

KUBOTA Corporation

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RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2014

Kubota Corporation reported its consolidated results for the six months ended September 30, 2014 today.

Consolidated Financial Highlights**1. Consolidated results of operations for the six months ended September 30, 2014****(1) Results of operations**

(In millions of yen, except per common share amounts)

	Six months ended Sept. 30, 2014	Change [%]	Six months ended Sept. 30, 2013	Change [%]
Revenues	¥ 745,061	2.2	¥ 729,057	29.4
Operating income	¥ 100,184	(0.1)	¥ 100,324	80.1
Income before income taxes and equity in net income of affiliated companies	¥ 103,558	(2.3)	¥ 105,968	99.7
Net income attributable to Kubota Corporation	¥ 66,091	(1.9)	¥ 67,404	115.7
Net income attributable to Kubota Corporation per common share				
Basic	¥ 52.88		¥ 53.67	
Diluted	-		-	

(2) Financial position

(In millions of yen)

	Sept. 30, 2014	Mar. 31, 2014
Total assets	¥ 2,224,758	¥ 2,104,657
Equity	¥ 1,075,118	¥ 1,000,613
Kubota Corporation shareholders' equity	¥ 1,001,830	¥ 934,811
Ratio of Kubota Corporation shareholders' equity to total assets	45.0%	44.4%

Notes :

1. Change [%] represents percentage change from the corresponding period in the prior year.
2. Comprehensive income for the six months ended September 30, 2014 and 2013 were ¥97,666 million [3.8%] and ¥94,115 million [725.4%], respectively.

2. Cash dividends

(In yen)

	Cash dividends per common share		
	Interim	Year end	Total
Year ended March 31, 2014	¥ 10.00	¥ 18.00	¥ 28.00
Year ending March 31, 2015	¥ 12.00	Undecided	Undecided

Note :

Although Kubota Corporation's basic policy for the return of profit to shareholders is to maintain stable dividends and raise dividends, the specific amount of cash dividends for each fiscal year is decided in consideration of the development of business performance, financial conditions, and shareholder return ratio calculated from dividends and share buy-backs. The specific amount of year-end cash dividends for the year ending March 31, 2015 has not been decided at this time and Kubota Corporation will publicize the amount as soon as a decision has been made.

3. Anticipated results of operations for the year ending March 31, 2015

(In millions of yen, except per common share amounts)

	Year ending Mar. 31, 2015	Change [%]
Revenues	¥ 1,550,000	2.7
Operating income	¥ 200,000	(1.2)
Income before income taxes and equity in net income of affiliated companies	¥ 210,000	(0.6)
Net income attributable to Kubota Corporation	¥ 130,000	(1.3)
Net income attributable to Kubota Corporation per common share	¥ 104.02	

Note:

Change [%] represents percentage change from the prior year.

4. Other information

(1) Changes in material subsidiaries: No

(2) Adoption of simplified accounting procedures or specific accounting procedures for quarterly consolidated financial statements: Yes

Note:

See the accompanying materials, "2. Other information (2) Adoption of specific accounting procedures for quarterly consolidated financial statements" on page 6.

(3) Accounting changes for consolidated financial statements

a) Changes due to the revision of accounting standards: No

b) Changes in matters other than a) above: No

(4) Number of common shares outstanding including treasury stock as of September 30, 2014	: 1,250,219,180
Number of common shares outstanding including treasury stock as of March 31, 2014	: 1,250,219,180
Number of treasury stock as of September 30, 2014	: 492,834
Number of treasury stock as of March 31, 2014	: 473,439
Weighted average number of common shares outstanding during the six months ended September 30, 2014	: 1,249,734,556
Weighted average number of common shares outstanding during the six months ended September 30, 2013	: 1,255,933,795

(*Information on status of the quarterly review by the independent auditor)

This release has not been reviewed in accordance with the Financial Instruments and Exchange Act of Japan by the independent auditor because this release is not subject to a quarterly review.

As of the date of this release, consolidated financial statements for the six months ended September 30, 2014 of Kubota Corporation and its subsidiaries (hereinafter, the "Company") are undergoing quarterly review procedures.

< Cautionary Statements with Respect to Forward-Looking Statements >

This document 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, the occurrence of natural disasters, continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

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1. Review of operations and financial condition

(1) Summary of the results of operations for the six months under review

For the six months ended September 30, 2014, revenues of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased by ¥16.0 billion [2.2%] from the corresponding period in the prior year, to ¥745.1 billion.

Domestic revenues decreased by ¥28.7 billion [10.2%], to ¥253.7 billion, due to a decrease in revenues in Farm & Industrial Machinery, while revenues in Water & Environment and Other increased.

Overseas revenues rose by ¥44.7 billion [10.0%], to ¥491.4 billion. In Farm & Industrial Machinery, revenues increased substantially due to higher revenues in North America and Europe and the effect of yen depreciation, and revenues in Water & Environment also increased.

Operating income was ¥100.2 billion, almost the same as in the corresponding period in the prior year. The impact of increased revenues in North America and Europe and the effect of yen depreciation offset the negative impact of lower revenues in domestic and other Asian markets. Income before income taxes and equity in net income of affiliated companies decreased by ¥2.4 billion [2.3%], to ¥103.6 billion, mainly due to a decrease in gain on sales of securities. Income taxes were ¥33.5 billion and net income decreased by ¥1.3 billion [1.7%], to ¥71.3 billion. Net income attributable to Kubota Corporation decreased by ¥1.3 billion [1.9%] from the corresponding period in the prior year, to ¥66.1 billion.

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

1) Farm & Industrial Machinery

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

Revenues in this segment grew by 2.0% from the corresponding period in the prior year, to ¥599.3 billion, and accounted for 80.4% of consolidated revenues.

Domestic revenues decreased by 18.1 %, to ¥133.4 billion. Sales of farm equipment showed a decline owing to an adverse reaction to the front-loaded demand before Japan's consumption tax hike in the prior fiscal year, while sales of construction machinery and engines increased due to an increase of public works spending and firm demand supported by economic recovery.

Overseas revenues increased by 9.8%, to ¥465.9 billion. In North America, sales of tractors expanded mainly due to the market expansion accompanying the economic recovery and the effect of launching new products. Sales of construction machinery also rose significantly due to the rise in demand from the construction industry along with the recovery in the housing markets, and sales of engines also increased. In Europe, although business conditions varied in each of the markets, sales of tractors, construction machinery, and engines rose significantly due to the strength of the UK economy, and the effect of yen depreciation. Revenues in Asia outside Japan decreased due to weak sales of farm equipment in the principal markets of Thailand and China. Sales of Construction machinery also decreased, affected by the deceleration of construction investment in China.

Operating income in Farm & Industrial Machinery decreased slightly to ¥102.1 billion. Increased revenues in North America and Europe, and the effect of yen depreciation, compensated for most of the decrease in revenues in domestic and other Asian markets.

2) Water & Environment

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

Revenues in this segment grew by 2.9% from the corresponding period in the prior year, to ¥132.5 billion, and accounted for 17.8% of consolidated revenues.

Domestic revenues grew by 0.5%, to ¥107.4 billion. Revenues from pipe-related products decreased slightly due to the lower sales of ductile iron pipes, while sales of valves and plastic pipes increased. Revenues from environment-related products rose slightly owing to higher sales of waste water treatment equipment and plants. Revenues from social infrastructure-related products also increased due to higher sales of spiral-welded steel pipes.

Overseas revenues rose by 14.5%, to ¥25.1 billion. Due to increased sales of industrial castings, revenues from social infrastructure-related products expanded substantially. In addition, sales of pipe-related products and environment-related products also increased.

Operating income in Water & Environment increased by 6.7%, to ¥7.1 billion.

3) Other

Other is comprised of services and other businesses.

Revenues in this segment grew by 2.7% from the corresponding period in the prior year, to ¥13.3 billion, and accounted for 1.8% of consolidated revenues.

Operating income in Other increased by 5.3%, to ¥1.1 billion.

* Beginning with the current consolidated fiscal year, the amounts related to "construction" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Other" segment, in conformity with the change in business reporting structure of the Company. The segment information for the second quarter of the prior fiscal year has been retrospectively adjusted to conform to the current year presentation.

(2) Financial condition

1) Assets, liabilities, and equity

Total assets at September 30, 2014 amounted to ¥2,224.8 billion, an increase of ¥120.1 billion from March 31, 2014. Among assets, notes and accounts receivable decreased. On the other hand, inventories increased and short- and long-term finance receivables also increased along with an expansion in overseas sales financing operations.

Among liabilities, notes and accounts payable and other current liabilities decreased. However, the aggregated amount of interest-bearing debt, which is composed of short-term borrowings, long-term debt, and current portion of long-term debt, rose owing to an expansion in sales financing operations and other factors. Equity increased because of the accumulation of retained earnings and changes in accumulated other comprehensive income. The shareholders' equity ratio was 45.0%, 0.6 percentage points higher than at the prior fiscal year-end.

2) Cash flows

Net cash provided by operating activities during the six months ended September 30, 2014 was ¥72.1 billion, an increase of ¥2.1 billion in cash inflow from the corresponding period in the prior year. This increase resulted from changes in working capital, such as notes and accounts receivable and inventories, while income taxes payable decreased.

Net cash used in investing activities was ¥81.6 billion, an increase of ¥22.6 billion in cash outflow from the corresponding period in the prior year. This increase was mainly due to a decrease in proceeds from sales of investments, and an increase in finance receivables.

Net cash provided by financing activities was ¥23.4 billion, an increase of ¥33.7 billion in cash inflow from the corresponding period in the prior year. This increase was mainly due to an increase in short-term borrowings, while payments of cash dividends increased.

As a result, after taking account of the effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents at September 30, 2014 were ¥104.3 billion, an increase of ¥17.2 billion from the beginning of the year.

(3) Prospects for the year ending March 31, 2015

The forecasts of the results of operations for the year ending March 31, 2015, which were announced on May 13, 2014, remain unchanged.

These forecasts are based on the assumption of exchange rates of ¥105=US\$1 and ¥137=€1.

2. Other information

(1) Changes in material subsidiaries

None

(2) Adoption of specific accounting procedures for quarterly consolidated financial statements

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

(3) Accounting changes for consolidated financial statements

None

3. Consolidated financial statements

(1) Consolidated balance sheets

		Sept. 30, 2014		Mar. 31, 2014		Change	Sept. 30, 2013	
		Amount	%	Amount	%	Amount	Amount	%
Assets (In millions of yen)								
Current assets:								
Cash and cash equivalents	104,251		87,022		17,229	104,082		
Notes and accounts receivable	546,251		601,709		(55,458)	482,536		
Short-term finance receivables-net	179,784		162,983		16,801	157,843		
Inventories	333,970		299,765		34,205	276,123		
Other current assets	101,369		82,482		18,887	80,624		
Total current assets	1,265,625	56.9	1,233,961	58.6	31,664	1,101,208		57.1
Investments and long-term finance receivables	568,595	25.6	494,384	23.5	74,211	465,885		24.1
Property, plant, and equipment	287,902	12.9	282,701	13.4	5,201	269,960		14.0
Other assets	102,636	4.6	93,611	4.5	9,025	91,961		4.8
Total	2,224,758	100.0	2,104,657	100.0	120,101	1,929,014		100.0

		Sept. 30, 2014		Mar. 31, 2014		Change	Sept. 30, 2013	
		Amount	%	Amount	%	Amount	Amount	%
Liabilities and Equity (In millions of yen)								
Current liabilities:								
Short-term borrowings	208,796		181,573		27,223	119,423		
Notes and accounts payable	217,677		240,706		(23,029)	222,069		
Other current liabilities	193,658		206,878		(13,220)	173,073		
Current portion of long-term debt	74,938		89,766		(14,828)	106,589		
Total current liabilities	695,069	31.3	718,923	34.2	(23,854)	621,154		32.2
Long-term liabilities:								
Long-term debt	377,458		315,598		61,860	298,475		
Accrued retirement and pension costs	12,151		13,026		(875)	24,615		
Other long-term liabilities	64,962		56,497		8,465	50,751		
Total long-term liabilities	454,571	20.4	385,121	18.3	69,450	373,841		19.4
Equity:								
Kubota Corporation shareholders' equity:								
Common stock	84,070		84,070		—	84,070		
Capital surplus	88,650		88,753		(103)	89,087		
Legal reserve	19,539		19,539		—	19,539		
Retained earnings	747,329		703,740		43,589	662,059		
Accumulated other comprehensive income	62,557		38,996		23,561	16,247		
Treasury stock, at cost	(315)		(287)		(28)	(245)		
Total Kubota Corporation shareholders' equity	1,001,830	45.0	934,811	44.4	67,019	870,757		45.1
Noncontrolling interests	73,288	3.3	65,802	3.1	7,486	63,262	3.3	
Total equity	1,075,118	48.3	1,000,613	47.5	74,505	934,019		48.4
Total	2,224,758	100.0	2,104,657	100.0	120,101	1,929,014		100.0

(2) Consolidated statements of income

(In millions of yen)

	Six months ended Sept. 30, 2014		Six months ended Sept. 30, 2013		Change		Year ended Mar. 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenues	745,061	100.0	729,057	100.0	16,004	2.2	1,508,590	100.0
Cost of revenues	519,157	69.7	514,993	70.6	4,164	0.8	1,057,003	70.1
Selling, general, and administrative expenses	125,446	16.9	113,560	15.6	11,886	10.5	247,865	16.4
Other operating expenses-net	274	0.0	180	0.0	94	52.2	1,291	0.1
Operating income	100,184	13.4	100,324	13.8	(140)	(0.1)	202,431	13.4
Other income (expenses):								
Interest and dividend income	2,690		2,139		551		4,446	
Interest expense	(883)		(673)		(210)		(1,500)	
Gain on sales of securities-net	180		3,689		(3,509)		4,700	
Valuation loss on other investments	—		—		—		(6)	
Foreign exchange gain (loss)-net	4,974		(2,396)		7,370		(4,150)	
Other-net	(3,587)		2,885		(6,472)		5,372	
Other income (expenses)-net	3,374		5,644		(2,270)		8,862	
Income before income taxes and equity in net income of affiliated companies	103,558	13.9	105,968	14.5	(2,410)	(2.3)	211,293	14.0
Income taxes	33,492		35,588		(2,096)		71,916	
Equity in net income of affiliated companies	1,220		2,172		(952)		3,034	
Net income	71,286	9.6	72,552	10.0	(1,266)	(1.7)	142,411	9.4
Less: Net income attributable to non-controlling interests	5,195		5,148		47		10,750	
Net income attributable to Kubota Corporation	66,091	8.9	67,404	9.2	(1,313)	(1.9)	131,661	8.7

Net income attributable to Kubota Corporation per common share

(In yen)

Basic	52.88	53.67		104.94
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(3) Consolidated statements of comprehensive income (loss)

(In millions of yen)

	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Change
Net income	71,286	72,552	(1,266)
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	24,335	12,530	11,805
Unrealized gains on securities	2,015	8,971	(6,956)
Unrealized gains on derivatives	10	53	(43)
Pension liability adjustments	20	9	11
Total other comprehensive income	26,380	21,563	4,817
Comprehensive income	97,666	94,115	3,551
Less: Comprehensive income attributable to non-controlling interests	8,014	5,488	2,526
Comprehensive income attributable to Kubota Corporation	89,652	88,627	1,025

(4) Consolidated statements of cash flows

(In millions of yen)

	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013	Change
Operating activities:			
Net income	71,286	72,552	
Depreciation and amortization	18,106	16,722	
Gain on sales of securities-net	(180)	(3,689)	
Equity in net income of affiliated companies	(1,220)	(2,172)	
Deferred income taxes	5,665	2,242	
Decrease in notes and accounts receivable	60,105	22,511	
Increase in inventories	(27,879)	(4,189)	
Increase in other current assets	(12,327)	(9,892)	
Decrease in notes and accounts payable	(25,334)	(27,841)	
Increase (decrease) in income taxes payable	(20,052)	5,336	
Increase in other current liabilities	4,834	914	
Decrease in accrued retirement and pension costs	(5,163)	(4,680)	
Other	4,306	2,265	
Net cash provided by operating activities	72,147	70,079	2,068
Investing activities:			
Purchases of fixed assets	(19,903)	(26,128)	
Proceeds from sales of property, plant, and equipment	338	902	
Proceeds from sales and redemption of investments	340	10,457	
Increase in finance receivables	(171,543)	(138,865)	
Collection of finance receivables	114,697	93,601	
Net (increase) decrease in short-term loan receivables from affiliated companies	(2,324)	1,315	
Net (increase) decrease in time deposits	118	(498)	
Other	(3,306)	281	
Net cash used in investing activities	(81,583)	(58,935)	(22,648)
Financing activities:			
Proceeds from issuance of long-term debt	236,325	59,044	
Repayments of long-term debt	(206,080)	(29,450)	
Net increase (decrease) in short-term borrowings	16,287	(27,928)	
Payments of cash dividends	(22,502)	(11,307)	
Purchases of treasury stock	(28)	(42)	
Purchases of non-controlling interests	—	(45)	
Other	(622)	(610)	
Net cash provided by (used in) financing activities	23,380	(10,338)	33,718
Effect of exchange rate changes on cash and cash equivalents	3,285	3,487	(202)
Net increase in cash and cash equivalents	17,229	4,293	
Cash and cash equivalents, beginning of year	87,022	99,789	
Cash and cash equivalents, end of period	104,251	104,082	169

(5) Notes to assumption for going concern

None

(6) Consolidated segment information

1) Reporting segments

Information by reporting segment is summarized as follows:

For the six months ended Sept. 30, 2014

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	599,257	132,493	13,311	-	745,061
	Intersegment	23	1,694	11,757	(13,474)	-
	Total	599,280	134,187	25,068	(13,474)	745,061
Operating income		102,089	7,054	1,080	(10,039)	100,184

For the six months ended Sept. 30, 2013

(In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	587,317	128,774	12,966	-	729,057
	Intersegment	27	2,178	10,286	(12,491)	-
	Total	587,344	130,952	23,252	(12,491)	729,057
Operating income		102,953	6,611	1,026	(10,266)	100,324

Notes:

- "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
- The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
- Intersegment transfers are recorded at values that approximate market prices.
- Beginning with the current consolidated fiscal year, the amounts related to "construction" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Other" segment, in conformity with the change in business reporting structure of the Company. The segment information for the second quarter of the prior fiscal year has been retrospectively adjusted to conform to the current year presentation.

2) Geographic information

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

(In millions of yen)

	Six months ended Sept. 30, 2014	Six months ended Sept. 30, 2013
Japan	253,675	282,334
North America	217,572	181,483
Europe	106,010	85,920
Asia outside Japan	139,907	154,135
Other areas	27,897	25,185
Total	745,061	729,057

Notes:

- Revenues from North America include those from the United States of ¥188,302 million and ¥156,995 million for the six months ended September 30, 2014 and 2013, respectively.
- There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

(7) Consolidated statements of changes in equity

(In millions of yen)

	Shares of common stock outstanding (thousands of shares)	Kubota Corporation shareholders' equity						Non-controlling interests	Total equity
		Common stock	Capital surplus	Legal reserve	Retained earnings	Accumulated other comprehensive income	Treasury stock		
Balance at Mar. 31, 2014	1,249,746	84,070	88,753	19,539	703,740	38,996	(287)	65,802	1,000,613
Net income					66,091			5,195	71,286
Other comprehensive gain						23,561		2,819	26,380
Cash dividends paid to Kubota Corporation shareholders (¥18 per common share)					(22,502)				(22,502)
Cash dividends paid to non-controlling interests								(622)	(622)
Purchases and sales of treasury stock	(20)						(28)		(28)
Changes in ownership interests in subsidiaries			(103)					94	(9)
Balance at Sept. 30, 2014	1,249,726	84,070	88,650	19,539	747,329	62,557	(315)	73,288	1,075,118

(8) Consolidated revenues by product group

(In millions of yen)

	Six months ended Sept. 30, 2014		Six months ended Sept. 30, 2013		Change		Year ended Mar. 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	512,497	68.8	515,938	70.7	(3,441)	(0.7)	1,002,913	66.5
Domestic	114,606		146,722		(32,116)	(21.9)	291,740	
Overseas	397,891		369,216		28,675	7.8	711,173	
Construction Machinery	86,760	11.6	71,379	9.8	15,381	21.5	150,175	9.9
Domestic	18,766		16,200		2,566	15.8	40,846	
Overseas	67,994		55,179		12,815	23.2	109,329	
Farm & Industrial Machinery	599,257	80.4	587,317	80.5	11,940	2.0	1,153,088	76.4
Domestic	133,372	17.9	162,922	22.3	(29,550)	(18.1)	332,586	22.0
Overseas	465,885	62.5	424,395	58.2	41,490	9.8	820,502	54.4
Pipe-related Products	71,635	9.6	71,626	9.8	9	0.0	180,020	11.9
Domestic	60,939		61,375		(436)	(0.7)	158,720	
Overseas	10,696		10,251		445	4.3	21,300	
Environment-related Products	24,766	3.3	23,711	3.3	1,055	4.4	73,180	4.9
Domestic	22,695		21,924		771	3.5	68,012	
Overseas	2,071		1,787		284	15.9	5,168	
Social Infrastructure-related Products	36,092	4.9	33,437	4.6	2,655	7.9	73,010	4.8
Domestic	23,730		23,520		210	0.9	50,574	
Overseas	12,362		9,917		2,445	24.7	22,436	
Water & Environment	132,493	17.8	128,774	17.7	3,719	2.9	326,210	21.6
Domestic	107,364	14.4	106,819	14.7	545	0.5	277,306	18.4
Overseas	25,129	3.4	21,955	3.0	3,174	14.5	48,904	3.2
Other	13,311	1.8	12,966	1.8	345	2.7	29,292	2.0
Domestic	12,939	1.7	12,593	1.7	346	2.7	28,454	1.9
Overseas	372	0.1	373	0.1	(1)	(0.3)	838	0.1
Total	745,061	100.0	729,057	100.0	16,004	2.2	1,508,590	100.0
Domestic	253,675	34.0	282,334	38.7	(28,659)	(10.2)	638,346	42.3
Overseas	491,386	66.0	446,723	61.3	44,663	10.0	870,244	57.7

(9) Anticipated consolidated revenues by reporting segment

(In billions of yen)

	Year ending Mar. 31, 2015		Year ended Mar. 31, 2014		Change	
	Amount	%	Amount	%	Amount	%
Domestic	270.0		332.6		(62.6)	(18.8)
Overseas	895.0		820.5		74.5	9.1
Farm & Industrial Machinery	1,165.0	75.1	1,153.1	76.4	11.9	1.0
Domestic	292.0		277.3		14.7	5.3
Overseas	64.0		48.9		15.1	30.9
Water & Environment	356.0	23.0	326.2	21.6	29.8	9.1
Domestic	28.0		28.5		(0.5)	(1.8)
Overseas	1.0		0.8		0.2	25.0
Other	29.0	1.9	29.3	2.0	(0.3)	(1.0)
Total	1,550.0	100.0	1,508.6	100.0	41.4	2.7

Domestic	590.0	38.1	638.4	42.3	(48.4)	(7.6)
Overseas	960.0	61.9	870.2	57.7	89.8	10.3

4. Results of operations for the three months ended September 30, 2014

(1) Consolidated statements of income

(In millions of yen)

	Three months ended Sept. 30, 2014		Three months ended Sept. 30, 2013		Change	
	Amount	%	Amount	%	Amount	%
Revenues	384,336	100.0	367,303	100.0	17,033	4.6
Cost of revenues	270,393	70.4	258,212	70.3	12,181	4.7
Selling, general, and administrative expenses	66,095	17.2	55,742	15.2	10,353	18.6
Other operating expenses-net	96	0.0	115	0.0	(19)	(16.5)
Operating income	47,752	12.4	53,234	14.5	(5,482)	(10.3)
Other income (expenses):						
Interest and dividend income	664		595		69	
Interest expense	(359)		(332)		(27)	
Gain on sales of securities-net	177		2,333		(2,156)	
Foreign exchange gain-net	4,859		201		4,658	
Other-net	(2,892)		(100)		(2,792)	
Other income (expenses)-net	2,449		2,697		(248)	
Income before income taxes and equity in net income of affiliated companies	50,201	13.1	55,931	15.2	(5,730)	(10.2)
Income taxes	15,904		18,331		(2,427)	
Equity in net income of affiliated companies	555		1,144		(589)	
Net income	34,852	9.1	38,744	10.5	(3,892)	(10.0)
Less: Net income attributable to noncontrolling interests	2,186		2,187		(1)	
Net income attributable to Kubota Corporation	32,666	8.5	36,557	10.0	(3,891)	(10.6)

Net income attributable to Kubota Corporation per common share

(In yen)

Basic	26.14	29.11	
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(2) Consolidated segment information

a) Reporting segment

Information by reporting segment is summarized as follows:

For the three months ended Sept. 30, 2014 (In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	298,810	78,648	6,878	—	384,336
	Intersegment	11	1,061	6,632	(7,704)	—
	Total	298,821	79,709	13,510	(7,704)	384,336
Operating income		46,991	5,340	568	(5,147)	47,752

For the three months ended Sept. 30, 2013 (In millions of yen)

		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenues	External customers	287,270	73,076	6,957	—	367,303
	Intersegment	14	1,462	5,461	(6,937)	—
	Total	287,284	74,538	12,418	(6,937)	367,303
Operating income		53,580	4,204	691	(5,241)	53,234

Notes:

- "Adjustments" include the elimination of intersegment transfers and the unallocated corporate expenses.
- The aggregated amounts of operating income are equal to those in the consolidated statements of income. Refer to the consolidated statements of income for the reconciliation of operating income to income before income taxes and equity in net income of affiliated companies.
- Intersegment transfers are recorded at values that approximate market prices.
- Beginning with the current consolidated fiscal year, the amounts related to "construction" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Other" segment, in conformity with the change in business reporting structure of the Company. The segment information for the second quarter of the prior fiscal year has been retrospectively adjusted to conform to the current year presentation.

b) Geographic information

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

(In millions of yen)

	Three months ended Sept. 30, 2014	Three months ended Sept. 30, 2013
Japan	142,307	156,135
North America	105,141	90,407
Europe	47,860	39,217
Asia Outside Japan	70,942	66,699
Other Areas	18,086	14,845
Total	384,336	367,303

Notes:

- Revenues from North America include those from the United States of ¥91,011 million and ¥79,132 million for the three months ended September 30, 2014 and 2013, respectively.
- There is no single customer from whom revenues exceeds 10% of total consolidated revenues of the Company.

(3) Consolidated revenues by product group

(In millions of yen)

	Three months ended Sept. 30, 2014		Three months ended Sept. 30, 2013		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	256,561	66.7	254,787	69.4	1,774	0.7
Domestic	60,783		80,125		(19,342)	(24.1)
Overseas	195,778		174,662		21,116	12.1
Construction Machinery	42,249	11.0	32,483	8.8	9,766	30.1
Domestic	11,446		9,016		2,430	27.0
Overseas	30,803		23,467		7,336	31.3
Farm & Industrial Machinery	298,810	77.7	287,270	78.2	11,540	4.0
Domestic	72,229	18.8	89,141	24.3	(16,912)	(19.0)
Overseas	226,581	58.9	198,129	53.9	28,452	14.4
Pipe-related Products	45,276	11.8	41,375	11.3	3,901	9.4
Domestic	37,283		35,278		2,005	5.7
Overseas	7,993		6,097		1,896	31.1
Environment-related Products	14,266	3.7	13,443	3.6	823	6.1
Domestic	13,187		12,256		931	7.6
Overseas	1,079		1,187		(108)	(9.1)
Social Infrastructure-related Products	19,106	5.0	18,258	5.0	848	4.6
Domestic	12,920		12,768		152	1.2
Overseas	6,186		5,490		696	12.7
Water & Environment	78,648	20.5	73,076	19.9	5,572	7.6
Domestic	63,390	16.5	60,302	16.4	3,088	5.1
Overseas	15,258	4.0	12,774	3.5	2,484	19.4
Other	6,878	1.8	6,957	1.9	(79)	(1.1)
Domestic	6,688	1.7	6,692	1.8	(4)	(0.1)
Overseas	190	0.1	265	0.1	(75)	(28.3)
Total	384,336	100.0	367,303	100.0	17,033	4.6
Domestic	142,307	37.0	156,135	42.5	(13,828)	(8.9)
Overseas	242,029	63.0	211,168	57.5	30,861	14.6