

KUBOTA Corporation

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RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 [IFRS]

Kubota Corporation hereby reports its consolidated results for the nine months ended September 30, 2022.

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

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

	Nine months ended Sept. 30, 2022	Change [%]	Nine months ended Sept. 30, 2021	Change [%]
Revenue	¥ 1,954,180	19.0	¥ 1,641,640	21.0
Operating profit	¥ 183,432	(13.3)	¥ 211,503	62.8
Profit before income taxes	¥ 195,958	(8.3)	¥ 213,788	54.1
Profit for the period	¥ 148,935	(7.4)	¥ 160,917	51.7
Profit attributable to owners of the parent	¥ 133,334	(9.1)	¥ 146,628	52.0
Comprehensive income for the period	¥ 402,129	86.9	¥ 215,190	261.9
Earnings per share attributable to owners of the parent:				
Basic	¥ 111.54		¥ 121.38	
Diluted	-		-	

(2) Financial condition

(Unit: millions of yen)

	Sept. 30, 2022	Dec. 31, 2021
Total assets	¥ 4,779,922	¥ 3,773,510
Total equity	¥ 2,170,461	¥ 1,784,973
Equity attributable to owners of the parent	¥ 1,964,297	¥ 1,677,957
Ratio of equity attributable to owners of the parent to total assets	41.1%	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	¥ 22.00 (forecast)	¥ 44.00 (forecast)
Year ended Dec. 31, 2021	¥ 21.00	¥ 21.00	¥ 42.00

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	¥ 2,600,000	18.4
Operating profit	¥ 240,000	(2.5)
Profit before income taxes	¥ 254,000	0.6
Profit attributable to owners of the parent	¥ 173,000	(1.5)
Earnings per share attributable to owners of the parent - Basic	¥ 144.91	

Notes:

1. Change [%] represents the percentage change from 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 nine months ended September 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 September 30, 2022 : 1,191,006,846
Number of common shares issued including treasury shares as of December 31, 2021 : 1,200,246,846
- b) Number of treasury shares as of September 30, 2022 : 1,837,923
Number of treasury shares as of December 31, 2021 : 339,469
- c) Weighted-average number of common shares outstanding during the nine months ended September 30, 2022 : 1,195,416,560
Weighted-average number of common shares outstanding during the nine months ended September 30, 2021 : 1,207,963,253

(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 (conference call) for institutional investors and securities analysts on November 9, 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 nine-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 September 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 nine-month period

For the nine months ended September 30, 2022, revenue of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased by ¥312.5 billion [19.0%] from the same period in the prior year to ¥1,954.2 billion.

Domestic revenue decreased by ¥4.4 billion [1.0%] from the same period in the prior year to ¥441.6 billion because of decreased revenue in Farm & Industrial Machinery, despite increased revenue in Water & Environment.

Overseas revenue increased by ¥317.0 billion [26.5%] from the same period in the prior year to ¥1,512.6 billion because of increased revenue in Farm & Industrial Machinery and Water & Environment.

Operating profit decreased by ¥28.1 billion [13.3%] from the same period in the prior year to ¥183.4 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 [8.3%] from the same period in the prior year to ¥196.0 billion due to decreased operating profit. Income tax expenses were ¥48.6 billion. Share of profits of investments accounted for using the equity method was ¥1.5 billion. Profit for the period decreased by ¥12.0 billion [7.4%] from the same period in the prior year to ¥148.9 billion. Profit attributable to owners of the parent decreased by ¥13.3 billion [9.1%] from the same period in the prior year to ¥133.3 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 21.3% from the same period in the prior year to ¥1,708.0 billion and accounted for 87.4% of consolidated revenue.

Domestic revenue decreased by 3.9% from the same period in the prior year to ¥229.6 billion. Sales of agricultural-related products decreased due to stagnated rice price and termination of subsidies for business continuation of farmers.

Overseas revenue increased by 26.5% from the same period in the prior year to ¥1,478.4 billion. In North America, shipment of tractors made progress to replenish dealer inventories although the market trend is shrinking. In addition, sales of construction machinery increased due to demand for infrastructure construction. In Europe, sales mainly of construction machinery and engines were solid. In Asia outside Japan, development of dryland farming in Thailand has made progress despite decreased sales of farm equipment for rice farming due to adverse reaction from the government project in the prior year. In China, sales of tractors increased thanks to rush demand before the emission regulation, but this could not cover the decreased sales caused by the lockdown in the 1st half of this fiscal year. Sales in India increased due to consolidation of Escorts Limited (currently, Escorts Kubota Limited; hereinafter, "EKL").

Operating profit in this segment decreased by 13.3% from the same period in the prior year to ¥186.3 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 7.1% from the same period in the prior year to ¥228.8 billion and accounted for 11.7% of consolidated revenue.

Domestic revenue increased by 4.0% from the same period in the prior year to ¥194.7 billion. Sales of pipe system-related products increased due to a positive effect from sales price increase. Sales of environment-related products decreased due to adverse reaction from the special demand for drainage pump vehicles in the prior year.

Overseas revenue increased by 29.2% from the same period in the prior year to ¥34.1 billion due to strong sales of materials such as reformer and cracking tubes.

Operating profit in this segment decreased by 36.8% from the same period in the prior year to ¥10.7 billion due to 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 13.7% from the same period in the prior year to ¥17.3 billion and accounted for 0.9% of consolidated revenue.

Operating profit in this segment increased by 22.3% from the same period in the prior year to ¥2.9 billion.

(2) Financial condition

a) Assets, liabilities, and equity

Total assets as of September 30, 2022, were ¥4,779.9 billion, an increase of ¥1,006.4 billion from the prior fiscal year-end. With respect to assets, trade receivables increased due to increased revenue in North America, and inventories increased mainly due to production recovery. In addition, goodwill and other items increased along with the consolidation of EKL.

With respect to liabilities, bonds and borrowings increased due to an increase in working capital and the acquisition of the shares of EKL. 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 41.1%, 3.4 percentage points lower than the prior fiscal year-end.

b) Cash flows

Net cash used in operating activities during the nine months ended September 30, 2022, was ¥70.6 billion, an increase of ¥118.5 billion in net cash outflow compared with the same period in the prior year. This increase was due to an increase in trade receivables and a decrease in trade payables, in addition to a decrease in profit for the period.

Net cash used in investing activities was ¥268.1 billion, an increase of ¥180.1 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 payments for acquisition of subsidiaries and payments for acquisition of property, plant, and equipment.

Net cash provided by financing activities was ¥233.2 billion, an increase of ¥242.0 billion in net cash inflow compared with the same period in the prior year, 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 September 30, 2022, were ¥170.8 billion, a decrease of ¥87.8 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 downward to ¥2,600.0 billion, a decrease of ¥40.0 billion from the previous forecasts, which were announced on August 3, 2022. This revision was made considering the expectation of a decrease in sales volume due to floods in Thailand and shipment delay resulting from attachment shortage in North America.

Operating profit was revised to ¥240.0 billion, a decrease of ¥20.0 billion from the previous forecasts considering the decrease in sales volume. Profit before income taxes was revised to ¥254.0 billion, a decrease of ¥19.0 billion from the previous forecasts. Profit attributable to owners of the parent was revised to ¥173.0 billion, a decrease of ¥12.0 billion from the previous forecasts.

These forecasts are based on the assumption of exchange rates of ¥132=US\$1 and ¥137=€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	2,600,000	2,640,000	(40,000)	(1.5)	2,196,766
Operating profit	240,000	260,000	(20,000)	(7.7)	246,207
Profit before income taxes	254,000	273,000	(19,000)	(7.0)	252,559
Profit attributable to owners of the parent	173,000	185,000	(12,000)	(6.5)	175,637
Earnings per share attributable to owners of the parent-Basic	144.91	154.69	-	-	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)

	Sept. 30, 2022		Dec. 31, 2021		Change
	Amount	%	Amount	%	Amount
Current assets:					
Cash and cash equivalents	¥ 170,793		¥ 258,639		¥ (87,846)
Trade receivables	762,304		574,349		187,955
Finance receivables	504,407		380,865		123,542
Other financial assets	61,525		50,875		10,650
Inventories	668,767		510,065		158,702
Income taxes receivable	5,143		8,430		(3,287)
Other current assets	99,977		83,822		16,155
Total current assets	2,272,916	47.6	1,867,045	49.5	405,871
Noncurrent assets:					
Investments accounted for using the equity method	45,105		43,768		1,337
Finance receivables	1,285,434		1,029,488		255,946
Other financial assets	169,109		154,781		14,328
Property, plant, and equipment	616,471		496,312		120,159
Goodwill	181,472		10,355		171,117
Intangible assets	108,591		85,529		23,062
Deferred tax assets	65,075		50,423		14,652
Other noncurrent assets	35,749		35,809		(60)
Total noncurrent assets	2,507,006	52.4	1,906,465	50.5	600,541
Total assets	¥ 4,779,922	100.0	¥ 3,773,510	100.0	¥ 1,006,412

LIABILITIES AND EQUITY

(Unit: millions of yen)

	Sept. 30, 2022		Dec. 31, 2021		Change
	Amount	%	Amount	%	Amount
Current liabilities:					
Bonds and borrowings	¥ 693,634		¥ 504,335		¥ 189,299
Trade payables	386,439		392,331		(5,892)
Other financial liabilities	98,064		96,740		1,324
Income taxes payable	16,880		33,546		(16,666)
Provisions	63,689		52,208		11,481
Other current liabilities	310,813		234,579		76,234
Total current liabilities	1,569,519	32.8	1,313,739	34.8	255,780
Noncurrent liabilities:					
Bonds and borrowings	957,393		590,174		367,219
Other financial liabilities	30,794		33,375		(2,581)
Retirement benefit liabilities	16,061		14,899		1,162
Deferred tax liabilities	29,513		31,027		(1,514)
Other noncurrent liabilities	6,181		5,323		858
Total noncurrent liabilities	1,039,942	21.8	674,798	17.9	365,144
Total liabilities	2,609,461	54.6	1,988,537	52.7	620,924
Equity:					
Share capital	84,130		84,130		—
Share premium	82,333		84,886		(2,553)
Retained earnings	1,520,010		1,439,560		80,450
Other components of equity	281,386		69,515		211,871
Treasury shares	(3,562)		(134)		(3,428)
Total equity attributable to owners of the parent	1,964,297	41.1	1,677,957	44.5	286,340
Noncontrolling interests	206,164	4.3	107,016	2.8	99,148
Total equity	2,170,461	45.4	1,784,973	47.3	385,488
Total liabilities and equity	¥ 4,779,922	100.0	¥ 3,773,510	100.0	¥ 1,006,412

(2) Condensed consolidated statement of profit or loss

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

	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 1,954,180	100.0	¥ 1,641,640	100.0	¥ 312,540	19.0
Cost of sales	(1,449,131)		(1,157,642)		(291,489)	
Selling, general, and administrative expenses	(341,487)		(275,820)		(65,667)	
Other income	23,687		7,129		16,558	
Other expenses	(3,817)		(3,804)		(13)	
Operating profit	183,432	9.4	211,503	12.9	(28,071)	(13.3)
Finance income	14,003		3,279		10,724	
Finance costs	(1,477)		(994)		(483)	
Profit before income taxes	195,958	10.0	213,788	13.0	(17,830)	(8.3)
Income tax expenses	(48,553)		(55,373)		6,820	
Share of profits of investments accounted for using the equity method	1,530		2,502		(972)	
Profit for the period	¥ 148,935	7.6	¥ 160,917	9.8	¥ (11,982)	(7.4)

Profit attributable to:						
Owners of the parent	¥ 133,334	6.8	¥ 146,628	8.9	¥ (13,294)	(9.1)
Noncontrolling interests	15,601	0.8	14,289	0.9	1,312	9.2

Earnings per share attributable to owners of the parent:				
Basic	¥ 111.54		¥ 121.38	
Diluted	—		—	

(3) Condensed consolidated statement of comprehensive income

(Unit: millions of yen)

	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021	Change
Profit for the period	¥ 148,935	¥ 160,917	¥ (11,982)
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	529	(214)	743
Net change in fair value of financial assets measured at fair value through other comprehensive income	3,695	7,155	(3,460)
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	248,970	47,332	201,638
Total other comprehensive income, net of income tax	253,194	54,273	198,921
Comprehensive income for the period	¥ 402,129	¥ 215,190	¥ 186,939

Comprehensive income attributable to:			
Owners of the parent	¥ 363,630	¥ 203,760	¥ 159,870
Noncontrolling interests	38,499	11,430	27,069

(4) Condensed consolidated statement of changes in equity

Nine months ended September 30, 2022

(Unit: millions of yen)

	Equity attributable to owners of the parent					Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares			
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			133,334			133,334	15,601	148,935
Total other comprehensive income, net of income tax				230,296		230,296	22,898	253,194
Comprehensive income for the period			133,334	230,296		363,630	38,499	402,129
Transfer to retained earnings			18,571	(18,571)		—		—
Dividends paid			(51,466)			(51,466)	(6,586)	(58,052)
Purchases and sales of treasury shares					(23,417)	(23,417)		(23,417)
Retirement of treasury shares			(19,989)		19,989	—		—
Share-based payment transactions		499				499		499
Increase by business combination						—	70,024	70,024
Changes in ownership interests in subsidiaries		(3,052)		146		(2,906)	(2,789)	(5,695)
Balance as of Sept. 30, 2022	¥ 84,130	¥ 82,333	¥ 1,520,010	¥ 281,386	¥ (3,562)	¥ 1,964,297	¥ 206,164	¥ 2,170,461

Nine months ended September 30, 2021

(Unit: millions of yen)

	Equity attributable to owners of the parent					Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares			
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			146,628			146,628	14,289	160,917
Total other comprehensive income, net of income tax				57,132		57,132	(2,859)	54,273
Comprehensive income for the period			146,628	57,132		203,760	11,430	215,190
Transfer to retained earnings			2,241	(2,241)		—		—
Dividends paid			(48,333)			(48,333)	(6,697)	(55,030)
Purchases and sales of treasury shares					(2)	(2)		(2)
Share-based payments with transfer restrictions		27				211		211
Changes in ownership interests in subsidiaries		(60)		(2)		(62)	64	2
Balance as of Sept. 30, 2021	¥ 84,130	¥ 84,910	¥ 1,426,300	¥ 36,727	¥ (454)	¥ 1,631,613	¥ 102,943	¥ 1,734,556

(5) Condensed consolidated statement of cash flows

(Unit: millions of yen)

	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021	Change
Cash flows from operating activities:			
Profit for the period	¥ 148,935	¥ 160,917	
Depreciation and amortization	60,915	53,034	
Finance income and costs	(10,104)	(2,143)	
Income tax expenses	48,553	55,373	
(Increase) decrease in trade receivables	(142,510)	28,266	
Increase in finance receivables	(60,227)	(150,198)	
Increase in inventories	(52,711)	(73,861)	
Decrease (increase) in other assets	1,252	(836)	
(Decrease) increase in trade payables	(47,077)	682	
Increase in other liabilities	55,566	16,887	
Other, net	(3,732)	1,866	
Interest received	3,310	1,292	
Dividends received	1,341	1,256	
Interest paid	(1,747)	(1,371)	
Income taxes paid, net	(72,396)	(43,304)	
Net cash (used in) provided by operating activities	(70,632)	47,860	¥ (118,492)
Cash flows from investing activities:			
Payments for acquisition of property, plant, and equipment and intangible assets	(128,892)	(85,545)	
Payments for acquisition of subsidiaries	(135,039)	—	
Purchase of investments accounted for using the equity method	(28,856)	—	
Net (increase) decrease in short-term loans receivable from associate	(650)	50	
Net decrease (increase) in time deposits	4,817	(15,280)	
Net decrease in restricted cash	618	9,614	
Net decrease (increase) in short-term investments	10,500	(689)	
Other, net	9,381	3,810	
Net cash used in investing activities	(268,121)	(88,040)	(180,081)
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	560,144	263,350	
Redemptions of bonds and repayments of long-term borrowings	(284,685)	(176,091)	
Net increase (decrease) in short-term borrowings	53,009	(31,314)	
Repayments of lease liabilities	(14,238)	(14,636)	
Dividends paid	(51,466)	(48,333)	
Purchases of treasury shares	(23,417)	(2)	
Other, net	(6,197)	(1,852)	
Net cash provided by (used in) financing activities	233,150	(8,878)	242,028
Effect of exchange rate changes on cash and cash equivalents	17,757	5,424	12,333
Net decrease in cash and cash equivalents	(87,846)	(43,634)	
Cash and cash equivalents, at the beginning of the period	258,639	222,919	
Cash and cash equivalents, at the end of the period	¥ 170,793	¥ 179,285	¥ (8,492)

(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)

Nine months ended Sept. 30, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 1,708,044	¥ 228,808	¥ 17,328	¥ —	¥ 1,954,180
	Intersegment	140	63	25,277	(25,480)	—
	Total	1,708,184	228,871	42,605	(25,480)	1,954,180
Operating profit		¥ 186,254	¥ 10,674	¥ 2,861	¥ (16,357)	¥ 183,432

(Unit: millions of yen)

Nine months ended Sept. 30, 2021		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 1,407,996	¥ 213,568	¥ 20,076	¥ —	¥ 1,641,640
	Intersegment	160	1,032	22,491	(23,683)	—
	Total	1,408,156	214,600	42,567	(23,683)	1,641,640
Operating profit		¥ 214,902	¥ 16,892	¥ 2,339	¥ (22,630)	¥ 211,503

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)

	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021
Japan	¥ 441,622	¥ 446,054
North America	796,121	603,938
Europe	242,657	216,444
Asia outside Japan	398,654	315,226
Other areas	75,126	59,978
Total	¥ 1,954,180	¥ 1,641,640

Notes:

- Revenue from North America included that from the United States of ¥704,030 million and ¥527,170 million for the nine months ended September 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)

	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 1,340,395	68.6	¥ 1,116,628	68.0	¥ 223,767	20.0
Domestic	203,224		212,200		(8,976)	(4.2)
Overseas	1,137,171		904,428		232,743	25.7
Construction Machinery	367,649	18.8	291,368	17.8	76,281	26.2
Domestic	26,402		26,640		(238)	(0.9)
Overseas	341,247		264,728		76,519	28.9
Farm & Industrial Machinery	1,708,044	87.4	1,407,996	85.8	300,048	21.3
Domestic	229,626	11.7	238,840	14.6	(9,214)	(3.9)
Overseas	1,478,418	75.7	1,169,156	71.2	309,262	26.5
Pipe system-related products	90,223	4.6	85,267	5.2	4,956	5.8
Domestic	87,938		81,656		6,282	7.7
Overseas	2,285		3,611		(1,326)	(36.7)
Materials and urban infrastructure-related products	49,295	2.5	40,692	2.5	8,603	21.1
Domestic	28,248		24,942		3,306	13.3
Overseas	21,047		15,750		5,297	33.6
Environment-related products	89,290	4.6	87,609	5.3	1,681	1.9
Domestic	78,503		80,569		(2,066)	(2.6)
Overseas	10,787		7,040		3,747	53.2
Water & Environment	228,808	11.7	213,568	13.0	15,240	7.1
Domestic	194,689	10.0	187,167	11.4	7,522	4.0
Overseas	34,119	1.7	26,401	1.6	7,718	29.2
Other	17,328	0.9	20,076	1.2	(2,748)	(13.7)
Domestic	17,307	0.9	20,047	1.2	(2,740)	(13.7)
Overseas	21	0.0	29	0.0	(8)	(27.6)
Total	¥ 1,954,180	100.0	¥ 1,641,640	100.0	¥ 312,540	19.0
Domestic	441,622	22.6	446,054	27.2	(4,432)	(1.0)
Overseas	1,512,558	77.4	1,195,586	72.8	316,972	26.5

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	¥ 300.0		¥ 310.5		¥ (10.5)	(3.4)
Overseas	1,946.0		1,554.3		391.7	25.2
Farm & Industrial Machinery	2,246.0	86.4	1,864.8	84.9	381.2	20.4
Domestic	280.0		265.7		14.3	5.4
Overseas	50.0		39.7		10.3	26.1
Water & Environment	330.0	12.7	305.4	13.9	24.6	8.1
Domestic	24.0		26.6		(2.6)	(9.6)
Overseas	0.0		0.0		—	—
Other	24.0	0.9	26.6	1.2	(2.6)	(9.7)
Total	¥ 2,600.0	100.0	¥ 2,196.8	100.0	¥ 403.2	18.4

Domestic	¥ 604.0	23.2	¥ 602.8	27.4	¥ 1.2	0.2
Overseas	1,996.0	76.8	1,594.0	72.6	402.0	25.2

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

(1) Condensed consolidated statement of profit or loss

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

	Three months ended Sept. 30, 2022		Three months ended Sept. 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 693,700	100.0	¥ 540,235	100.0	¥ 153,465	28.4
Cost of sales	(513,051)		(380,385)		(132,666)	
Selling, general, and administrative expenses	(118,727)		(94,297)		(24,430)	
Other income	2,883		778		2,105	
Other expenses	(2,376)		(2,376)		—	
Operating profit	62,429	9.0	63,955	11.8	(1,526)	(2.4)
Finance income	2,647		668		1,979	
Finance costs	(705)		(244)		(461)	
Profit before income taxes	64,371	9.3	64,379	11.9	(8)	(0.0)
Income tax expenses	(17,701)		(17,565)		(136)	
Share of profits of investments accounted for using the equity method	295		963		(668)	
Profit for the period	¥ 46,965	6.8	¥ 47,777	8.8	¥ (812)	(1.7)

Profit attributable to:						
Owners of the parent	¥ 42,088	6.1	¥ 43,678	8.1	¥ (1,590)	(3.6)
Noncontrolling interests	4,877	0.7	4,099	0.7	778	19.0

Earnings per share attributable to owners of the parent:				
Basic	¥ 35.39		¥ 36.16	
Diluted	—		—	

(2) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Three months ended Sept. 30, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 611,860	¥ 76,095	¥ 5,745	¥ —	¥ 693,700
	Intersegment	56	15	8,937	(9,008)	—
	Total	611,916	76,110	14,682	(9,008)	693,700
Operating profit		¥ 68,951	¥ 986	¥ 1,122	¥ (8,630)	¥ 62,429

(Unit: millions of yen)

Three months ended Sept. 30, 2021		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 466,721	¥ 67,017	¥ 6,497	¥ —	¥ 540,235
	Intersegment	68	308	7,922	(8,298)	—
	Total	466,789	67,325	14,419	(8,298)	540,235
Operating profit		¥ 70,967	¥ 3,702	¥ 714	¥ (11,428)	¥ 63,955

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 Sept. 30, 2022	Three months ended Sept. 30, 2021
Japan	¥ 142,527	¥ 143,509
North America	315,148	209,284
Europe	79,341	69,070
Asia outside Japan	129,147	98,399
Other areas	27,537	19,973
Total	¥ 693,700	¥ 540,235

Notes:

- Revenue from North America included that from the United States of ¥285,776 million and ¥184,012 million for the three months ended Sept. 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 Sept. 30, 2022		Three months ended Sept. 30, 2021		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 465,150	67.1	¥ 367,328	68.0	¥ 97,822	26.6
Domestic	64,700		68,236		(3,536)	(5.2)
Overseas	400,450		299,092		101,358	33.9
Construction Machinery	146,710	21.1	99,393	18.4	47,317	47.6
Domestic	9,332		10,198		(866)	(8.5)
Overseas	137,378		89,195		48,183	54.0
Farm & Industrial Machinery	611,860	88.2	466,721	86.4	145,139	31.1
Domestic	74,032	10.7	78,434	14.5	(4,402)	(5.6)
Overseas	537,828	77.5	388,287	71.9	149,541	38.5
Pipe system-related products	33,932	4.9	30,878	5.7	3,054	9.9
Domestic	33,142		29,570		3,572	12.1
Overseas	790		1,308		(518)	(39.6)
Materials and urban infrastructure-related products	18,621	2.7	12,692	2.4	5,929	46.7
Domestic	9,804		7,876		1,928	24.5
Overseas	8,817		4,816		4,001	83.1
Environment-related products	23,542	3.4	23,447	4.3	95	0.4
Domestic	19,804		21,138		(1,334)	(6.3)
Overseas	3,738		2,309		1,429	61.9
Water & Environment	76,095	11.0	67,017	12.4	9,078	13.5
Domestic	62,750	9.0	58,584	10.9	4,166	7.1
Overseas	13,345	2.0	8,433	1.5	4,912	58.2
Other	5,745	0.8	6,497	1.2	(752)	(11.6)
Domestic	5,745	0.8	6,491	1.2	(746)	(11.5)
Overseas	—	0.0	6	0.0	(6)	(100.0)
Total	¥ 693,700	100.0	¥ 540,235	100.0	¥ 153,465	28.4
Domestic	142,527	20.5	143,509	26.6	(982)	(0.7)
Overseas	551,173	79.5	396,726	73.4	154,447	38.9

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.