[Translation]

Quarterly Report

(The First Quarter of 124th Business Term)
From April 1, 2013 to June 30, 2013

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

KUBOTA Corporation

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

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

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

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

PART Ⅰ. Information on the Company
Ⅰ. Overview of the Company
1. Key Financial Data

(¥ in millions, except per share amounts)

	Three months ended June 30, 2013	Three months ended June 30, 2012	Year ended March 31, 2013
Revenues	¥361,754	¥276,699	¥1,210,566
Income before income taxes and equity in net income of affiliated companies	50,037	27,660	127,178
Net income attributable to Kubota Corporation	30,847	16,078	78,054
Comprehensive income (loss)	50,964	(948)	158,078
Total Kubota Corporation Shareholders' equity	829,853	663,927	793,311
Total equity	891,014	716,197	851,965
Total assets	1,891,002	1,503,172	1,846,602
Net income attributable to Kubota Corporation per common share:			
—basic	24.56	12.80	62.15
—diluted	—	—	—
Total Kubota Corporation shareholders' equity ratio (%)	43.9	44.1	42.9
Net cash provided by operating activities	64,459	37,492	49,323
Net cash used in investing activities	(34,191)	(25,446)	(79,061)
Net cash provided by (used in) financing activities	(12,952)	(10,840)	28,894
Cash and cash equivalent, end of period	119,881	93,594	99,789

(Notes)

1. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
2. Revenues do not include the consumption tax.
3. "Net income attributable to Kubota Corporation per common share—diluted" is not stated because the Company did not have potential dilutive common shares that were outstanding for the period.
4. Amounts less than presentation units are rounded.
5. Beginning with the first quarter of the current consolidation fiscal year, the Company has changed the reporting periods of certain subsidiaries and affiliated companies with different closing dates from the one for consolidation by a method of provisional settlement. To reflect the impact of these changes, the Company has retrospectively adjusted the (quarterly) consolidated financial statements.

2. Description of Business

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

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

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

Ⅱ. Business Overview

1. Risk Factors

During the three months ended June 30, 2013, none of events or facts described in Ⅱ. Business Overview or Ⅳ. Financial Information which may have a significant influence on investor's investment decisions was identified. There were no significant changes from the information described in the Risk Factors section of the Annual Securities Report for the year ended March 31, 2013.

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

2. Material Contracts

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

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

(1) Analyses of Results of Operations

For the three months ended June 30, 2013, revenues of the Company increased by ¥85.1 billion (30.7 %) to ¥361.8 billion from the corresponding period in the prior year.

Domestic revenues recorded increases in all reporting segments; Farm & Industrial Machinery, Water & Environment, and Other, by ¥8.7 billion (7.4 %) to ¥126.2 billion from the corresponding period in the prior year.

A robust growth was posted in overseas revenues in all reporting segments, especially in Farm & Industrial Machinery, and recorded overall increase by ¥76.4 billion (48.0 %) to ¥235.6 billion from the corresponding period in the prior year.

Operating income increased by ¥15.6 billion (49.5 %) to ¥47.1 billion from the corresponding period in the prior year due to the effects of yen depreciation and increased revenues. Income before income taxes and equity in net income of affiliated companies increased by ¥22.4 billion (80.9 %) to ¥50.0 billion from the corresponding period in the prior year, due to increased operating income and the improvement in the foreign exchange loss—net account. Income taxes were ¥17.3 billion and net income rose by ¥15.7 billion (86.6 %) to ¥33.8 billion from the corresponding period in the prior year.

Net income attributable to Kubota Corporation increased by ¥14.8 billion (91.9 %) to ¥30.8 billion from the corresponding period in the prior year.

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

1) Farm & Industrial Machinery

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

Revenues in this segment increased by 36.5 % to ¥300.0 billion from the corresponding period in the prior year and accounted for 82.9 % of consolidated revenues.

Domestic revenues grew by 8.3 % to ¥73.8 billion from the corresponding period in the prior year. Sales of farm equipment increased mainly due to stable rice prices and an increase in the government budget for subsidies to stabilize farmers' income and other agricultural-related spending. Sales of construction machinery and engines also rose on the steady demand.

Overseas revenues increased by 49.2 % to ¥226.3 billion in part due to the effects of yen depreciation. In North America, sales of tractors increased due to favorable demand trends. Sales of construction machinery rose substantially because of the expansion of the general retail market, while sales of engines remained at almost the same level as in the corresponding period in the prior year. In Europe, sales of tractors and construction machinery increased substantially, and sales of engines increased steadily. In Asia, sales of combine harvesters and rice transplanters rose drastically, mainly in China. Sales of tractors and engines also increased. Sales of construction machinery expanded largely due to the recovery of demand in China.

Operating income in Farm & Industrial Machinery increased by 46.1 % to ¥49.4 billion mainly due to the effects of yen depreciation and increased revenues.

2) Water & Environment

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

Revenues in this segment increased by 6.7 % to ¥53.1 billion from the corresponding period in the prior year and accounted for 14.7 % of consolidated revenues.

Domestic revenues grew by 5.6 % to ¥45.0 billion from the corresponding period in the prior year. Although sales of social infrastructure-related products decreased, sales of pipe-related products and environment-related products increased. In pipe-related products, sales of ductile iron pipes, plastic pipes, pumps, and valves expanded.

Overseas revenues rose by 12.7 % to ¥8.1 billion from the corresponding period in the prior year. Sales of social infrastructure-related products decreased owing to the sales decline in industrial castings. However, sales of pipe-related products posted a major gain, due to growing sales of ductile iron pipes, pumps, and valves. In addition, sales of environment-related products increased.

Operating income in Water & Environment decreased slightly to ¥2.6 billion from the corresponding period in the prior year.

3) Other

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

Revenues in this segment increased by 21.1 % to ¥8.6 billion from the corresponding period in the prior year and accounted for 2.4 % of consolidated revenues. Construction, services, and other businesses all reported sales growth.

Operating income in Other decreased by 9.7 % to ¥0.2 billion from the corresponding period in the prior year.

(2) Analyses of Financial Condition

Total assets at the end of June 2013 amounted to ¥1,891.0 billion, an increase of ¥44.4 billion from the end of March 2013. Among assets, short- and long-term finance receivables increased owing to the expansion of overseas retail finance business.

Among liabilities, trade notes and accounts payable and accrued expenses decreased. However, interest-bearing debt, which consists of short-term borrowings, current portion of long-term debt, and long-term debt, increased due to the increased finance receivables and the effects of yen depreciation. Net assets increased because of the accumulation of retained earnings and a favorable change in the accumulated other comprehensive income (loss). The shareholders' equity ratio was 43.9 %, 1.0 percentage points higher than at the prior fiscal year-end.

(3) Analyses of Status of Cash Flows

Net cash provided by operating activities during the three months ended June 30, 2013 was ¥64.5 billion, an increase of ¥27.0 billion in cash inflow from the corresponding period in the prior year. This increase was mainly due to higher net income and the changes in working capital such as inventories and trade notes and accounts payable, and the shrinkage of decrease in income taxes payable.

Net cash used in investing activities was ¥34.2 billion, an increase of ¥8.7 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to an increase in expenses for purchases of fixed assets and an increase in finance receivables, while proceeds from sales and redemption of investments increased.

Net cash used in financing activities was ¥13.0 billion, an increase of ¥2.1 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to a decrease in short-term borrowings. On the other hand, the cash outflow decreased due to an increase in proceeds from issuance of long-term debt and a decrease in purchases of noncontrolling interests.

As a result, after taking account of the effects of exchange rates changes on cash and cash equivalents, cash and cash equivalents at the end of June 2013 were ¥119.9 billion, an increase of ¥20.1 billion from the beginning of the period.

(4) Issues to Address on Business and Finance

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

(5) Research and Development

The Company's research and development expenses in the three months ended June 30, 2013 were ¥8.1 billion.

Ⅲ. Information on the Company

1. Information on the Company's stock

(1) Total Number of Shares

1) Total Number of Shares

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

2) Issued Shares

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

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

(2) Information on the Stock Acquisition Rights

Not applicable

(3) Information on Moving Strike Convertible Bonds

Not applicable

(4) Information on Shareholder Right Plans

Not applicable

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

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

(6) Major Shareholders

Not applicable

(7) Information on Voting Rights

Information on voting rights on the shareholder's list as of March 31, 2013 is stated in this item since the Company does not identify the number of voting rights as of June 30, 2013 due to the lack of information.

1) Issued Shares

Classification		Number of shares (shares)	Number of voting rights	Description
Shares without voting right		—	—	
Shares with restricted voting rights (treasury stock)		—	—	
Shares with restricted voting right (others)		—	—	
Shares with full voting right (treasury stock)	(Treasury stock) Common stock:	80,000	—	
	(Reciprocal share holding) Common stock:	897,000	—	
Shares with full voting right (others)	Common stock:	1,252,895,000	1,252,895	
Shares less than one unit	Common stock:	2,547,180	—	Shares less than one unit (1,000 shares)
Number of issued shares		1,256,419,180	—	
Total number of voting rights		—	1,252,895	

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

2) Treasury Stock

(As of March 31, 2013)

Name of shareholder	Address	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total shares held (shares)	Ownership percentage to the total number of issued shares (%)
(Treasury Stock) Kubota Corporation	2-47, Shikitsuhigashi, 1-chome, Naniwa-ku, Osaka, JAPAN	80,000	—	80,000	0.00
(Reciprocal share holding) Akita Kubota Corporation	295-38, Terauchikamiyashiki, Akita-shi, Akita, JAPAN	41,000	—	41,000	0.00
Minami Tohoku Kubota Corporation	16-1, Takakura Sugishita, Hiwadamachi, Koriyama-shi, Fukushima, JAPAN	102,000	—	102,000	0.00
Toyama Kubota Corporation	1540, Nishitoheizo, Takaoka-shi, Toyama, JAPAN	9,000	—	9,000	0.00
Tokai Kubota Corporation	2-16-13, Shinsho, Yokkaichi-shi, Mie, JAPAN	68,000	—	68,000	0.00
Chugoku Kubota Corporation	275, Shijikai, Higashi-ku, Okayama, JAPAN	111,000	—	111,000	0.00
Fukuokakyushu Kubota Corporation	1-11-36, Noma, Minami-ku, Fukuoka, JAPAN	566,000	—	566,000	0.04
Total Reciprocal share holding	—	897,000	—	897,000	0.07
Total	—	977,000	—	977,000	0.07

2. Changes in Senior Management

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

(Reference Information)

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

Ⅳ. Financial Information

1. Consolidated Financial Statements

KUBOTA Corporation and Subsidiaries

(1) Consolidated Balance Sheets

(¥ in millions)

	June 30, 2013	March 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 119,881	¥ 99,789
Notes and accounts receivable:		
Trade notes	63,056	73,895
Trade accounts	414,209	436,642
Less: Allowance for doubtful notes and accounts receivable	(2,919)	(2,712)
Short-term finance receivables—net	154,795	141,157
Inventories	263,354	263,217
Other current assets	71,615	68,476
Total current assets	1,083,991	1,080,464
Investments and long-term finance receivables:		
Investments in and loan receivables from affiliated companies	20,632	19,535
Other investments	127,611	126,715
Long-term finance receivables—net	303,509	275,815
Total investments and long-term finance receivables	451,752	422,065
Property, plant, and equipment:		
Land	92,386	91,367
Buildings	247,011	243,327
Machinery and equipment	404,030	397,213
Construction in progress	11,463	12,844
Total	754,890	744,751
Accumulated depreciation	(486,966)	(480,968)
Net property, plant, and equipment	267,924	263,783
Other assets:		
Goodwill and intangible assets—net	30,475	30,475
Long-term trade accounts receivable	36,512	32,010
Other	20,989	18,461
Less: Allowance for doubtful non-current receivables	(641)	(656)
Total other assets	87,335	80,290
Total	¥ 1,891,002	¥ 1,846,602

(¥ in millions)

	June 30, 2013	March 31, 2013
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	¥ 132,364	¥ 140,324
Trade notes payable	23,705	19,655
Trade accounts payable	220,625	228,178
Advances received from customers	10,032	10,122
Notes and accounts payable for capital expenditures	12,714	15,871
Accrued payroll costs	28,188	32,846
Accrued expenses	38,534	39,725
Income taxes payable	11,434	18,097
Other current liabilities	57,945	51,580
Current portion of long-term debt	107,253	78,589
Total current liabilities	642,794	634,987
Long-term liabilities:		
Long-term debt	285,378	291,085
Accrued retirement and pension costs	26,689	29,050
Other long-term liabilities	45,127	39,515
Total long-term liabilities	357,194	359,650
Commitments and contingencies		
Equity:		
Kubota Corporation shareholders' equity:		
Common stock, authorized 1,874,700,000 shares and issued 1,256,419,180 shares at June 30 and March 31, 2013	84,070	84,070
Capital surplus	88,967	88,919
Legal reserve	19,539	19,539
Retained earnings	625,502	605,962
Accumulated other comprehensive income (loss)	11,997	(4,976)
Treasury stock (481,975 shares and 468,372 shares at June 30 and March 31, 2013, respectively), at cost	(222)	(203)
Total Kubota Corporation shareholders' equity	829,853	793,311
Noncontrolling interests	61,161	58,654
Total equity	891,014	851,965
Total	¥ 1,891,002	¥ 1,846,602

See notes to consolidated financial statements.

(2) Consolidated Statements of Income

(¥ in millions, except per share amounts)

For the three months ended June 30:	2013	2012
Revenues	¥ 361,754	¥ 276,699
Cost of revenues	256,781	201,151
Selling, general, and administrative expenses	57,818	43,694
Other operating expenses	65	349
Operating income	47,090	31,505
Other income (expenses):		
Interest and dividend income	1,544	1,325
Interest expense	(341)	(449)
Gain on sales of securities—net	1,356	126
Valuation loss on other investments	—	(5)
Foreign exchange loss—net	(2,597)	(5,638)
Other—net	2,985	796
Other income (expenses), net	2,947	(3,845)
Income before income taxes and equity in net income of affiliated companies	50,037	27,660
Income taxes:		
Current	13,074	6,676
Deferred	4,183	3,544
Total income taxes	17,257	10,220
Equity in net income of affiliated companies	1,028	681
Net income	33,808	18,121
Less: Net income attributable to noncontrolling interests	2,961	2,043
Net income attributable to Kubota Corporation	¥ 30,847	¥ 16,078
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 24.56	¥ 12.80

See notes to consolidated financial statements.

(3) Consolidated Statements of Comprehensive Income (Loss)

(¥ in millions)

For the three months ended June 30:	2013	2012
Net income	¥ 33,808	¥ 18,121
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	13,281	(13,593)
Unrealized gains (losses) on securities	3,804	(6,292)
Unrealized gains (losses) on derivatives	57	(12)
Pension liability adjustments	14	828
Total other comprehensive income (loss)	17,156	(19,069)
Comprehensive income (loss)	50,964	(948)
Less: Comprehensive income (loss) attributable to noncontrolling interests	3,144	(132)
Comprehensive income (loss) attributable to Kubota Corporation	¥ 47,820	¥ (816)

See notes to consolidated financial statements.

(4) Consolidated Statements of Changes in Equity

(¥ in millions, except per share amounts)

	Kubota Corporation shareholders' equity							
	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock at cost	Non-controlling interests	Total Equity
Balance at March 31, 2013	¥84,070	¥88,919	¥19,539	¥605,962	¥(4,976)	¥(203)	¥58,654	¥851,965
(1,255,951 thousands of shares)								
Net income				30,847			2,961	33,808
Other comprehensive income					16,973		183	17,156
Cash dividends paid to Kubota Corporation shareholders, ¥9 per common share				(11,307)				(11,307)
Cash dividends paid to noncontrolling interests							(595)	(595)
Purchases and sales of treasury stock (less14 thousands of shares)						(19)		(19)
Changes in ownership interests in subsidiaries		48					(42)	6
Balance at June 30, 2013	¥84,070	¥88,967	¥19,539	¥625,502	¥11,997	¥(222)	¥61,161	¥891,014
(1,255,937 thousands of shares)								

	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock at cost	Non-controlling interests	Total Equity
Balance at March 31, 2012	¥84,070	¥88,869	¥19,539	¥567,161	¥(65,894)	¥ (19,345)	¥57,963	¥732,363
(1,255,941 thousands of shares)								
Net income				16,078			2,043	18,121
Other comprehensive loss					(16,894)		(2,175)	(19,069)
Cash dividends paid to Kubota Corporation shareholders, ¥8 per common share				(10,051)				(10,051)
Cash dividends paid to noncontrolling interests							(357)	(357)
Purchases and sales of treasury stock (less 4 thousands of shares)						(3)		(3)
Increase in noncontrolling interests related to contribution							175	175
Changes in ownership interests in subsidiaries		402			(5)		(5,379)	(4,982)
Balance at June 30, 2012	¥84,070	¥89,271	¥19,539	¥573,188	¥(82,793)	¥ (19,348)	¥52,270	¥716,197
(1,255,937 thousands of shares)								

See notes to consolidated financial statements.

(5) Consolidated Statements of Cash Flows

(¥ in millions)

For the three months ended June 30:	2013	2012
Operating activities:		
Net income	¥ 33,808	¥ 18,121
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,530	6,205
Gain on sales of securities—net	(1,356)	(126)
Valuation loss on other investments	—	5
Equity in net income of affiliated companies	(1,028)	(681)
Deferred income taxes	4,183	3,544
Changes in assets and liabilities:		
Decrease in notes and accounts receivable	35,204	38,776
(Increase) decrease in inventories	7,382	(11,265)
Increase in other current assets	(6,144)	(6,905)
Increase (decrease) in trade notes and accounts payable	(5,151)	6,625
Decrease in income taxes payable	(6,962)	(12,099)
Decrease in other current liabilities	(3,322)	(7,445)
Decrease in accrued retirement and pension costs	(2,469)	(973)
Other	1,784	3,710
Net cash provided by operating activities	64,459	37,492
Investing activities:		
Purchases of fixed assets	(13,096)	(9,350)
Proceeds from sales of property, plant, and equipment	446	678
Proceeds from sales and redemption of investments	6,572	184
Increase in finance receivables	(79,300)	(54,837)
Collection of finance receivables	48,680	36,048
Net decrease in short-term loan receivables from affiliated companies	2,535	1,545
Net (increase) decrease in time deposits	(265)	147
Other	237	139
Net cash used in investing activities	(34,191)	(25,446)
Financing activities:		
Proceeds from issuance of long-term debt	28,613	19,761
Repayments of long-term debt	(15,389)	(10,145)
Net decrease in short-term borrowings	(14,252)	(5,313)
Cash dividends	(11,307)	(10,051)
Purchases of treasury stock	(19)	(3)
Purchases of noncontrolling interests	(3)	(4,915)
Other	(595)	(174)
Net cash used in financing activities	(12,952)	(10,840)
Effect of exchange rate changes on cash and cash equivalents	2,776	(1,002)
Net increase in cash and cash equivalents	20,092	204
Cash and cash equivalents, beginning of period	99,789	93,390
Cash and cash equivalents, end of period	¥ 119,881	¥ 93,594

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements
KUBOTA Corporation and Subsidiaries

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Basis of Financial Statements

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

Changes of Accounting Policies

Beginning with the first quarter of the current consolidated fiscal year, the Company has changed the reporting periods of certain subsidiaries and affiliated companies with different closing dates from the one for consolidation (as of March 31, 2013, 64 subsidiaries and 10 affiliated companies among 110 subsidiaries and 13 affiliated companies with different closing dates) by a method of provisional settlement to enhance the quality of disclosure and management of the Company's financial results. To reflect the impact of these changes, the Company has retrospectively adjusted its consolidated balance sheets, consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, consolidated segment information, and per common share information in the prior year.

With these retrospectively adjustment, the amount of retained earnings at the beginning of the fiscal year ended March 31, 2013 has been recalculated from ¥560,710 million to ¥567,161 million.

(¥ in millions)

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

(¥ in millions, except per share amounts)

	Three months ended June 30, 2012	
	Before retrospective adjustment	After retrospective adjustment
Consolidated Statements of Income:		
Net income	¥ 14,266	¥ 18,121
Net income attributable to Kubota Corporation	12,835	16,078
Consolidated Statements of Cash Flows:		
Net cash provided by (used in) operating activities	¥ (22,887)	¥ 37,492
Net cash used in investing activities	(1,795)	(25,446)
Net cash used in financing activities	(1,690)	(10,840)
Cash and cash equivalents, end of year	76,300	93,594
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 10.22	¥ 12.80

Adoption of Specific Accounting Procedures for Consolidated Quarterly Report

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

2. INVENTORIES

Inventories are comprised of the following:

(¥ in millions)

	June 30, 2013	March 31, 2013
Finished products	¥154,446	¥159,262
Spare parts	35,882	33,129
Work in process	39,321	35,451
Raw materials and supplies	33,705	35,375
	¥263,354	¥263,217

3. OTHER INVESTMENTS

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

(¥ in millions)

	June 30, 2013				March 31, 2013			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses
Other investments:								
Available-for-sale:								
Equity securities of financial institutions	¥ 23,941	¥ 55,248	¥ 31,307	¥ —	¥ 24,110	¥ 50,247	¥ 26,137	¥ —
Other equity securities	14,907	68,632	53,726	1	14,743	67,716	52,973	—
	¥ 38,848	¥ 123,880	¥ 85,033	¥ 1	¥ 38,853	¥ 117,963	¥ 79,110	¥ —

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

(¥ in millions)

	June 30, 2013				March 31, 2013			
	Less than 12 months		12 months or longer		Less than 12 months		12 months or longer	
	Fair value	Gross unrealized holding losses	Fair value	Gross unrealized holding losses	Fair value	Gross unrealized holding losses	Fair value	Gross unrealized holding losses
Other investments:								
Available-for-sale:								
Equity securities of financial institutions	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other equity securities	74	1	—	—	87	—	—	—
	¥ 74	¥ 1	¥ —	¥ —	¥ 87	¥ —	¥ —	¥ —

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

(¥ in millions)

For the three months ended June 30:	2013	2012
Proceeds from sales of available-for-sale securities	¥ 557	¥ —
Gross realized gains	334	—
Gross realized losses	—	—

Investments in nontraded and unaffiliated companies, for which there is no readily determinable fair value, were stated at cost of ¥3,731 million and ¥8,752 million at June 30, 2013 and March 31, 2013, respectively. Investments in nonmarketable equity securities for which there is no readily determinable fair value were accounted for using the cost method. Each investment in nonmarketable equity securities is reviewed annually for impairment or upon the occurrence of an event on change in circumstances that may have a significant adverse effect on the carrying value of the investment.

4. SALES FINANCING RECEIVABLES AND OTHER LOAN RECEIVABLES

Sales Financing Receivables

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

(1) Retail finance receivables

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

(2) Finance lease receivables

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

(3) Long-term trade accounts receivable

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

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

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

(Credit Quality Indicator)

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

Rank A – These receivables are performing on schedule under their terms. They are not likely to incur losses arising from customers’ inability to repay and the Company expects to collect all amounts due.

Rank B – These receivables require management’s attention to potential losses but are not categorized as rank C. Such receivables do not indicate that it is individually probable that losses will be incurred arising from customers’ inability to repay.

Rank C – The Company becomes aware of a customer's inability to repay, such as the customer's long-term nonperformance, bankruptcy filings, or deterioration in the customer's results of operations or financial position. In such cases, it is probable that losses will be incurred arising from customers' inability to repay.

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

(¥ in millions)

	Retail finance receivables		Finance lease receivables		Long-term trade accounts receivable	
Credit risk profile by internally assigned rank:	North America	Other Areas	Japan	Asia Outside Japan	Japan	Asia Outside Japan
At June 30, 2013:						
Rank A	¥ 302,952	¥ 6,721	¥ 7,683	¥ 122,648	¥ 65,257	¥ 642
Rank B	14,755	—	184	11,987	1,349	—
Rank C	11	44	—	—	479	—
Total	¥ 317,718	¥ 6,765	¥ 7,867	¥ 134,635	¥ 67,085	¥ 642
At March 31, 2013:						
Rank A	¥ 267,568	¥ 6,533	¥ 7,379	¥ 115,677	¥ 57,745	¥ 578
Rank B	11,606	—	154	15,967	1,505	—
Rank C	360	33	—	—	429	—
Total	¥ 279,534	¥ 6,566	¥ 7,533	¥ 131,644	¥ 59,679	¥ 578

(Aging)

All sales financing receivables are considered past due when any payments including principal and interest have not been received by the contractual due date.

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

(¥ in millions)

Type of receivables	Region	Up to 30 days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total past due	Current	Total
At June 30, 2013								
Retail finance receivables	North America	¥13,548	¥ 867	¥ 137	¥ 213	¥14,765	¥302,953	¥317,718
Retail finance receivables	Other Areas	—	—	—	—	—	6,765	6,765
Finance lease receivables	Japan	41	37	20	78	176	7,691	7,867
Finance lease receivables	Asia Outside Japan	926	2,238	1,193	7,630	11,987	122,648	134,635
Long-term trade accounts receivable	Japan	417	135	101	618	1,271	65,814	67,085
Long-term trade accounts receivable	Asia Outside Japan	—	—	—	—	—	642	642
Total		¥14,932	¥ 3,277	¥ 1,451	¥8,539	¥28,199	¥506,513	¥534,712
At March 31, 2013								
Retail finance receivables	North America	¥10,434	¥747	¥ 95	¥ 690	¥11,966	¥267,568	¥279,534
Retail finance receivables	Other Areas	—	—	—	—	—	6,566	6,566
Finance lease receivables	Japan	50	13	20	69	152	7,381	7,533
Finance lease receivables	Asia Outside Japan	2,147	2,390	2,015	9,415	15,967	115,677	131,644
Long-term trade accounts receivable	Japan	338	155	366	522	1,381	58,298	59,679
Long-term trade accounts receivable	Asia Outside Japan	—	—	—	—	—	578	578
Total		¥12,969	¥ 3,305	¥ 2,496	¥10,696	¥29,466	¥456,068	¥485,534

(Nonaccrual)

Retail finance receivables in North America are placed on nonaccrual status at the earlier of when the contractual principal and interest are determined to be uncollectible or when these receivables become greater than 90 days past the contractual due date. For these receivables on nonaccrual status, interest income is subsequently recognized only to the extent a cash payment is received. These receivables are restored to accrual status as of the date the principal and interest become 90 days or less past the due date. Nonaccrual retail finance receivables in North America at June 30, 2013, and March 31, 2013, amounted to ¥213 million and ¥690 million, respectively.

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

(Troubled Debt Restructuring and Impaired Loans)

The amounts of debts restructured or impaired loans were not material at June 30, 2013 and at March 31, 2013.

Loan Receivables from Affiliated Companies

The Company finances loans to affiliated companies mainly through group financing and records such loan receivables from affiliated companies at the principal on the consolidated balance sheets. The amounts of these loan receivables from affiliated companies are ¥1,943 million and ¥4,530 million at June 30, 2013 and March 31, 2013, respectively, and such amounts are recorded in other current assets and investment in and loan receivables from affiliated companies on the consolidated balance sheets. These loans are financed to the affiliated companies which sell farm equipment products in

Japan and both the principal and interest have been fully collected by the contractual due date. The Company reviews the credit quality of these loan receivables based on relevant information about the ability of borrowers to service their debt. Since no negative factors in the borrowers' financial condition or collection status of receivables have been identified, these loan receivables are expected to be fully collectible by the Company. The credit risk of these loan receivables is primarily developed from the borrowers' business environment such as market demand of farm equipment products.

Other Receivables

The amounts of other receivables and related allowance were not material at June 30, 2013 and at March 31, 2013.

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CREDIT LOSSES

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

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

When amounts due are determined to be uncollectible or the related collateral is repossessed, receivables and the related allowance are charged off. Repossessed assets are recorded at their estimated fair value less costs to sell and reported in other current assets on the consolidated balance sheets, which amounted to ¥253 million and ¥215 million at June 30, 2013 and March 31, 2013, respectively. Recoveries on receivables previously charged off as uncollectable are credited to the allowance for doubtful accounts and credit losses.

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

(¥ in millions)

Allowance for doubtful accounts and credit losses for the three months ended June 30, 2013:	Retail finance receivables	Finance lease receivables	Long-term trade accounts receivable	Total
Balance at beginning of year	¥ 697	¥ 7,608	¥ 594	¥ 8,899
Provision	339	768	49	1,156
Charge-offs	(635)	—	—	(635)
Recoveries	1	—	—	1
Other	27	(124)	—	(97)
Balance at end of year	¥ 429	¥ 8,252	¥ 643	¥ 9,324
Individually evaluated for impairment	55	—	466	521
Collectively evaluated for impairment	374	8,252	177	8,803
Recorded Investment at June 30, 2013:				
Balance at end of year	¥ 324,483	¥ 142,502	¥ 67,727	¥ 534,712
Individually evaluated for impairment	55	—	479	534
Collectively evaluated for impairment	324,428	142,502	67,248	534,178
Allowance for doubtful accounts and credit losses for the year ended March 31, 2013:				
Balance at beginning of year	¥679	¥4,218	¥1,027	¥5,924
Provision	345	2,212	(433)	2,124
Charge-offs	(423)	(50)	—	(473)
Recoveries	9	—	—	9
Other	87	1,228	—	1,315
Balance at end of year	¥697	¥7,608	¥594	¥8,899
Individually evaluated for impairment	393	—	415	808
Collectively evaluated for impairment	304	7,608	179	8,091
Recorded Investment at March 31, 2013:				
Balance at end of year	¥286,100	¥139,177	¥60,257	¥485,534
Individually evaluated for impairment	393	—	429	822
Collectively evaluated for impairment	285,707	139,177	59,828	484,712

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

There is no related allowance for loan receivables from affiliated companies at June 30, 2013 and March 31, 2013.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

(¥ in millions)

		Fair value			
	Carrying value	Level 1	Level 2	Level 3	Total
At June 30, 2013:					
Financial assets:					
Finance receivables—net	¥ 324,054	¥ —	¥ 322,258	¥ —	¥ 322,258
Long-term trade accounts receivable	67,084	—	70,638	—	70,638
Financial liabilities:					
Long-term debt	(388,353)	—	(385,689)	—	(385,689)
At March 31, 2013:					
Financial assets:					
Finance receivables—net	¥ 285,403	¥ —	¥ 285,934	¥ —	¥285,934
Long-term trade accounts receivable	59,663	—	63,532	—	63,532
Financial liabilities:					
Long-term debt	(365,450)	—	(365,260)	—	(365,260)

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

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

7. FAIR VALUE MEASUREMENTS

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

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

(¥ in millions)

	Level 1	Level 2	Level 3	Total
At June 30, 2013:				
Assets:				
Available-for-sale securities:				
Equity securities of financial institutions	¥ 55,248	¥ —	¥ —	¥ 55,248
Other equity securities	68,632	—	—	68,632
Derivatives:				
Foreign exchange contracts	—	376	—	376
Cross-currency swap contracts	—	889	—	889
Interest rate swap contracts	—	64	—	64
Cross-currency interest rate swap contracts	—	1,211	—	1,211
Total assets	¥ 123,880	¥ 2,540	¥ —	¥ 126,420
Liabilities:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 1,051	¥ —	¥ 1,051
Cross-currency swap contracts	—	7	—	7
Interest rate swap contracts	—	114	—	114
Cross-currency interest rate swap contracts	—	826	—	826
Total liabilities	¥ —	¥ 1,998	¥ —	¥ 1,998
At March 31, 2013:				
Assets:				
Available-for-sale securities:				
Equity securities of financial institutions	¥ 50,247	¥ —	¥ —	¥ 50,247
Other equity securities	67,716	—	—	67,716
Derivatives:				
Foreign exchange contracts	—	255	—	255
Cross-currency swap contracts	—	365	—	365
Total assets	¥ 117,963	¥ 620	¥ —	¥ 118,583
Liabilities:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 3,373	¥ —	¥ 3,373
Interest rate swap contracts	—	147	—	147
Cross-currency interest rate swap contracts	—	3,649	—	3,649
Total liabilities	¥ —	¥ 7,169	¥ —	¥ 7,169

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

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

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

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

8. DERIVATIVE FINANCIAL INSTRUMENTS

(1) Risk Management Policy

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

(2) Foreign Currency Exchange Risks

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

(3) Interest Rate Risks

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

(4) Cash Flow Hedges

The accounting treatments of changes in the fair value of foreign exchange contracts, interest rate swap contracts and cross-currency interest rate swap contracts depend on whether derivatives are designated as cash flow hedges. The effective portion of changes in the fair value of derivatives designated and qualifying as cash flow hedges are reported in accumulated other comprehensive income (loss). As for foreign exchange contracts related to forecasted intercompany transactions, the amounts are subsequently reclassified into earnings when unrelated third party transactions occur. In the case of interest rate swap contracts, the amounts are reclassified into earnings when the related interest expense is recognized. In the case of cross-currency interest rate swap contracts, the amounts are reclassified into earnings through interest expense and foreign exchange gain (loss) when the related earning is recognized. The unrecognized net loss (net of tax) of approximately ¥19 million on derivatives included in accumulated other comprehensive income (loss) at June 30, 2013 will be reclassified into earnings within the next 12 months. The ineffective portion of changes in the fair value of derivatives is immediately recorded in earnings.

(5) Derivatives Not Designated as Hedging Instruments

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

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

The following table presents fair values of derivative instruments:

(¥ in millions)

	Other current assets		Other assets — Other		Other current liabilities		Other long-term liabilities	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013
Derivatives designated as hedging instruments:								
Interest rate swap contracts	¥ 61	¥ —	¥ 3	¥ —	¥ 91	¥ 96	¥ 4	¥ 23
Total derivatives designated as hedging instruments	¥ 61	¥ —	¥ 3	¥ —	¥ 91	¥ 96	¥ 4	¥ 23
Derivatives not designated as hedging instruments:								
Foreign exchange contracts	¥ 376	¥ 255	¥ —	¥ —	¥ 1,051	¥ 3,373	¥ —	¥ —
Cross-currency swap contracts	558	223	331	142	7	—	—	—
Interest rate swap contracts	—	—	—	—	18	25	1	3
Cross-currency interest rate swap contracts	565	—	646	—	812	1,981	14	1,668
Total derivatives not designated as hedging instruments	¥ 1,499	¥ 478	¥ 977	¥ 142	¥ 1,888	¥ 5,379	¥ 15	¥ 1,671
Total	¥ 1,560	¥ 478	¥ 980	¥ 142	¥ 1,979	¥ 5,475	¥ 19	¥ 1,694

The following table presents income effects of derivatives.

(¥ in millions)

	Gain (Loss) recognized in other comprehensive Income and realized in net Income, before tax		
Derivative instruments in cash flow hedges	Effective portion recognized in OCI	Consolidated statements of income line item	Effective portion reclassified from accumulated OCI to net income
For the three months ended June 30, 2013:			
Interest rate swap contracts	¥ 81	Interest expense	¥ (7)
Total	¥ 81		¥ (7)
For the three months ended June 30, 2012:			
Interest rate swap contracts	¥ (77)	Interest expense	¥ (57)
Total	¥ (77)		¥ (57)

(¥ in millions)

	Gain (Loss) recognized in net Income, before tax	
Derivative instruments not designated as hedging instruments	Consolidated statements of income line item	Gain (Loss) recognized in net income
For the three months ended June 30, 2013:		
Foreign exchange contracts	Foreign exchange loss—net	¥ (3,092)
Cross-currency swap contracts	Foreign exchange loss—net	488
Interest rate swap contracts	Other—net	2
Cross-currency interest rate swap contracts	Other—net	3,048
Total		¥ 446
For the three months ended June 30, 2012:		
Foreign exchange contracts	Foreign exchange loss—net	¥ 1,726
Cross-currency swap contracts	Foreign exchange loss—net	210
Interest rate swap contracts	Other—net	(9)
Cross-currency interest rate swap contracts	Other—net	1,529
Total		¥ 3,456

The amount of gain or loss related to the hedging ineffectiveness was not material for the three months ended June 30, 2013 and June 30, 2012.

9. PLEDGED ASSETS

Assets pledged as collateral are comprised of the following:

(¥ in millions)

	June 30, 2013	March 31, 2013
Trade notes	¥ 80	¥ 71
Trade accounts	1,022	1,054
Short-term finance receivables	18,204	15,880
Other current assets *1	645	612
Long-term finance receivables	41,029	37,129
Property, plant, and equipment	1,030	2,116
Total	¥ 62,010	¥ 56,862

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

The above assets were pledged against the following liabilities:

(¥ in millions)

	June 30, 2013	March 31, 2013
Short-term borrowings	¥ 1,374	¥ 1,407
Current portion of long-term debt	15,985	13,970
Long-term debt	36,543	33,072
Total	¥ 53,902	¥ 48,449

10. RETIREMENT AND PENSION PLANS

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

(¥ in millions)

For the three months ended June 30:	2013	2012
Service cost	¥ 1,850	¥ 1,744
Interest cost	750	867
Expected return on plan assets	(955)	(808)
Amortization of prior service benefit	(184)	(202)
Amortization of actuarial loss	270	1,532
Total	¥ 1,731	¥ 3,133

11. SUPPLEMENTAL EXPENSE INFORMATION

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

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

(¥ in millions)

For the three months ended June 30:	2013	2012
Research and development expenses	¥ 8,079	¥ 7,363
Advertising costs	2,536	1,809
Shipping and handling costs	12,582	10,156
Depreciation and amortization	8,530	6,205

(2) Other Operating (Income) Expenses

Other operating income for the three months ended June 30, 2013 included a loss from sales and disposals of fixed assets of ¥63 million.

Other operating expenses for the three months ended June 30, 2012 included a loss from impairment of long-lived assets of ¥290 million.

12. NET INCOME ATTRIBUTABLE TO KUBOTA CORPORATION PER COMMON SHARE

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

For the three months ended June 30:	2013	2012
Net income attributable to Kubota Corporation (¥ in millions)	¥ 30,847	¥ 16,078
Weighted average number of shares (in thousands)	1,255,940	1,255,939

There are no potentially dilutive shares outstanding for the three months ended June 30, 2013 and for the year ended March 31, 2013.

13. OTHER COMPREHENSIVE INCOME (LOSS)

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

December 15, 2012 and was adopted by the Company on April 1, 2013. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

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

(¥ in millions)

	2013			2012		
For the three months ended June 30:	Kubota Corporation	Non-controlling interests	Total	Kubota Corporation	Non-controlling interests	Total
Foreign currency translation adjustments	¥13,246	¥ 35	¥13,281	¥(11,323)	¥(2,270)	¥(13,593)
Unrealized gains (losses) on securities	3,660	144	3,804	(6,324)	32	(6,292)
Unrealized gains (losses) on derivatives	57	—	57	(12)	—	(12)
Pension liability adjustments	10	4	14	765	63	828
Other comprehensive income (loss)	¥16,973	¥183	¥17,156	¥(16,894)	¥(2,175)	¥(19,069)

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

(¥ in millions)

	2013				
For the three months ended June 30:	Foreign currency translation adjustments	Unrealized gains (losses) on securities	Unrealized gains (losses) on derivatives	Pension liability adjustments	Total
Beginning balance	¥ (22,650)	¥ 35,127	¥ (76)	¥ (17,377)	¥ (4,976)
Other comprehensive income (loss) before reclassification	13,246	3,875	53	(41)	17,133
Reclassification to net income	—	(215)	4	51	(160)
Net gain (loss)	13,246	3,660	57	10	16,973
Ending balance	¥ (9,404)	¥ 38,787	¥ (19)	¥ (17,367)	¥ 11,997

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

(¥ in millions)

	2013	
For the three months ended June 30:	Amount reclassified from accumulated other comprehensive income *1	Affected line item in the statement where net income is presented
Unrealized gains (losses) on securities	¥ (334)	Gain on sales of securities—net
	119	Income taxes—current
	(215)	Net income attributable to Kubota Corporation
Unrealized gains (losses) on derivatives	7	Interest expense
	(3)	Income taxes—current
	4	Net income attributable to Kubota Corporation
Pension liability adjustments	86 *2	
	(31)	Income taxes—current
	55	Net income
	(4)	Net income attributable to noncontrolling interests
	51	Net income attributable to Kubota Corporation
Total	¥ (16)	

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

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

14. DIVIDENDS

(1) Dividends Paid

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

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

Not applicable

15. COMMITMENTS AND CONTINGENCIES

(1) Guarantees

The Company is contingently liable as guarantor of the indebtedness of distributors including affiliated companies, and customers for their borrowings from financial institutions. The Company would have to perform under these guarantees in the event of default on a payment within the guarantee periods of one year to five years. The maximum potential amount of undiscounted future payments of these financial guarantees at June 30, 2013 was ¥10,997 million. The fair value of these financial guarantees is not material and the probability of incurrence of a loss is remote.

(2) Legal Proceedings

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

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

(3) Matters Related to Health Hazard of Asbestos

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

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

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

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

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

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

The Company has accrued balances for the asbestos-related expenses of ¥502 million and ¥440 million at June 30, 2013 and at March 31, 2013, respectively. The accrual includes possible payments to certain residents who lived near the Company's plant current and former employees, and the special contribution in accordance with the New Asbestos Law.

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

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

16. SEGMENT INFORMATION

The Company engages in various fields of business and industries by providing products and services which are categorized into the following three segments: Farm & Industrial Machinery; Water & Environment; and Other. The Farm & Industrial Machinery segment manufactures and distributes farm equipment, engines, and construction machinery. The Water & Environment segment manufactures and distributes pipe-related products (ductile iron pipes, plastic pipes, pumps, valves, and other products), environment-related products (environmental control plants and other products), and social infrastructure-related products (industrial castings, spiral welded steel pipes, vending machines, precision equipment, air-conditioning equipment, and other products). The Other segment includes construction, services, and other businesses.

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

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

(1) Reporting Segments

Information by reporting segments is summarized as follows:

(¥ in millions)

For the three months ended June 30:	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
2013:					
Revenues:					
External customers	¥ 300,047	¥ 53,130	¥ 8,577	¥ —	¥ 361,754
Intersegment	13	792	4,942	(5,747)	—
Total	300,060	53,922	13,519	(5,747)	361,754
Operating income	¥ 49,373	¥ 2,560	¥ 176	¥ (5,019)	¥ 47,090
2012:					
Revenues:					
External customers	¥ 219,799	¥ 49,816	¥ 7,084	¥ —	¥ 276,699
Intersegment	14	857	3,925	(4,796)	—
Total	219,813	50,673	11,009	(4,796)	276,699
Operating income	¥ 33,788	¥ 2,639	¥ 195	¥ (5,117)	¥ 31,505

(Notes)

1. “Adjustments” included the elimination of intersegment transactions and the unallocated corporate expenses.
2. The aggregated amounts of operating income are equal to those in the consolidated statements of income. Please 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 revenues are recorded at values that approximate market prices.

(2) Geographic Information

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

(¥ in millions)

For the three months ended June 30:	2013	2012
Revenues from external customers by destination:		
Japan	¥ 126,199	¥ 117,549
North America	91,076	67,028
Europe	46,703	27,158
Asia Outside Japan	87,436	56,072
Other Areas	10,304	8,892
Total	¥ 361,754	¥ 276,699

(Notes)

1. Revenues from North America include those from the United States of ¥77,863 million and ¥58,026 million for the three months ended June 30, 2013 and 2012, respectively.
2. There is no single customer from whom revenues exceeded 10% of total consolidated revenues of the Company.

17. SUBSEQUENT EVENTS

Not applicable

2. Other

On May 10, 2013, the Company's Board of Directors resolved to pay a cash dividend to shareholders of record on March 31, 2013 and completed the payments.

1）Shareholders to be paid cash dividend
Shareholders of record on March 31, 2013

2）Year-end dividend
¥9 per common share, a total of ¥11,307 million

3）Effective date of claim of payment and start date of payment
June 24, 2013

PARTⅡ.　Information on Guarantors for the Company

Not applicable

COVER

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

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

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

2. Special Notes

None