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# [Agenda]

- Review of last fiscal year
- Prospect for current fiscal year
- Management policy and priority issues For Earth, For Life
- Conclusion



### Review of last fiscal year



#### [Market conditions]

- <Japan> Markets for agricultural machinery and public works related products were stagnant
- <Asia outside Japan> Markets for agricultural machinery were sluggish affected by the broken weather and price slump of rice, and KBT s falling short of double-digit growth
- North America and Europe> Economies were on the way
  - to recovery
  - Remarkable recovery in construction machinery and engine business
  - Market shares of products are in rising trend

#### [Revenues by regions]

	2011.3	2010.3	Change	
Japan	477.9	501.7	-4.7	
Asia outside Japan	160.5	148.6	8.0	
North America	189.3	174.4	8.6	
Europe	75.8	67.8	11.8	
Other	30.1	38.2	-21.1	

### Review of last fiscal year



#### [The Great East Japan Earthquake]

- Damages on our plants were minor
  - Damaged plants are working almost as usual

< Kubota Corp. > Tsukuba(tractors, engiens)
Utsunomiya (harvesters, rice transplanters)
Ryugasaki (vending machine)
Keiyo (ductile iron pipes, steel pipes)
< Kubota C-I > Tochigi, Odawara (plastic pipes)

< Kubota Air Conditioner > Tochigi (air-conditioner)

- Responding to supply deficiency of power and parts is an issue and situations are unpredictable
- Cope with reconstruction
  - Expedite reconstruction of city's lifeline by supplying pipes and restoring water and sewage treatment plants, etc
  - Support revitalization of farming in suffered areas



Restarted distribution of ductile iron pipes in Tohoku area

### Review of last fiscal year

- Short of ¥1,000 billion revenues due to insufficient growth potential
  - The earthquake and an appreciation of yen are no excuse for the result
  - Aim at self-sustaining growth by developing new business and new markets in addition to existing business

#### OP fell below plan

- Mainly due to sluggish sales
- Although OP margin improved, amount of OP should be more focused on

	2011.3.31	2010.3.31	changes		Variance for plan	
(¥billion)	Amounts	Amounts	Amounts	%	Amounts	%
Revenues	933.7	930.6	3.0	0.3	-26.3	-0.3
Operating income	<sup>9.2%</sup> 86.1	<sup>7.5%</sup> 69.7	16.4	23.5	-3.9	-0.6
Net income attributable to Kubota corp.	<sup>5.9%</sup> 54.8	4.5% <b>42.3</b>	12.5	29.5	2.8	0.7

### Prospect for this fiscal year



[Uncertainties on domestic sales and production]

- Robust demand in overseas
  - Asia outside Japan> Expected to return to high growth track if there were no obstacle
  - North America & Europe> Steadily growing demand and revenues increase is expected
- Production in Japan is a key issue
- Strong uncertainties on domestic demand
  - Downside risk of Japanese economy
  - Difficulty to forecast demand of suffered areas
  - An increase in the demand from public sector is unlikely
  - Reconstruction demand is unpredictable at this time





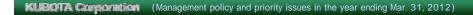
[Forecast for current fiscal year]

 Earning forecast for current fiscal year is not disclosed at this time and It will be disclosed when reasonable prediction is available



Management policies
Priority issues
Driving globalization
Developing new markets and new business

- Adhere to basic policies
  - Management emphasizing the front lines of business with a focus on technology and manufacturing capabilities
    - Promote R&D for mid-to-long term growth and clarify technical field to focus on
    - Upgrade quality and manufacturing technology and accumulate overwhelming manufacturing capability and proficiency
    - Seek opportunities to enter primary and tertiary industry for supporting existing business or developing new business
  - Enhance CSR management
    - Give first priority on contribution to helping suffered people and reconstruction of suffered areas
    - Place emphasis on reinforcing the environmental preservation; pursuing diversity management; enhancing internal control system



#### [Priority issues]

- Driving globalization
  - Half of revenues comes from overseas, but overseas production is less than 20%
  - Most of R&D activities are conducted in Japan
  - Domestic-oriented standpoints of business operations and human resource development

Globalization in sales activities to Globalization in management

 Globalize all aspects of operations: Production, R&D, Corporate governance, IT, Human resources and so forth

- Driving globalization
  - Establish regional management scheme
    - Set up a regional headquarter in China
      - To promote cross-cutting operation of farm & Industrial Machinery
      - business in response to characteristics by regions
      - To support for Water and Environment System business

<Outline of regional headquarter in China> Name: Kubota China Holdings Co., Ltd Establishment : May 2011 Location: Shanghai City Capital: 73 million US dollar

 Establishment of regional management scheme in North America and Europe is expected



#### Driving globalization

- < Accelerate expansion of overseas production >
- Gear up for building production bases mainly in Asia
  - Expand Asian business utilizing production bases in Thailand and China



Completion ceremony of combine plant in Thailand (SKC)

#### Expanding overseas plants

Country	Product	Status			
Thailand	Tractor	March-09	Start commercial production		
		July-10	Expand product lineup		
	Casting	December-10	Start commercial production		
	Combine harvester	December-11	Start commercial production (Projected)		
	Diesel engine	October-12	Start commercial production (Projected)		
China	Construction machinery	January-12	Start commercial production (Projected)		
Saudi Arabia	Cracking tube	February-11	Start commercial production		

Production of tractor in U.S. is probable

- Driving globalization
  - Localize R&D
    - Enhance R&D capabilities in North America and Thailand
      - To promptly reflect customer needs in product development in major markets
  - Promotion of locally-hired persons and localization of management
    - Locally-hired persons were appointed as president in retail finance subsidiary in U.S.A. and sales subsidiary in Canada in last fiscal year
  - Reinforce global procurement function
  - Rebuild global IT system

#### Developing new markets and new business

- Up to now steady performance and high profitability has been realized by developing niche markets and boosting market shares in such markets
- Going forward, try to enter major markets where dramatic growth is expected
- Recognize business areas related to "Food", "Water" and "Environment" as long-term growth fields and develop new business in such fields



Combine harvester (Conventional type) : for harvesting rice, wheat and rapeseed.



Demands for water infrastructure in emerging countries are brisk (Photograph in India)



- Developing new markets and new business [Water & Environment System]
  - Develop Water & Environment System business in China
    - Wastewater reclamation business with membrane technology
      - Kubota Guozhen Environmental Engineering (ANHUI) Co., Ltd. (controlling share : 50.5%)
      - Kubota Environmental Engineering (SHANGHAI) Co., Ltd. (controlling share : 100%)
    - Pump business for water treatment
      - Anhui Kubota Sanlian Pump Co., Ltd. (controlling share : 70%)
  - Set up "Water & Environment Innovative Research Laboratory"
    - To support development in Water & Environment System business in Asia outside Japan



Signing and groundbreaking ceremony of Kubota Guozhen Environmental Engineering (ANHUI) Co., Ltd. (China)

- Developing new markets and new business [Farm & Industrial Machinery] - North America and Europe -
  - Focus on medium- to large-sized farm machinery for fields Upward trend in market share of medium-sized tractor(40 ~ 100hp) in U.S.A.

Large-sized machinery is necessary for entering farm machinery market for fields

- Challenge for new markets in construction machinery business
   Develop peripheral market in addition to CTL launched in 2010
- Iarger-sized diesel engines are fundamental

#### Intend to enter promptly without persisting in selfdeveloped products

Technical collaboration, M&A are in the options

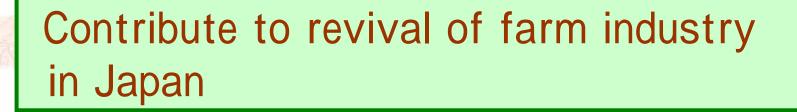
- Developing new markets and new business
   [Farm & Industrial Machinery] Asia -
  - Expansion of product lineup
    - Expand sales of conventional-type combine harvesters in Thailand, China, Vietnam, India and other countries
  - Geographical expansion of business operations
    - Laos, Myanmar, Cambodia
    - Indonesia
    - Philippines
    - China (expansion of tractor sales)



PRO688Q(for China) : Conventional-type combine harvester for rice and rapeseed



- Developing new markets and new business
   [Farm & Industrial Machinery] Japan -
  - Watch changes resulting from the Great East Japan Earthquake
    - Pay attention to changes in farm industry in Japan
  - Seek new business by utilizing relationship with Japanese farmers in mid-term
    - Strong relationship with farmers is our intangible assets





- Business environment surrounding Kubota is extremely uncertain
- Driving globalization is fundamental
- Meanwhile, Kubota is responsible for customers, employees and local communities in Japan



Challenge for dramatic growth with keeping balance of domestic and overseas business



#### Cautionary Statements with Respect to Forward-Looking Statements

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



