[Translation]

Quarterly Report

(The Third Quarter of 124th Business Term)
From October 1, 2013 to December 31, 2013

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

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 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)

	Nine months ended December 31, 2013	Nine months ended December 31, 2012	Year ended March 31, 2013
Revenues	¥ 1,085,867 [356,810]	¥ 861,713 [298,278]	¥ 1,210,566
Income before income taxes and equity in net income of affiliated companies	155,495	82,088	127,178
Net income attributable to Kubota Corporation	96,009 [28,605]	48,538 [17,283]	78,054
Comprehensive income	160,915	76,926	158,078
Total Kubota Corporation Shareholders' equity	920,020	719,911	793,311
Total equity	988,224	771,200	851,965
Total assets	2,092,864	1,692,991	1,846,602
Net income attributable to Kubota Corporation per common share:			
—basic	76.44 [22.78]	38.65 [13.76]	62.15
—diluted	—	—	—
Total Kubota Corporation shareholders' equity ratio (%)	44.0	42.5	42.9
Net cash provided by operating activities	90,215	37,432	49,323
Net cash used in investing activities	(86,275)	(59,553)	(79,061)
Net cash provided by financing activities	2,958	31,439	28,894
Cash and cash equivalent, end of period	112,883	105,321	99,789

(Notes)
1. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").
2. The figures of "Revenues," "Net income attributable to Kubota Corporation," and "Net income attributable to Kubota Corporation per common share—basic" in square bracket are those in the three months ended December 31, 2013 and 2012, respectively.
3. Revenues do not include the consumption tax.
4. "Net income attributable to Kubota Corporation per common share—diluted" is not stated because Kubota Corporation did not have potential dilutive common shares that were outstanding for the period.
5. Amounts less than presentation units are rounded.
6. Beginning with the first quarter of the current consolidation fiscal year, the Company aligned the reporting periods of certain subsidiaries and affiliated companies with different financial statement closing dates to that of Kubota Corporation by a method of provisional settlement. To reflect the impact of these changes, the Company retrospectively adjusted the consolidated financial statements for the prior years.

2. Description of Business

The Company's consolidated financial statements are prepared in accordance with U.S. GAAP. The scope of consolidation is also defined in accordance with these accounting principles. The same applies to "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 nine months ended December 31, 2013.

The following table presents a change in major subsidiaries for the nine month ended December 31, 2013:

New establishment

Reporting segment	Company name
Farm & Industrial Machinery	Kubota Farm Machinery Europe S.A.S.

Ⅱ. Business Overview

1. Risk Factors

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

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

2. Material Contracts

There was no material contract decided to be concluded or concluded during the three months ended December 31, 2013.

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

(1) Analyses of Results of Operations

For the nine months ended December 31, 2013, revenues of the Company increased by ¥224.2 billion (26.0%) to ¥1,085.9 billion from the corresponding period in the prior year.

Domestic revenues increased in all reporting segments: Farm & Industrial Machinery, Water & Environment, and Other, by ¥50.3 billion (13.2%) to ¥431.1 billion from the corresponding period in the prior year.

Overseas revenues also expanded by ¥173.8 billion (36.1%) to ¥654.8 billion from the corresponding period in the prior year, in which Farm & Industrial Machinery showed a significant growth due to sales expansion and favorable effects of yen depreciation and Water & Environment and Other also increased revenues.

Operating income increased by ¥64.9 billion (81.4%) to ¥144.7 billion from the corresponding period in the prior year due to increased revenues in both domestic and overseas markets and the effects of yen depreciation.

Income before income taxes and equity in net income of affiliated companies rose by ¥73.4 billion (89.4%) to ¥155.5 billion from the corresponding period in the prior year due to increased operating income and an improvement in other income, such as an increase in gain on sales of securities.

Income taxes were ¥54.5 billion and net income increased by ¥49.6 billion (91.2%) to ¥104.0 billion from the corresponding period in the prior year.

Net income attributable to Kubota Corporation increased by ¥47.5 billion (97.8%) to ¥96.0 billion from the corresponding period in the prior year.

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

1) Farm & Industrial Machinery

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

Revenues in this segment increased by 31.0% to ¥855.3 billion from the corresponding period in the prior year, and accounted for 78.8% of consolidated revenues.

Domestic revenues rose by 18.7 % to ¥234.6 billion from the corresponding period in the prior year. Sales of farm equipment showed a significant expansion due to consumption rush prior to consumption tax hike and changing market trends for growing size of farm equipment. Sales of construction machinery expanded due to the demand for reconstruction work following after the Great East Japan Earthquake and increased public works. Sales of engines also grew due to steady demand.

Overseas revenues increased by 36.3% to ¥620.7 billion from the corresponding period in the prior year. In North America, sales of engines resulted in a slight increase. However, sales of tractors showed a major expansion due to favorable demand trends resulting from economic recovery in the United States and the effects of launching a new line of products. Sales of construction machinery also rose steadily. Due to the demand to bottom out and the intensive sales promotion, sales of tractors and construction machinery reported significant growth and sales of engines also grew in Europe. In Asia, significant increase in sales of combine harvesters and rice transplanters was recorded mainly in China and Thailand and sales of tractors also rose. Moreover, sales of engines and construction machinery increased.

Operating income in Farm & Industrial Machinery increased by 80.3% to ¥145.6 billion from the corresponding period in the prior year mainly due to sales expansion and the effects of yen depreciation.

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 9.3% to ¥202.8 billion from the corresponding period in the prior year and accounted for 18.7% of consolidated revenues.

Domestic revenues grew by 6.6% to ¥172.3 billion from the corresponding period in the prior year. Among pipe-related products, sales of ductile iron pipes and plastic pipes expanded. Sales of environment-related products also expanded. Sales of social infrastructure-related products remained at almost the same level as in the corresponding period in the prior year due to increasing sales of spiral-welded steel pipes and air-conditioning equipment, which were offset by declining sales of industrial castings.

Overseas revenues rose by 27.3% to ¥30.6 billion from the corresponding period in the prior year. Sales of pipe-related products expanded largely due to growing sales of ductile iron pipes and pumps. In addition, sales of environment-related products and social infrastructure-related products increased.

Operating income in Water & Environment increased by 2.3% to ¥13 billion from the corresponding period in the prior year.

3) Other

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

Revenues in this segment increased by 19.1% to ¥27.7 billion from the corresponding period in the prior year and accounted for 2.5% of consolidated revenues. Construction, services, and other businesses all reported sales growth.

Operating income in Other increased by 67.7% to ¥1.9 billion from the corresponding period in the prior year.

(2) Analyses of Financial Condition

Total assets at December 31, 2013 amounted to ¥2,092.9 billion, an increase of ¥246.3 billion from March 31, 2013.

Among assets, notes and accounts receivable and inventories increased by large margins due to increased sales and the effects of yen depreciation. Furthermore, short- and long-term finance receivables increased due to expansion of overseas sales.

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

Equity increased because of the accumulation of retained earnings and a substantial favorable change in accumulated other comprehensive income (loss). The shareholders' equity ratio was 44.0%, 1.1 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 nine months ended December 31, 2013 was ¥90.2 billion, an increase of ¥52.8 billion in cash inflow from the corresponding period in the prior year. This increase was mainly due to increases in net income and income taxes payable.

Net cash used in investing activities was ¥86.3 billion, an increase of ¥26.7 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to an increase in cash outflow for purchases of fixed assets and an increase in finance receivables, while proceeds from sales of investments increased.

Net cash provided by financing activities was ¥3.0 billion, a decrease of ¥28.5 billion in cash inflow from the corresponding period in the prior year. This decrease was mainly due to a decrease in short-term borrowings, while proceeds from the issuance of long-term debt increased.

As a result, after taking account of the effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents at December 31, 2013 were ¥112.9 billion, an increase of ¥13.1 billion from the beginning of the year.

(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 nine months ended December 31, 2013. Also, no additional issue rose.

(5) Research and Development

The Company's research and development expenses for the nine months ended December 31, 2013 were ¥25.5 billion.

(6) Major Property, Plants, and Equipment

The following table presents a plan for new construction of material property, plants, and equipment which was newly decided during the nine months ended December 31, 2013:

			Estimated amount of expenditures (¥ in millions)		Schedule	
Company name (Location)	Reporting segment	Description	Total amount of expenditures	Amount already paid	Commenced	To be completed
Kubota Farm Machinery Europe S.A.S. (Nord, France)	Farm & Industrial Machinery	Building of new production facility for upland farming tractors	5,000	—	December 2013	November 2014

Ⅲ. Information on Kubota Corporation

1. Information on the Stock of Kubota Corporation

(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 end of period (shares) (December 31, 2013)	Number of shares issued as of filing date (shares) (February 13, 2014)	Stock exchange on which Kubota Corporation 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 stock of Kubota Corporation 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 millions)	Balance of common stock (¥ in millions)	Changes in capital reserve (¥ in millions)	Balance of capital reserve (¥ in millions)
From: October 1, 2013 To: December 31, 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 September 30, 2013 is stated in this item since Kubota Corporation does not identify the number of voting rights as of December 31, 2013 due to the lack of information.

1) Issued Shares

(As of September 30, 2013)

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

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

2) Treasury Stock

(As of September 30, 2013)

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

2. Changes in Directors and Senior Management

Changes in directors and 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 December 31, 2013 are as follows:

Changes in positions and responsibilities

New positions and responsibilities		Former positions and responsibilities		Name	Date of changes
Director and Managing Executive Officer	General Manager of Planning & Control Headquarters, General Manager of Corporate Planning & Control Dept.	Director and Managing Executive Officer	General Manager of Planning & Control Headquarters	Shigeru Kimura	October 1, 2013

(Reference Information)

Kubota Corporation adopts Executive Officer System. Changes in the executive officers excluding persons who also hold the post of directors 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 December 31, 2013 are as follows:

Changes in positions and responsibilities

New positions and responsibilities		Former positions and responsibilities		Name	Date of changes
Managing Executive Officer	Deputy General Manager of Research & Development Headquarters	Managing Executive Officer	General Manager of Farm & Utility Machinery Division, General Manager of Farm & Utility Machinery International Operation	Satoshi Iida	October 1, 2013
Managing Executive Officer	General Manager of Farm & Utility Machinery Division, General Manager of Farm & Utility Machinery International Operation	Managing Executive Officer	President of Kubota Tractor Corporation	Yuichi Kitao	October 1, 2013
Executive Officer	General Manager of Water & Environment Sales Promotion Headquarters, Deputy General Manager of Human Resources & General Affairs Headquarters, General Manager of Tokyo Head Office	Executive Officer	General Manager of Water & Environment Sales Promotion Headquarters, Deputy General Manager of Human Resources & General Affairs Headquarters, General Manager of Water & Environment Planning & Control Dept., General Manager of Tokyo Head Office	Hiroshi Matsuki	October 1, 2013
Executive Officer	General Manager of Materials Division, General Manager of Materials Business Unit, Director of Material Center	Executive Officer	General Manager of Materials Division, General Manager of Materials Business Unit	Kaoru Hamada	October 1, 2013
Executive Officer	General Manager of Construction Machinery Division	Executive Officer	General Manager of Construction Machinery Division, General Manager of Planning & Sales Promotion Dept. in Construction Machinery Division	Yasuo Nakata	October 1, 2013
Executive Officer	President of Kubota Tractor Corporation	Executive Officer	General Manager of Corporate Planning & Control Dept.	Masato Yoshikawa	October 1, 2013
Executive Officer	General Manager of Materials Division, Director of Material Center	Executive Officer	General Manager of Materials Division, General Manager of Materials Business Unit, Director of Material Center	Kaoru Hamada	December 1, 2013

Ⅳ. Financial Information

1. Consolidated Financial Statements

KUBOTA Corporation and Subsidiaries

(1) Consolidated Balance Sheets

(¥ in millions)

	December 31, 2013	March 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 112,883	¥ 99,789
Notes and accounts receivable:		
Trade notes	74,589	73,895
Trade accounts	471,266	436,642
Less: Allowance for doubtful notes and accounts receivable	(3,275)	(2,712)
Short-term finance receivables—net	170,262	141,157
Inventories	304,836	263,217
Other current assets	90,523	68,476
Total current assets	1,221,084	1,080,464
Investments and long-term finance receivables:		
Investments in and loan receivables from affiliated companies	22,598	19,535
Other investments	148,078	126,715
Long-term finance receivables—net	337,490	275,815
Total investments and long-term finance receivables	508,166	422,065
Property, plant, and equipment:		
Land	93,213	91,367
Buildings	254,431	243,327
Machinery and equipment	418,829	397,213
Construction in progress	9,079	12,844
Total	775,552	744,751
Less: Accumulated depreciation	(498,714)	(480,968)
Net property, plant, and equipment	276,838	263,783
Other assets:		
Goodwill and intangible assets—net	31,933	30,475
Long-term trade accounts receivable	31,507	32,010
Other	24,010	18,461
Less: Allowance for doubtful non-current receivables	(674)	(656)
Total other assets	86,776	80,290
Total	¥ 2,092,864	¥ 1,846,602

(¥ in millions)

	December 31, 2013	March 31, 2013
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings	¥ 142,881	¥ 140,324
Trade notes payable	18,512	19,655
Trade accounts payable	243,781	228,178
Advances received from customers	10,141	10,122
Notes and accounts payable for capital expenditures	11,161	15,871
Accrued payroll costs	27,979	32,846
Accrued expenses	43,711	39,725
Income taxes payable	21,985	18,097
Other current liabilities	69,430	51,580
Current portion of long-term debt	101,874	78,589
Total current liabilities	691,455	634,987
Long-term liabilities:		
Long-term debt	332,544	291,085
Accrued retirement and pension costs	22,036	29,050
Other long-term liabilities	58,605	39,515
Total long-term liabilities	413,185	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 December 31 and March 31, 2013	84,070	84,070
Capital surplus	89,203	88,919
Legal reserve	19,539	19,539
Retained earnings	678,101	605,962
Accumulated other comprehensive income (loss)	49,386	(4,976)
Treasury stock (518,537 shares and 468,372 shares at December 31 and March 31, 2013, respectively), at cost	(279)	(203)
Total Kubota Corporation shareholders' equity	920,020	793,311
Noncontrolling interests	68,204	58,654
Total equity	988,224	851,965
Total	¥ 2,092,864	¥ 1,846,602

See notes to consolidated financial statements.

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (Loss)

For the nine months ended December 31, 2013 and 2012

Consolidated Statements of Income

(¥ in millions, except per share amounts)

	2013	2012
Revenues	¥ 1,085,867	¥ 861,713
Cost of revenues	760,316	632,561
Selling, general, and administrative expenses	180,350	149,846
Other operating expenses (income)	551	(433)
Operating income	144,650	79,739
Other income (expenses):		
Interest and dividend income	3,861	3,141
Interest expense	(1,208)	(791)
Gain on sales of securities—net	4,696	121
Valuation loss on other investments	–	(354)
Foreign exchange gain (loss)—net	(2,274)	2,571
Other—net	5,770	(2,339)
Other income (expenses), net	10,845	2,349
Income before income taxes and equity in net income of affiliated companies	155,495	82,088
Income taxes:		
Current	48,496	24,549
Deferred	6,022	4,583
Total income taxes	54,518	29,132
Equity in net income of affiliated companies	2,985	1,423
Net income	103,962	54,379
Less: Net income attributable to noncontrolling interests	7,953	5,841
Net income attributable to Kubota Corporation	¥ 96,009	¥ 48,538
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 76.44	¥ 38.65

Consolidated Statements of Comprehensive Income (Loss)

(¥ in millions)

	2013	2012
Net income	¥ 103,962	¥ 54,379
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	39,645	17,930
Unrealized gains on securities	17,335	2,141
Unrealized gains (losses) on derivatives	(14)	111
Pension liability adjustments	(13)	2,365
Total other comprehensive income	56,953	22,547
Comprehensive income	160,915	76,926
Less: Comprehensive income attributable to noncontrolling interests	10,544	9,036
Comprehensive income attributable to Kubota Corporation	¥ 150,371	¥ 67,890

See notes to consolidated financial statements.

For the three months ended December 31, 2013 and 2012

Consolidated Statements of Income

(¥ in millions, except per share amounts)

	2013	2012
Revenues	¥ 356,810	¥ 298,278
Cost of revenues	245,323	222,254
Selling, general, and administrative expenses	66,790	52,905
Other operating expenses (income)	371	(928)
Operating income	44,326	24,047
Other income (expenses):		
Interest and dividend income	1,722	1,366
Interest expense	(535)	(261)
Gain (loss) on sales of securities—net	1,007	(1)
Valuation loss on other investments	−	(64)
Foreign exchange gain—net	122	5,642
Other—net	2,885	(1,692)
Other income (expenses), net	5,201	4,990
Income before income taxes and equity in net income of affiliated companies	49,527	29,037
Income taxes:		
Current	15,150	8,193
Deferred	3,780	943
Total income taxes	18,930	9,136
Equity in net income of affiliated companies	813	(27)
Net income	31,410	19,874
Less: Net income attributable to noncontrolling interests	2,805	2,591
Net income attributable to Kubota Corporation	¥ 28,605	¥ 17,283
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 22.78	¥ 13.76

Consolidated Statements of Comprehensive Income (Loss)

(¥ in millions)

	2013	2012
Net income	¥ 31,410	¥ 19,874
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	27,115	34,558
Unrealized gains on securities	8,364	10,383
Unrealized losses on derivatives	(67)	(11)
Pension liability adjustments	(22)	719
Total other comprehensive income	35,390	45,649
Comprehensive income	66,800	65,523
Less: Comprehensive income attributable to noncontrolling interests	5,056	7,653
Comprehensive income attributable to Kubota Corporation	¥ 61,744	¥ 57,870

See notes to consolidated financial statements.

(3) Consolidated Statements of Changes in Equity

(¥ in millions, except per share amounts)

	Kubota Corporation shareholders' equity								
	Shares of common stock outstanding (thousands)	Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock at cost	Non-controlling interests	Total equity
Balance at March 31, 2013	1,255,951	¥ 84,070	¥ 88,919	¥ 19,539	¥ 605,962	¥ (4,976)	¥ (203)	¥ 58,654	¥ 851,965
Net income					96,009			7,953	103,962
Other comprehensive income						54,362		2,591	56,953
Cash dividends paid to Kubota Corporation shareholders (¥19 per common share)					(23,870)				(23,870)
Cash dividends paid to noncontrolling interests								(611)	(611)
Purchases and sales of treasury stock	(50)						(76)		(76)
Changes in ownership interests in subsidiaries			284					(383)	(99)
Balance at December 31, 2013	1,255,901	¥ 84,070	¥ 89,203	¥ 19,539	¥ 678,101	¥ 49,386	¥ (279)	¥ 68,204	¥ 988,224
Balance at March 31, 2012	1,255,941	¥ 84,070	¥ 88,869	¥ 19,539	¥ 567,161	¥ (65,894)	¥ (19,345)	¥ 57,963	¥ 732,363
Net income					48,538			5,841	54,379
Other comprehensive income						19,352		3,195	22,547
Cash dividends paid to Kubota Corporation shareholders, (¥16 per common share)					(20,102)				(20,102)
Cash dividends paid to noncontrolling interests								(397)	(397)
Purchases and sales of treasury stock	(15)						(13)		(13)
Increase in noncontrolling Interests related to contribution								175	175
Changes in ownership interests in subsidiaries			344			(2,608)		(15,488)	(17,752)
Balance at December 31, 2012	1,255,926	¥ 84,070	¥ 89,213	¥ 19,539	¥ 595,597	¥ (49,150)	¥ (19,358)	¥ 51,289	¥ 771,200

See notes to consolidated financial statements.

(4) Consolidated Statements of Cash Flows

(¥ in millions)

For the nine months ended December 31:	2013	2012
Operating activities:		
Net income	¥ 103,962	¥ 54,379
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,932	21,353
Gain on sales of securities—net	(4,696)	(121)
Valuation loss on other investments	–	354
Equity in net income of affiliated companies	(2,985)	(1,423)
Deferred income taxes	6,022	4,583
Changes in assets and liabilities:		
Increase in notes and accounts receivable	(17,603)	(7,875)
Increase in inventories	(20,794)	(22,553)
Increase in other current assets	(16,133)	(15,076)
Increase in trade notes and accounts payable	8,700	12,743
Increase (decrease) in income taxes payable	3,153	(9,559)
Increase in other current liabilities	8,006	2,118
Decrease in accrued retirement and pension costs	(7,437)	(2,756)
Other	4,088	1,265
Net cash provided by operating activities	90,215	37,432
Investing activities:		
Purchases of fixed assets	(37,769)	(35,017)
Purchases of investments	(1,305)	(295)
Proceeds from sales of property, plant, and equipment	967	1,188
Proceeds from sales and redemption of investments	11,502	351
Increase in finance receivables	(203,442)	(151,569)
Collection of finance receivables	143,330	121,341
Net decrease in short-term loan receivables from affiliated companies	846	3,945
Net (increase) decrease in time deposits	(812)	131
Other	408	372
Net cash used in investing activities	(86,275)	(59,553)
Financing activities:		
Proceeds from issuance of long-term debt	91,706	78,226
Repayments of long-term debt	(52,393)	(69,610)
Net increase (decrease) in short-term borrowings	(11,699)	60,810
Cash dividends	(23,870)	(20,102)
Purchases of treasury stock	(76)	(13)
Purchases of noncontrolling interests	(99)	(17,643)
Other	(611)	(229)
Net cash provided by financing activities	2,958	31,439
Effect of exchange rate changes on cash and cash equivalents	6,196	2,613
Net increase in cash and cash equivalents	13,094	11,931
Cash and cash equivalents, beginning of year	99,789	93,390
Cash and cash equivalents, end of period	¥ 112,883	¥ 105,321

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

KUBOTA Corporation and Subsidiaries

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Basis of Financial Statements

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

Changes of Accounting Policies

Beginning with the first quarter of the current consolidated fiscal year, the Company aligned the reporting periods of certain subsidiaries and affiliated companies with different financial statement closing dates to that of the parent company (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 retrospectively adjusted the consolidated financial statements for the prior years.

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

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

(¥ in millions)

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

(¥ in millions, except per share amounts)

	Nine months ended December 31, 2012	
	Before retrospective adjustments	After retrospective adjustments
Consolidated Statements of Income:		
Net income	¥ 54,294	¥ 54,379
Net income attributable to Kubota Corporation	49,656	48,538
Consolidated Statements of Cash Flows:		
Net cash provided by operating activities	¥ 23,233	¥ 37,432
Net cash used in investing activities	(41,768)	(59,553)
Net cash provided by financing activities	17,509	31,439
Cash and cash equivalents, end of period	98,865	105,321
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 39.54	¥ 38.65

(¥ in millions, except per share amounts)

	Three months ended December 31, 2012	
	Before retrospective adjustments	After retrospective adjustments
Consolidated Statements of Income:		
Net income	¥ 20,270	¥ 19,874
Net income attributable to Kubota Corporation	19,024	17,283
Net income attributable to Kubota Corporation per common share:		
Basic	¥ 15.15	¥ 13.76

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)

	December 31, 2013	March 31, 2013
Finished products	¥ 175,965	¥ 159,262
Spare parts	38,426	33,129
Work in process	50,912	35,451
Raw materials and supplies	39,533	35,375
	¥ 304,836	¥ 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)

	December 31, 2013				March 31, 2013			
	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses	Cost	Fair value	Gross unrealized holding gains	Gross unrealized holding losses
Other investments:								
Available-for-sale:								
Equity securities of financial institutions	¥ 22,726	¥ 61,388	¥ 38,663	¥ 1	¥ 24,110	¥ 50,247	¥ 26,137	¥ —
Other equity securities	15,663	82,992	67,334	5	14,743	67,716	52,973	—
	¥ 38,389	¥ 144,380	¥ 105,997	¥ 6	¥ 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)

	December 31, 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	¥ 168	¥ 1	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Other equity securities	82	5	—	—	87	—	—	—
	¥ 250	¥ 6	¥ —	¥ —	¥ 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 nine months ended December 31:	2013	2012
Proceeds from sales of available-for-sale securities	¥ 4,403	¥ —
Gross realized gains	2,676	—
Gross realized losses	—	—

(¥ in millions)

For the three months ended December 31:	2013	2012
Proceeds from sales of available-for-sale securities	¥ 11	¥ —
Gross realized gains	9	—
Gross realized losses	—	—

Investments in nonmarketable equity securities of ¥3,698 million and ¥8,752 million are recorded in other investment on the consolidated balance sheets at December 31, 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 December 31, 2013.

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

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

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

(Credit Quality Indicator)

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

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

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

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

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

(¥ in millions)

	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 December 31, 2013:						
Rank A	¥ 338,102	¥ 8,356	¥ 9,888	¥ 130,119	¥ 59,287	¥ 852
Rank B	14,816	—	208	16,499	3,161	—
Rank C	70	15	—	—	495	—
Total	¥ 352,988	¥ 8,371	¥ 10,096	¥ 146,618	¥ 62,943	¥ 852
At March 31, 2013:						
Rank A	¥ 267,568	¥ 6,533	¥ 7,379	¥ 115,677	¥ 57,745	¥ 578
Rank B	11,606	—	154	15,967	1,505	—
Rank C	360	33	—	—	429	—
Total	¥ 279,534	¥ 6,566	¥ 7,533	¥ 131,644	¥ 59,679	¥ 578

(Aging)

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

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

(¥ in millions)

Type of receivables	Region	Up to 30 days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total past due	Current	Total
At December 31, 2013:								
Retail finance receivables	North America	¥ 13,025	¥ 1,299	¥ 222	¥ 340	¥ 14,886	¥ 338,102	¥ 352,988
Retail finance receivables	Other Areas	—	—	15	—	15	8,356	8,371
Finance lease receivables	Japan	135	6	6	49	196	9,900	10,096
Finance lease receivables	Asia Outside Japan	4,902	3,168	1,409	7,021	16,500	130,118	146,618
Long-term trade accounts receivable	Japan	1,776	708	258	449	3,191	59,752	62,943
Long-term trade accounts receivable	Asia Outside Japan	—	—	—	—	—	852	852
Total		¥ 19,838	¥ 5,181	¥ 1,910	¥ 7,859	¥ 34,788	¥ 547,080	¥ 581,868
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 December 31, 2013, and March 31, 2013, amounted to ¥340 million and ¥690 million, respectively.

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

(Troubled Debt Restructuring and Impaired Loans)

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

Loan Receivables from Affiliated Companies

The Company finances loans to affiliated companies mainly through group financing and records such loan receivables from affiliated companies at the principal on the consolidated balance sheets. The amounts of these loan receivables from affiliated companies are ¥3,639 million and ¥4,530 million at December 31, 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 for the nine month ended December 31, 2013 and for the year ended March 31, 2013, these loan receivables are expected to be fully collectible by the Company. The credit risk of these loan receivables is primarily developed from the borrowers' business environment such as market demand of farm equipment products.

Other Receivables

The amounts of other receivables and related allowance were not material for the nine months ended December 31, 2013 and the year ended March 31, 2013.

5. ALLOWANCE FOR DOUBTFUL ACCOUNTS AND CREDIT LOSSES

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

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

When amounts due are determined to be uncollectible or the related collateral is repossessed, receivables and the related allowance are charged off. Repossessed assets are recorded at their estimated fair value less costs to sell and reported in other current assets on the consolidated balance sheets, which amounted to ¥362 million and ¥215 million at December 31, 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 nine months ended December 31, 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	517	3,033	65	3,615
Charge-offs	(857)	(739)	—	(1,596)
Recoveries	6	—	—	6
Other	50	6	—	56
Balance at end of period	¥ 413	¥ 9,908	¥ 659	¥ 10,980
Individually evaluated for impairment	85	—	482	567
Collectively evaluated for impairment	328	9,908	177	10,413
Recorded Investment at December 31, 2013:				
Balance at end of period	¥ 361,359	¥ 156,714	¥ 63,795	¥ 581,868
Individually evaluated for impairment	85	—	495	580
Collectively evaluated for impairment	361,274	156,714	63,300	581,288
Allowance for doubtful accounts and credit losses for the year ended March 31, 2013:				
Balance at beginning of year	¥ 679	¥ 4,218	¥ 1,027	¥ 5,924
Provision	345	2,212	(433)	2,124
Charge-offs	(423)	(50)	—	(473)
Recoveries	9	—	—	9
Other	87	1,228	—	1,315
Balance at end of year	¥ 697	¥ 7,608	¥ 594	¥ 8,899
Individually evaluated for impairment	393	—	415	808
Collectively evaluated for impairment	304	7,608	179	8,091
Recorded Investment at March 31, 2013:				
Balance at end of year	¥ 286,100	¥ 139,177	¥ 60,257	¥ 485,534
Individually evaluated for impairment	393	—	429	822
Collectively evaluated for impairment	285,707	139,177	59,828	484,712

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

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

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

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

(¥ in millions)

	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
At December 31, 2013:					
Financial assets:					
Finance receivables—net	¥ 360,946	¥ —	¥ 357,969	¥ —	¥ 357,969
Long-term trade accounts receivable	63,136	—	67,237	—	67,237
Financial liabilities:					
Long-term debt	(430,204)	—	(427,804)	—	(427,804)
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 December 31, 2013:				
Assets:				
Available-for-sale securities:				
Equity securities of financial institutions	¥ 61,388	¥ —	¥ —	¥ 61,388
Other equity securities	82,992	—	—	82,992
Derivatives:				
Foreign exchange contracts	—	1	—	1
Cross-currency swap contracts	—	1,201	—	1,201
Cross-currency interest rate swap contracts	—	4,700	—	4,700
Total assets	¥ 144,380	¥ 5,902	¥ —	¥ 150,282
Liabilities:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 2,695	¥ —	¥ 2,695
Cross-currency swap contracts	—	108	—	108
Interest rate swap contracts	—	155	—	155
Cross-currency interest rate swap contracts	—	341	—	341
Total liabilities	¥ —	¥ 3,299	¥ —	¥ 3,299
At March 31, 2013:				
Assets:				
Available-for-sale securities:				
Equity securities of financial institutions	¥ 50,247	¥ —	¥ —	¥ 50,247
Other equity securities	67,716	—	—	67,716
Derivatives:				
Foreign exchange contracts	—	255	—	255
Cross-currency swap contracts	—	365	—	365
Total assets	¥ 117,963	¥ 620	¥ —	¥ 118,583
Liabilities:				
Derivatives:				
Foreign exchange contracts	¥ —	¥ 3,373	¥ —	¥ 3,373
Interest rate swap contracts	—	147	—	147
Cross-currency interest rate swap contracts	—	3,649	—	3,649
Total liabilities	¥ —	¥ 7,169	¥ —	¥ 7,169

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

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

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

There were no assets and liabilities that are measured at fair value on a nonrecurring basis for the nine months ended December 31, 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 and liabilities 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 ¥90 million on derivatives included in accumulated other comprehensive income (loss) at December 31, 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	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
Derivatives designated as hedging instruments:								
Interest rate swap contracts	¥ —	¥ —	¥ —	¥ —	¥ 139	¥ 96	¥ —	¥ 23
Total derivatives designated as hedging instruments	¥ —	¥ —	¥ —	¥ —	¥ 139	¥ 96	¥ —	¥ 23
Derivatives not designated as hedging instruments:								
Foreign exchange contracts	¥ 1	¥ 255	¥ —	¥ —	¥ 2,695	¥ 3,373	¥ —	¥ —
Cross-currency swap contracts	203	223	998	142	108	—	—	—
Interest rate swap contracts	—	—	—	—	16	25	—	3
Cross-currency interest rate swap contracts	2,285	—	2,415	—	341	1,981	—	1,668
Total derivatives not designated as hedging instruments	¥ 2,489	¥ 478	¥ 3,413	¥ 142	¥ 3,160	¥ 5,379	¥ —	¥ 1,671
Total	¥ 2,489	¥ 478	¥ 3,413	¥ 142	¥ 3,299	¥ 5,475	¥ —	¥ 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 nine months ended December 31, 2013:			
Interest rate swap contracts	¥ (84)	Interest expense	¥ (64)
Total	¥ (84)		¥ (64)
For the nine months ended December 31, 2012:			
Interest rate swap contracts	¥ (45)	Interest expense	¥ (216)
Total	¥ (45)		¥ (216)

(¥ in millions)

Derivative instruments not designated as hedging instruments	Gain (Loss) recognized in net Income, before tax: Consolidated statements of income line item	Gain (Loss) recognized in net income
For the nine months ended December 31, 2013:		
Foreign exchange contracts	Foreign exchange gain (loss)—net	¥ (7,511)
Cross-currency swap contracts	Foreign exchange gain (loss)—net	783
Interest rate swap contracts	Other—net	1
Cross-currency interest rate swap contracts	Other—net	6,262
Total		¥ (465)
For the nine months ended December 31, 2012:		
Foreign exchange contracts	Foreign exchange gain (loss)—net	¥ (3,787)
Cross-currency swap contracts	Foreign exchange gain (loss)—net	(13)
Interest rate swap contracts	Other—net	(17)
Cross-currency interest rate swap contracts	Other—net	(843)
Total		¥ (4,660)

(¥ 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 December 31, 2013:			
Interest rate swap contracts	¥ (115)	Interest expense	¥ (11)
Total	¥ (115)		¥ (11)
For the three months ended December 31, 2012:			
Interest rate swap contracts	¥ (80)	Interest expense	¥ (64)
Total	¥ (80)		¥ (64)

(¥ in millions)

Derivative instruments not designated as hedging instruments	Gain (Loss) recognized in net Income, before tax: Consolidated statements of income line item	Gain (Loss) recognized in net income
For the three months ended December 31, 2013:		
Foreign exchange contracts	Foreign exchange gain—net	¥ (4,317)
Cross-currency swap contracts	Foreign exchange gain—net	580
Interest rate swap contracts	Other—net	(1)
Cross-currency interest rate swap contracts	Other—net	3,237
Total		¥ (501)
For the three months ended December 31, 2012:		
Foreign exchange contracts	Foreign exchange gain—net	¥ (7,426)
Cross-currency swap contracts	Foreign exchange gain—net	112
Interest rate swap contracts	Other—net	(15)
Cross-currency interest rate swap contracts	Other—net	(1,335)
Total		¥ (8,664)

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

9. PLEDGED ASSETS

Assets pledged as collateral are comprised of the following:

(¥ in millions)

	December 31, 2013	March 31, 2013
Trade notes	¥ 87	¥ 71
Trade accounts	580	1,054
Short-term finance receivables	20,908	15,880
Other current assets *1	760	612
Long-term finance receivables	45,539	37,129
Property, plant, and equipment	1,033	2,116
Total	¥ 68,907	¥ 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)

	December 31, 2013	March 31, 2013
Short-term borrowings	¥ 916	¥ 1,407
Current portion of long-term debt	18,606	13,970
Long-term debt	40,623	33,072
Total	¥ 60,145	¥ 48,449

10. RETIREMENT AND PENSION PLANS

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

(¥ in millions)

For the nine months ended December 31:		2013		2012
Service cost	¥	5,573	¥	5,235
Interest cost		2,249		2,601
Expected return on plan assets		(2,864)		(2,428)
Amortization of prior service benefit		(554)		(606)
Amortization of actuarial loss		809		4,595
Total	¥	5,213	¥	9,397

(¥ in millions)

For the three months ended December 31:		2013		2012
Service cost	¥	1,858	¥	1,746
Interest cost		750		868
Expected return on plan assets		(953)		(810)
Amortization of prior service benefit		(184)		(202)
Amortization of actuarial loss		269		1,532
Total	¥	1,740	¥	3,134

11. SUPPLEMENTAL EXPENSE INFORMATION

(1) Research 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 nine months ended December 31:		2013		2012
Research and development expenses	¥	25,457	¥	23,041
Advertising costs		8,540		6,323
Shipping and handling costs		41,975		34,084
Depreciation and amortization		25,932		21,353

(¥ in millions)

For the three months ended December 31:		2013		2012
Research and development expenses	¥	8,535	¥	7,810
Advertising costs		3,172		2,462
Shipping and handling costs		15,106		12,578
Depreciation and amortization		9,210		8,061

(2) Other Operating Expenses (Income)

Other operating expenses for the nine months ended December 31, 2013 included a loss from sales and disposals of fixed assets of ¥267 million and a loss from impairment of long-lived assets of ¥282 million.

Other operating income for the nine months ended December 31, 2012 included a loss from sales and disposals of fixed assets of ¥304 million, a loss from impairment of long-lived assets of ¥297 million, a loss resulting from the flooding in Thailand of ¥685 million, and a gain from related insurance proceeds of ¥1,799 million.

Other operating expenses for the three months ended December 31, 2013 included a loss from sales and disposals of fixed assets of ¥89 million a loss from impairment of long-lived assets of ¥282 million.

Other operating income for the three months ended December 31, 2012 included a loss from sales and disposals of fixed assets of ¥173 million, a loss resulting from the flooding in Thailand of ¥685 million, and a gain from related insurance proceeds of ¥1,799 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 nine months ended December 31:	2013	2012
Net income attributable to Kubota Corporation (¥ in millions)	¥96,009	¥ 48,538
Weighted average number of shares (in thousands)	1,255,926	1,255,933

For the three months ended December 31:	2013	2012
Net income attributable to Kubota Corporation (¥ in millions)	¥ 28,605	¥ 17,283
Weighted average number of shares (in thousands)	1,255,912	1,255,928

There are no potentially dilutive shares outstanding for the nine months ended December 31, 2013 and 2012.

13. OTHER COMPREHENSIVE INCOME (LOSS)

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

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

(¥ in millions)

For the nine months ended December 31:	2013 Kubota Corporation	2013 Non-controlling interests	2013 Total	2012 Kubota Corporation	2012 Non-controlling interests	2012 Total
Foreign currency translation adjustments	¥ 37,459	¥ 2,186	¥ 39,645	¥ 15,010	¥ 2,920	¥ 17,930
Unrealized gains on securities	16,940	395	17,335	2,044	97	2,141
Unrealized gains (losses) on derivatives	(14)	—	(14)	111	—	111
Pension liability adjustments	(23)	10	(13)	2,187	178	2,365
Other comprehensive income (loss)	¥ 54,362	¥ 2,591	¥ 56,953	¥ 19,352	¥ 3,195	¥ 22,547

(¥ in millions)

For the three months ended December 31:	2013 Kubota Corporation	2013 Non-controlling interests	2013 Total	2012 Kubota Corporation	2012 Non-controlling interests	2012 Total
Foreign currency translation adjustments	¥ 24,913	¥ 2,202	¥ 27,115	¥ 29,594	¥ 4,964	¥ 34,558
Unrealized gains on securities	8,318	46	8,364	10,343	40	10,383
Unrealized losses on derivatives	(67)	—	(67)	(11)	—	(11)
Pension liability adjustments	(25)	3	(22)	661	58	719
Other comprehensive income (loss)	¥ 33,139	¥ 2,251	¥ 35,390	¥ 40,587	¥ 5,062	¥ 45,649

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

(¥ in millions)

For the nine months ended December 31:	2013 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	37,459	18,663	(53)	(177)	55,892
Reclassification to net income	—	(1,723)	39	154	(1,530)
Net gain	37,459	16,940	(14)	(23)	54,362
Ending balance	¥ 14,809	¥ 52,067	¥ (90)	¥ (17,400)	¥ 49,386

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 nine months ended December 31:	Amount reclassified from accumulated other comprehensive income (loss) *1	Affected line item in the statement where net income is presented
Unrealized gains on securities	¥ (2,676)	Gain on sales of securities—net
	953	Income taxes—current
	(1,723)	Net income attributable to Kubota Corporation
Unrealized gains (losses) on derivatives	64	Interest expense
	(25)	Income taxes—current
	39	Net income attributable to Kubota Corporation
Pension liability adjustments	255 *2	
	(91)	Income taxes—current
	164	Net income
	(10)	Net income attributable to noncontrolling interests
	154	Net income attributable to Kubota Corporation
Total	¥ (1,530)	

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

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

(¥ in millions)

	2013	
For the three months ended December 31:	Amount reclassified from accumulated other comprehensive income (loss) *1	Affected line item in the statement where net income is presented
Unrealized gains on securities	¥ (9)	Gain (loss) on sales of securities—net
	4	Income taxes—current
	(5)	Net income attributable to Kubota Corporation
Unrealized losses on derivatives	11	Interest expense
	(5)	Income taxes—current
	6	Net income attributable to Kubota Corporation
Pension liability adjustments	85 *2	
	(30)	Income taxes—current
	55	Net income
	(3)	Net income attributable to noncontrolling interests
	52	Net income attributable to Kubota Corporation
Total	¥ 53	

*1 Indicates 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 meeting of the board of directors on May 10, 2013	Common stock	Retained earnings	¥11,307	¥9.00	March 31, 2013	June 24, 2013
The meeting of the board of directors on November 8, 2013	Common stock	Retained earnings	¥12,563	¥10.00	September 30, 2013	December 2, 2013

(2) Dividends of which Record Date is in the Nine Months Ended December 31, 2013 and of which Effective Date is after December 31, 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 December 31, 2013 was ¥12,309 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 ¥220 million and ¥440 million at December 31, 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 segment is summarized as follows:

(¥ in millions)

For the nine months ended December 31:	Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
2013:					
Revenues:					
External customers	¥ 855,346	¥ 202,818	¥ 27,703	¥ —	¥ 1,085,867
Intersegment	60	4,573	16,998	(21,631)	—
Total	855,406	207,391	44,701	(21,631)	1,085,867
Operating income	¥ 145,643	¥ 13,000	¥ 1,928	¥ (15,921)	¥ 144,650
2012:					
Revenues:					
External customers	¥ 652,871	¥ 185,583	¥ 23,259	¥ —	¥ 861,713
Intersegment	44	3,480	13,251	(16,775)	—
Total	652,915	189,063	36,510	(16,775)	861,713
Operating income	¥ 80,784	¥ 12,704	¥ 1,150	¥ (14,899)	¥ 79,739

(Notes)

1. "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
2. The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
3. Intersegment transfers are recorded at values that approximate market prices.

(¥ in millions)

For the three months ended December 31:		Farm & Industrial Machinery		Water & Environment		Other		Adjustments		Consolidated
2013:										
Revenues:										
External customers	¥	268,029	¥	79,299	¥	9,482	¥	—	¥	356,810
Intersegment		33		1,711		6,324		(8,068)		—
Total		268,062		81,010		15,806		(8,068)		356,810
Operating income	¥	42,690	¥	6,125	¥	1,167	¥	(5,656)	¥	44,326
2012:										
Revenues:										
External customers	¥	216,952	¥	73,274	¥	8,052	¥	—	¥	298,278
Intersegment		14		1,049		4,370		(5,433)		—
Total		216,966		74,323		12,422		(5,433)		298,278
Operating income	¥	21,002	¥	7,420	¥	529	¥	(4,904)	¥	24,047

(Notes)

1. "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
2. The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
3. Intersegment transfers are recorded at values that approximate market prices.

(2) Geographic Information

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

(¥ in millions)

For the nine months ended December 31:		2013		2012
Revenues from external customers by destination:				
Japan	¥	431,070	¥	380,738
North America		271,953		208,786
Europe		127,811		84,421
Asia Outside Japan		216,118		157,417
Other Areas		38,915		30,351
Total	¥	1,085,867	¥	861,713

(Notes)

1. Revenues from North America include those from the United States of ¥240,415 million and ¥183,394 million for the nine months ended December 31, 2013 and 2012, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

(¥ in millions)

For the three months ended December 31:		2013		2012
Revenues from external customers by destination:				
Japan	¥	148,736	¥	126,899
North America		90,470		74,826
Europe		41,891		29,805
Asia Outside Japan		61,983		56,857
Other Areas		13,730		9,891
Total	¥	356,810	¥	298,278

(Notes)

1.Revenues from North America include those from the United States of ¥83,420 million and ¥67,579 million for the three months ended December 31, 2013 and 2012, respectively.
2. There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

17. SUBSEQUENT EVENTS

Not applicable

2. Other

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

1）Shareholders to be paid cash dividends
Shareholders of record on September 30, 2013

2）Amount of dividends
¥10 per common share, a total of ¥12,563 million

3）Effective date of claim of payment and start date of payment
December 2, 2013

PART Ⅱ.　Information on Guarantors for Kubota Corporation

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]	February 13, 2014
[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 third quarter of 124th fiscal year (from October 1, 2013 to December 31, 2013) were adequate under the Financial Instruments and Exchange Act of Japan.

2. Special Notes

None