

KUBOTA Corporation

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RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2022 [IFRS]

Kubota Corporation hereby reports its consolidated results for the six months ended June 30, 2022.

Consolidated Financial Highlights**1. Consolidated results of operations for the six months ended June 30, 2022****(1) Results of operations**

(Unit: millions of yen, except earnings per share)

	Six months ended June 30, 2022	Change [%]	Six months ended June 30, 2021	Change [%]
Revenue	¥ 1,260,480	14.4	¥ 1,101,405	24.6
Operating profit	¥ 121,003	(18.0)	¥ 147,548	80.7
Profit before income taxes	¥ 131,587	(11.9)	¥ 149,409	77.0
Profit for the period	¥ 101,970	(9.9)	¥ 113,140	73.6
Profit attributable to owners of the parent	¥ 91,246	(11.4)	¥ 102,950	72.8
Comprehensive income for the period	¥ 299,131	78.3	¥ 167,788	443.9
Earnings per share attributable to owners of the parent:				
Basic	¥ 76.13		¥ 85.22	
Diluted	-		-	

(2) Financial condition

(Unit: millions of yen)

	June 30, 2022	Dec. 31, 2021
Total assets	¥ 4,554,017	¥ 3,773,510
Total equity	¥ 2,105,949	¥ 1,784,973
Equity attributable to owners of the parent	¥ 1,909,584	¥ 1,677,957
Ratio of equity attributable to owners of the parent to total assets	41.9%	44.5%

Note:

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

2. Cash dividends

(Unit: yen)

	Cash dividends per common share		
	Interim	Year-end	Total
Year ending Dec. 31, 2022	¥ 22.00	Undecided	Undecided
Year ended Dec. 31, 2021	¥ 21.00	¥ 21.00	¥ 42.00

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 condition, and shareholder return ratio calculated from dividends and share buybacks. The specific amount of year-end cash dividends for the year ending December 31, 2022 has not been decided at this time, and Kubota Corporation will publicize the amount as soon as a decision is made.

3. Forecasts of operations for the year ending December 31, 2022

(Unit: millions of yen, except earnings per share)

	Year ending Dec. 31, 2022	Change [%]
Revenue	¥ 2,640,000	20.2
Operating profit	¥ 260,000	5.6
Profit before income taxes	¥ 273,000	8.1
Profit attributable to owners of the parent	¥ 185,000	5.3
Earnings per share attributable to owners of the parent - Basic	¥ 154.69	

Notes:

1. Change [%] represents the percentage change from the same period in the prior year.
2. Please refer to the accompanying materials, "1. Review of operations and financial condition (3) Forecasts for the year ending December 31, 2022" on page 6 for further information related to the forecasts of operations.

4. Other information

(1) Changes in significant subsidiaries during the six months ended June 30, 2022 (changes in specified subsidiaries resulting in the changes in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- a) Changes in accounting policies required by International Financial Reporting Standards (hereinafter "IFRS"): None
- b) Changes in accounting policies due to reasons other than a) above: None
- c) Changes in accounting estimates: None

(3) Number of common shares issued

- a) Number of common shares issued including treasury shares as of June 30, 2022 : 1,200,246,846
Number of common shares issued including treasury shares as of December 31, 2021 : 1,200,246,846
- b) Number of treasury shares as of June 30, 2022 : 6,906,235
Number of treasury shares as of December 31, 2021 : 339,469
- c) Weighted-average number of common shares outstanding during the six months ended June 30, 2022 : 1,198,540,357
Weighted-average number of common shares outstanding during the six months ended June 30, 2021 : 1,207,946,806

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

This release is not subject to the quarterly review by the independent auditor.

(Method of obtaining supplementary materials on the financial results)

Kubota Corporation plans to hold a result briefing for institutional investors and securities analysts on August 4, 2022. The supplementary material will be published on the Company's website on the same day.

< 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.

Index to accompanying materials

1. Review of operations and financial condition	4
(1) Summary of the results of operations for the six-month period	4
(2) Financial condition	5
(3) Forecasts for the year ending December 31, 2022	6
2. Other information	6
(1) Changes in significant subsidiaries	6
(2) Changes in accounting policies	6
3. Condensed consolidated financial statements	7
(1) Condensed consolidated statement of financial position	7
(2) Condensed consolidated statement of profit or loss	9
(3) Condensed consolidated statement of comprehensive income	10
(4) Condensed consolidated statement of changes in equity	11
(5) Condensed consolidated statement of cash flows	12
(6) Notes to the going concern assumption	12
(7) Consolidated segment information	13
(8) Consolidated revenue by product group	14
(9) Anticipated consolidated revenue by reportable segment	15
4. Results of operations for the three months ended June 30, 2022	16
(1) Condensed consolidated statement of profit or loss	16
(2) Consolidated segment information	17
(3) Consolidated revenue by product group	18

1. Review of operations and financial condition

(1) Summary of the results of operations for the six-month period

For the six months ended June 30, 2022, revenue of Kubota Corporation and its subsidiaries (hereinafter, the “Company”) increased by ¥159.1 billion [14.4%] from the same period in the prior year to ¥1,260.5 billion.

Domestic revenue decreased by ¥3.5 billion [1.1%] from the same period in the prior year to ¥299.1 billion because of decreased revenue in Farm & Industrial Machinery, despite increased revenue in Water & Environment.

Overseas revenue increased by ¥162.5 billion [20.3%] from the same period in the prior year to ¥961.4 billion because of increased revenue in Farm & Industrial Machinery and Water & Environment.

Operating profit decreased by ¥26.5 billion [18.0%] from the same period in the prior year to ¥121.0 billion mainly due to some negative effects from a rise in material prices and logistics expenses, despite some positive effects from sales price increase and favorable impact of foreign exchange rates. Profit before income taxes decreased by ¥17.8 billion [11.9%] from the same period in the prior year to ¥131.6 billion due to decreased operating profit. Income tax expenses were ¥30.9 billion. Share of profits of investments accounted for using the equity method was ¥1.2 billion. Profit for the period decreased by ¥11.2 billion [9.9%] from the same period in the prior year to ¥102.0 billion. Profit attributable to owners of the parent decreased by ¥11.7 billion [11.4%] from the same period in the prior year to ¥91.2 billion.

Revenue from external customers and operating profit by each reportable segment were as follows:

1) Farm & Industrial Machinery

Farm & Industrial Machinery is composed of farm equipment, agricultural-related products, engines, and construction machinery.

Revenue in this segment increased by 16.5% from the same period in the prior year to ¥1,096.2 billion and accounted for 87.0% of consolidated revenue.

Domestic revenue decreased by 3.0% from the same period in the prior year to ¥155.6 billion. Sales of agricultural-related products decreased due to a decline in rice price and termination of subsidies for business continuation of farmers.

Overseas revenue increased by 20.5% from the same period in the prior year to ¥940.6 billion. In North America, shipment of tractors made progress to resolve back orders and replenish dealer inventories, and sales of construction machinery were solid due to demand for infrastructure construction. In Europe, sales mainly of construction machinery and engines increased due to the stable market. In Asia outside Japan, sales of farm equipment, mainly tractors, in Thailand increased due to progress in developing dryland farming, while sales of farm equipment for rice farming were slow due to stagnated rice price. In China, sales of construction machinery and rice transplanters decreased by missing sales opportunities due to lockdown. Sales in India increased due to consolidation of Escorts Limited (currently, Escorts Kubota Limited; hereinafter, “EKL”).

Operating profit in this segment decreased by 18.5% from the same period in the prior year to ¥117.3 billion due to some negative effects from a rise in material prices and logistics expenses, while there were some positive effects from sales price increase and favorable impact of foreign exchange rates.

2) Water & Environment

Water & Environment is composed of pipe system-related products (ductile iron pipes, plastic pipes, and other products), materials and urban infrastructure-related products (reformer and cracking tubes, spiral-welded steel pipes, air-conditioning equipment, and other products), and environment-related products (environmental control plants,

pumps, and other products).

Revenue in this segment increased by 4.2% from the same period in the prior year to ¥152.7 billion and accounted for 12.1% of consolidated revenue.

Domestic revenue increased by 2.6% from the same period in the prior year to ¥131.9 billion due to an increase in sales of plastic pipes for construction equipment.

Overseas revenue increased by 15.6% from the same period in the prior year to ¥20.8 billion due to increased sales of reformer and cracking tubes and pumps.

Operating profit in this segment decreased by 26.6% from the same period in the prior year to ¥9.7 billion due to a negative effect from a rise in material prices, despite a positive effect from sales price increase.

3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by 14.7% from the same period in the prior year to ¥11.6 billion and accounted for 0.9% of consolidated revenue.

Operating profit in this segment increased by 7.0% from the same period in the prior year to ¥1.7 billion.

(2) Financial condition

a) Assets, liabilities, and equity

Total assets as of June 30, 2022, were ¥4,554.0 billion, an increase of ¥780.5 billion from the prior fiscal year-end. With respect to assets, trade receivables increased due to increased revenue in North America and Thailand, and inventories increased mainly due to increased inventories in transit along with port congestion. In addition, goodwill and other items increased along with the consolidation of EKL.

With respect to liabilities, bonds and borrowings increased due to the acquisition of the shares of EKL and an increase in working capital. Equity increased due to the accumulation of retained earnings and an improvement in other components of equity along with fluctuations mainly in foreign exchange rates. The ratio of equity attributable to owners of the parent to total assets stood at 41.9%, 2.6 percentage points lower than the prior fiscal year-end.

b) Cash flows

Net cash used in operating activities during the six months ended June 30, 2022, was ¥22.0 billion, an increase of ¥72.8 billion in net cash outflow compared with the same period in the prior year. This increase was due to the changes in working capital, such as trade receivables and trade payables.

Net cash used in investing activities was ¥226.6 billion, an increase of ¥181.4 billion in net cash outflow compared with the same period in the prior year. This increase was mainly due to an increase in cash outflow related to acquisition of shares of EKL and payments for acquisition of property, plant, and equipment.

Net cash provided by financing activities was ¥189.8 billion, an increase of ¥187.5 billion in net cash inflow compared with the same period in the prior year, mainly due to an increase in funding.

As a result of the above and after taking into account the effects from exchange rate changes, cash and cash equivalents as of June 30, 2022, were ¥215.3 billion, a decrease of ¥43.3 billion from the beginning of the current period.

(3) Forecasts for the year ending December 31, 2022

The Company revised its forecasts for revenue for the year ending December 31, 2022 upward to ¥2,640.0 billion, an increase of ¥190.0 billion from the previous forecasts, which were announced on February 14, 2022. This revision was made because overseas revenue is expected to increase in consideration of the current trend of exchange rate fluctuations, consolidation of EKL, and an increase in sales of farm equipment in Thailand.

Operating profit was revised to ¥260.0 billion, an increase of ¥10.0 billion from the previous forecasts considering the revised revenue forecast and current trend of exchange rate fluctuations and inflation. Profit before income taxes was revised to ¥273.0 billion, an increase of ¥20.0 billion from the previous forecasts and profit attributable to owners of the parent was revised to ¥185.0 billion, an increase of ¥7.0 billion from the previous forecasts.

The infection of new variants of COVID-19 is spreading around the world. If the situation with COVID-19 gets worse, there is a possibility that the Company's results of operations will be affected. However, the impact is not included in these forecasts because it is difficult to make assumptions at this point.

These forecasts are based on the assumption of exchange rates of ¥127=US\$1 and ¥135=€1.

(Unit: millions of yen, except earnings per share)

	Year ending Dec. 31, 2022				(Reference) Year ended Dec. 31, 2021
	Revised forecasts	Previous forecasts	Change		
			Amount	%	
Revenue	2,640,000	2,450,000	190,000	7.8	2,196,766
Operating profit	260,000	250,000	10,000	4.0	246,207
Profit before income taxes	273,000	253,000	20,000	7.9	252,559
Profit attributable to owners of the parent	185,000	178,000	7,000	3.9	175,637
Earnings per share attributable to owners of the parent-Basic	154.69	148.34	-	-	145.52

2. Other information

(1) Changes in significant subsidiaries

None

(2) Changes in accounting policies

None

3. Condensed consolidated financial statements

(1) Condensed consolidated statement of financial position

ASSETS

(Unit: millions of yen)

	June 30, 2022		Dec. 31, 2021		Change
	Amount	%	Amount	%	Amount
Current assets:					
Cash and cash equivalents	¥ 215,333		¥ 258,639		¥ (43,306)
Trade receivables	690,479		574,349		116,130
Finance receivables	466,973		380,865		86,108
Other financial assets	80,182		50,875		29,307
Inventories	632,284		510,065		122,219
Income taxes receivable	6,144		8,430		(2,286)
Other current assets	84,471		83,822		649
Total current assets	2,175,866	47.8	1,867,045	49.5	308,821
Noncurrent assets:					
Investments accounted for using the equity method	45,698		43,768		1,930
Finance receivables	1,231,445		1,029,488		201,957
Other financial assets	165,559		154,781		10,778
Property, plant, and equipment	580,919		496,312		84,607
Goodwill	155,523		10,355		145,168
Intangible assets	101,357		85,529		15,828
Deferred tax assets	61,380		50,423		10,957
Other noncurrent assets	36,270		35,809		461
Total noncurrent assets	2,378,151	52.2	1,906,465	50.5	471,686
Total assets	¥ 4,554,017	100.0	¥ 3,773,510	100.0	¥ 780,507

LIABILITIES AND EQUITY

(Unit: millions of yen)

	June 30, 2022		Dec. 31, 2021		Change
	Amount	%	Amount	%	Amount
Current liabilities:					
Bonds and borrowings	¥ 635,565		¥ 504,335		¥ 131,230
Trade payables	393,348		392,331		1,017
Other financial liabilities	96,521		96,740		(219)
Income taxes payable	24,582		33,546		(8,964)
Provisions	61,723		52,208		9,515
Other current liabilities	277,079		234,579		42,500
Total current liabilities	1,488,818	32.7	1,313,739	34.8	175,079
Noncurrent liabilities:					
Bonds and borrowings	875,151		590,174		284,977
Other financial liabilities	29,178		33,375		(4,197)
Retirement benefit liabilities	15,778		14,899		879
Deferred tax liabilities	32,784		31,027		1,757
Other noncurrent liabilities	6,359		5,323		1,036
Total noncurrent liabilities	959,250	21.1	674,798	17.9	284,452
Total liabilities	2,448,068	53.8	1,988,537	52.7	459,531
Equity:					
Share capital	84,130		84,130		-
Share premium	83,244		84,886		(1,642)
Retained earnings	1,524,181		1,439,560		84,621
Other components of equity	232,938		69,515		163,423
Treasury shares	(14,909)		(134)		(14,775)
Total equity attributable to owners of the parent	1,909,584	41.9	1,677,957	44.5	231,627
Noncontrolling interests	196,365	4.3	107,016	2.8	89,349
Total equity	2,105,949	46.2	1,784,973	47.3	320,976
Total liabilities and equity	¥ 4,554,017	100.0	¥ 3,773,510	100.0	¥ 780,507

(2) Condensed consolidated statement of profit or loss

(Unit: millions of yen, except earnings per share)

	Six months ended June 30, 2022		Six months ended June 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 1,260,480	100.0	¥ 1,101,405	100.0	¥ 159,075	14.4
Cost of sales	(936,080)		(777,257)		(158,823)	
Selling, general, and administrative expenses	(222,760)		(181,523)		(41,237)	
Other income	20,804		7,080		13,724	
Other expenses	(1,441)		(2,157)		716	
Operating profit	121,003	9.6	147,548	13.4	(26,545)	(18.0)
Finance income	11,553		2,611		8,942	
Finance costs	(969)		(750)		(219)	
Profit before income taxes	131,587	10.4	149,409	13.6	(17,822)	(11.9)
Income tax expenses	(30,852)		(37,808)		6,956	
Share of profits of investments accounted for using the equity method	1,235		1,539		(304)	
Profit for the period	¥ 101,970	8.1	¥ 113,140	10.3	¥ (11,170)	(9.9)

Profit attributable to:						
Owners of the parent	¥ 91,246	7.2	¥ 102,950	9.3	¥ (11,704)	(11.4)
Noncontrolling interests	10,724	0.9	10,190	1.0	534	5.2

Earnings per share attributable to owners of the parent:			
Basic	¥ 76.13	¥ 85.22	
Diluted	-	-	

(3) Condensed consolidated statement of comprehensive income

(Unit: millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2021	Change
Profit for the period	¥ 101,970	¥ 113,140	¥ (11,170)
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	554	(249)	803
Net change in fair value of financial assets measured at fair value through other comprehensive income	5,402	1,913	3,489
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	191,205	52,984	138,221
Total other comprehensive income, net of income tax	197,161	54,648	142,513
Comprehensive income for the period	¥ 299,131	¥ 167,788	¥ 131,343

Comprehensive income attributable to:			
Owners of the parent	¥ 273,264	¥ 157,131	¥ 116,133
Noncontrolling interests	25,867	10,657	15,210

(4) Condensed consolidated statement of changes in equity

Six months ended June 30, 2022

(Unit: millions of yen)

	Equity attributable to owners of the parent						Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent		
Balance as of Jan. 1, 2022	¥ 84,130	¥ 84,886	¥ 1,439,560	¥ 69,515	¥ (134)	¥ 1,677,957	¥ 107,016	¥ 1,784,973
Profit for the period			91,246			91,246	10,724	101,970
Total other comprehensive income, net of income tax				182,018		182,018	15,143	197,161
Comprehensive income for the period			91,246	182,018		273,264	25,867	299,131
Transfer to retained earnings			18,580	(18,580)		-		-
Dividends paid			(25,205)			(25,205)	(5,762)	(30,967)
Purchases and sales of treasury shares					(14,775)	(14,775)		(14,775)
Share-based payment transactions		447				447		447
Increase by business combination						-	70,024	70,024
Changes in ownership interests in subsidiaries		(2,089)		(15)		(2,104)	(780)	(2,884)
Balance as of June 30, 2022	¥ 84,130	¥ 83,244	¥ 1,524,181	¥ 232,938	¥ (14,909)	¥ 1,909,584	¥ 196,365	¥ 2,105,949

Six months ended June 30, 2021

(Unit: millions of yen)

	Equity attributable to owners of the parent						Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent		
Balance as of Jan. 1, 2021	¥ 84,130	¥ 84,943	¥ 1,325,764	¥ (18,162)	¥ (636)	¥ 1,476,039	¥ 98,146	¥ 1,574,185
Profit for the period			102,950			102,950	10,190	113,140
Total other comprehensive income, net of income tax				54,181		54,181	467	54,648
Comprehensive income for the period			102,950	54,181		157,131	10,657	167,788
Transfer to retained earnings			2,385	(2,385)		-		-
Dividends paid			(22,957)			(22,957)	(6,774)	(29,731)
Purchases and sales of treasury shares					(1)	(1)		(1)
Restricted share awards		(43)			184	141		141
Changes in ownership interests in subsidiaries		(60)		(2)		(62)	64	2
Balance as of June 30, 2021	¥ 84,130	¥ 84,840	¥ 1,408,142	¥ 33,632	¥ (453)	¥ 1,610,291	¥ 102,093	¥ 1,712,384

(5) Condensed consolidated statement of cash flows

(Unit: millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2021	Change
Cash flows from operating activities:			
Profit for the period	¥ 101,970	¥ 113,140	
Depreciation and amortization	39,906	35,156	
Finance income and costs	(8,951)	(1,762)	
Income tax expenses	30,852	37,808	
(Increase) decrease in trade receivables	(76,894)	9,790	
Increase in finance receivables	(37,916)	(99,287)	
Increase in inventories	(36,045)	(37,529)	
Decrease in other assets	15,830	12,198	
Decrease in trade payables	(35,579)	(928)	
Increase in other liabilities	28,334	4,287	
Other, net	(2,598)	(3,067)	
Interest received	1,809	1,087	
Dividends received	1,074	1,133	
Interest paid	(844)	(1,242)	
Income taxes paid, net	(42,971)	(19,987)	
Net cash (used in) provided by operating activities	(22,023)	50,797	¥ (72,820)
Cash flows from investing activities:			
Payments for acquisition of property, plant, and equipment and intangible assets	(80,645)	(56,973)	
Payments for acquisition of subsidiaries	(118,249)	-	
Purchase of investments accounted for using the equity method	(28,856)	-	
Net decrease in short-term loans receivable from associate	450	1,431	
Net increase in time deposits	(6,172)	(5,379)	
Net decrease in restricted cash	1,017	9,900	
Net increase in short-term investments	(1,679)	-	
Other, net	7,504	5,744	
Net cash used in investing activities	(226,630)	(45,277)	(181,353)
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	410,054	150,882	
Redemptions of bonds and repayments of long-term borrowings	(191,717)	(122,997)	
Net increase in short-term borrowings	24,563	8,763	
Repayments of lease liabilities	(9,281)	(9,409)	
Dividends paid	(25,205)	(22,957)	
Purchases of treasury shares	(14,775)	(2)	
Other, net	(3,885)	(2,017)	
Net cash provided by financing activities	189,754	2,263	187,491
Effect of exchange rate changes on cash and cash equivalents	15,593	6,837	8,756
Net (decrease) increase in cash and cash equivalents	(43,306)	14,620	
Cash and cash equivalents, at the beginning of the period	258,639	222,919	
Cash and cash equivalents, at the end of the period	¥ 215,333	¥ 237,539	¥ (22,206)

(6) Notes to the going concern assumption

None

(7) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Six months ended June 30, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 1,096,184	¥ 152,713	¥ 11,583	¥ -	¥ 1,260,480
	Intersegment	84	48	16,340	(16,472)	-
	Total	1,096,268	152,761	27,923	(16,472)	1,260,480
Operating profit		¥ 117,303	¥ 9,688	¥ 1,739	¥ (7,727)	¥ 121,003

(Unit: millions of yen)

Six months ended June 30, 2021		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 941,275	¥ 146,551	¥ 13,579	¥ -	¥ 1,101,405
	Intersegment	92	724	14,569	(15,385)	-
	Total	941,367	147,275	28,148	(15,385)	1,101,405
Operating profit		¥ 143,935	¥ 13,190	¥ 1,625	¥ (11,202)	¥ 147,548

Notes:

- Adjustments include the items, such as the elimination of intersegment transfers and corporate expenses which are not allocated to any particular reportable segment. The corporate expenses included in Adjustments consist mainly of expenses of the administration department, basic research expenses, and foreign exchange gains or losses incurred in Kubota Corporation.
- The aggregated amounts of operating profit are equal to those presented in the condensed consolidated statement of profit or loss. Please refer to the condensed consolidated statement of profit or loss for the reconciliation of operating profit to profit before income taxes.
- Intersegment transfers are recorded at values that approximate market prices.

b) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2021
Japan	¥ 299,095	¥ 302,545
North America	480,973	394,654
Europe	163,316	147,374
Asia outside Japan	269,507	216,827
Other areas	47,589	40,005
Total	¥ 1,260,480	¥ 1,101,405

Notes:

- Revenue from North America included that from the United States of ¥418,254 million and ¥343,158 million for the six months ended June 30, 2022 and 2021, respectively.
- There was no single customer from whom revenue exceeded 10% of total consolidated revenue of the Company.

(8) Consolidated revenue by product group

(Unit: millions of yen)

	Six months ended June 30, 2022		Six months ended June 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 875,245	69.5	¥ 749,300	68.1	¥ 125,945	16.8
Domestic	138,524		143,964		(5,440)	(3.8)
Overseas	736,721		605,336		131,385	21.7
Construction Machinery	220,939	17.5	191,975	17.4	28,964	15.1
Domestic	17,070		16,442		628	3.8
Overseas	203,869		175,533		28,336	16.1
Farm & Industrial Machinery	1,096,184	87.0	941,275	85.5	154,909	16.5
Domestic	155,594	12.3	160,406	14.6	(4,812)	(3.0)
Overseas	940,590	74.7	780,869	70.9	159,721	20.5
Pipe system-related products	56,291	4.5	54,389	4.9	1,902	3.5
Domestic	54,796		52,086		2,710	5.2
Overseas	1,495		2,303		(808)	(35.1)
Materials and urban infrastructure-related products	30,674	2.4	28,000	2.6	2,674	9.6
Domestic	18,444		17,066		1,378	8.1
Overseas	12,230		10,934		1,296	11.9
Environment-related products	65,748	5.2	64,162	5.8	1,586	2.5
Domestic	58,699		59,431		(732)	(1.2)
Overseas	7,049		4,731		2,318	49.0
Water & Environment	152,713	12.1	146,551	13.3	6,162	4.2
Domestic	131,939	10.5	128,583	11.7	3,356	2.6
Overseas	20,774	1.6	17,968	1.6	2,806	15.6
Other	11,583	0.9	13,579	1.2	(1,996)	(14.7)
Domestic	11,562	0.9	13,556	1.2	(1,994)	(14.7)
Overseas	21	0.0	23	0.0	(2)	(8.7)
Total	¥ 1,260,480	100.0	¥ 1,101,405	100.0	¥ 159,075	14.4
Domestic	299,095	23.7	302,545	27.5	(3,450)	(1.1)
Overseas	961,385	76.3	798,860	72.5	162,525	20.3

Note:

Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts formerly reported in "Pipe and infrastructure-related products" are now classified as "Pipe system-related products" and "Materials and urban infrastructure-related products". The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.

(9) Anticipated consolidated revenue by reportable segment

(Unit: billions of yen)

	Year ending Dec. 31, 2022		Year ended Dec. 31, 2021		Change	
	Amount	%	Amount	%	Amount	%
Domestic	¥ 312.0		¥ 310.5		¥ 1.5	0.5
Overseas	1,968.0		1,554.3		413.7	26.6
Farm & Industrial Machinery	2,280.0	86.4	1,864.8	84.9	415.2	22.3
Domestic	289.0		265.7		23.3	8.8
Overseas	46.0		39.7		6.3	16.0
Water & Environment	335.0	12.7	305.4	13.9	29.6	9.7
Domestic	25.0		26.6		(1.6)	(5.8)
Overseas	0.0		0.0		—	—
Other	25.0	0.9	26.6	1.2	(1.6)	(6.0)
Total	¥ 2,640.0	100.0	¥ 2,196.8	100.0	¥ 443.2	20.2

Domestic	¥ 626.0	23.7	¥ 602.8	27.4	¥ 23.2	3.9
Overseas	2,014.0	76.3	1,594.0	72.6	420.0	26.4

4. Results of operations for the three months ended June 30, 2022

(1) Condensed consolidated statement of profit or loss

(Unit: millions of yen, except earnings per share)

	Three months ended June 30, 2022		Three months ended June 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 667,257	100.0	¥ 563,719	100.0	¥ 103,538	18.4
Cost of sales	(503,754)		(398,995)		(104,759)	
Selling, general, and administrative expenses	(120,281)		(94,682)		(25,599)	
Other income	12,125		1,270		10,855	
Other expenses	(716)		(1,487)		771	
Operating profit	54,631	8.2	69,825	12.4	(15,194)	(21.8)
Finance income	4,233		1,703		2,530	
Finance costs	(843)		(437)		(406)	
Profit before income taxes	58,021	8.7	71,091	12.6	(13,070)	(18.4)
Income tax expenses	(11,213)		(16,427)		5,214	
Share of profits of investments accounted for using the equity method	714		1,009		(295)	
Profit for the period	¥ 47,522	7.1	¥ 55,673	9.9	¥ (8,151)	(14.6)

Profit attributable to:						
Owners of the parent	¥ 41,650	6.2	¥ 50,909	9.0	¥ (9,259)	(18.2)
Noncontrolling interests	5,872	0.9	4,764	0.9	1,108	23.3

Earnings per share attributable to owners of the parent:			
Basic	¥ 34.79	¥ 42.14	
Diluted	-	-	

(2) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Three months ended June 30, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 596,450	¥ 65,205	¥ 5,602	¥ -	¥ 667,257
	Intersegment	48	4	8,259	(8,311)	-
	Total	596,498	65,209	13,861	(8,311)	667,257
Operating profit		¥ 58,123	¥ 151	¥ 549	¥ (4,192)	¥ 54,631

(Unit: millions of yen)

Three months ended June 30, 2021		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 496,822	¥ 60,850	¥ 6,047	¥ -	¥ 563,719
	Intersegment	27	221	7,433	(7,681)	-
	Total	496,849	61,071	13,480	(7,681)	563,719
Operating profit		¥ 75,850	¥ 693	¥ 615	¥ (7,333)	¥ 69,825

Notes:

- Adjustments include the items, such as the elimination of intersegment transfers and corporate expenses, which are not allocated to any particular reportable segment. The corporate expenses included in Adjustments consist mainly of expenses of the administration department, basic research expenses, and foreign exchange gains or losses incurred in Kubota Corporation.
- The aggregated amounts of operating profit are equal to those presented in the condensed consolidated statement of profit or loss. Please refer to the condensed consolidated statement of profit or loss for the reconciliation of operating profit to profit before income taxes.
- Intersegment transfers are recorded at values that approximate market prices.

b) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2021
Japan	¥ 142,203	¥ 142,506
North America	263,942	214,416
Europe	86,141	77,545
Asia outside Japan	149,550	110,655
Other areas	25,421	18,597
Total	¥ 667,257	¥ 563,719

Notes:

- Revenue from North America included that from the United States of ¥226,921 million and ¥186,109 million for the three months ended June 30, 2022 and 2021, respectively.
- There was no single customer from whom revenue exceeded 10% or more of total consolidated revenue of the Company.

(3) Consolidated revenue by product group

(Unit: millions of yen)

	Three months ended June 30, 2022		Three months ended June 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 477,875	71.6	¥ 391,740	69.5	¥ 86,135	22.0
Domestic	74,891		76,321		(1,430)	(1.9)
Overseas	402,984		315,419		87,565	27.8
Construction Machinery	118,575	17.8	105,082	18.6	13,493	12.8
Domestic	7,960		7,980		(20)	(0.3)
Overseas	110,615		97,102		13,513	13.9
Farm & Industrial Machinery	596,450	89.4	496,822	88.1	99,628	20.1
Domestic	82,851	12.4	84,301	14.9	(1,450)	(1.7)
Overseas	513,599	77.0	412,521	73.2	101,078	24.5
Pipe system-related products	27,141	4.1	25,666	4.5	1,475	5.7
Domestic	26,361		24,761		1,600	6.5
Overseas	780		905		(125)	(13.8)
Materials and urban infrastructure-related products	16,378	2.5	13,361	2.4	3,017	22.6
Domestic	9,548		8,422		1,126	13.4
Overseas	6,830		4,939		1,891	38.3
Environment-related products	21,686	3.2	21,823	3.9	(137)	(0.6)
Domestic	17,849		18,988		(1,139)	(6.0)
Overseas	3,837		2,835		1,002	35.3
Water & Environment	65,205	9.8	60,850	10.8	4,355	7.2
Domestic	53,758	8.1	52,171	9.3	1,587	3.0
Overseas	11,447	1.7	8,679	1.5	2,768	31.9
Other	5,602	0.8	6,047	1.1	(445)	(7.4)
Domestic	5,594	0.8	6,034	1.1	(440)	(7.3)
Overseas	8	0.0	13	0.0	(5)	(38.5)
Total	¥ 667,257	100.0	¥ 563,719	100.0	¥ 103,538	18.4
Domestic	142,203	21.3	142,506	25.3	(303)	(0.2)
Overseas	525,054	78.7	421,213	74.7	103,841	24.7

Note:

Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts formerly reported in "Pipe and infrastructure-related products" are now classified as "Pipe system-related products" and "Materials and urban infrastructure-related products". The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.