceeds from issuance of long-term debt.

As a result, after taking account of the effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents at September 30, 2015 were ¥132.9 billion, an increase of ¥19.8 billion from the beginning of the current fiscal year.

(3) Prospects for the year ending December 31, 2015

The forecast for revenues for the year ending December 31, 2015, which was announced on May 12, 2015, remains unchanged.

The forecast for operating income was revised to ¥173.0 billion, an increase of ¥8.0 billion from the previous forecast, in view of the steady results achieved in the current period and the recent foreign exchange rate trends. Income before income taxes and equity in net income of affiliated companies was revised upward by ¥5.0 billion to ¥175.0 billion, and net income attributable to Kubota Corporation was also revised upward by ¥5.0 billion to ¥115.0 billion, compared with the previous forecast.

These forecasts are based on the assumption of exchange rates of ¥120=US\$1 and ¥135=€1.

2. Other information

(1) Changes in material subsidiaries

None

(2) Adoption of specific accounting procedures for quarterly consolidated financial statements

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

(3) Accounting changes for consolidated financial statements

None

3. Consolidated financial statements

(1) Consolidated balance sheets

		Sept. 30, 2015		Mar. 31, 2015		Change	Sept. 30, 2014	
		Amount	%	Amount	%	Amount	Amount	%
Assets (In millions of yen)								
Current assets:								
Cash and cash equivalents	132,859		113,016		19,843	104,251		
Trade notes and accounts receivable	575,882		680,453		(104,571)	546,251		
Short-term finance receivables-net	220,771		206,756		14,015	179,784		
Inventories	365,541		338,033		27,508	333,970		
Other current assets	129,008		104,756		24,252	101,369		
Total current assets	1,424,061	57.8	1,443,014	58.3	(18,953)	1,265,625	56.9	
Investments and long-term finance receivables	631,788	25.6	621,946	25.1	9,842	568,595	25.6	
Property, plant, and equipment	287,027	11.6	297,090	12.0	(10,063)	287,902	12.9	
Other assets	122,682	5.0	114,770	4.6	7,912	102,636	4.6	
Total	2,465,558	100.0	2,476,820	100.0	(11,262)	2,224,758	100.0	

		Sept. 30, 2015		Mar. 31, 2015		Change	Sept. 30, 2014	
		Amount	%	Amount	%	Amount	Amount	%
Liabilities and Equity (In millions of yen)								
Current liabilities:								
Short-term borrowings	153,592		160,866		(7,274)	208,796		
Trade notes and accounts payable	231,431		228,333		3,098	217,677		
Other current liabilities	205,834		214,229		(8,395)	193,658		
Current portion of long-term debt	152,444		126,771		25,673	74,938		
Total current liabilities	743,301	30.1	730,199	29.5	13,102	695,069	31.3	
Long-term liabilities:								
Long-term debt	433,061		479,952		(46,891)	377,458		
Accrued retirement and pension costs	12,443		13,067		(624)	12,151		
Other long-term liabilities	72,026		74,209		(2,183)	64,962		
Total long-term liabilities	517,530	21.0	567,228	22.9	(49,698)	454,571	20.4	
Equity:								
Kubota Corporation shareholders' equity:								
Common stock	84,070		84,070		—	84,070		
Capital surplus	87,809		87,880		(71)	88,650		
Legal reserve	19,539		19,539		—	19,539		
Retained earnings	854,323		798,547		55,776	747,329		
Accumulated other comprehensive income	86,126		111,363		(25,237)	62,557		
Treasury stock, at cost	(2,688)		(401)		(2,287)	(315)		
Total Kubota Corporation shareholders' equity	1,129,179	45.8	1,100,998	44.4	28,181	1,001,830	45.0	
Non-controlling interests	75,548	3.1	78,395	3.2	(2,847)	73,288	3.3	
Total equity	1,204,727	48.9	1,179,393	47.6	25,334	1,075,118	48.3	
Total	2,465,558	100.0	2,476,820	100.0	(11,262)	2,224,758	100.0	

(2) Consolidated statements of income

(In millions of yen)

	Six months ended Sept. 30, 2015		Six months ended Sept. 30, 2014		Change		Nine months ended Dec. 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues	818,816	100.0	745,061	100.0	73,755	9.9	1,144,694	100.0
Cost of revenues	558,241	68.2	519,157	69.7	39,084	7.5	800,396	69.9
Selling, general, and administrative expenses	142,074	17.3	125,446	16.9	16,628	13.3	196,513	17.2
Other operating expenses (income) - net	2,193	0.3	274	0.0	1,919	700.4	(1,526)	(0.1)
Operating income	116,308	14.2	100,184	13.4	16,124	16.1	149,311	13.0
Other income (expenses):								
Interest and dividend income	3,474		2,690		784		4,492	
Interest expense	(399)		(883)		484		(1,041)	
Gain on sales of securities-net	1,401		180		1,221		676	
Foreign exchange gain (loss)-net	(13,157)		4,974		(18,131)		6,233	
Other-net	10,132		(3,587)		13,719		(1,584)	
Other income (expenses)-net	1,451		3,374		(1,923)		8,776	
Income before income taxes and equity in net income of affiliated companies	117,759	14.4	103,558	13.9	14,201	13.7	158,087	13.8
Income taxes	38,110		33,492		4,618		49,617	
Equity in net income of affiliated companies	1,274		1,220		54		1,789	
Net income	80,923	9.9	71,286	9.6	9,637	13.5	110,259	9.6
Less: Net income attributable to non-controlling interests	5,210		5,195		15		8,866	
Net income attributable to Kubota Corporation	75,713	9.2	66,091	8.9	9,622	14.6	101,393	8.9

Net income attributable to Kubota Corporation per common share

(In yen)

Basic	60.84	52.88		81.13
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Notes:

The 126th business term is a nine-month period that commenced on April 1, 2015 and will end on December 31, 2015. For this reason, the consolidated statement of income for the nine months ended December 31, 2014 is presented as a reference.

(3) Consolidated statements of comprehensive income (loss)

(In millions of yen)

	Six months ended Sept. 30, 2015	Six months ended Sept. 30, 2014	Change
Net income	80,923	71,286	9,637
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(18,897)	24,335	(43,232)
Unrealized gains (losses) on securities	(11,839)	2,015	(13,854)
Unrealized gains on derivatives	10	10	—
Pension liability adjustments	(117)	20	(137)
Total other comprehensive income (loss)	(30,843)	26,380	(57,223)
Comprehensive income	50,080	97,666	(47,586)
Less: Comprehensive income (loss) attributable to non-controlling interests	(482)	8,014	(8,496)
Comprehensive income attributable to Kubota Corporation	50,562	89,652	(39,090)

(4) Consolidated statements of cash flows

(In millions of yen)

	Six months ended Sept. 30, 2015	Six months ended Sept. 30, 2014	Change
Operating activities:			
Net income	80,923	71,286	
Depreciation and amortization	20,126	18,106	
Gain on sales of securities-net	(1,401)	(180)	
Impairment loss on long-lived assets	1,892	—	
Equity in net income of affiliated companies	(1,274)	(1,220)	
Deferred income taxes	5,008	5,665	
Decrease in trade notes and accounts receivable	90,933	60,105	
Increase in inventories	(34,444)	(27,879)	
Increase in other current assets	(14,623)	(12,327)	
Increase (decrease) in trade notes and accounts payable	6,522	(25,334)	
Decrease in income taxes payable	(415)	(20,052)	
Increase (decrease) in other current liabilities	(1,191)	4,834	
Decrease in accrued retirement and pension costs	(5,289)	(5,163)	
Other	5,894	4,306	
Net cash provided by operating activities	152,661	72,147	80,514
Investing activities:			
Purchases of fixed assets	(24,524)	(19,903)	
Proceeds from sales of property, plant, and equipment	291	338	
Proceeds from sales and redemption of investments	2,031	340	
Increase in finance receivables	(210,863)	(171,543)	
Collection of finance receivables	143,927	114,697	
Net (increase) decrease in short-term loan receivables from affiliated companies	2,338	(2,324)	
Net (increase) decrease in time deposits	(3,168)	118	
Other	(710)	(3,306)	
Net cash used in investing activities	(90,678)	(81,583)	(9,095)
Financing activities:			
Proceeds from issuance of long-term debt	35,568	236,325	
Repayments of long-term debt	(52,865)	(206,080)	
Net increase in short-term borrowings	2,079	16,287	
Payments of cash dividends	(19,937)	(22,502)	
Purchases of treasury stock	(2,287)	(28)	
Other	(1,776)	(622)	
Net cash provided by (used in) financing activities	(39,218)	23,380	(62,598)
Effect of exchange rate changes on cash and cash equivalents	(2,922)	3,285	(6,207)
Net increase in cash and cash equivalents	19,843	17,229	
Cash and cash equivalents, beginning of year	113,016	87,022	
Cash and cash equivalents, end of period	132,859	104,251	28,608

(5) Notes to assumption for going concern

None

(6) Consolidated segment information

1) Reporting segments

Information by reporting segment is summarized as follows:

For the six months ended September 30, 2015 (In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	683,103	122,268	13,445	—	818,816
	Intersegment	177	368	12,230	(12,775)	—
	Total	683,280	122,636	25,675	(12,775)	818,816
Operating income		124,514	4,127	1,030	(13,363)	116,308

For the six months ended September 30, 2014 (In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	614,653	117,097	13,311	—	745,061
	Intersegment	325	423	11,757	(12,505)	—
	Total	614,978	117,520	25,068	(12,505)	745,061
Operating income		101,965	7,194	1,080	(10,055)	100,184

Notes:

- "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
- The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
- Intersegment transfers are recorded at values that approximate market prices.
- Beginning with the current consolidated fiscal year, the amounts related to "electronic equipped machinery" are reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Water & Environment" segment, in conformity with the change in business reporting structure of the Company. The segment information for the second quarter of the prior fiscal year has been retrospectively adjusted to conform to the current year presentation.

2) Geographic information

Information about revenues from external customers by destination is summarized as follows:

(In millions of yen)

	Six months ended Sept. 30, 2015	Six months ended Sept. 30, 2014
Japan	260,663	253,675
North America	244,372	217,572
Europe	105,173	106,010
Asia outside Japan	169,416	139,907
Other areas	39,192	27,897
Total	818,816	745,061

Notes:

- Revenues from North America include those from the United States of ¥213,603 million and ¥188,302 million for the six months ended September 30, 2015 and 2014, respectively.
- There is no single customer from whom revenues exceed 10% of total consolidated revenues of the Company.

(7) Consolidated statement of changes in equity

(In millions of yen)

	Shares of common stock outstanding (thousands of shares)	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 Mar. 31, 2015	1,245,700	84,070	87,880	19,539	798,547	111,363	(401)	78,395	1,179,393
Net income					75,713			5,210	80,923
Other comprehensive loss						(25,151)		(5,692)	(30,843)
Cash dividends paid to Kubota Corporation shareholders, ¥16.00 per common share					(19,937)				(19,937)
Cash dividends paid to non-controlling interests								(1,818)	(1,818)
Purchases and sales of treasury stock	(1,182)						(2,287)		(2,287)
Changes in ownership interests in subsidiaries			(71)			(86)		(547)	(704)
Balance at Sept. 30, 2015	1,244,518	84,070	87,809	19,539	854,323	86,126	(2,688)	75,548	1,204,727

(8) Consolidated revenues by product group

(In millions of yen)

	Six months ended Sept. 30, 2015		Six months ended Sept. 30, 2014		Change		Nine months ended Dec. 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	566,440	69.2	512,497	68.8	53,943	10.5	775,504	67.7
Domestic	122,612		114,606		8,006	7.0	156,880	
Overseas	443,828		397,891		45,937	11.5	618,624	
Construction Machinery	102,051	12.4	86,760	11.6	15,291	17.6	128,904	11.3
Domestic	21,475		18,766		2,709	14.4	31,184	
Overseas	80,576		67,994		12,582	18.5	97,720	
Electronic Equipped Machinery	14,612	1.8	15,396	2.1	(784)	(5.1)	22,333	1.9
Domestic	13,795		14,606		(811)	(5.6)	21,040	
Overseas	817		790		27	3.4	1,293	
Farm & Industrial Machinery	683,103	83.4	614,653	82.5	68,450	11.1	926,741	80.9
Domestic	157,882	19.3	147,978	19.9	9,904	6.7	209,104	18.2
Overseas	525,221	64.1	466,675	62.6	58,546	12.5	717,637	62.7
Pipe-related Products	74,015	9.0	71,635	9.6	2,380	3.3	123,307	10.8
Domestic	57,205		60,939		(3,734)	(6.1)	101,728	
Overseas	16,810		10,696		6,114	57.2	21,579	
Environment-related Products	26,099	3.2	24,766	3.3	1,333	5.4	41,217	3.6
Domestic	22,958		22,695		263	1.2	37,133	
Overseas	3,141		2,071		1,070	51.7	4,084	
Social Infrastructure-related Products	22,154	2.7	20,696	2.8	1,458	7.0	33,433	2.9
Domestic	9,457		9,124		333	3.6	15,330	
Overseas	12,697		11,572		1,125	9.7	18,103	
Water & Environment	122,268	14.9	117,097	15.7	5,171	4.4	197,957	17.3
Domestic	89,620	10.9	92,758	12.4	(3,138)	(3.4)	154,191	13.5
Overseas	32,648	4.0	24,339	3.3	8,309	34.1	43,766	3.8
Other	13,445	1.7	13,311	1.8	134	1.0	19,996	1.8
Domestic	13,161	1.6	12,939	1.7	222	1.7	19,417	1.7
Overseas	284	0.1	372	0.1	(88)	(23.7)	579	0.1
Total	818,816	100.0	745,061	100.0	73,755	9.9	1,144,694	100.0
Domestic	260,663	31.8	253,675	34.0	6,988	2.8	382,712	33.4
Overseas	558,153	68.2	491,386	66.0	66,767	13.6	761,982	66.6

Notes:

The 126th business term is a nine-month period that commenced on April 1, 2015 and will end on December 31, 2015. For this reason, consolidated revenues for the nine months ended December 31, 2014 are presented as a reference.

(9) Anticipated consolidated revenues by reporting segment

(In billions of yen)

	Year ending Dec. 31, 2015		Nine months ended Dec. 31, 2014		Adjusted change	
	Amount	%	Amount	%	Amount	%
Domestic	225.5		209.1		16.4	7.8
Overseas	799.5		717.6		81.9	11.4
Farm & Industrial Machinery	1,025.0	82.0	926.7	80.9	98.3	10.6
Domestic	155.0		154.2		0.8	0.5
Overseas	50.0		43.8		6.2	14.2
Water & Environment	205.0	16.4	198.0	17.3	7.0	3.5
Domestic	19.5		19.4		0.1	0.5
Overseas	0.5		0.6		(0.1)	(16.7)
Other	20.0	1.6	20.0	1.8	—	—
Total	1,250.0	100.0	1,144.7	100.0	105.3	9.2

Domestic	400.0	32.0	382.7	33.4	17.3	4.5
Overseas	850.0	68.0	762.0	66.6	88.0	11.5

Notes:

The 126th business term is a nine-month period that commenced on April 1, 2015 and will end on December 31, 2015. For this reason, anticipated revenues for the year ending December 31, 2015 are compared with revenues for the nine months ended December 31, 2014.

4. Results of operations for the three months ended September 30, 2015

(1) Consolidated statements of income

(In millions of yen)

	Three months ended Sept. 30, 2015		Three months ended Sept. 30, 2014		Change	
	Amount	%	Amount	%	Amount	%
Revenues	406,725	100.0	384,336	100.0	22,389	5.8
Cost of revenues	274,737	67.5	270,393	70.4	4,344	1.6
Selling, general, and administrative expenses	73,711	18.1	66,095	17.2	7,616	11.5
Other operating expenses net	2,073	0.6	96	0.0	1,977	-
Operating income	56,204	13.8	47,752	12.4	8,452	17.7
Other income (expenses):						
Interest and dividend income	1,162		664		498	
Interest expense	(128)		(359)		231	
Gain on sales of securities-net	772		177		595	
Foreign exchange gain (loss)-net	(12,055)		4,859		(16,914)	
Other-net	7,685		(2,892)		10,577	
Other income (expenses) net	(2,564)		2,449		(5,013)	
Income before income taxes and equity in net income of affiliated companies	53,640	13.2	50,201	13.1	3,439	6.9
Income taxes	16,956		15,904		1,052	
Equity in net income of affiliated companies	601		555		46	
Net income	37,285	9.2	34,852	9.1	2,433	7.0
Less: Net income attributable to non-controlling interests	2,199		2,186		13	
Net income attributable to Kubota Corporation	35,086	8.6	32,666	8.5	2,420	7.4

Net income attributable to Kubota Corporation per common share

(In yen)

Basic	28.19	26.14	
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(2) Consolidated segment information

a) Reporting segment

Information by reporting segment is summarized as follows:

For the three months ended September 30, 2015

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	331,079	68,795	6,851	—	406,725
	Intersegment	102	225	6,270	(6,597)	—
	Total	331,181	69,020	13,121	(6,597)	406,725
Operating income		60,337	2,864	494	(7,491)	56,204

For the three months ended September 30, 2014

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	307,300	70,158	6,878	—	384,336
	Intersegment	207	260	6,632	(7,099)	—
	Total	307,507	70,418	13,510	(7,099)	384,336
Operating income		47,219	5,150	568	(5,185)	47,752

Notes:

1. "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
2. The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
3. Intersegment transfers are recorded at values that approximate market prices.
4. Beginning with the current consolidated fiscal year, the amounts related to "electronic equipped machinery" are reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Water & Environment" segment, in conformity with the change in business reporting structure of the Company. The segment information for the second quarter of the prior fiscal year has been retrospectively adjusted to conform to the current year presentation.

b) Geographic information

Information about revenues from external customers by destination is summarized as follows:

(In millions of yen)

	Three months ended Sept. 30, 2015	Three months ended Sept. 30, 2014
Japan	143,752	142,307
North America	117,273	105,141
Europe	48,341	47,860
Asia outside Japan	75,706	70,942
Other Areas	21,653	18,086
Total	406,725	384,336

Notes:

1. Revenues from North America include those from the United States of ¥103,515 million and ¥91,011 million for the three months ended September 30, 2015 and 2014, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

(3) Consolidated revenues by product group

(In millions of yen)

	Three months ended Sept. 30, 2015		Three months ended Sept. 30, 2014		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	275,409	67.7	256,561	66.7	18,848	7.3
Domestic	63,437		60,783		2,654	4.4
Overseas	211,972		195,778		16,194	8.3
Construction Machinery	47,788	11.8	42,249	11.0	5,539	13.1
Domestic	13,173		11,446		1,727	15.1
Overseas	34,615		30,803		3,812	12.4
Electronic Equipped Machinery	7,882	1.9	8,490	2.2	(608)	(7.2)
Domestic	7,418		8,021		(603)	(7.5)
Overseas	464		469		(5)	(1.1)
Farm & Industrial Machinery	331,079	81.4	307,300	79.9	23,779	7.7
Domestic	84,028	20.6	80,250	20.9	3,778	4.7
Overseas	247,051	60.8	227,050	59.0	20,001	8.8
Pipe-related Products	41,797	10.3	45,276	11.8	(3,479)	(7.7)
Domestic	34,210		37,283		(3,073)	(8.2)
Overseas	7,587		7,993		(406)	(5.1)
Environment-related Products	14,700	3.6	14,266	3.7	434	3.0
Domestic	13,324		13,187		137	1.0
Overseas	1,376		1,079		297	27.5
Social Infrastructure-related Products	12,298	3.0	10,616	2.8	1,682	15.8
Domestic	5,479		4,899		580	11.8
Overseas	6,819		5,717		1,102	19.3
Water & Environment	68,795	16.9	70,158	18.3	(1,363)	(1.9)
Domestic	53,013	13.0	55,369	14.4	(2,356)	(4.3)
Overseas	15,782	3.9	14,789	3.9	993	6.7
Other	6,851	1.7	6,878	1.8	(27)	(0.4)
Domestic	6,711	1.7	6,688	1.7	23	0.3
Overseas	140	0.0	190	0.1	(50)	(26.3)
Total	406,725	100.0	384,336	100.0	22,389	5.8
Domestic	143,752	35.3	142,307	37.0	1,445	1.0
Overseas	262,973	64.7	242,029	63.0	20,944	8.7