

**CONVOCATION NOTICE FOR THE 124TH
ORDINARY GENERAL MEETING
OF SHAREHOLDERS**

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

KUBOTA Corporation

OSAKA, JAPAN

To: Shareholders

CONVOCAATION NOTICE FOR THE 124TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Sirs:

Notice is hereby given that the 124th Ordinary General Meeting of Shareholders of Kubota Corporation will be held as described hereunder. Your attendance is respectfully requested.

Date and Time: 10:00 a.m. on Friday, June 20, 2014

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

Matters for which the meeting is held:

Matters to be Reported:

1. Business report for the 124th period (from April 1, 2013 to March 31, 2014), the consolidated financial statements and the non-consolidated financial statements for the 124th period
2. The results of the audits of the consolidated financial statements by the Independent Auditors and by the Audit & Supervisory Board

Matters Requiring Resolutions:

1st Subject for Discussion:

Matters Concerning Election of 8 Directors

2nd Subject for Discussion:

Matters Concerning Election of 2 Audit & Supervisory Board Members

3rd Subject for Discussion:

Matters Concerning Bonus Payments for Directors

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

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

If the Company amends the referential materials for the matters to be reported, the Company will release amendments of them on its website. URL; http://www.kubota-global.net/ir/sh_info/meeting/convocation.html

Yours very truly,



Yasuo Masumoto

Representative Director, Chairman, President & CEO

KUBOTA Corporation

2-47, Shikitsu Higashi 1-chome,

Naniwa-ku Osaka, 556-8601 JAPAN

REFERENTIAL MATERIALS FOR EXERCISE OF VOTING RIGHTS

1. Subjects for Discussion and Referential Materials

1st Subject for Discussion:

Matters Concerning Election of 8 Directors

The term of office of all 8 Directors of Kubota Corporation will expire at the conclusion of the 124th Ordinary General Meeting of Shareholders. Accordingly, it is proposed to elect 8 Directors of Kubota Corporation.

Among the 8 candidates for Directors, Messrs. Yukiotoshi Funo and Yuzuru Matsuda are candidates for outside Directors.

The candidates for Directors are as follows:

	Name (Birthday)	Number of Company Shares Owned	Current Positions and Brief Occupational History (including important concurrent offices)	
1	Yasuo Masumoto (April 21, 1947) [Reappoint]	68,000 Shares	Representative Director, Chairman, President & CEO of Kubota Corporation	
			January 2011:	Representative Director, Chairman, President & CEO of Kubota Corporation (to present)
			January 2009:	Representative Director, President & CEO of Kubota Corporation
			April 2008:	Executive Vice President and Director of Kubota Corporation
			April 2007:	In charge of Tokyo Head Office, General Manager of Water, Environment & Infrastructure Consolidated Division, General Manager of Production Control Headquarters in Water, Environment & Infrastructure Consolidated Division, General Manager of Coordination Dept. in Water, Environment & Infrastructure Consolidated Division, General Manager of Tokyo Head Office
			April 2006:	Executive Managing Director of Kubota Corporation
			April 2005:	Deputy General Manager of Industrial & Material Systems Consolidated Division
			January 2005:	In charge of Quality Assurance & Manufacturing Promotion Dept.
			June 2004:	General Manager of Purchasing Dept. in Industrial & Material Systems Consolidated Division
			April 2004:	Managing Director of Kubota Corporation,
			April 2004:	In charge of Manufacturing Planning & Promotion Dept.
			April 2003:	General Manager of Production Control Headquarters in Industrial & Material Systems Consolidated Division
			June 2002:	Director of Kubota Corporation
			October 2001:	General Manager of Farm Machinery Division
April 1971:	Joined Kubota Corporation			
2	Masatoshi Kimata (June 22, 1951) [Reappoint]	51,000 Shares	Representative Director and Executive Vice President of Kubota Corporation, General Manager of Procurement Headquarters	
			April 2014:	Representative Director and Executive Vice President of Kubota Corporation (to present)
			April 2013:	General Manager of Procurement Headquarters (to present)
			August 2012:	Administrative Officer- Corporate Staff, General Manager of Water Engineering & Solution Division
			June 2012:	Director and Senior Managing Executive Officer of Kubota Corporation
			April 2012:	In charge of Water & Environment Domain, General Manager of Tokyo Head Office
			August 2010:	President of SIAM KUBOTA Corporation Co., Ltd.

			July 2010:	Senior Managing Executive Officer of Kubota Corporation
			June 2009:	Managing Executive Officer of Kubota Corporation
			April 2009:	Director and Managing Executive Officer of Kubota Corporation
			April 2009:	Deputy General Manager of Farm & Industrial Machinery Consolidated Division, General Manager of Sales Headquarters in Farm & Industrial Machinery Consolidated Division
			April 2008:	Managing Director of Kubota Corporation
			April 2007:	Deputy General Manager of Sales Headquarters in Farm & Industrial Machinery Consolidated Division
			June 2005:	Director of Kubota Corporation
			October 2001:	General Manager of Tsukuba Plant
			April 1977:	Joined Kubota Corporation
3	Toshihiro Kubo (April 5, 1953) [Reappoint]	25,000 Shares		Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Human Resources & General Affairs Headquarters, General Manager of Head Office
			April 2013:	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
			April 2012:	General Manager of Human Resources & General Affairs Headquarters (to present)
			June 2011:	Director and Managing Executive Officer of Kubota Corporation
			April 2011:	Managing Executive Officer of Kubota Corporation
			June 2010:	In charge of Secretary Dept. and Corporate Communications Dept.
			April 2010:	General Manager of Head Office (to present)
			April 2010:	In charge of Personnel Dept., Secretary & Public Relations Dept., General Affairs Dept. and Tokyo Administration Dept.
			June 2009:	Executive Officer of Kubota Corporation
			April 2009:	Director and Executive Officer of Kubota Corporation
			April 2009:	Deputy General Manager of Water & Environment Systems Consolidated Division, General Manager of Water & Environment Systems, Social Infrastructure Business Promotion Headquarters, Water & Environment Systems, Social Infrastructure Production Control Dept.
			June 2007:	Director of Kubota Corporation
			June 2007:	General Manager of Coordination Dept. in Water, Environment & Infrastructure Consolidated Division and Production Control Headquarter in Water, Environment & Infrastructure Consolidated Division
			October 2005:	General Manager of Planning Dept. in Ductile Iron Pipe Division
			April 1979:	Joined Kubota Corporation
4	Shigeru Kimura (September 10, 1953) [Reappoint]	22,000 Shares		Director and Senior Managing Executive Officer of Kubota Corporation, General Manager of Planning & Control Headquarters, General Manager of Corporate Planning & Control Dept.
			April 2014:	Director and Senior Managing Executive Officer of Kubota Corporation (to present)
			October 2013:	General Manager of Corporate Planning & Control Dept. (to present)
			June 2012:	Director and Managing Executive Officer of Kubota Corporation
			April 2011:	Managing Executive Officer of Kubota Corporation

			October 2010:	General Manager of Planning & Control Headquarters (to present)
			June 2009:	Executive Officer of Kubota Corporation
			April 2009:	Director and Executive Officer of Kubota Corporation
			April 2009:	In charge of Corporate Planning & Control Dept. (assistant)
			June 2008:	Director of Kubota Corporation
			December 2002:	General Manager of Finance & Accounting Dept.
			April 1977:	Joined Kubota Corporation
5	Kenshiro Ogawa (July 23, 1953) [New nomination]	37,000 Shares	Senior Managing Executive Officer of Kubota Corporation, General Manager of Quality Assurance & Manufacturing Headquarters, General Manager of Health & Safety Promotion Headquarters	
			April 2014:	Senior Managing Executive Officer of Kubota Corporation (to present)
			January 2013:	General Manager of Health & Safety Promotion Headquarters (to present)
			April 2012:	General Manager of Quality Assurance & Manufacturing Headquarters (to present)
			April 2011:	General Manager of Construction Machinery Division and General Manager of Construction Machinery Planning and Coordinate Dept.
			April 2011:	Managing Executive Officer of Kubota Corporation
			April 2010:	General Manager of Sakai Plant
			June 2009:	Executive Officer of Kubota Corporation
			April 2009:	Director and Executive Officer of Kubota Corporation
			June 2007:	Director of Kubota Corporation
			April 2007:	General Manager of Tsukuba Plant and General Manager of Production Engineering Center of Emission in Manufacturing Headquarters in Farm & Industrial Machinery Consolidated Division
			April 1979:	Joined Kubota Corporation
6	Yuichi Kitao (July 15, 1956) [New nomination]	36,000 Shares	Managing Executive Officer of Kubota Corporation, General Manager of Farm & Utility Machinery Division	
			October 2013:	General Manager of Farm & Utility Machinery Division (to present)
			October 2013:	General Manager of Farm & Utility Machinery International Operations Headquarters
			April 2013:	Managing Executive Officer of Kubota Corporation (to present)
			January 2011:	President of Kubota Tractor Corporation
			April 2009:	General Manager of Tractor Division
			April 2009:	Executive Officer of Kubota Corporation
			April 2005:	General Manager of Tractor Engineering Dept.
			April 1979:	Joined Kubota Corporation
7	Yukitoshi Funo (February 1, 1947) [New nomination, Candidate of Outside Director]	0 Shares	Senior Advisor to the Board of Toyota Motor Corporation, Audit & Supervisory Board Member of Hino Motors, Ltd.	
			June 2013:	Senior Advisor to the Board of Toyota Motor Corporation (to present)
			June 2012:	Audit & Supervisory Board Member of Hino Motors, Ltd. (to present)
			June 2009:	Executive Vice President of Toyota Motor Corporation
			May 2006:	Chairman of Toyota Motor North America, Inc.
			June 2005:	Chairman of Toyota Motor Sales, U.S.A., Inc.
			June 2005:	Senior Managing Director of Toyota Motor Corporation
			June 2004:	Director of Toyota Motor Corporation

			June 2003:	President of Toyota Motor Sales, U.S.A., Inc.
			June 2003:	Managing Officer of Toyota Motor Corporation
			June 2000:	Director of Toyota Motor Corporation
			April 1970:	Joined Toyota Motor Sales Co., Ltd. (currently, Toyota Motor Corporation)
8	Yuzuru Matsuda (June 25, 1948) [New nomination, Candidate of Outside Director]	0 Shares		President of Kato Memorial Bioscience Foundation
			June 2012:	President of Kato Memorial Bioscience Foundation (to present)
			March 2012:	Senior Advisor of Kyowa Hakko Kirin Co., Ltd.
			October 2008:	President and Chief Executive Officer of Kyowa Hakko Kirin Co., Ltd.
			June 2003:	President and Chief Operating Officer of Kyowa Hakko Kogyo Co., Ltd.
			June 2002:	Managing Director of Kyowa Hakko Kogyo Co., Ltd.
			June 2002:	Director of Corporate Planning Department
			June 2000:	Executive Officer of Kyowa Hakko Kogyo Co., Ltd.
			June 2000:	Executive Director of Pharmaceutical Research Institute
			June 1999:	Director of Drug Discovery Research Laboratories, Pharmaceutical Research Institute
			April 1977:	Joined Kyowa Hakko Kogyo Co., Ltd. (currently, Kyowa Hakko Kirin Co., Ltd)

Notes:

1. No conflict of interest exists between Kubota Corporation and the above candidates for Directors.
2. Mr. Yukitoshi Funo is a candidate for outside Director and has adequate experience and considerable insight of overseas operation and corporate strategy as President of overseas subsidiaries and Executive Vice President of Toyota Motor Corporation. Kubota Corporation considers that he could give advice on globalization, corporate management and strategy from a wide-ranging viewpoint and experience. Although Kubota Corporation has business transactions with Toyota Motor Corporation, the transactions are less than 0.1% of consolidated revenues of either Kubota Corporation or Toyota Motor Corporation.
Toyota Motor Corporation, a company where Mr. Yukitoshi Funo served as a Director from June 2000 to June 2013, entered into a deferred prosecution agreement with the U.S. Attorney's Office for the Southern District of New York on March 19, 2014 to resolve its investigation related to the company's 2009-2010 recalls to address potential "sticking" accelerator pedals and floor mat entrapment.
3. Mr. Yuzuru Matsuda is a candidate for outside Director and has adequate experience and considerable insight as a president of Kyowa Hakko Kirin Co., Ltd., a public-listed company, for a long time. Kubota Corporation considers that he could give advice on globalization, corporate management and strategy from a wide-ranging viewpoint and experience. Kubota Corporation has no business transactions with Kyowa Hakko Kirin Co., Ltd.
4. If 1st subject for discussion is approved and Messrs. Yukitoshi Funo and Yuzuru Matsuda are elected and assume the offices, Kubota Corporation will execute agreements, which limit the liability for damages, pursuant to the provisions of Article 427, Paragraph 1 of the Corporate Law with Messrs. Yukitoshi Funo and Yuzuru Matsuda. However, the maximum amount of the liability under such agreements shall be the minimum liability amount prescribed by the relevant laws or regulations.
5. Kubota Corporation will report to Tokyo Stock Exchange that Messrs. Yukitoshi Funo and Yuzuru Matsuda are independent directors/auditors of Kubota Corporation under the rules of the exchange.

2nd Subject for Discussion:**Matters Concerning Election of 2 Audit & Supervisory Board Members**

The term of office of 2 Audit & Supervisory Board Members of Kubota Corporation, Messers. Hirokazu Nara and Hiroshi Shiaku, will resign their offices at the conclusion of the 124th Ordinary General Meeting of Shareholders. Accordingly, it is proposed to elect 2 Audit & Supervisory Board Members of Kubota Corporation.

This subject was obtained agreement from the Audit & Supervisory Board.

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

	Name (Birthday)	Number of Company Shares Owned	Brief Occupational History (including important concurrent offices)	
1	Satoru Sakamoto (July 18, 1952) [New nomination]	35,000 Shares	Director of Kubota Corporation	
			April 2014:	Director of Kubota Corporation (to present)
			August 2012:	In charge of China Operation
			April 2012:	In charge of Farm & Industrial Machinery Domain, General Manager of Business Development Headquarters
			June 2011:	In charge of Global IT Management Office
			April 2011:	Director and Senior Managing Executive Officer of Kubota Corporation
			October 2010:	In charge of Planning & Control Headquarters
			April 2009:	Director and Managing Executive Officer of Kubota Corporation
			April 2009:	In charge of Corporate Planning & Control Dept. and Finance & Accounting Dept.
			June 2006:	Director of Kubota Corporation
2	Toshikazu Fukuyama (June 11, 1955) [New nomination]	5,000 Shares	Corporate Planning & Control Dept.	
			October 2013:	Corporate Planning & Control Dept. (to present)
			August 2010:	Vice President of SIAM KUBOTA Corporation Co., Ltd.
			October 2009:	Vice President of The Siam Kubota Industry Co., Ltd. (currently, SIAM KUBOTA Corporation Co., Ltd.) and Director of Siam Kubota Leasing Co., Ltd.
			October 2005 :	General Manager of Corporate Planning & Control Dept.
April 1979:	Joined Kubota Corporation			

Note: No conflict of interest exists between Kubota Corporation and the above candidates for Audit & Supervisory Board Members.

3rd Subject for Discussion:**Matters Concerning Bonus Payments for Directors**

Kubota Corporation will pay Directors' bonuses (¥202.2 million) for 6 Directors (excluding outside Directors) at the end of the fiscal year ended March 31, 2014, in consideration of results of operations for the fiscal year ended March 31, 2014.

Kubota Corporation asks shareholders to entrust the amount of bonuses for each Director to the Board of Directors.

End of documents

REFERENTIAL MATERIALS FOR THE MATTERS TO BE REPORTED

BUSINESS REPORT FOR THE 124TH PERIOD

(FROM APRIL 1, 2013 TO MARCH 31, 2014)

1. Item of Overview of Operations

(1) Review of Operations

1) General Condition of Kubota Corporation and Subsidiaries

For the year ended March 31, 2014, Kubota Corporation and its subsidiaries (hereinafter, the “Company”) reached record revenues and profit from the prior year due to the Company-wide effort to expand sales and effect of yen depreciation.

For the year ended March 31, 2014, revenues of the Company increased ¥298.0 billion [24.6%], to ¥1,508.6 billion, from the prior year. In the domestic market, revenues in Farm & Industrial Machinery increased substantially due to higher sales of farm equipment, construction machinery, and engines. Revenues in Water & Environment also increased steadily owing to sales growth of products related to public works spending. In overseas markets, revenues in Farm & Industrial Machinery rose in North America, Asia outside Japan, and Europe. Revenues in Water & Environment and Other expanded mainly in Asia outside Japan. The ratio of overseas revenues to consolidated revenues was 57.7%, 2.6 percentage points higher than in the prior year.

Operating income increased ¥81.1 billion [66.8%] from the prior year, to ¥202.4 billion, due to increased domestic and overseas revenues and the effect of yen depreciation. Operating income in Farm & Industrial Machinery increased substantially due to increased revenues in Japan and overseas and the effects of yen depreciation. Operating income in Water & Environment increased, as the increase in revenues offset an increase in material costs. Operating income in Other also increased from the prior year.

Income before income taxes and equity in net income of affiliated companies, equivalent to operating income plus other income of ¥8.9 billion, amounted to ¥211.3 billion, which was ¥84.1 billion [66.1%] higher than in the prior year. Income taxes were ¥71.9 billion, and equity in net income of affiliated companies was ¥3.0 billion. Furthermore, after deduction of net income attributable to noncontrolling interests of ¥10.8 billion, net income attributable to Kubota Corporation was ¥131.7 billion, ¥53.6 billion [68.7%] higher than in the prior year.

2) Review of Operations by Reporting Segments

(a) Farm & Industrial Machinery

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

Revenues in this segment increased 29.3% from the prior year, to ¥1,153.1 billion, and accounted for 76.4% of consolidated revenues.

Domestic revenues increased 24.9%, to ¥332.6 billion. Sales of farm equipment marked a record increase due to front-loaded demand before the consumption tax hike and execution of the agricultural-related supplemental budget. Sales of construction machinery expanded sharply due to the increase in public works spending and other factors. Sales of engines also rose.

Overseas revenues increased 31.1%, to ¥820.5 billion. In North America, as economic recovery trends continued, sales of tractors increased favorably due to the effects of launching a new line of products and other factors. Sales of construction machinery expanded along with the recovery of housing starts, while sales of engines showed only a slight increase. Revenues in Europe rose significantly because of increased sales of tractors and construction machinery and steady sales of engines owing to the bottoming out of the economy. Revenues in Asia outside Japan increased sharply owing to higher sales of farm equipment and recovery in sales of construction machinery in China.

(b) Water & Environment

Water & Environment is comprised of pipe-related products (ductile iron pipes, plastic pipes, pumps, valves,

and other products), environment-related products (environmental control plants and other products), and social infrastructure-related products (industrial castings, spiral welded steel pipes, vending machines, precision equipment, air-conditioning equipment, and other products).

Revenues in this segment increased 10.6%, to ¥313.9 billion from the prior year, and accounted for 20.8% of consolidated revenues.

Domestic revenues increased 9.5%, to ¥268.9 billion. Revenues in pipe-related products rose mainly due to higher sales of plastic pipes. In addition, revenues in environment-related products and social infrastructure-related products also increased. Overseas revenues expanded 17.6%, to ¥45.0 billion owing to increased sales of pumps and industrial castings.

(c) Other

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

Revenues in this segment increased 20.1%, to ¥41.6 billion from the prior year, and accounted for 2.8% of consolidated revenues. Revenues generated from construction and other business also rose.

Revenues by Reporting Segment

	<u>Revenues</u> (in billions of yen*)	<u>Percentage</u> <u>Change</u>	<u>Percentage of</u> <u>total Revenues</u>
Farm & Industrial Machinery	1,153.1	+29.3 %	76.4 %
Water & Environment	313.9	+10.6	20.8
Other	41.6	+20.1	2.8
Total	1,508.6	+24.6	100.0

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

3) Capital Expenditures

The Company made capital expenditures totaling ¥51.2 billion during the fiscal year under review, including investments in new establishment and expansion of overseas manufacturing facilities for tractors and engines.

4) Financing

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

(2) Initiatives of the Company Going Forward

The Company is aiming to be an enterprise that can grow sustainably in the long term by accelerating its initiatives to expand its overseas business activities, entering new businesses, and expanding the geographical coverage of its operations. To realize these objectives, the Company is implementing the following policies on a priority basis.

1) Accelerating Business Development in Strategic Markets

The Company is accelerating the development of its large-scale agricultural machinery for dry-field cultivation. Thus far, the Company has expanded its overseas business activities by building on the base it has developed in Japan in the agricultural machinery for rice paddy cultivation. To realize growth in the medium-to-long term, the Company will dramatically expand its agricultural machinery business by making a full-scale entry into the market for dry-field cultivation, where the area under cultivation is estimated to be more than four times larger than the rice cultivation market. Following the Company's acquisition of a tractor implement manufacturer for dry-field cultivation based in Europe in 2012, the Company made the decision in December 2013 to establish a manufacturing plant for dry-field cultivation machinery in Europe, and is thus taking its first step toward becoming a comprehensive manufacturer of agricultural machinery. The Company will accelerate the development of its business in this field by expanding its lineup of products at an early date, strengthening and expanding its sales and service network with the aim of building a strong position in the market for dry-field cultivation machinery, and implementing other measures to rank alongside existing European and U.S. manufacturers in this field. As the members of the Company implement this policy, they will act as a team, and the Company will consider a range of options, including alliances with other companies.

The Company is accelerating the development of its Water and Environment business activities in Asia. In China, the Company is moving forward with the further development of its operations in that country through the subsidiaries it has already established in the engineering, pump, and other businesses there. In Southeast Asia, the Company is entering new business fields, including its initiatives to obtain such orders as those for palm oil mill effluent treatment systems it has received in Malaysia and Indonesia. However, to accelerate the development of business throughout Southeast Asia, the Company is utilizing the business locations of subsidiaries that it acquired in 2012. The Company will allocate management resources on a priority basis, and, as it employs local resources, move ahead with the development of business activities without restricting these to existing products, technologies, or business models.

2) Strengthening Global Business Operating Systems

In addition to entering the market for dry-field agricultural machinery and expanding its Water and Environment business activities in Asia, the Company will pursue growth opportunities in global markets. To do this, the Company is expanding and upgrading its R&D systems. With an eye to developing products meeting the needs of local markets, the Company is already implementing such development initiatives locally in North America, Thailand, China, and elsewhere, and these are generating results. Going forward, to implement more widely and thoroughly the approach of "being in the markets where it sells its products," the Company will strengthen its R&D systems by clarifying the roles and functions of product development centers in Japan and those located overseas. Since human resources are the wellspring of development capabilities, the Company will not hesitate to invest ample resources in furthering the development and upgrading the capabilities of its R&D personnel. Also, to speed up R&D activities, the Company will not insist solely on in-house development initiatives, but will also actively participate in alliances with other companies and other joint arrangements.

In the field of production, the Company is working to increase the ratio of overseas manufacturing. With the basic policy of manufacturing products that are sold overseas at plants that are located overseas, the Company has added to its overseas production plant network. In 2012, the Company began the production of engines, which are the core of its machinery business, in Thailand. Also, in 2013, the Company expanded its production of tractors in the United States and opened tractor production facilities in China. The Company will also begin engine

manufacturing in China this year. Going forward, the Company will further expand its overseas production capacity. At the same time, the Company is working to expand and upgrade the functions of its production plants in Japan with the aim of promoting the further development of its established core technologies and management techniques that form the basis for its excellence in manufacturing. To maintain the same standards of quality, cost, and on-time delivery that “Made by Kubota” represents, at all its production plants around the world, the Company is working to implement the manufacturing excellence it has nurtured in Japan in all its facilities worldwide.

In its procurement activities, the Company is putting a global purchasing system in place. Last year, a company-wide procurement headquarters was formed, and it is working to strengthen teamwork among all its business departments and business locations. In addition, to make information related to procurement available on a shared basis throughout the organization, the Company is taking initiatives to structure the required information systems. The objective of these activities is to create a globally optimal procurement structure based on both the strengthening of the procurement organization and its functions as well as the upgrading of IT systems.

3) Realigning Water and Environment Business

In comparison with Farm & Industrial Machinery business, the development of overseas operations in Water and Environment business has lagged. The Company will, therefore, work to expand the business in global markets while, at the same time, realigning the business with a long-term perspective. The Company will reexamine its business units and products from the point of view of growth and profitability, and aggressively allocate management resources to those units and products that should be strengthened. The Company will reconsider those business units and products that are judged to have little growth potential or have limited prospects for improving profitability with a view to realignments, including exiting such business units and products as one option.

4) Issues Upon Which the Company Should Implement Countermeasures

(Actions for the health hazard of asbestos)

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

Initiatives to date

- Relief payment

The Company has established “Relief Payment System for the Asbestos-Related Patients and the Family Members of the Deceased near the Former Kanzaki Plant” on April 17, 2006 and paid the relief payments to 265 parties up to March 31, 2014.

- Actions for medical support for asbestos-related diseases

The Company has paid a contribution to Hyogo College of Medicine for the purpose of medical treatment and research of asbestos-related diseases, which was allocated for the year ended March 31, 2014.

The world economy is increasing the tendency of recovery trend because the U.S. economy is holding firm and the economies of Europe are showing signs of bottoming out. The Japanese economy is improving moderately as a result of factors that include the decline in the value of the yen and rise in stock prices, and the operating environment for the Company’s activities is brightening. However, competition in markets in Japan and overseas remains severe, and conditions are forecast to become even tougher, especially in new markets. Nevertheless, the Company will steadily implement the previously mentioned initiatives and aim to be a winner in competition. And the Company intends to attain further increase of its corporate value through long-term growth and development.

We look forward to the continuing support of you, our shareholders, in the years ahead.

(3) The Financial Position and the Results of Operations

1) Consolidated Financial Summary

Year (Period)	Year ended March 31, 2011 (121st)	Year ended March 31, 2012 (122nd)	Year ended March 31, 2013 (123rd)	Year ended March 31, 2014 (124th)
Revenues (in billions of yen)	946.8	1,021.6	1,210.6	1,508.6
Operating income (in billions of yen)	88.5	103.2	121.4	202.4
Income before income taxes and equity in net income of affiliated companies (in billions of yen)	94.3	99.8	127.2	211.3
Net income attributable to Kubota Corporation (in billions of yen)	56.8	61.3	78.1	131.7
Net income attributable to Kubota Corporation per common share (in yen) (Basic)	44.66	48.54	62.15	104.94
Total assets (in billions of yen)	1,398.4	1,550.7	1,846.6	2,104.7
Total equity (in billions of yen)	697.8	732.4	852.0	1,000.6
Kubota Corporation shareholders' equity (in billions of yen)	648.7	674.4	793.3	934.8
Kubota Corporation shareholders' equity per common share (in yen)	510.09	536.97	631.64	748.00

Notes:

1. The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.
2. Net income attributable to Kubota Corporation per common share is calculated based on the weighted average number of outstanding common shares for the period. Shareholders' equity per common share is calculated based on the number of outstanding common shares at the end of the period. These per common share amounts have been calculated after deducting the number of shares of treasury stock.
3. Kubota Corporation shareholders' equity per common share is calculated based on total amount of Kubota Corporation shareholders' equity in consolidated balance sheets.
4. The amounts are rounded off to the nearest ¥0.1 billion except per common share amounts and per common share amounts are rounded off to the nearest yen.
5. Beginning with the current consolidated fiscal year, the Company has 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 has retrospectively adjusted its consolidated financial statements for the prior years.

2) Financial Summary (Non-consolidated)

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

Notes:

1. Net income per common share is calculated based on the weighted average number of outstanding common shares for the period. Net assets per common share are calculated based on the number of outstanding common shares at the end of the period. These per common share amounts have been calculated after deducting the number of shares of treasury stock.
2. The amounts are rounded down to the nearest ¥0.1 billion except per common share amounts and per common share amounts are rounded down to the nearest yen.

(4) Material Subsidiaries and Affiliated Companies (As of March 31, 2014)

	Name	Issued capital	Percentage of voting shares	Major operations
(Subsidiaries)				
Japan	Kubota Credit Co., Ltd.	¥0.3 billion	70.1 【18.4】	Retail financing to purchasers of farm equipment, construction machinery and related products in Japan
	Kubota-C.I. Co., Ltd.	¥3.0 billion	70.0	Manufacturing and sales of plastic pipes and fittings
North America	Kubota U.S.A., Inc.	US\$167 million	100.0	Administration of subsidiaries in the U.S.A.
	Kubota Tractor Corporation	US\$37 million	100.0 【100.0】	Sales of tractors, small-sized construction machinery and related products in the U.S.A.
	Kubota Credit Corporation	US\$8 million	100.0 【90.0】	Retail financing to purchasers of tractors, construction machinery and related products in the U.S.A.
	Kubota Manufacturing of America Corporation	US\$10 million	100.0 【100.0】	Manufacturing of small-sized tractors, lawn mowers and utility vehicles
	Kubota Industrial Equipment Corporation	US\$70 million	100.0 【100.0】	Manufacturing of tractors and implements for tractors
	Kubota Engine America Corporation	US\$10 million	100.0 【100.0】	Sales, engineering and after-sales service of engines, engine parts and engine accessories
	Kubota Canada Ltd.	Can\$6 million	80.0	Sales of tractors, engines, small-sized construction machinery and other machinery in Canada
	Kubota Metal Corporation *	Can\$15 million	100.0	Manufacturing and sales of cast steel products in North America, mainly in Canada
Europe	Kubota Europe S.A.S.	EUR11 million	100.0	Sales of tractors, engines and small-sized construction machinery in Europe, mainly in France
	Kubota Baumaschinen GmbH	EUR14 million	100.0	Manufacturing and sales of small-sized construction machinery in Europe, mainly in Germany
	Kverneland AS	EUR17 million	100.0 【100.0】	Manufacturing and sales of agricultural implements
Asia and Middle East	Kubota China Holdings Co., Ltd.	RMB 1,701 million	100.0	Administration of subsidiaries in China
	Kubota Agricultural Machinery (Suzhou) Co., Ltd.	RMB 170 million	100.0 【100.0】	Manufacturing and sales of combine harvesters, rice transplanters, tractors and parts in China
	Kubota Construction Machinery (Wuxi) Co., Ltd.	RMB 289 million	100.0 【100.0】	Manufacturing small-sized construction machinery for Chinese market
	Kubota China financial Leasing Ltd.	RMB 527 million	100.0 【100.0】	Finance leasing of Kubota products centering on agricultural machinery and construction machinery
	SIAM KUBOTA Corporation Co., Ltd.	THB 2,739 million	60.0	Manufacturing and sales of tractors, combine harvesters, implement, diesel engines, power tillers and other machinery in Thailand and neighboring countries
	Siam Kubota Leasing Co., Ltd.	THB 2,000 million	100.0 【100.0】	Retail financing to purchasers of tractors and combine harvesters
	SIAM KUBOTA Metal Technology Co., Ltd.	THB 900 million	100.0 【100.0】	Manufacturing of casting parts for tractors and engines

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

Notes:

1. Figures inside [] represents ratio of indirect holding shares to total shares of each subsidiary, which is included in total percentage of voting shares described above [] .
2. The number of subsidiaries for the year under review is 162 (including above 22 companies), increase of 5 companies from the prior year.
3. Consolidated financial results of fiscal year ended March 31, 2014 are described in “ I . Item of Overview of Operations, (1) Review of Operations”.

(5) Main Line of Business (As of March 31, 2014)

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

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

(6) Main Offices and Factories (As of March 31, 2014)

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

Main Subsidiaries and Affiliated Companies (Location)

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

(7) Employees (As of March 31, 2014)

	Number of employees	Change from previous period
Consolidated:	33,845	+2,409
Non-consolidated:	10,387	+354

(8) Main Financing Bank (As of March 31, 2014)

Name	Balance of the loan
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥122.4 billion
Sumitomo Mitsui Trust Bank, Ltd.	¥77.1 billion
Mizuho Bank, Ltd.	¥74.3 billion
Sumitomo Mitsui Banking Corporation	¥67.7 billion

2. Item on Shares of Kubota Corporation

(1) Stock Data (As of March 31, 2014)

1) Total Number of Authorized Common Shares:	1,874,700,000 shares
2) Total Number of Common Shares Outstanding:	1,250,219,180 shares (including 84,325 shares of treasury stock)

* Because the Company retired Common Shares on March 31, 2014, total number of Common Shares Outstanding decreased 6,200,000 from the prior year-end.

3) Number of Shareholders: 39,117

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

5) Principal Shareholders (Top 10)

Name	Number of Shares (thousand of shares)	Percentage of Issued Shares(*)
The Master Trust Bank of Japan, Ltd. (Trust Account)	113,954	9.11
Nippon Life Insurance Company	69,175	5.53
Meiji Yasuda Life Insurance Company	59,929	4.79
Japan Trustee Services Bank, Ltd. (Trust Account)	58,630	4.68
Sumitomo Mitsui Banking Corporation	45,006	3.60
Mizuho Corporate Bank, Ltd.	45,006	3.60
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account)	22,982	1.83
Moxley & Co. LLC	20,687	1.65
State Street Bank and Trust Company	19,100	1.52
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	18,156	1.45

Note: Percentage of issued shares is calculated excluding treasury stock on March 31, 2014.

(2) Purchase, Sale and Possession of Treasury Stock

1) Total Amount of Shares Purchased Less than the Minimum Unit during This Fiscal Year

Total number of treasury stock purchased:	6,205,133 common shares
Total amount of treasury stock purchased:	¥10,001,019,753

Notes:

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

Total number of treasury stock purchased:	6,142,000 common shares
Total amount of treasury stock purchased:	¥10,001,399,968

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

Total number of shares acquired:	63,133 common shares
Total amount of shares acquired:	¥97,619,785

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

Total number of shares sold:	1,117 common shares
Total amount of shares sold:	¥973,544

3) Total Amount of Shares Retired during This Fiscal Year

Total number of shares retired:	6,200,000 common shares
Date of retirement:	March 31, 2013

4) Total Number of Treasury Stock on March 31, 2014:

(Total number of treasury stock on March 31, 2013: 80,309 of common shares)

84,325 of common shares

80,309 of common shares)

3. Item of Directors, Audit & Supervisory Board Members and Executive Officers of Kubota Corporation
(1) Name of Directors and Audit & Supervisory Board Members (As of March 31, 2014)

<u>Title</u>	<u>Name</u>	<u>Responsibilities and important concurrent offices</u>
Representative Director, Chairman, President & CEO	Yasuo Masumoto	
Representative Director and Executive Vice President	Tetsuji Tomita	General Manager of Strategic Business Headquarters
Director and Senior Managing Executive Officer	Satoru Sakamoto	In charge of China Operation
Director and Senior Managing Executive Officer	Masatoshi Kimata*	General Manager of Procurement Headquarters
Director and Managing Executive Officer	Toshihiro Kubo	General Manager of Human Resources & General Affairs Headquarters, General Manager of Head Office
Director and Managing Executive Officer	Shigeru Kimura	General Manager of Planning & Control Headquarters, General Manager of Corporate Planning & Control Dept.
Director	Yuzuru Mizuno	Representative Director and Executive Vice President of Matsushita Real Estate Co., Ltd.
Director	Junichi Sato	Senior Executive Officer Daikin Industries, Ltd., Representative of Air-Conditioning Operations in Central America and South America (including American Air Filter)
Audit & Supervisory Board Member	Hirokazu Nara	Full-time
Audit & Supervisory Board Member	Hiroshi Shiaku	Full-time
Audit & Supervisory Board Member	Masaharu Kawachi*	Full-time
Audit & Supervisory Board Member	Akira Negishi	Attorney, Professor of Konan Law School
Audit & Supervisory Board Member	Ryoji Sato	Certified Public Accountant, Professor of Waseda Graduate School of Accountancy

Notes:

- Messrs. Yuzuru Mizuno, Junichi Sato are outside Directors.
- Messrs. Masaharu Kawachi, Akira Negishi, Ryoji Sato are outside Audit & Supervisory Board Members.
- Kubota Corporation reported to Tokyo Stock Exchange that all outside Directors and outside Audit & Supervisory Board Members of Kubota Corporation are independent directors/auditors under the rules of those securities.
- Mr. Ryoji Sato, an outside Audit & Supervisory Board Member of Kubota Corporation, is a certified public accountant and has an adequate knowledge regarding accounting and finance including accounting principles generally accepted in the United States of America.
- Matsushita Real Estate Co., Ltd., of which Mr. Yuzuru Mizuno currently holds an important post, has no special relation with Kubota Corporation.
Daikin Industries, Ltd., of which Mr. Junichi Sato currently holds an important post, has no special relation with Kubota Corporation.
- Changes of Audit & Supervisory Board Members during the fiscal year ended March 31, 2014
 - Mr. Masaharu Kawachi, a person indicated by an asterisk (*) in the above table, was newly elected at the 123rd Ordinary General Meeting of Shareholders held on June 21, 2013 and assumed their offices.
 - An Audit & Supervisory Board Member of Kubota Corporation, namely Mr. Masao Morishita, retired at the conclusion of the 123rd Ordinary General Meeting of Shareholders on June 21, 2013.
- Kubota Corporation had changed title and responsibilities and principal position of Directors as follows on April 1, 2014.

<u>Title</u>	<u>Name</u>	<u>Responsibilities and principal position</u>
Representative Director and Executive Vice President	Masatoshi Kimata	General Manager of Procurement Headquarters
Director and Senior Managing Executive Officer	Shigeru Kimura	General Manager of Planning & Control Headquarters, General Manager of Corporate Planning & Control Dept.
Director	Tetsuji Tomita	
Director	Satoru Sakamoto	

8. Kubota Corporation appointed Executive Officers as follow on April 1, 2014.

Executive Officers indicated by an asterisk (*) in the below table were newly appointed on April 1, 2014.

4 Executive Officers of Kubota Corporation, namely Messers. Nobuyuki Toshikuni, Satoshi Machida, Masaharu Tabata, Takashi Uei left their offices as the end of their term approaches on March 31, 2014.

Executive Officers (on April 1, 2014)

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

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

<u>Title</u>	<u>Number</u>	<u>Total</u>
Director	8	¥ 540 million (including ¥ 21 million for 2 outside Directors)
Audit & Supervisory Board Member	6	¥ 111 million (including ¥ 51 million for 4 outside Audit & Supervisory Board Members)

Notes:

1. The above remuneration for Audit & Supervisory Board Members of Kubota Corporation includes the remuneration for 1 outside Audit & Supervisory Board Member who left their office at the end of the 123rd Ordinary General Meeting of Shareholders on June 21, 2013.
2. Remuneration for Directors includes ¥202 million of bonuses for Directors to be proposed on the 124th Ordinary General Meeting of Shareholders.

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

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

The remuneration for Audit & Supervisory Board Members is determined by agreement of the Audit & Supervisory Board within the range of remuneration amounts resolved by a general meeting of shareholders.

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

<u>Position</u>	<u>Name</u>	<u>Their Activities</u>
Director	Yuzuru Mizuno	Mr. Yuzuru Mizuno attended all 12 Board of Directors' Meetings and made use of considerable experience and extensive knowledge of business management. He also expressed opinions about corporate management based on viewpoint of corporate accounting, finance, and foreign business management.
Director	Junichi Sato	Mr. Junichi Sato attended 11 Board of Directors' Meetings (out of 12 meetings) and made use of considerable experience and extensive knowledge of business management. He also expressed opinions about corporate management based on viewpoint of foreign business management and strategy.
Audit & Supervisory Board Member	Masaharu Kawachi	Mr. Masaharu Kawachi, who is an Audit & Supervisory Board Member (full-time), attended all 10 Board of Directors' Meetings and all 11 Audit & Supervisory Board Meetings after his assuming office on June 21, 2013. He also expressed opinions based on long experience in corporate administration and management and wide-ranging viewpoint. He also attended the regular meetings with Representative Directors and expressed opinions.
Audit & Supervisory Board Member	Akira Negishi	Mr. Akira Negishi attended 11 Board of Directors' Meetings (out of 12 meetings) and all 14 Audit & Supervisory Board Meetings, and expressed opinions based on long experience of legal scholar and professional viewpoint. He also attended the regular meetings with Representative Directors and expressed opinions.
Audit & Supervisory Board Member	Ryoji Sato	Mr. Ryoji Sato attended 10 Board of Directors' Meetings (out of 12 meetings) and all 14 Audit & Supervisory Board Meetings, and expressed opinions based on long experience as Certified Public Accountant and professional viewpoint, regarding accounting and financial matters, including accounting principles generally accepted in the United States of America. He also attended the regular meetings with Representative Directors and expressed opinions.

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

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

4. Independent Auditor

(1) Name of Independent Auditor

Deloitte Touche Tohmatsu LLC

(2) Compensation for the Independent Auditor for the Fiscal Year Ended March 31, 2014

1) Amount of compensation provided for the fiscal year ended March 31, 2014	¥ 230 million
2) Total amount of cash and other financial benefits payable by Kubota Corporation and its subsidiaries to the Independent Auditor	¥ 259 million

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Policy on Appropriation of Retained Earnings

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

Kubota Corporation decided at the Board of Directors’ Meeting held on May 13, 2014 that Kubota Corporation would pay ¥18 year-end dividend per common share on June 23, 2014. As a result, the annual dividend per common share for the fiscal year ended March 31, 2014 will be ¥28 (including paid interim dividend which was ¥10), an increase of ¥11 from the prior fiscal year.

Notice of year-end dividend	
1) Amount of year-end dividend	¥18 per common share (Total ¥ 22,502,427,390)
2) Record date of year-end dividend	March 31, 2014
3) Payment date	Monday, June 23, 2014
4) Resource of year-end dividend	Retained earnings

Consolidated Balance Sheets

Assets

(In millions of yen)

	March 31, 2014	March 31, 2013 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current assets:			
Cash and cash equivalents	87,022	99,789	(12,767)
Notes and accounts receivable:			
Trade notes	69,974	73,895	(3,921)
Trade accounts	534,921	436,642	98,279
Less: Allowance for doubtful notes and accounts receivable	(3,186)	(2,712)	(474)
Total notes and accounts receivable, net	601,709	507,825	93,884
Short-term finance receivables-net	162,983	141,157	21,826
Inventories	299,765	263,217	36,548
Other current assets	82,482	68,476	14,006
Total current assets	1,233,961	1,080,464	153,497
Investments and long-term finance receivables:			
Investments in and loan receivables from affiliated companies	22,631	19,535	3,096
Other investments	137,641	126,715	10,926
Long-term finance receivables-net	334,112	275,815	58,297
Total investments and long-term finance receivables	494,384	422,065	72,319
Property, plant, and equipment:			
Land	93,308	91,367	1,941
Buildings	255,657	243,327	12,330
Machinery and equipment	424,478	397,213	27,265
Construction in progress	11,300	12,844	(1,544)
Total	784,743	744,751	39,992
Less: Accumulated depreciation	(502,042)	(480,968)	(21,074)
Net property, plant, and equipment	282,701	263,783	18,918
Other assets:			
Goodwill and intangible assets-net	34,628	30,475	4,153
Long-term trade accounts receivable	35,737	32,010	3,727
Other	23,824	18,461	5,363
Less: Allowance for doubtful receivables	(578)	(656)	78
Total other assets	93,611	80,290	13,321
Total	2,104,657	1,846,602	258,055

Consolidated Balance Sheets

Liabilities and Equity

(In millions of yen)

	March 31, 2014	March 31, 2013 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current liabilities:			
Short-term borrowings	181,573	140,324	41,249
Trade notes payable	40,561	19,655	20,906
Trade accounts payable	200,145	228,178	(28,033)
Advances received from customers	7,873	10,122	(2,249)
Notes and accounts payable for capital expenditures	15,262	15,871	(609)
Accrued payroll costs	36,829	32,846	3,983
Accrued expenses	48,939	39,725	9,214
Income taxes payable	36,349	18,097	18,252
Other current liabilities	61,626	51,580	10,046
Current portion of long-term debt	89,766	78,589	11,177
Total current liabilities	718,923	634,987	83,936
Long-term liabilities:			
Long-term debt	315,598	291,085	24,513
Accrued retirement and pension costs	13,026	29,050	(16,024)
Other long-term liabilities	56,497	39,515	16,982
Total long-term liabilities	385,121	359,650	25,471
Equity:			
Kubota Corporation shareholders' equity:			
Common stock	84,070	84,070	—
Capital surplus	88,753	88,919	(166)
Legal reserve	19,539	19,539	—
Retained earnings	703,740	605,962	97,778
Accumulated other comprehensive income (loss)	38,996	(4,976)	43,972
Treasury stock, at cost	(287)	(203)	(84)
Total Kubota Corporation shareholders' equity	934,811	793,311	141,500
Noncontrolling interests	65,802	58,654	7,148
Total equity	1,000,613	851,965	148,648
Total	2,104,657	1,846,602	258,055

Consolidated Statements of Income

(In millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2013 (Reference)	Change (Reference)
	Amount	Amount	Amount
Revenues	1,508,590	1,210,566	298,024
Cost of revenues	1,057,003	880,891	176,112
Selling, general, and administrative expenses	247,865	208,605	39,260
Other operating expenses (income)-net	1,291	(289)	1,580
Operating income	202,431	121,359	81,072
Other income (expenses):			
Interest and dividend income	4,446	3,799	647
Interest expense	(1,500)	(1,330)	(170)
Gain on sales of securities-net	4,700	154	4,546
Valuation loss on other investments	(6)	(360)	354
Foreign exchange gain (loss)-net	(4,150)	8,753	(12,903)
Other-net	5,372	(5,197)	10,569
Other income (expenses)-net	8,862	5,819	3,043
Income before income taxes and equity in net income of affiliated companies	211,293	127,178	84,115
Income taxes:			
Current	74,024	41,376	32,648
Deferred	(2,108)	284	(2,392)
Total income taxes	71,916	41,660	30,256
Equity in net income of affiliated companies	3,034	1,606	1,428
Net income	142,411	87,124	55,287
Less: Net income attributable to the noncontrolling interests	10,750	9,070	1,680
Net income attributable to Kubota Corporation	131,661	78,054	53,607

Consolidated Statements of Changes in Equity

Year ended March 31, 2014

(In millions of yen)

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

Year ended March 31, 2013 (Reference)

(In millions of yen)

	Shares of common stock outstanding (thousands)	Kubota Corporation shareholders' equity						Non- controlling interests	Total
		Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock		
Balance at April 1, 2012	1,255,941	84,070	88,869	19,539	567,161	(65,894)	(19,345)	57,963	732,363
Net income					78,054			9,070	87,124
Other comprehensive income						62,953		8,001	70,954
Cash dividends paid to Kubota Corporation shareholders, ¥16 per common share					(20,102)				(20,102)
Cash dividends paid to the noncontrolling interests								(420)	(420)
Purchases and sales of treasury stock	10						(10)		(10)
Retirement of treasury stock			(1)		(19,151)		19,152		—
Increase in noncontrolling interests related to contribution								175	175
Changes in ownership interests in subsidiaries			51			(2,035)		(16,135)	(18,119)
Balance at March 31, 2013	1,255,951	84,070	88,919	19,539	605,962	(4,976)	(203)	58,654	851,965

Notes of Consolidated Financial Statements

Significant Accounting Policies

1. Basis of Preparation of Consolidated Financial Statements

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

2. Scope of Consolidation and Application of Equity Method

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

3. Valuation of Inventories

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

4. Valuation of Securities

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

5. Depreciation and Amortization of Fixed Assets

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

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

6. Basis of Provision for Allowance

The allowance for doubtful accounts and credit losses is determined on the basis of the collection status of receivables, historical credit loss experience, economic trends, customer's ability to repay, and collateral values. Historical collection trends, as well as prevailing and anticipated economic conditions, are routinely monitored by management, and any required adjustment to the allowance is reflected in current operations.

7. Other Significant Accounting Policies

(1) Retirement and Pension Plans

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

(2) Consumption Taxes

Consumption taxes are accounted for tax exclusion method.

(Accounting changes for consolidated financial statements)

Beginning with the current consolidated fiscal year, the Company has aligned the reporting periods of certain subsidiaries and affiliated companies with different financial statement closing dates to that of Kubota Corporation (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 financial statements for the prior years.

Retrospectively adjusted net income attributable to Kubota Corporation for the year ended March 31, 2013, and total equity and total assets as of March 31, 2013 were as follows:

3. The components of other comprehensive income (loss) for the year ended March 31, 2014 were as follows:

	(In millions of yen)		
	Attributable to Kubota Corporation	Attributable to the noncontrolling	Total
Foreign currency translation adjustments	¥ 31,073	¥ 1,449	¥ 32,522
Unrealized gains on securities	9,742	323	10,065
Unrealized gains on derivatives	55	-	55
Pension liability adjustments	3,164	121	3,285
Other comprehensive income	¥ 44,034	¥ 1,893	¥ 45,927

Notes to Financial Instruments

1. Description of Financial Instruments

A large portion of trade accounts receivable and retail finance receivables are from dealers or customers in the farm equipment market in North America. However, the Company considers that credit risks on these receivables are limited since no single dealer or customer represents a significant concentration of credit risks.

Other investments which include equity securities are classified as available-for-sale securities. They are possible to be influenced by changes in circumstances such as stock market fluctuation. Therefore, the Company reviews them for impairment periodically.

The main methods of financing available to the Company are borrowing from financial institutions and issuance of bonds. Therefore, the Company is exposed to interest rate risks inherent in these obligations. In order to hedge these risks, the Company uses interest rate swap contracts and cross-currency interest rate swap contracts.

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 and cross-currency swap contracts designated to mitigate its exposure to foreign currency exchange risks.

The Company manages derivative financial instruments in accordance with established policies and procedures.

The Company does not use derivative financial instruments for speculations. The credit risks associated with these instruments are not considered to be significant since the counterparties are financial institutions with high creditworthiness and the Company does not anticipate any such losses.

2. Fair Value of Financial Instruments

The carrying value and fair value of financial instruments at March 31, 2014 were as follows:

		(In millions of yen)	
		Carrying Value	Fair Value
Financial assets:			
Finance receivables-net	*1	¥ 354,296	¥ 352,753
Other investments	*2	133,962	133,962
Long-term trade accounts receivable	*1	65,605	69,618
Financial liabilities:			
Long-term debt	*1	(401,186)	(399,059)
Derivative financial instruments			
recorded as liabilities:	*3		
Foreign exchange forwards		(129)	(129)
Cross-currency swaps		1,620	1,620
Interest rate swaps		(46)	(46)
Cross-currency interest rate swaps		3,055	3,055

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

*2 Available-for-sale securities are stated at fair value based on market prices for identical instruments at fiscal year-end. The amount of other investments in the table excludes investments in non-marketable equity securities (¥3,679 million) for which there is no readily determinable fair value.

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

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

Notes to Per Common Share Information

1. Kubota Corporation shareholders' equity per common share	¥ 748.00
2. Net income attributable to Kubota Corporation per common share	¥ 104.94

Balance Sheets (Non-consolidated)

Assets

(In millions of yen)

	March 31, 2014	March 31, 2013 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current assets:	496,122	462,642	33,480
Cash and deposits	32,399	44,305	(11,905)
Trade notes receivable	16,886	33,468	(16,581)
Electronically recorded accounts receivable	11,750	891	10,859
Trade accounts receivable	289,408	250,970	38,437
Finished goods	37,334	35,210	2,124
Work in process	22,642	19,999	2,643
Raw materials and supplies	6,730	6,180	549
Deferred tax assets	12,667	11,256	1,411
Other	66,404	60,400	6,003
Allowance for doubtful receivables	(102)	(40)	(62)
Fixed asset:	457,143	420,020	37,122
Property, plant, and equipment, net of accumulated depreciation:	138,949	139,308	(359)
Buildings	34,349	35,679	(1,330)
Machinery and equipment	23,911	22,281	1,630
Land	68,778	69,436	(658)
Construction in progress	4,045	2,860	1,184
Other	7,864	9,050	(1,185)
Intangibles:	9,198	7,280	1,918
Software	8,925	6,997	1,928
Other	272	282	(9)
Investments:	308,995	273,431	35,563
Investment securities	133,403	123,737	9,666
Investments in subsidiaries and affiliated companies	104,837	91,232	13,605
Long-term loans receivable	26,135	26,726	(591)
Prepaid pension cost	13,498	6,997	6,501
Other	31,363	24,980	6,382
Allowance for doubtful receivables	(243)	(243)	0
Total assets	953,265	882,663	70,602

Balance Sheets (Non-consolidated)

Liabilities and net assets

(In millions of yen)

	March 31, 2014	March 31, 2013 (Reference)	Change (Reference)
	Amount	Amount	Amount
Current liabilities:	352,989	310,866	42,123
Trade notes payable	2,943	3,921	(977)
Electronically recorded accounts payable	23,097	—	23,097
Trade accounts payable	132,299	163,474	(31,175)
Short-term borrowings	30,500	11,000	19,500
Current portion of bonds	10,000	—	10,000
Other accounts payable	14,941	15,397	(455)
Income tax payable	23,317	9,271	14,046
Accrued expenses	36,408	32,341	4,067
Deposits received	69,617	65,388	4,228
Provision for warranty costs	3,609	3,287	322
Provision for directors' bonuses	192	115	77
Other	6,060	6,668	(608)
Long-term liabilities:	78,835	92,235	(13,399)
Bonds	40,000	50,000	(10,000)
Long-term borrowings	11,000	21,500	(10,500)
Deferred tax liabilities	26,675	19,524	7,151
Other	1,159	1,210	(50)
Total liabilities	431,824	403,101	28,723
Shareholders' equity	456,196	423,684	32,511
Common stock	84,070	84,070	—
Capital surplus:	73,057	73,057	—
Additional paid-in capital	73,057	73,057	—
Retained earnings:	299,204	266,608	32,595
Legal reserve	19,539	19,539	—
Other retained earnings:	279,665	247,069	32,595
Reserve for special depreciation	33	32	0
Reserve for reduction entry of land	159	159	—
General reserve	222,942	223,942	(1,000)
Unappropriated retained earnings	56,530	22,935	33,595
Treasury stock	(136)	(52)	(84)
Difference of valuation, translation and other adjustments	65,245	55,877	9,367
Unrealized holding gain on securities	65,246	55,854	9,392
Unrealized gain (loss) from hedging activities	(1)	23	(25)
Total net assets	521,441	479,561	41,879
Total liabilities and net assets	953,265	882,663	70,602

Statements of Income (Non-consolidated)

(In millions of yen)

	Year ended March 31, 2014	Year ended March 31, 2013 (Reference)	Change (Reference)
	Amount	Amount	Amount
Net sales	765,341	674,739	90,601
Cost of sales	588,225	529,791	58,434
Gross profit	177,115	144,948	32,167
Selling, general and administrative expenses	101,659	93,788	7,871
Operating income	75,456	51,160	24,296
Non-operating income:	29,208	19,494	9,713
Interest and dividend income	5,966	4,258	1,708
Royalty income	10,693	7,156	3,536
Other	12,548	8,079	4,468
Non-operating expenses:	4,784	6,768	(1,984)
Interest expense	864	1,109	(245)
Other	3,920	5,658	(1,738)
Ordinary income	99,879	63,885	35,994
Income before income taxes	99,879	63,885	35,994
Income taxes:	33,400	22,039	11,361
Current	32,357	17,386	14,971
Previous years	—	2,352	(2,352)
Deferred	1,043	2,301	(1,257)
Net income	66,479	41,846	24,633

Statements of Changes in Net Assets (Non-consolidated)

Year ended March 31, 2014

(In millions of yen)

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

Year ended March 31, 2013 (Reference)

(In millions of yen)

	Shareholders' equity									Difference of valuation, translation and other adjustments			Total net assets	
	Common stock	Capital surplus		Legal reserve	Retained earnings				Treasury stock	Total shareholders' equity	Unrealized holding gain on securities	Unrealized gain from hedging activities		Total difference of valuation, translation and other adjustments
		Additional paid-in capital	Other capital surplus		Other retained earnings									
					Reserve for special depreciation	Reserve for reduction entry of land	General reserve	Unappropriated retained earnings						
Balance at April 1, 2012	84,070	73,057	1	19,539	13	159	214,342	29,960	(19,180)	401,963	36,896	—	36,896	438,860
Changes in this fiscal year														
Transfer of reserve for special depreciation					19			(19)		—			—	—
Transfer of general reserve							9,600	(9,600)		—			—	—
Dividends								(20,101)		(20,101)			—	(20,101)
Net income								41,846		41,846			—	41,846
Purchase of treasury stock									(23)	(23)			—	(23)
Disposal of treasury stock			0						0	0			—	0
Retirement of treasury stock			(1)						(19,150)	19,151			—	—
Net change of items other than shareholders' equity										—	18,957	23	18,981	18,981
Total changes in this fiscal year	—	—	(1)	—	19	—	9,600	(7,025)	19,128	21,720	18,957	23	18,981	40,701
Balance at March 31, 2013	84,070	73,057	—	19,539	32	159	223,942	22,935	(52)	423,684	55,854	23	55,877	479,561

Notes of Financial Statements (Non-consolidated)

Significant Accounting Policies

1. Valuation of Assets

(1) Securities

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

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

Non-marketable securities classified as other securities are stated at cost, with cost determined by the moving-average method.

(2) Derivatives

Derivatives are stated at fair value.

(3) Inventories

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

2. Depreciation and Amortization of Fixed Assets

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

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

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

3. Basis of Provision for Allowances

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

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

Provision for directors' bonuses is provided based on an estimated amount to be paid to directors for the duties executed during the fiscal year ended March 31, 2014.

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

Since the fair value of pension assets as of March 31, 2014 exceeds retirement benefit obligations, after deduction of unrecognized prior year service cost and actuarial gains or losses, prepaid pension cost is recorded on the balance sheets.

Unrecognized prior year service cost is amortized over the estimated average remaining service period (14.2-15.3 years) of employees by using the straight-line method.

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

Average remaining service period of employees as a basis of amortization ratio is 16.1 years.

4. Recognition of Revenue and Costs

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

measuring the extent of progress toward completion, the Company uses the cost-to-cost method.

5. Other Significant Accounting Policies

(1) Translation of assets and liabilities in foreign currency

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

(2) Basis of hedge accounting

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

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

(3) Consumption taxes

Consumption taxes are accounted for tax exclusion method.

Notes to Balance Sheets

1. Amounts in the statements are rounded down to the nearest million yen.
2. Receivables from and payable to subsidiaries and affiliated companies
 - Short-term receivables from subsidiaries and affiliated companies ¥ 247,605 million
 - Long-term receivables from subsidiaries and affiliated companies ¥ 26,129 million
 - Short-term payables to subsidiaries and affiliated companies ¥ 81,038 million
3. Accumulated depreciation of tangible fixed assets
(Including accumulated impairment losses) ¥ 356,454 million
4. Contingent Liabilities:
 - (1) Guarantees
 - Guarantees for borrowings of subsidiaries and affiliated companies from financial institutions
 - Kubota Saudi Arabia Company, LLC ¥ 1,976 million
 - Siam Kubota Leasing Co., Ltd. ¥ 1,235 million
 - Others (8 companies) ¥ 315 million

 - Total ¥ 3,526 million
 - Guarantees for group financing
 - Kubota Credit Co., Ltd. ¥ 6,460 million
 - (2) Notes discounted ¥ 1,160 million

Notes to Statements of Income

1. Amounts in the statements are rounded down to the nearest million yen.
2. Transactions with subsidiaries and affiliated companies
 - Sales to subsidiaries and affiliated companies ¥ 430,183 million
 - Purchases from subsidiaries and affiliated companies ¥ 95,995 million
 - Transactions with subsidiaries and affiliated companies other than operating transactions ¥ 15,999 million

Notes to Statement of Changes in Net Assets

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

Type of shares	Number of shares as of April 1, 2013 (thousands)	Number of shares increased (thousands)	Number of shares decreased (thousands)	Number of shares as of March 31, 2014 (thousands)
Common stock	1,256,419	—	6,200	1,250,219

Note: The number of shares decreased reflects the retirement of shares under the resolution at the Board of Directors' Meeting held on March 20, 2014. 6,200 thousand common shares

3. Type and number of treasury stock

Type of shares	Number of shares as of April 1, 2013 (thousands)	Number of shares increased (thousands)	Number of shares decreased (thousands)	Number of shares as of March 31, 2014 (thousands)
Common stock	80	6,205	6,201	84

Notes:

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

Shares purchased pursuant to the resolutions of Board of Directors' Meeting held on December 18, 2013:	6,142 thousand common shares
Shares purchased less than the minimum unit:	63 thousand common shares

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

Shares Retired pursuant to the resolutions of Board of Directors' Meeting held on March 20, 2014:	6,200 thousand common shares
Shares sold less than the minimum unit:	1 thousand common shares

4. Dividend

(1) Details of dividend paid

Date of resolution	Type of shares	Total amount of dividend (million)	Dividend per share	Record date	Date of payment
Board of Directors' Meeting on May 10, 2013	Common stock	¥ 11,307	¥ 9	March 31, 2013	June 24, 2013
Board of Directors' Meeting on November 8, 2013	Common stock	¥ 12,563	¥ 10	September 30, 2013	December 2, 2013

(2) Dividend that the date of payment is in the next fiscal year among the dividend that the record date is in the fiscal year.

Date of resolution	Type of shares	Total amount of dividend (million)	Resource of dividend	Dividend per share	Record date	Date of payment
Board of Directors' Meeting on May 13, 2014	Common Stock	¥ 22,502	Retained earnings	¥ 18	March 31, 2014	June 23, 2014

Notes to Deferred Income Tax

1. Significant components of deferred tax assets

Accrued enterprise tax	¥ 1,882 million
Accrued bonus	¥ 5,141 million
Provision for warranty costs	¥ 1,285 million
Valuation losses on securities	¥ 3,192 million
Other	¥ 9,947 million
Subtotal	¥ 21,449 million
Allowance for deferred tax assets	¥ (4,822) million
Total deferred tax assets	¥ 16,627 million

2. Significant components of deferred tax liabilities

Accrued retirement and pension costs	¥ (1,568) million
Unrealized holding gain on securities	¥ (28,539) million
Other	¥ (527) million
Total deferred tax liabilities	¥ (30,636) million
Net deferred tax liabilities	¥ (14,008) million

Notes to related party transactions

Type	Subsidiary	Subsidiary	Subsidiary	
Name	Kubota Tractor Corporation	Kubota Engine America Corporation	SIAM KUBOTA Corporation Co., Ltd.	
Location	California, U.S.A.	Illinois, U.S.A.	Pathomtani, Thailand	
Common stock	US\$37 million	US\$10 million	THB 2,739 million	
Operations	Sales of tractors, small-sized construction machinery and related products in the U.S.A.	Sales, engineering and after-sales service of engines, engine parts and engine accessories	Manufacturing and sales of tractors, combine harvesters, implement, diesel engines, power tillers and other machinery in Thailand and neighboring countries	
Percentage of voting shares	100.0*	100.0*	60.0	
Relationship	Sales of products of Kubota	Sales of products of Kubota	Manufacturing and sales of products of Kubota	
Contents of transaction	Sales of tractors and other machinery (Note 1, 2)	Sales of engines (Note 1)	Patent royalty (Note 3)	Management advice fee (Note 3)
Amount of transaction (¥ million)	91,736	46,867	3,132	2,690
Accounts	Trade accounts receivable	Trade accounts receivable	Other (Current liabilities)	Other (Current liabilities)
Balance, March 31, 2013 (¥ million)	28,196	17,697	1,945	1,984

* Indirect holding

Type	Subsidiary	Subsidiary	Subsidiary	
Name	Kubota Baumaschinen GmbH	KUBOTA Construction Machinery Japan Corporation	Kantokoshin Kubota Corporation	
Location	Zweibrucken, Germany	Amagasaki, Japan	Saitama, Japan	
Common stock	EUR14 million	¥300 million	¥100 million	
Operations	Manufacturing and sales of small-sized construction machinery in Europe, mainly in Germany	Sales of small-sized construction machinery in Japan	Sales of farm equipment in Japan	
Percentage of voting shares	100.0	100.0	99.5	
Relationship	Manufacturing and sales of products of Kubota	Sales of products of Kubota	Sales of products of Kubota	
Contents of transaction	Sales of products of Kubota (Note 1)	Sales of construction machinery and other machinery (Note 1)	Sales of tractors and other machinery (Note 1)	
Amount of transaction (¥ million)	26,570	26,500	26,896	
Accounts	Trade accounts receivable	Trade accounts receivable	Trade accounts receivable	
Balance, March 31, 2013 (¥ million)	10,749	16,108	12,962	

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

INDEPENDENT AUDITORS' REPORT

May 6, 2014

To the Board of Directors of Kubota Corporation

Deloitte Touche Tohmatsu LLC

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

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2014 of Kubota Corporation and its consolidated subsidiaries ("the Company"), and the related consolidated statements of income and changes in equity, and the related notes for the fiscal year from April 1, 2013 to March 31, 2014.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under accounting principles generally accepted in the United States of America pursuant to the provisions of the second sentence of the first paragraph of Article 120-2 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of the Company as of March 31, 2014, and the results of their operations for the year then ended.

Interest

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

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

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

INDEPENDENT AUDITORS' REPORT

May 6, 2014

To the Board of Directors of Kubota Corporation

Deloitte Touche Tohmatsu LLC

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

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2014 of Kubota Corporation ("the Company") and the related statements of income and changes in net assets, and the related notes for the 124th fiscal year from April 1, 2013 to March 31, 2014, and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2014, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interest

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

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

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

(TRANSLATION)

AUDIT REPORT

In respect of the execution of duties of the Directors during the 124th fiscal year from April 1, 2013 to March 31, 2014, the Audit & Supervisory Board (hereinafter “we”), following the discussion among us, have prepared this audit report based on the audit report prepared by each Audit & Supervisory Board Member, and hereby report as follows:

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

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

In accordance with the Standards for Auditing by Audit & Supervisory Board Members, the audit policy, sharing of duties among Audit & Supervisory Board Members, and other audit-related items that were determined by us, each Audit & Supervisory Board Member: communicated well with Directors, the internal auditing department, other employees, and other bodies; gathered information and improved the audit environment; attended the Board of Directors meetings and other important meetings; received reports from Directors and other employees on their execution of duties; requested explanations from them when necessary; reviewed documents concerning matters such as important decisions; and conducted inspections of the business and financial condition at Kubota Corporation’s Head Office and other principle offices. Each Audit & Supervisory Board Member periodically received reports regarding the status of establishment and operation from Directors and other employees, requested explanations from them when necessary, and expressed opinions regarding the Board of Directors’ resolution on a system to ensure that the directors’ execution of their duties comply with laws and Kubota Corporation’s Articles of Incorporation, and also comply with the establishing and improving structure prescribed in the Companies Act Enforcement Regulation Article 100 Clauses 1 and 3 to ensure that joint-stock company’s operations are carried out appropriately and a system (internal control systems) established based on the said resolution. Each Audit & Supervisory Board Member strove to communicate well and exchange information with the subsidiaries’ Directors and Audit & Supervisory Board Members, and inspected some subsidiaries whenever necessary. Through these methods, each Audit & Supervisory Board Member examined the business report for the 124th period and the supplementary schedules for the fiscal year under review.

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

2. Results of the Audit:

(1) Results of the Audit for the Business Report

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

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

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

May 8, 2014

The Audit & Supervisory Board of Kubota Corporation

Audit & Supervisory Board Member (full time)	Hirokazu Nara
Audit & Supervisory Board Member (full time)	Hiroshi Shiaku
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member, full time)	Masaharu Kawachi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Akira Negishi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Ryoji Sato

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