

Financial Results

for the year ended Mar. 31, 2011

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Financial Summary

(in billion yen)	Year ended March 31, 2011	Year ended March 31, 2010	Changes		Variance from forecast	
	Amount	Amount	Amount	%	Amount	%
Revenues	933.7	930.6	3.0	0.3	-26.3	-0.3
Domestic	477.9	501.7	-23.8	-4.7	-17.1	-0.3
Overseas	455.8	429.0	26.8	6.2	-9.2	-0.2
Operating income	9.2% 86.1	7.5% 69.7	16.4	23.5	-3.9	-0.4
Net income attributable to Kubota Corp.	5.9% 54.8	4.5% 42.3	12.5	29.5	2.8	0.5

(in billion yen)	As of March 31, 2011	As of March 31, 2010	Changes	
	Amount	Amount	Amount	%
Total assets	1,356.9	1,409.0	-52.2	-3.7
Shareholders' equity	634.9	626.4	8.5	1.4



Negative impact from the Earthquake

- ▶ Impact on revenues: -10.5 billion yen
 - Impact on revenues was not so large because fiscal years of most subsidiaries ended December 31, 2010.
- ▶ Impact on operating income: -7.0 billion yen

Detail of negative impact from the earthquake

(in billion yen)	Impact on revenues	Impact on operating income	Breakdown of Impact on Operating Income						
			Decrease of revenues	Loss from earthquake	Decrease of production	Repairment	Impairment losses	Allowance for receivables	Donation
Machinery	-8.4	-5.6	-3.8	-1.7	-0.7	-0.1	-0.0	-1.0	0.0
Water	-1.1	-0.7	-0.5	-0.3	-0.1	0.0	-0.1	0.0	0.0
Infrastructure	-1.0	-0.4	-0.3	-0.1	0.0	-0.1	0.0	0.0	0.0
Other/Adjustment	0.0	-0.4	0.0	-0.4	0.0	0.0	0.0	0.0	-0.4
Total	-10.5	-7.0	-4.5	-2.5	-0.8	-0.1	-0.2	-1.0	-0.4



Revenues by reporting segment

(in billion yen)	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010	Changes	
			Amount	%
Farm & Industrial Machinery (Machinery)	651.5	616.7	34.8	5.6
Domestic	226.4	229.6	-3.3	-1.4
Overseas	425.1	387.1	38.0	9.8
Water & Environment Systems (Water)	192.8	222.9	-30.2	-13.5
Domestic	178.7	198.1	-19.4	-9.8
Overseas	14.1	24.9	-10.8	-43.3
Social Infrastructure (Infrastructure)	60.4	63.3	-2.9	-4.5
Domestic	44.3	47.0	-2.7	-5.8
Overseas	16.2	16.3	-0.1	-0.7
Other	29.0	27.7	1.3	4.6
Domestic	28.6	26.9	1.7	6.2
Overseas	0.4	0.8	-0.4	-50.1
Total revenues	933.7	930.6	3.0	0.3
Domestic revenues	477.9	501.7	-23.8	-4.7
Overseas revenues	455.8	429.0	26.8	6.2



Revenues by reporting segment

▶ Machinery: +34.8 billion yen (Domestic: -3.3 Overseas: +38.0)

Domestic: Sales of construction machinery and engines increased substantially.
Sales of agricultural machinery decreased.

Overseas: Sales of construction machinery, engines, harvesters and rice transplanters increased substantially. Sales of Tractors also increased.
By region, North America and Europe: double digit growth, Asia: continued growth

▶ Water: -30.2 billion yen (Domestic: -19.4 Overseas: -10.8)

Domestic: Sales of both pipe-related products and environment-related products largely decreased.

Overseas: Sales of ductile iron pipes for Middle-east decreased substantially. Sales of pumps also decreased largely.

▶ Infrastructure: -2.9 billion yen (Domestic: -2.7 Overseas: -0.1)

Domestic: Sales of spiral welded steel pipes, industrial castings and vending machine decreased.

▶ Other: +1.3 billion yen (Domestic: +1.7 Overseas: -0.4)

Domestic: Sales of construction and services increased.



Operating income

(in billion yen)	Year ended Mar. 31, 2011		Year ended Mar. 31, 2010		Changes	
	Amount	%	Amount	%	Amount	%
Operating Income	86.1	9.2	69.7	7.5	16.4	23.5

Factors affected operating income

1 . Appreciation of the yen	U.S. dollar (94 88) Euro (130 116) Other currencies	-10.0 billion yen -5.0 billion yen -1.0 billion yen	}	-16.0 billion yen
2 . Material costs	Machinery Water Infrastructure	+5.0 billion yen -2.0 billion yen +1.0 billion yen	}	+4.0 billion yen
3 . Losses from the Earthquake (non-recurring item)				-2.5 billion yen
4 . Absence of lump-sum pension costs (non-recurring item)				+8.8 billion yen
5 . Favorable geographic and product mix in revenues and others				+22.1 billion yen



Operating Income by reporting segment

Operating income excluding non-recurring items

(% shows OP margin)

(in billion yen)	Year ended Mar. 31, 2011			Year ended Mar. 31, 2010			Changes	Changes (Adjusted)	Changes in revenues
	Operating Income	Non-recurring Items *1	Adjusted Operating Income = -	Operating Income	Non-recurring Items *2	Adjusted Operating Income = -			
Machinery	13.3% 86.5	-1.7	13.5% 88.2	9.8% 60.5	-4.5	10.5% 65.0	26.0	23.2	34.8
Water	6.8% 13.1	-0.3	7.0% 13.4	8.8% 19.7	-2.5	10.0% 22.2	-6.6	-8.8	-30.2
Infrastructure	4.1% 2.5	-0.1	4.3% 2.6	4.3% 2.7	-1.0	5.9% 3.7	-0.2	-1.2	-2.9
Other	7.2% 2.1	-0.0	7.3% 2.1	9.5% 2.6	0.0	9.5% 2.6	-0.5	-0.5	1.3
Adjustment	-18.1	-0.4	-17.6	-15.8	-0.7	-15.2	-2.2	-2.5	
計	9.2% 86.1	-2.5	9.5% 88.7	7.5% 69.7	-8.8	8.4% 78.5	16.4	10.2	3.0

*1 Losses from the Earthquake

*2 Lump-sum pension cost

Other income (expenses)

(in billion yen)	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010	Changes
	Amount	Amount	Amount
Other income (expenses)	5.2	3.8	1.4



(Details)

Interests and dividends	1.8	1.3	0.5
Gain on sales of securities	4.8	1.8	3.0
Valuation loss on other investments	-1.8	-0.1	-1.6
Gain on nonmonetary exchange of securities	2.8	0.0	2.8
Foreing exchange gain (loss)-net	-1.6	2.9	-4.5
Other	-0.8	-2.0	1.2

former Nissay Dowa Insurance Co., Ltd. MS&AD holdings (2010.4.1)

Taxable income/ net income

(in billion yen)	Year ended Mar. 31, 2011		Year ended Mar. 31, 2010		Changes	
	Amount	%	Amount	%	Amount	%
Taxable income*	91.3	9.8	73.5	7.9	17.8	24.2
Income taxes	30.7		26.0		-4.7	
(Effective tax rate)	(33.6%)		(35.4%)			
Equity in net income of affiliated companies	0.5		0.4		0.1	
Net income	61.1	6.5	47.9	5.1	13.2	27.6
Less: Net income attributable to noncontrolling interests	6.3		5.6		-0.7	
Net income attributable to Kubota Corp.	54.8	5.9	42.3	4.5	12.5	29.5

*Income before income taxes and equity in net income of affiliated companies

Dividend (declared)	14 yen	12 yen	+2 yen
Dividend ratio	32%	36%	-4point



Balance sheets (Assets)

(in billion yen)	As of Mar. 31, 2011	As of Mar. 31, 2010	Changes
Current assets	777.2	820.8	-43.6
Cash and Cash equivalents	105.3	111.4	-6.1
Notes and account receivables	353.6	372.1	-18.5
Short-term finance receivables-net	100.4	104.8	-4.4
Inventories	174.2	172.3	1.9
Other current assets	43.6	60.2	-16.5
Investments and long-term finance receivables	316.9	321.7	-4.8
Long-term finance receivables-net	199.8	196.5	3.4
Other	117.1	125.3	-8.2
Property, plant, and equipment	217.4	220.9	-3.5
Other assets	45.4	45.6	-0.2
Total assets	1,356.9	1,409.0	-52.2

Total finance receivables-net	300.3	301.3	-1.0
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< Reference > Forex rate at balance sheet date

(yen)

U.S. Dollar	81	92	-11
Euro	108	132	-24



Balance sheets (Liabilities)

(in billion yen)	As of Mar.31, 2011	As of Mar. 31, 2010	Changes
Current liabilities	435.1	440.2	-5.1
Short-term borrowings	76.6	88.3	-11.7
Notes and accounts payable	164.8	157.9	6.9
Current portion of long-term debt	85.6	71.4	14.1
Other	108.1	122.5	-14.4
Long-term liabilities	240.4	297.2	-56.8
Long-term debt	191.8	243.3	-51.6
Accrued retirement and pension costs	35.3	40.2	-4.9
Other long-term liabilities	13.3	13.7	-0.3
Total liabilities	675.5	737.4	-61.9
Total interest-bearing debt	354.0	403.1	-49.1

Balance sheets (Equity)

(in billion yen)	As of Mar.31, 2011	As of Mar. 31, 2010	Changes
Kubota Corp. shareholders' equity	634.9	626.4	8.5
Common stock	84.1	84.1	0.0
Capital surplus	89.1	89.2	-0.1
Legal reserve	19.5	19.5	0.0
Retained earnings	516.9	477.3	39.6
Accumulated other comprehensive loss	-65.4	-34.5	-30.9
Foreign currency translation adjustments	-65.7	-42.2	-23.5
Unrealized losses on securities	15.9	21.1	-5.1
Pention liability adjustments	-14.8	-11.7	-3.1
Unrealized losses on derivetives	-0.8	-1.6	0.8
Treasury stock	-9.3	-9.3	-0.1
Noncontrolling interests	46.5	45.2	1.3
Total equity	681.4	671.6	9.7

Cash flow statements

(in billion yen)	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010	Changes
Net cash provided by operating activities	81.9	119.1	-37.2
Purchases of fixed assets	-27.4	-26.6	-0.7
Other	-16.2	-16.8	0.6
Net cash used in investing activities	-43.6	-43.4	-0.2
Net cash used in financing activities	-41.7	-34.7	-7.0
effect of exchange rate changes on cash and cash equivalents	-2.7	0.9	-3.7
Net increase (decrease) in cash and cash equivalents	-6.1	41.9	-48.1
Free cash flow	54.5	92.5	-37.9



We don't disclose earning forecast at this time.

<Uncertainties>

1 . Supply of parts and electricity

- ▶ Unstable parts supply (electronic parts, etc.)
- ▶ Request for saving electricity from government (between July and September)

The problems are approaching resolution,
but carefully scrutinize their influences

2 . Agricultural machinery business in suffered areas

- ▶ It is extremely difficult to foresee farm business in Fukushima, Miyagi and Iwate prefecture, where are seriously damaged areas

3 . Other

[Overseas markets]

Increases in revenues in each area and products are forecast

- ▶ Tractors
 - ▶ Recovery trend of market in North America is anticipated to continue
 - ▶ Revenues in Europe and Asia will increase
- ▶ Construction machinery
 - ▶ Double digit growth will continue
- ▶ Engines
 - ▶ Steady demand from OEM customers is expected
 - ▶ Intend to substantially expand sales by taking an opportunity of enforcement of emission regulation of Tier4
- ▶ Combine harvesters and rice transplanters
 - ▶ Sales increases are expected
- ▶ Recent development
 - ▶ Sales units of each product recorded double digit growth from the prior year (January to March)



Domestic market is forecast to remain severe

- ▶ **Farm & Industrial Machinery**
 - ▶ Sales of construction machinery and engines are expected to increase
 - ▶ However, a decrease in sales of agricultural machinery is probable mainly in suffered areas
- ▶ **Water & Environmental Systems**
 - ▶ An increase in demand from public sector is unlikely
 - ▶ Reconstruction demand may arise in the latter half of current fiscal year, but difficult to estimate
- ▶ **Social Infrastructure**
 - ▶ Overall severe conditions are likely to continue
 - ▶ Reconstruction demand for spiral welded steel pipe is expected
 - ▶ Vending machine business will be under unfavorable conditions



Revenues: Increase in revenues is probable if there were no constraint for production (especially in Machinery business)

Factors affecting Operating income:

1 . Appreciation of the yen

OP rises or falls ¥1.3 billion for each 1 yen move of U.S. dollar (¥88/\$ in last year)

OP rises or falls ¥0.3 billion for each 1 yen move of Euro (¥116/€ in last year)

2 . Price hike of raw materials

Farm & Industrial Machinery (Parts etc.)

Water & Environmental Systems, Social Infrastructure (Iron scrap, resin etc.)

3 . Decrease in production efficiency

Depend on supply of parts and electric

4 . Non-recurring factor

Not expected

<Reference>CAPEX, Depreciations, R&D expenses

(in billion yen)	Year ending Mar. 31, 2012 (Forecast)	Year ended Mar. 31, 2011	Year ended Mar. 31, 2010
Capital expenditures	34.0	24.0	26.0
Depreciations and amortization	30.8	26.5	28.9
R&D expenses	26.0	25.0	25.2

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.

Kubota

For Earth, For Life