

Financial Results

for the six months ended June 30, 2017



Shigeru Kimura

**Director and Senior Managing Executive Officer,
General Manager of Planning & Control Headquarters**

August 9, 2017



(Billion yen)	Six months ended June 30, 2017	Six months ended June 30, 2016	Changes		Variance from revised forecast (May 2017)		Original forecast (Feb. 2017)
			Amount	%	Amount	%	Amount
Revenues	846.0	796.1	+49.9	+6.3	+16.0	+1.9	840.0
Domestic	280.6	282.2	-1.6	-0.6	+6.6	+2.4	285.0
Overseas	565.4	513.9	+51.4	+10.0	+9.4	+1.7	555.0
Operating income	11.9% 100.6	13.3% 105.6	-5.0	-4.7	+6.6	+7.0	11.7% 98.0
Net income attributable to Kubota Corp.	8.3% 70.4	7.8% 62.3	+8.1	+13.0	+5.4	+8.4	8.0% 67.0

(Billion yen)	As of June 30, 2017	As of Dec. 31, 2016	Changes	
			Amount	%
Total assets	2,660.6	2,670.6	-10.0	-0.4
Shareholders' equity	1,233.7	1,198.8	+34.9	+2.9

Revenues by Reporting Segment

(Billion yen)	Six months ended June 30, 2017	Six months ended June 30, 2016	Changes	
			Amount	%
Farm & Industrial Machinery (Machinery)	692.4	631.4	+61.1	+9.7
Domestic	147.1	143.4	+3.7	+2.6
Overseas	545.3	488.0	+57.3	+11.7
Water & Environment (Water)	138.7	149.9	-11.2	-7.5
Domestic	118.8	124.1	-5.3	-4.3
Overseas	19.9	25.7	-5.9	-22.8
Other	14.9	14.9	-0.0	-0.2
Domestic	14.7	14.7	-0.0	-0.0
Overseas	0.2	0.2	-0.0	-11.6
Total revenues	846.0	796.1	+49.9	+6.3
Domestic revenues	280.6	282.2	-1.6	-0.6
Overseas revenues	565.4	513.9	+51.4	+10.0

For reference: Changes excluding the effects of fluctuation in exchange (-6 billion yen) and an acquisition of Great Plains Manufacturing, Inc.(hereinafter, "GPM") (+18 billion yen).
>Overseas revenues in Machinery increased by 9%. Total overseas revenues increased by 8%.

Machinery: +61.1 billion yen (Domestic: +3.7, Overseas: +57.3)

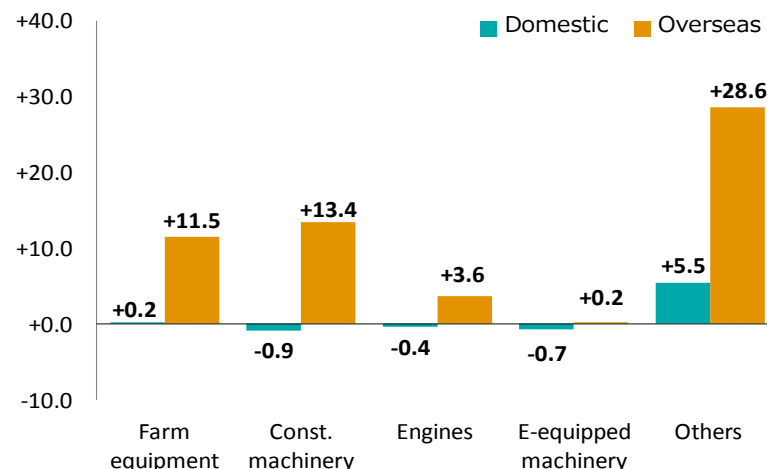
Domestic

- Increased sales of agricultural-related products compensated for decreased sales of construction machinery, mainly due to the negative effect of prioritized investment in large-sized machinery.

Overseas

- Total sales of tractors increased mainly due to recovery in Thailand caused by cancelation of the restrictions on water intake. Sales in North America were almost the same level because increased sales of compact tractors covered decreased sales of mid-scale tractors.
- Total sales of combine harvesters and rice transplanters increased due to expanded sales of rice transplanters in China.
- Total sales of construction machinery rose in each region such as North America, Europe, and China.

■ Changes in revenues by product (Billion yen)



Water: -11.2 billion yen (Domestic: -5.3, Overseas: -5.9)

Domestic

Revenues from pipe-related products decreased due to lower sales of ductile iron pipes and the construction business. Wastewater treatment equipment and plant also decreased. On the other hand, sales of spiral-welded steel pipes (piles) for civil engineering works increased.

Overseas

Export sales of ductile iron pipes to the Middle East significantly decreased. Sales of reformer and cracking tubes for petrochemical plants decreased as well.

(Billion yen)	Six months ended June 30, 2017		Six months ended June 30, 2016		Changes	
	Amount	%	Amount	%	Amount	%
Operating income	100.6	11.9	105.6	13.3	-5.0	-4.7

Factors affecting operating income (YoY change -5.0 billion yen)

1. Fluctuation in exchange rates	US\$ (112→112) Euro (125→122) Other currencies	-6.0 billion yen -3.0 billion yen -1.0 billion yen	} -10.0 billion yen
2. Material	Machinery Water	-1.0 billion yen -1.0 billion yen	
3. Sales incentive ratio growth	U.S. : -5.6 Billion yen China: +4.8 Billion yen etc.		} -1.1 billion yen
4. Personnel expenses (Excluding GPM)	Cost of good sold SG&A expenses	+1.2 billion yen -1.9 billion yen	
5. Specific items	Change in depreciation method Amortization of valuation difference between the amount paid and fair market value of net assets of GPM	+0.5 billion yen -1.4 billion yen	} -0.9 billion yen
6. Impact of increased sales			
7. Other			} -6.3 billion yen

2 major factors affecting the fluctuations in operating income between 1Q and 2 Q

(1) Effect on operating income resulting from an increase in the percentage of sales incentives

(Billion yen)	1Q	2Q	1-2Q
Total effect on operating profit resulting from an increase in the percentage of sales incentives	- 6.0	+ 4.9	- 1.1
Effect in U.S. only (included in the total amount above)	- 8.0	+ 2.4	- 5.6
Changes in adjustment of provisions for sales incentives in U.S. compared to the corresponding period in the prior year (minus means an increase in cost)	- 5.8	+ 4.2	- 1.6

(2) Effect on operating income resulting from revaluation of unrealized profits on inventories held by sales subsidiaries

(Billion yen)	1Q	2Q	1-2Q	3Q	1-3Q	4Q	1-4Q
Affected by changes in gross profit margin	+ 2.6	+ 2.6	+ 5.2	+ 4.1	+ 9.3	- 3.4	+ 5.9
Affected by changes in volume of inventories	- 2.3	+ 1.3	- 1.0	- 0.0	- 1.1	+ 3.4	+ 2.4
Total amount of adjustment in unrealized profit in 2016	+ 0.3	+ 3.9	+ 4.2	+ 4.1	+ 8.3	- 0.0	+ 8.3
Affected by changes in gross profit margin	- 10.7	+ 1.0	- 9.8				
Affected by changes in volume of inventories	- 3.8	+ 2.0	- 1.8				
Total amount of adjustment in unrealized profit 2017	- 14.5	+ 3.0	- 11.5				
Affected by changes in gross profit margin	(*) - 13.4	- 1.6	(*) - 15.0				
Affected by changes in volume of inventories	- 1.5	+ 0.8	- 0.7				
Changes from the prior year	- 14.9	- 0.9	- 15.8				

* In second half of 2016, the yen appreciated by 16 yen against the U.S. dollar and by 18 yen against the EUR compared to the corresponding period in the prior year. Around 8 Billion yen of the negative impact from yen appreciation was included in the amount of adjustment affected by changes in gross profit margin, which was deferred by the adjustment at the prior year-end.

■ Operating income excluding specific items

(% shows OP margin)

(Billion yen)	Six months ended June 30, 2017			Six months ended June 30, 2016			Changes ①-④	Changes (Adjusted) ③-⑥	Changes in revenues
	Operating income ①	Specific items ②	Adjusted operating income ③=①-②	Operating income ④	Specific items ⑤	Adjusted operating income ⑥=④-⑤			
Machinery	13.9% 96.6	-0.9	14.1% 97.5	16.1% 101.4	-	16.1% 101.4	-4.9	-4.0	+61.1
Water	11.7% 16.2	0.2	11.6% 16.1	9.1% 13.7	-	9.1% 13.7	+2.6	+2.4	-11.2
Other	10.6% 1.6	-	10.6% 1.6	12.5% 1.9	-	12.5% 1.9	-0.3	-0.3	-0.0
Adjustment	-13.8	-0.2	-13.6	-11.4	-	-11.4	-2.4	-2.2	
Total	11.9% 100.6	-0.9	12.0% 101.5	13.3% 105.6	-	13.3% 105.6	-5.0	-4.1	+49.9

(Billion yen)	Six months ended June 30, 2017	Six months ended June 30, 2016	Changes
			Amount
Other income (expenses)	7.0	-8.5	+15.5



(Details)

Interests and dividends	3.4	2.9	+0.4	
Gain on sales of securities-net	5.4	0.9	+4.5	
Foreign exchange gain (loss)-net	3.3	-9.6	+12.9	
Other	-5.1	-2.8	-2.3	} → +10.7
Valuation loss on derivatives	-4.9	-2.7	-2.2	
Other-net	-0.2	-0.0	-0.1	

(Billion yen)	Six months ended June 30, 2017		Six months ended June 30, 2016		Changes	
	Amount	%	Amount	%	Amount	%
Taxable income *	107.6	12.7	97.1	12.2	+10.5	10.8
Income taxes	33.4		30.7		-2.7	
(Effective tax rate)	(31.0%)		(31.6%)			
Equity in net income of affiliated companies	0.8		0.8		+0.1	
Net income	75.1	8.9	67.1	8.4	+7.9	11.8
Less: Net income attributable to non-controlling interests	4.6		4.8		+0.2	
Net income attributable to Kubota Corp.	70.4	8.3	62.3	7.8	+8.1	13.0

		Year ending Dec. 31, 2017	Year ended Dec. 31, 2016	Changes
Dividend per common share	Interim	15 yen	14 yen	+1 yen
	Year-end	(Undecided)	16 yen	-
	Total	(Undecided)	30 yen	-

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

Payout ratio: 30% as a target Shareholder return ratio: over 30%

We established the program of purchasing own shares not exceeding 10 billion yen (Term of validity: From May 11, 2017 to December 20, 2017).

Balance Sheets (Assets)

(Billion yen)	As of June 30, 2017	As of Dec. 31, 2016	Changes	Changes ex the effects of fluctuation in exchange
Current assets	1,501.0	1,563.1	-62.0	
Cash and cash equivalents	190.8	169.4	+21.3	
Trade notes and accounts receivable	597.7	632.8	-35.1	-29.0
Short-term finance receivables-net	246.0	244.2	+1.8	
Inventories	367.4	356.2	+11.2	+13.0
Other current assets	99.1	160.5	-61.3	
Investments and long-term finance receivables	699.6	677.5	+22.1	
Long-term finance receivables-net	532.7	508.3	+24.4	
Other	167.0	169.2	-2.2	
Property, plant, and equipment	312.2	314.2	-2.1	
Other assets	147.8	115.8	+32.0	
Total assets	2,660.6	2,670.6	-10.0	
Total finance receivables-net	778.6	752.5	+26.2	+42.0

<Reference> Foreign exchange rate at balance sheet date (yen)

U.S. dollar	112	116	-4
Euro	128	123	+5

Balance Sheets (Liabilities)

(Billion yen)	As of June 30, 2017	As of Dec. 31, 2016	Changes	Changes ex the effects of fluctuation in exchange
Current liabilities	812.4	836.6	-24.3	
Short-term borrowings	193.2	193.9	-0.7	
Trade notes and accounts payable	246.5	255.9	-9.4	
Current portion of long-term debt	132.3	145.2	-12.9	
Other current liabilities	240.4	241.7	-1.2	
Long-term liabilities	538.1	562.0	-23.9	
Long-term debt	471.2	478.9	-7.7	
Accrued retirement and pension costs	12.4	12.1	+0.3	
Other long-term liabilities	54.6	71.1	-16.4	
Total liabilities	1,350.5	1,398.7	-48.2	
Total interest-bearing debt	796.7	818.0	-21.3	-9.0
Net debt equity ratio	0.49	0.54	-0.05	
Net debt equity ratio (ex financial services)	-0.10	-0.06	-0.04	

(Billion yen)	As of June 30, 2017	As of Dec. 31, 2016	Changes
Kubota Corp. shareholders' equity	1,233.7	1,198.8	+34.9
Common stock	84.1	84.1	+0.0
Capital surplus	85.0	84.6	+0.4
Legal reserve	19.5	19.5	-
Retained earnings	1,012.0	961.4	+50.6
Accumulated other comprehensive income	39.4	49.3	-9.9
Foreign currency translation adjustments	14.7	26.0	-11.3
Unrealized gains on securities	50.4	49.6	+0.8
Pension liabilities adjustments	-25.7	-26.2	+0.5
Treasury stock, at cost	-6.4	-0.2	-6.2
Non-controlling interests	76.5	73.2	+3.3
Total equity	1,310.1	1,271.9	+38.2
Shareholders' equity to total assets	46.4%	44.9%	+1.5point

(Billion yen)	Six months ended June 30, 2017	Six months ended June 30, 2016	Changes
Net cash provided by operating activities	104.8	92.7	+12.1
Net cash used in investing activities	-48.6	-66.1	+17.6
Purchases of fixed assets	-29.7	-24.0	-5.7
Other	-18.9	-42.2	+23.3
Net cash (used in) provided by financing activities	-33.9	18.3	-52.2
Effect of exchange rate changes on cash and cash equivalents	-1.0	-14.3	+13.3
Net increase in cash and cash equivalents	21.3	30.7	-9.3
Free cash flow	75.1	68.8	+6.3

Balance Sheets

(Billion yen)	As of June 30, 2017		As of Dec. 31, 2016	
	Financial services	Equipment operations	Financial services	Equipment operations
Total assets	957.1	1,773.7	938.5	1,809.7
Cash and cash equivalents	12.0	178.8	12.5	156.9
Trade notes and accounts receivable	33.8	565.3	29.8	603.7
Finance receivables	778.6	-	752.5	-
Inventories	-	367.4	-	356.2
Property, plant, and equipment	0.4	311.7	0.4	313.8
Other assets	132.2	350.5	143.3	379.0
Total liabilities	824.3	580.8	812.4	648.4
Interest-bearing debt	747.6	68.1	744.7	93.2
Other liabilities	76.7	512.7	67.7	555.2
Total equity	132.8	1,192.9	126.1	1,161.3

Consolidated statements of income (Financial Services)

(Billion yen)	Six months ended June 30, 2017		Six months ended June 30, 2016		Changes	
	Amount	%	Amount	%	Amount	%
Revenues	28.3		25.2		+3.2	+12.6
Operating income	12.0	42.5	10.5	41.6	+1.6	+15.0
Net income attributable to Kubota Corp.	7.2	25.4	6.3	24.9	+0.9	+14.9

Recent Developments In Machinery

U.S.

Demand for compact tractors and construction machinery increased along with favorable economy and a strong housing market. Market contraction for agriculture slowed. Severe competition has continued.

Tractors / RS

Sales of compact tractors significantly increased due to sales promotion activities in addition to expanded markets. Mid-scale tractors increased as well due to improved market share in spite of the severe market conditions.

Const. machinery/ RS

Sales of mini-excavators and CTL increased due to high demand in the construction industry. Sales of SSL increased as we finished allocating inventory of them in the prior year, while there was a negative effect of a slowdown in the agricultural market.

Engines / WS

Sales increased along with steady demand for the construction and industrial machinery.

■ YoY growth rate of retail sales units in the tractor market by horsepower ■ New privately owned housing units started (Seasonally adjusted annual rate)

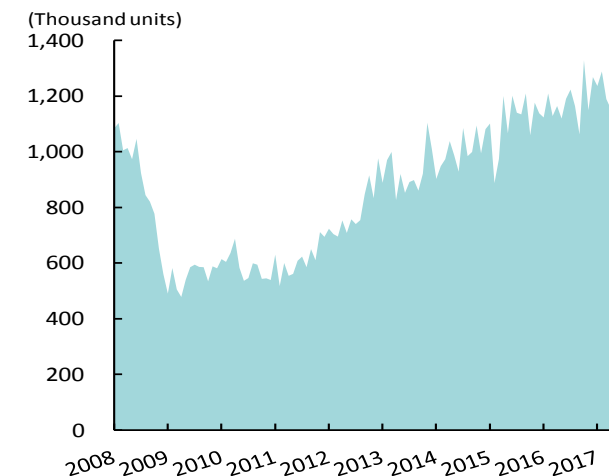
		Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-June	Jan.-Dec.
2016	0-40hp	+26.1%	+7.1%	+9.6%	+14.0%	+12.7%	+12.1%
	40-120hp	-0.7%	-4.3%	-10.6%	-2.5%	-2.9%	-4.9%
	0-120hp	+14.9%	+3.5%	+2.3%	+7.4%	+7.3%	+6.0%
2017	0-40hp	+13.7%	+11.2%	-	-	+12.0%	-
	40-120hp	-4.0%	-1.4%	-	-	-2.5%	-
	0-120hp	+7.3%	+7.7%	-	-	+7.5%	-

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in the mini-excavator market (0-8t)

		Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-June	Jan.-Dec.
2016		+27.6%	+13.0%	+8.9%	+6.2%	+18.4%	+12.7%
2017		+12.2%	+12.4%	-	-	+12.3%	-

Source: AEM (Association of Equipment Manufacturers)



Source: U.S. Census Bureau

Europe

Demand for const. machinery and engines were firm due to recovery in the economy and expanded demand for the construction of housing and infrastructure. The market of machinery for agriculture was still weak, but gradually showed signs of recovery due to the bottoming out of agricultural prices.

Tractors / RS

Sales of tractors decreased because of delays in authentications for some products regarding new EU tractor regulations and poor harvest in France. Sales in Turkey stayed at the same level as last year due to the negative effects of political uncertainty and the increased import tax rate.

Implements / WS

Sales increased due to a bottoming out of demand for implements and the positive effects of new products introduced. Orders increased significantly.

Const. machinery / RS

Sales in France increased due to the front-loaded demand before the end of investment promotion act. Sales in Germany was firm as well due to increased demand in the construction industry. In the U.K., investments in const. machinery by rental agencies stayed aggressive while the outlook for the economy remains unclear.

Engines / WS

Sales increased along with favorable business confidence, mainly in the construction market.

Kubota established a Holding company in Europe as a Regional Headquarters for the industrial machinery business in the Netherlands in July 2017. (Plan to start operations in Oct. 2017)

⇒ Aim to optimize our business management in Europe by shifting our business management from a country basis to a pan-European business basis.

Thailand

Demand for tractors for rice cropping-market recovered due to cancelation of restrictions on water intake, while there was a negative effect from the slump in rice prices. Conservative buying arose in neighboring countries due to the negative effect of the slump in agricultural prices. Rice prices have shown signs of recovery recently.

Tractors, Combines / WS

Sales of tractors for rice cropping-market increased due to cancelation of the restrictions on water intake, while there were negative effects of slump in rice prices and floods in some areas. Regarding tractors for the dry-field crop-market, sales for sugar cane-market increased, while sales for cassava-market were weak. Sales of combines decreased due to a slump in rice prices.

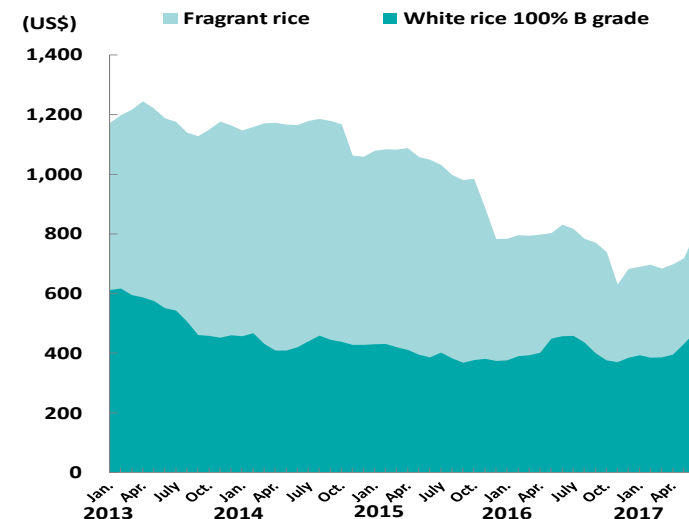
Const. machinery / RS

Sales increased due to expanded demand in the constructions in urban areas.

Exports to neighboring countries / WS

Sales in Cambodia and Laos decreased due to a slump in agricultural prices. In Myanmar, where we established a sales company, sales of tractors increased because mechanization was accelerated resulting from labor shortages.

■ Export price of Thai rice (US\$/t)



Source: USDA, Thai Rice Exporters Association

China

Budgeted government subsidies decreased by approximately 20%. Customers' needs moved to highly functional products because of greater competition among contractors, and contractors' needs for machinery with greater efficiency. Demand for const. machinery recovered due to expanded investment in urban infrastructure.

Tractors / RS

Sales grew due to increased market share, while market for 70-99 hp tractors shrank resulting from the transition in demand to tractors with higher hp.

Combines / RS

Sales of combines with low hp declined due to decreased government subsidies and transitions in demand to highly functional products along with severer competition among contractors. An increase in sales of wheel drive combine harvesters was limited mainly due to increased inventories of used products sold before strengthening emission regulations.

Rice transplanters / RS

Sales significantly increased due to postponed purchases resulting from delayed authentication for emission regulations in the prior year, crop conversion from corn to rice, and expanded demand for repurchase.

Const. machinery / RS

Sales significantly increased due to expanded investment in urban infrastructure and the adverse reaction of decreased sales in the prior year due to delayed authentication for emission regulations in the prior year.

Engines / WS

Sales increased due to rapidly recovered demand of construction machinery.

■ Budgeted government subsidies for purchase of agricultural equipment

(Billion RMB)		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 *
Subsidies	1st stage	-	-	-	-	11.0	13.0	20.0	17.0	21.0	22.8	18.6
	Full year	2.0	4.0	13.0	15.5	17.5	21.5	21.8	23.8	23.8	23.7	18.6

* The amount in 2017 is forecast.

Japan

Sales of farm machinery and const. machinery showed signs of gradual recovery, although stagnation of sales continued after strengthening emission regulations in 2015.

Demand for tractors exceeded that in the prior year.

Farm machinery / RS

Sales of tractors increased due to the recovery from the stagnation of sales following tighter emission regulations. Sales of combines decreased due to the adverse reaction to increased sales resulting from the “Agri-Seed lease program”, agricultural equipment lease support program established by financial institution, and expanded sales of products manufactured before strengthening emission regulations. Sales of agriculture-related products, such as implements, increased.

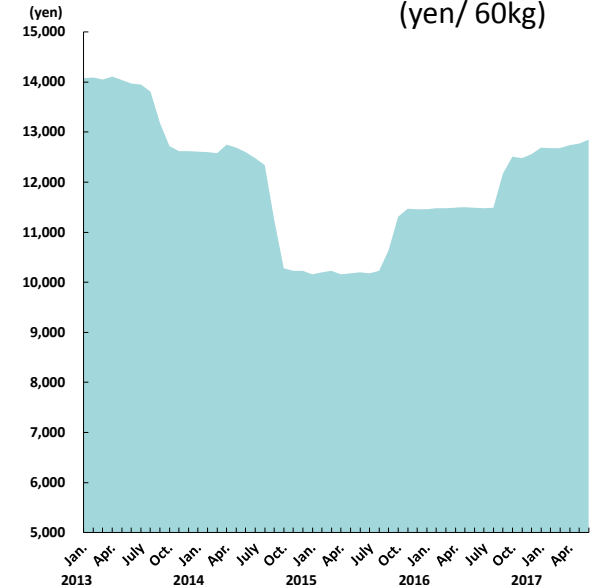
Const. machinery / RS

Sales decreased due to prioritized investment in large-sized const. machinery by rental companies along with emission regulations for engines of 75 hp and over. Recovery in demand is expected on increased infrastructure investment related to the Tokyo Olympic Games.

Engines / WS

Sales declined because of OEM clients’ adjustments in the production and weak sales of power generators to developing countries.

■ Producers’ price of Japanese rice (yen/ 60kg)



Source: Ministry of Agriculture, Forestry and Fisheries

Forecast

Anticipated Operating Results

For Earth, For Life
Kubota

(Billion yen)	Year ending Dec. 31, 2017 (Forecast)	Year ended Dec. 31, 2016 (Actual)	Changes		Previous forecast (May 2017)
			Amount	%	
Revenues	1,680.0	1,596.1	+83.9	+5.3	1,680.0
Domestic	562.0	551.4	+10.6	+1.9	562.0
Overseas	1,118.0	1,044.7	+73.3	+7.0	1,118.0
Operating income	11.8% 198.0	11.8% 188.8	+9.2	+4.9	11.8% 198.0
Other income (expenses)	7.0	8.2	-1.2	-14.6	7.0
Taxable income*	12.2% 205.0	12.3% 197.0	+8.0	+4.1	12.2% 205.0
Net income attributable to Kubota Corp.	8.2% 138.0	8.3% 132.5	+5.5	+4.2	8.2% 138.0

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

Anticipated Revenues by Reporting Segment

(Billion yen)	Year ending Dec. 31, 2017 (Forecast)	Year ended Dec. 31, 2016 (Actual)	Changes		Previous forecast (May 2017)	Changes	
			Amount	%		Amount	%
Machinery	1,357.0	1,272.2	+84.8	+6.7	1,357.0	-	-
Domestic	288.0	281.5	+6.5	+2.3	288.0	-	-
Overseas	1,069.0	990.7	+78.3	+7.9	1,069.0	-	-
Water	293.0	294.5	-1.5	-0.5	293.0	-	-
Domestic	244.0	240.8	+3.2	+1.3	244.0	-	-
Overseas	49.0	53.7	-4.7	-8.8	49.0	-	-
Other	30.0	29.4	+0.6	+2.0	30.0	-	-
Domestic	30.0	29.1	+0.9	+3.1	30.0	-	-
Overseas	-	0.3	-0.3	-100.0	-	-	-
Total revenues	1,680.0	1,596.1	+83.9	+5.3	1,680.0	-	-
Domestic revenues	562.0	551.4	+10.6	+1.9	562.0	-	-
Overseas revenues	1,118.0	1,044.7	+73.3	+7.0	1,118.0	-	-

For reference: Changes excluding the effects of fluctuation in exchange (-8 billion yen) and an acquisition of GPM (+21 billion yen).

>Overseas revenues in Machinery are forecast to increase by 7%.

Total overseas revenues are forecast to increase by 6%.

Anticipated Operating Income

(Billion yen)	Year ending Dec. 31, 2017 (Forecast)		Year ended Dec. 31, 2016 (Actual)		Changes	
	Amount	%	Amount	%	Amount	%
Operating income	198.0	11.8	188.8	11.8	+9.2	+4.9

Factors affecting operating income (YoY change +9.2 billion yen)

1. Fluctuation in exchange rates	US\$ (109→110) Euro (120→119) Other currencies	-1.0 billion yen -3.0 billion yen -3.0 billion yen	}	-7.0 billion yen
2. Material	Machinery Water	-2.0 billion yen -4.0 billion yen		
3. Sales incentive ratio growth	U.S. : -3.0 Billion yen China: +2.5 Billion yen etc.			-1.5 billion yen
4. Personnel expenses (Excluding GPM)	Cost of good sold SG&A expenses	+1.5 billion yen -4.0 billion yen	}	-2.5 billion yen
5. Specific items	Change in depreciation method	+1.0 billion yen		
	Amortization of valuation difference between the amount paid and fair market value of net assets of GPM	-0.9 billion yen	}	+0.1 billion yen
6. Impact of increased sales				
7. Other				+0.1 billion yen

■ Anticipated operating income excluding specific items

(% shows OP margin)

(Billion yen)	Year ending Dec. 31, 2017 (Forecast)			Year ended Dec. 31, 2016 (Actual)			Changes ①-④	Changes (Adjusted) ③-⑥	Changes in revenues
	Operating income ①	Specific items ②	Adjusted operating income ③=①-②	Operating income ④	Specific items ⑤	Adjusted operating income ⑥=④-⑤			
Machinery	14.6% 198.0	-1.2	14.7% 199.2	14.5% 185.0	-1.3	14.6% 186.3	+13.0	+12.9	+84.8
Water	7.5% 22.0	0.3	7.4% 21.7	7.5% 22.2	-	7.5% 22.2	-0.2	-0.5	-1.5
Other	10.0% 3.0	-	10.0% 3.0	12.3% 3.6	-	12.3% 3.6	-0.6	-0.6	+0.6
Adjustment	-25.0	-0.3	-24.7	-22.0	-	-22.0	-3.0	-2.7	
Total	11.8% 198.0	-1.2	11.9% 199.2	11.8% 188.8	-1.3	11.9% 190.1	+9.2	+9.1	+83.9

■ Anticipated foreign exchange rate

		Year ending Dec. 31, 2017		Year ended Dec. 31, 2016	
		(Revised forecast)	(Previous forecast)	(Actual)	Same period last year
¥/US\$	1st Half (Jan.-June)	112	111	112	120
	2nd half (July-Dec.)	108	109	106	122
	Full year average (Jan.-Dec.)	110	110	109	121
¥/Euro	1st Half (Jan.-June)	122	119	125	134
	2nd half (July-Dec.)	115	111	116	134
	Full year average (Jan.-Dec.)	119	115	120	134

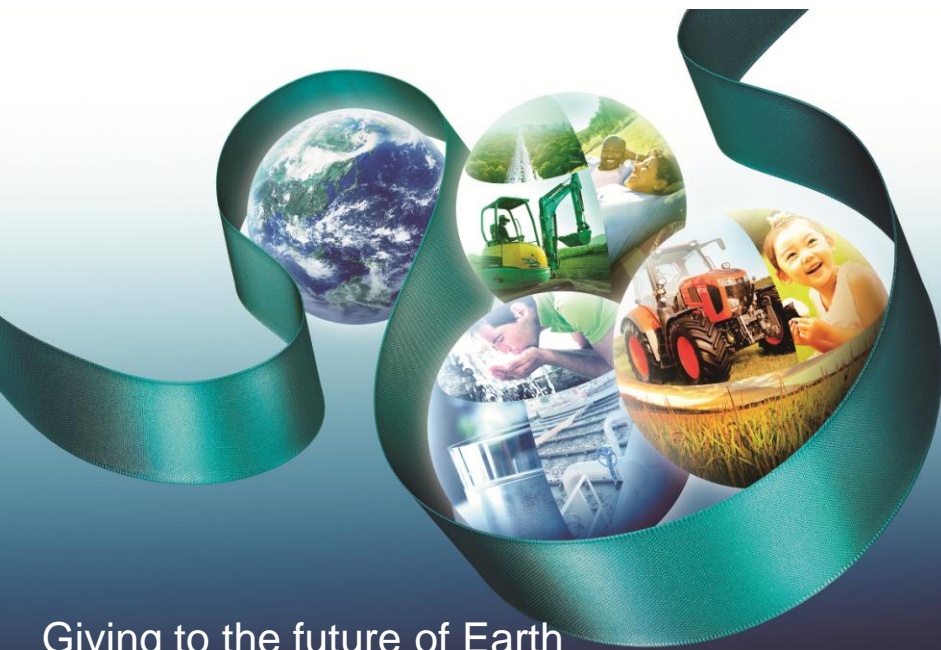
■ CAPEX, Depreciation and R&D expenses

(Billion yen)

Capital expenditures	65.0	70.0	65.4	53.9
Depreciation and amortization	48.0	49.0	43.4	41.4
R&D expenses	46.0	46.0	43.0	39.4

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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