

**KUBOTA Corporation**

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**RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2023 [IFRS]**

Kubota Corporation hereby reports its consolidated results for the six months ended June 30, 2023.

**Consolidated Financial Highlights****1. Consolidated results of operations for the six months ended June 30, 2023****(1) Results of operations**

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

	Six months ended June 30, 2023	Change [%]	Six months ended June 30, 2022	Change [%]
Revenue	¥ 1,520,040	20.7	¥ 1,259,346	-
Operating profit	¥ 184,574	55.4	¥ 118,760	-
Profit before income taxes	¥ 191,841	47.0	¥ 130,469	-
Profit for the period	¥ 140,070	38.3	¥ 101,271	-
Profit attributable to owners of the parent	¥ 128,823	40.7	¥ 91,533	-
Comprehensive income for the period	¥ 308,090	0.5	¥ 306,567	-
Earnings per share attributable to owners of the parent:				
Basic	¥ 108.56		¥ 76.37	
Diluted	-		-	

**(2) Financial condition**

(Unit: millions of yen)

	June 30, 2023	Dec. 31, 2022
Total assets	¥ 5,221,235	¥ 4,765,053
Total equity	¥ 2,356,547	¥ 2,102,488
Equity attributable to owners of the parent	¥ 2,127,374	¥ 1,874,490
Ratio of equity attributable to owners of the parent to total assets	40.7%	39.3%

Notes:

1. Change [%] represents the percentage change from the same period in the prior year.
2. Kubota Corporation and its subsidiaries (hereinafter, the "Company") have retrospectively adopted changes in accounting policies. Therefore, the percentage changes from the same period in the prior year of the six months ended June 30, 2022 are not presented.

**2. Cash dividends**

(Unit: yen)

	Cash dividends per common share		
	Interim	Year-end	Total
Year ending Dec. 31, 2023	¥ 24.00	Undecided	Undecided
Year ended Dec. 31, 2022	¥ 22.00	¥ 22.00	¥ 44.00

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, 2023 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, 2023

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

	Year ending Dec. 31, 2023	Change [%]
Revenue	¥ 2,950,000	10.2
Operating profit	¥ 285,000	32.9
Profit before income taxes	¥ 298,000	28.9
Profit attributable to owners of the parent	¥ 200,000	27.8
Earnings per share attributable to owners of the parent - Basic	¥ 169.06	

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, 2023" on page 6 for further information related to the forecasts of operations.
3. Effective from the beginning of current consolidated fiscal year, the Company has adopted IFRS 17 Insurance Contracts, and effective from the year ended December 31, 2022, the Company has changed the measurement method of allowance for doubtful accounts for lease receivables. In addition, the provisional accounting for the business combination of Escorts Limited (currently, Escorts Kubota Limited), which the Company acquired on April 11, 2022, has been finalized during previous quarter. Figures for the year ended December 31, 2022 have been retrospectively adjusted for these effects.

### 4. Other information

(1) Changes in significant subsidiaries during the six months ended June 30, 2023 (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"): Yes
- b) Changes in accounting policies due to reasons other than a) above: None
- c) Changes in accounting estimates: None

Note:

See the accompanying materials, "2. Other information (2) Changes in accounting policies" on page 6.

(3) Number of common shares issued

- |   |                 |
|---|-----------------|
| a) Number of common shares issued including treasury shares as of June 30, 2023                   | : 1,191,006,846 |
| Number of common shares issued including treasury shares as of December 31, 2022                  | : 1,191,006,846 |
| b) Number of treasury shares as of June 30, 2023  | : 11,602,147    |
| Number of treasury shares as of December 31, 2022   | : 1,838,075     |
| c) Weighted-average number of common shares outstanding during the six months ended June 30, 2023 | : 1,186,685,351 |
| Weighted-average number of common shares outstanding during the six months ended June 30, 2022    | : 1,198,540,357 |

(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 August 8, 2023. 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.

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## **1. Review of operations and financial condition**

Effective from the beginning of current consolidated fiscal year, the Company has adopted IFRS 17 Insurance Contracts, and effective from the year ended December 31, 2022, the Company has changed the measurement method of allowance for doubtful accounts for lease receivables. In addition, the provisional accounting for the business combination of Escorts Limited (currently, Escorts Kubota Limited; hereinafter, "EKL"), which the Company acquired on April 11, 2022, has been finalized during previous quarter. In the following analysis, consolidated financial position, results of operations, and cash flows for this current period, are compared with the figures for the same period in the prior year and the prior fiscal year-end, that are retrospectively adjusted for these effects.

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

For the six months ended June 30, 2023, revenue of the Company increased by ¥260.7 billion [20.7%] from the same period in the prior year to ¥1,520.0 billion.

Domestic revenue increased by ¥16.0 billion [5.3%] from the same period in the prior year to ¥315.1 billion because of increased revenue in Farm & Industrial Machinery and Water & Environment.

Overseas revenue also increased by ¥244.7 billion [25.5%] from the same period in the prior year to ¥1,205.0 billion because of increased revenue in Farm & Industrial Machinery and Water & Environment.

Operating profit increased by ¥65.8 billion [55.4%] from the same period in the prior year to ¥184.6 billion mainly due to sales price increase and favorable impact from foreign exchange rates although there were some negative effects, such as a rise in material prices, an increase in sales incentive costs caused by a rise in interest rate, and an increase in various expenses mainly due to inflation. Profit before income taxes increased by ¥61.4 billion [47.0%] from the same period in the prior year to ¥191.8 billion due to increased operating profit. Income tax expenses were ¥52.7 billion. Share of profits of investments accounted for using the equity method was ¥0.9 billion. Profit for the period increased by ¥38.8 billion [38.3%] from the same period in the prior year to ¥140.1 billion. Profit attributable to owners of the parent increased by ¥37.3 billion [40.7%] from the same period in the prior year to ¥128.8 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 22.8% from the same period in the prior year to ¥1,344.2 billion and accounted for 88.4% of consolidated revenue.

Domestic revenue increased by 4.7% from the same period in the prior year to ¥162.9 billion mainly due to increased sales of farm equipment and engines.

Overseas revenue increased by 25.7% from the same period in the prior year to ¥1,181.3 billion. In North America, sales of tractors increased due to a replenishment of inventory, sales of construction machinery increased thanks to backorders of home construction and demand for infrastructure construction by the government. In Europe, sales of construction machinery and engines were solid, supported by public construction demand. Sales of tractors also increased thanks to improvement of inventory shortage. With respect to Asia outside Japan, in Thailand, the Company struggled with sales due to refraining from purchases caused by drought concerns. Sales in India increased due to consolidation of EKL since the second quarter of the prior year and good yields in this spring season.

Operating profit in this segment increased by 72.4% from the same period in the prior year to ¥198.4 billion mainly due to some favorable impacts of sales price increase, foreign exchange rates, and sales increase although there were

some negative effects from an increase in sales incentive cost caused by a rise in interest rate, a rise in material prices, and an increase in various expenses caused by inflation mainly.

## 2) Water & Environment

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

Revenue in this segment increased by 8.5% from the same period in the prior year to ¥165.6 billion and accounted for 10.9% of consolidated revenue.

Domestic revenue increased by 7.6% from the same period in the prior year to ¥142.0 billion. Sales of pipe system business increased due to firm sales of plastic pipes and sales of environment business also increased.

Overseas revenue increased by 13.9% from the same period in the prior year to ¥23.7 billion mainly due to firm sales of industrial products business, such as cracking tubes, supported by demand for overseas plant construction.

Operating profit in this segment increased by 2.1% from the same period in the prior year to ¥9.9 billion due to sales price increase could compensate negative effects from a rise in material prices.

## 3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by 11.8% from the same period in the prior year to ¥10.2 billion and accounted for 0.7% of consolidated revenue.

Operating profit in this segment decreased by 37.8% from the same period in the prior year to ¥1.1 billion.

## (2) Financial condition

### a) Assets, liabilities, and equity

Total assets as of June 30, 2023, were ¥5,221.2 billion, an increase of ¥456.2 billion from the prior fiscal year-end. With respect to assets, trade receivables and finance receivables mainly increased due to increased revenue in North America and Europe.

With respect to liabilities, bonds and borrowings increased due to an increase in working capital mainly along with a change of payment terms with business partners. 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 40.7%, 1.4 percentage points higher than the prior fiscal year-end.

### b) Cash flows

Net cash used in operating activities during the six months ended June 30, 2023, was ¥98.1 billion, an increase of ¥76.1 billion in net cash outflow compared with the same period in the prior year. This increase was due to a decrease in trade payables mainly resulting from the change in payment terms with business partners and an increase in trade receivables.

Net cash used in investing activities was ¥97.8 billion, a decrease of ¥128.8 billion in net cash outflow compared with the same period in the prior year. This decrease was mainly owing to the acquisition of shares of a subsidiary in the same period of the prior year although payments for acquisition of property, plant, and equipment in cash outflow increased.

Net cash provided by financing activities was ¥153.7 billion, a decrease of ¥36.1 billion in net cash inflow

compared with the same period in the prior year, due to an increase in repayments of long-term borrowings and a decrease in funding through short-term borrowings.

As a result of the above and after taking into account the effects of exchange rate changes, cash and cash equivalents as of June 30, 2023, were ¥193.3 billion, a decrease of ¥32.5 billion from the beginning of the current period.

### **(3) Forecasts for the year ending December 31, 2023**

The Company revised its forecasts for revenue for the year ending December 31, 2023 upward to ¥2,950.0 billion, an increase of ¥50.0 billion from the previous forecasts, which were announced on February 14, 2023. This revision was made because overseas revenue is expected to increase in consideration of the current trend of exchange rate fluctuations.

Operating profit was revised to ¥285.0 billion, an increase of ¥15.0 billion from the previous forecasts considering the sales fluctuation, current trend of exchange rate fluctuations and inflation. Profit before income taxes was revised to ¥298.0 billion, an increase of ¥20.0 billion from the previous forecasts and profit attributable to owners of the parent was revised to ¥200.0 billion, an increase of ¥14.0 billion from the previous forecasts.

These forecasts are based on the assumption of exchange rates of ¥132=US\$1 and ¥144=€1.

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

	Year ending Dec. 31, 2023				(Reference) Year ended Dec. 31, 2022
	Revised forecasts	Previous forecasts	Change		
			Amount	%	
Revenue	2,950,000	2,900,000	50,000	1.7	2,676,980
Operating profit	285,000	270,000	15,000	5.6	214,387
Profit before income taxes	298,000	278,000	20,000	7.2	231,150
Profit attributable to owners of the parent	200,000	186,000	14,000	7.5	156,472
Earnings per share attributable to owners of the parent-Basic	169.06	156.41	-	-	131.06

## **2. Other information**

### **(1) Changes in significant subsidiaries**

None

### **(2) Changes in accounting policies**

Effective from the previous consolidated fiscal year, the Company has adopted IFRS 17 Insurance Contracts.

The Company has retrospectively applied IFRS 17 with a transition date of January 1, 2022. The retrospective application is in accordance with the transitional provisions stipulated in IFRS 17.

Following is the accounting policy for insurance contracts after the adoption of IFRS 17.

#### 1) Classification and Level of Aggregation

The Company classifies contracts under which the Company assumes significant insurance risks as insurance contracts.

The Company recognizes portfolios consisting of multiple insurance contracts that are exposed to similar risks and are managed together, and aggregates as the group of insurance contracts by dividing each annual cohort into groups based on the profitability of the contracts.

#### 2) Recognition

Insurance contracts issued by the Company are recognized from the earliest of the following: the beginning of the

coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due, and for a group of onerous contracts, when the group becomes onerous.

### 3) Measurement

On initial recognition, the Company measures a group of insurance contracts at the total of the fulfillment of cash flows and contractual service margin. The fulfillment cash flows is an explicit, unbiased and probability-weighted estimate of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the Company fulfills insurance contracts, including a risk adjustment for non-financial risk. The contractual service margin is the excess of the consideration charged for a group of insurance contracts over the risk-adjusted expected present value of the cash outflows expected to fulfil that group of contracts and the insurance earned cash flows incurred prior to the recognition of the group of contracts.

The carrying amount of a group of insurance contracts at the end of the reporting period is measured at the total of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage is comprised of the fulfillment of cash flows for future services allocated to the group at estimated to reflect conditions as of the end of the reporting period and the contractual service margin. The liability for incurred claims is comprised of the fulfillment cash flows related to past service allocated to the group at the end of the reporting period.

### 3. Condensed consolidated financial statements

#### (1) Condensed consolidated statement of financial position

ASSETS

(Unit: millions of yen)

	June 30, 2023		Dec. 31, 2022		Change
	Amount	%	Amount	%	Amount
<b>Current assets:</b>					
Cash and cash equivalents	¥ 193,349		¥ 225,799		¥ (32,450)
Trade receivables	927,944		779,385		148,559
Finance receivables	543,376		480,658		62,718
Other financial assets	74,603		71,516		3,087
Contract assets	19,736		28,018		(8,282)
Inventories	686,203		644,471		41,732
Income taxes receivable	15,695		2,710		12,985
Other current assets	56,600		55,223		1,377
<b>Total current assets</b>	<b>2,517,506</b>	<b>48.2</b>	<b>2,287,780</b>	<b>48.0</b>	<b>229,726</b>
<b>Noncurrent assets:</b>					
Investments accounted for using the equity method	47,507		46,492		1,015
Finance receivables	1,335,523		1,203,856		131,667
Other financial assets	193,717		165,438		28,279
Property, plant, and equipment	684,405		644,245		40,160
Goodwill	150,378		134,597		15,781
Intangible assets	194,422		184,291		10,131
Deferred tax assets	73,268		75,827		(2,559)
Other noncurrent assets	24,509		22,527		1,982
<b>Total noncurrent assets</b>	<b>2,703,729</b>	<b>51.8</b>	<b>2,477,273</b>	<b>52.0</b>	<b>226,456</b>
<b>Total assets</b>	<b>¥ 5,221,235</b>	<b>100.0</b>	<b>¥ 4,765,053</b>	<b>100.0</b>	<b>¥ 456,182</b>

LIABILITIES AND EQUITY

(Unit: millions of yen)

	June 30, 2023		Dec. 31, 2022		Change
	Amount	%	Amount	%	Amount
<b>Current liabilities:</b>					
Bonds and borrowings	¥ 588,351		¥ 640,889		¥ (52,538)
Trade payables	295,521		454,780		(159,259)
Other financial liabilities	93,395		106,096		(12,701)
Insurance liabilities	50,949		50,792		157
Income taxes payable	23,446		24,646		(1,200)
Provisions	71,252		65,823		5,429
Contract liabilities	34,868		33,509		1,359
Other current liabilities	232,234		207,040		25,194
<b>Total current liabilities</b>	<b>1,390,016</b>	<b>26.6</b>	<b>1,583,575</b>	<b>33.2</b>	<b>(193,559)</b>
<b>Noncurrent liabilities:</b>					
Bonds and borrowings	1,354,539		970,216		384,323
Other financial liabilities	38,487		41,135		(2,648)
Retirement benefit liabilities	15,498		14,293		1,205
Deferred tax liabilities	58,657		46,673		11,984
Other noncurrent liabilities	7,491		6,673		818
<b>Total noncurrent liabilities</b>	<b>1,474,672</b>	<b>28.3</b>	<b>1,078,990</b>	<b>22.7</b>	<b>395,682</b>
<b>Total liabilities</b>	<b>2,864,688</b>	<b>54.9</b>	<b>2,662,565</b>	<b>55.9</b>	<b>202,123</b>
<b>Equity:</b>					
Share capital	84,130		84,130		—
Share premium	97,765		79,247		18,518
Retained earnings	1,632,006		1,529,248		102,758
Other components of equity	336,648		185,422		151,226
Treasury shares	(23,175)		(3,557)		(19,618)
<b>Total equity attributable to owners of the parent</b>	<b>2,127,374</b>	<b>40.7</b>	<b>1,874,490</b>	<b>39.3</b>	<b>252,884</b>
<b>Noncontrolling interests</b>	<b>229,173</b>	<b>4.4</b>	<b>227,998</b>	<b>4.8</b>	<b>1,175</b>
<b>Total equity</b>	<b>2,356,547</b>	<b>45.1</b>	<b>2,102,488</b>	<b>44.1</b>	<b>254,059</b>
<b>Total liabilities and equity</b>	<b>¥ 5,221,235</b>	<b>100.0</b>	<b>¥ 4,765,053</b>	<b>100.0</b>	<b>¥ 456,182</b>

**(2) Condensed consolidated statement of profit or loss**

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

	Six months ended June 30, 2023		Six months ended June 30, 2022		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 1,520,040	100.0	¥ 1,259,346	100.0	¥ 260,694	20.7
Cost of sales	(1,081,345)		(940,668)		(140,677)	
Selling, general, and administrative expenses	(260,525)		(219,281)		(41,244)	
Other income	12,720		20,804		(8,084)	
Other expenses	(6,316)		(1,441)		(4,875)	
Operating profit	184,574	12.1	118,760	9.4	65,814	55.4
Finance income	9,570		12,678		(3,108)	
Finance costs	(2,303)		(969)		(1,334)	
Profit before income taxes	191,841	12.6	130,469	10.4	61,372	47.0
Income tax expenses	(52,707)		(30,433)		(22,274)	
Share of profits of investments accounted for using the equity method	936		1,235		(299)	
Profit for the period	¥ 140,070	9.2	¥ 101,271	8.0	¥ 38,799	38.3

Profit attributable to:						
Owners of the parent	¥ 128,823	8.5	¥ 91,533	7.3	¥ 37,290	40.7
Noncontrolling interests	11,247	0.7	9,738	0.7	1,509	15.5

Earnings per share attributable to owners of the parent:				
Basic	¥ 108.56		¥ 76.37	
Diluted	—		—	

**(3) Condensed consolidated statement of comprehensive income**

(Unit: millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2022	Change
Profit for the period	¥ 140,070	¥ 101,271	¥ 38,799
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	134	554	(420)
Net change in fair value of financial assets measured at fair value through other comprehensive income	10,146	5,402	4,744
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	157,740	199,340	(41,600)
Total other comprehensive income, net of income tax	168,020	205,296	(37,276)
Comprehensive income for the period	¥ 308,090	¥ 306,567	¥ 1,523

Comprehensive income attributable to:			
Owners of the parent	¥ 280,368	¥ 279,837	¥ 531
Noncontrolling interests	27,722	26,730	992

#### (4) Condensed consolidated statement of changes in equity

Six months ended June 30, 2023

(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, 2023	¥ 84,130	79,247	1,529,248	185,422	(3,557)	¥ 1,874,490	¥ 227,998	¥ 2,102,488
Profit for the period			128,823			128,823	11,247	140,070
Total other comprehensive income, net of income tax				151,545		151,545	16,475	168,020
Comprehensive income for the period			128,823	151,545		280,368	27,722	308,090
Transfer to retained earnings			104	(104)		—	—	—
Dividends paid			(26,169)			(26,169)	(8,731)	(34,900)
Purchases and sales of treasury shares					(19,618)	(19,618)		(19,618)
Share-based payment transactions		54				54		54
Changes in ownership interests in subsidiaries		18,464		(215)		18,249	(17,816)	433
Balance as of June 30, 2023	¥ 84,130	¥ 97,765	¥ 1,632,006	¥ 336,648	¥ (23,175)	¥ 2,127,374	¥ 229,173	¥ 2,356,547

Six months ended June 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	¥ 1,439,631	¥ 69,522	¥ (134)	¥ 1,678,035	¥ 107,074	¥ 1,785,109
Cumulative effects of changes in accounting policies			(6,157)	(279)		(6,436)		(6,436)
Profit for the period			91,533			91,533	9,738	101,271
Total other comprehensive income, net of income tax				188,304		188,304	16,992	205,296
Comprehensive income for the period			91,533	188,304		279,837	26,730	306,567
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)
Increase by business combination		447				447		447
Share-based payment transactions						—	105,180	105,180
Changes in ownership interests in subsidiaries		(2,089)		(15)		(2,104)	(780)	(2,884)
Balance as of June 30, 2022	¥ 84,130	¥ 83,244	¥ 1,518,382	¥ 238,952	¥ (14,909)	¥ 1,909,799	¥ 232,442	¥ 2,142,241

**(5) Condensed consolidated statement of cash flows**

(Unit: millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2022	Change
<b>Cash flows from operating activities:</b>			
Profit for the period	¥ 140,070	¥ 101,271	
Depreciation and amortization	51,256	41,203	
Finance income and costs	(4,280)	(8,951)	
Income tax expenses	52,707	30,433	
Increase in trade receivables	(108,626)	(76,894)	
Increase in finance receivables	(45,254)	(37,916)	
Decrease (increase) in inventories	8,254	(34,533)	
Decrease in other assets	13,275	19,252	
Decrease in trade payables	(177,020)	(35,579)	
Increase in other liabilities	24,324	25,198	
Other, net	1,224	(4,575)	
Interest received	5,334	1,809	
Dividends received	1,115	1,074	
Interest paid	(1,960)	(844)	
Income taxes paid, net	(58,542)	(42,971)	
Net cash used in operating activities	(98,123)	(22,023)	¥ (76,100)
<b>Cash flows from investing activities:</b>			
Payments for acquisition of property, plant, and equipment and intangible assets	(90,117)	(80,645)	
Payments for acquisition of subsidiaries	(1,626)	(118,249)	
Purchase of investments accounted for using the equity method	(339)	(28,856)	
Net decrease in short-term loans receivable from associate	846	450	
Net increase in time deposits	(157)	(6,172)	
Net decrease in restricted cash	72	1,017	
Net increase in short-term investments	(3,618)	(1,679)	
Other, net	(2,862)	7,504	
Net cash used in investing activities	(97,801)	(226,630)	128,829
<b>Cash flows from financing activities:</b>			
Funding from bonds and long-term borrowings	546,246	410,054	
Redemptions of bonds and repayments of long-term borrowings	(273,399)	(191,717)	
Net (decrease) increase in short-term borrowings	(56,317)	24,563	
Repayments of lease liabilities	(8,850)	(9,281)	
Dividends paid	(26,169)	(25,205)	
Purchases of treasury shares	(20,001)	(14,775)	
Other, net	(7,859)	(3,885)	
Net cash provided by financing activities	153,651	189,754	(36,103)
Effect of exchange rate changes on cash and cash equivalents	9,823	15,593	(5,770)
<b>Net decrease in cash and cash equivalents</b>	<b>(32,450)</b>	<b>(43,306)</b>	
<b>Cash and cash equivalents, at the beginning of the period</b>	<b>225,799</b>	<b>258,639</b>	
<b>Cash and cash equivalents, at the end of the period</b>	<b>¥ 193,349</b>	<b>¥ 215,333</b>	<b>¥ (21,984)</b>

**(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, 2023		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 1,344,178	¥ 165,646	¥ 10,216	¥ —	¥ 1,520,040
	Intersegment	108	25	16,132	(16,265)	—
	Total	1,344,286	165,671	26,348	(16,265)	1,520,040
Operating profit		¥ 198,369	¥ 9,892	¥ 1,082	¥ (24,769)	¥ 184,574

(Unit: millions of yen)

Six months ended June 30, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 1,095,050	¥ 152,713	¥ 11,583	¥ —	¥ 1,259,346
	Intersegment	84	48	16,340	(16,472)	—
	Total	1,095,134	152,761	27,923	(16,472)	1,259,346
Operating profit		¥ 115,060	¥ 9,688	¥ 1,739	¥ (7,727)	¥ 118,760

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, 2023	Six months ended June 30, 2022
Japan	¥ 315,055	¥ 299,095
North America	621,316	479,839
Europe	218,837	163,316
Asia outside Japan	309,708	269,507
Other areas	55,124	47,589
Total	¥ 1,520,040	¥ 1,259,346

Notes:

- The revenue from North America included that from the United States was ¥526,455 million and ¥417,120 million for the six months ended June 30, 2023 and 2022, respectively.
- There was no specific customer that exceeded 10% of total consolidated revenue of the Company.

**(8) Consolidated revenue by product group**

(Unit: millions of yen)

	Six months ended June 30, 2023		Six months ended June 30, 2022		Change	
	Amount	%	Amount	%	Amount	%
<b>Farm Equipment and Engines</b>	¥ <b>1,032,274</b>	<b>67.9</b>	¥ <b>874,111</b>	<b>69.5</b>	¥ <b>158,163</b>	<b>18.1</b>
Domestic	144,722		138,524		6,198	4.5
Overseas	887,552		735,587		151,965	20.7
<b>Construction Machinery</b>	<b>311,904</b>	<b>20.5</b>	<b>220,939</b>	<b>17.5</b>	<b>90,965</b>	<b>41.2</b>
Domestic	18,157		17,070		1,087	6.4
Overseas	293,747		203,869		89,878	44.1
<b>Farm &amp; Industrial Machinery</b>	<b>1,344,178</b>	<b>88.4</b>	<b>1,095,050</b>	<b>87.0</b>	<b>249,128</b>	<b>22.8</b>
Domestic	162,879	10.7	155,594	12.4	7,285	4.7
Overseas	1,181,299	77.7	939,456	74.6	241,843	25.7
<b>Pipe system</b>	<b>62,444</b>	<b>4.2</b>	<b>56,291</b>	<b>4.5</b>	<b>6,153</b>	<b>10.9</b>
Domestic	60,522		54,796		5,726	10.4
Overseas	1,922		1,495		427	28.6
<b>Industrial products</b>	<b>35,700</b>	<b>2.3</b>	<b>30,674</b>	<b>2.4</b>	<b>5,026</b>	<b>16.4</b>
Domestic	18,652		18,444		208	1.1
Overseas	17,048		12,230		4,818	39.4
<b>Environment</b>	<b>67,502</b>	<b>4.4</b>	<b>65,748</b>	<b>5.2</b>	<b>1,754</b>	<b>2.7</b>
Domestic	62,813		58,699		4,114	7.0
Overseas	4,689		7,049		(2,360)	(33.5)
<b>Water &amp; Environment</b>	<b>165,646</b>	<b>10.9</b>	<b>152,713</b>	<b>12.1</b>	<b>12,933</b>	<b>8.5</b>
Domestic	141,987	9.3	131,939	10.5	10,048	7.6
Overseas	23,659	1.6	20,774	1.6	2,885	13.9
<b>Other</b>	<b>10,216</b>	<b>0.7</b>	<b>11,583</b>	<b>0.9</b>	<b>(1,367)</b>	<b>(11.8)</b>
Domestic	10,189	0.7	11,562	0.9	(1,373)	(11.9)
Overseas	27	0.0	21	0.0	6	28.6
<b>Total</b>	¥ <b>1,520,040</b>	<b>100.0</b>	¥ <b>1,259,346</b>	<b>100.0</b>	¥ <b>260,694</b>	<b>20.7</b>
Domestic	315,055	20.7	299,095	23.8	15,960	5.3
Overseas	1,204,985	79.3	960,251	76.2	244,734	25.5

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 "Materials and urban infrastructure" are now classified as "Industrial products".

**(9) Anticipated consolidated revenue by reportable segment**

(Unit: billions of yen)

	Year ending Dec. 31, 2023		Year ended Dec. 31, 2022		Change	
	Amount	%	Amount	%	Amount	%
Domestic	¥ 310.0		¥ 302.6		¥ 7.4	2.4
Overseas	2,252.0		2,023.6		228.4	11.3
Farm & Industrial Machinery	2,562.0	86.8	2,326.2	86.9	235.8	10.1
Domestic	309.0		276.6		32.4	11.7
Overseas	59.0		51.0		8.0	15.7
Water & Environment	368.0	12.5	327.6	12.2	40.4	12.3
Domestic	20.0		23.2		(3.2)	(13.8)
Overseas	0.0		0.0		–	–
Other	20.0	0.7	23.2	0.9	(3.2)	(13.9)
Total	¥ 2,950.0	100.0	¥ 2,677.0	100.0	¥ 273.0	10.2

Domestic	¥ 639.0	21.7	¥ 602.4	22.5	¥ 36.6	6.1
Overseas	2,311.0	78.3	2,074.6	77.5	236.4	11.4

Note:

Beginning with the next consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to a part of its businesses will be reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Other" segment. Therefore, the information for the forecast and result of sales on this page have been adjusted to the new segmentation.

## 4. Results of operations for the three months ended June 30, 2023

### (1) Condensed consolidated statement of profit or loss

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

	Three months ended June 30, 2023		Three months ended June 30, 2022		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 738,477	100.0	¥ 666,554	100.0	¥ 71,923	10.8
Cost of sales	(529,951)		(507,335)		(22,616)	
Selling, general, and administrative expenses	(133,727)		(118,647)		(15,080)	
Other income	12,025		12,125		(100)	
Other expenses	(5,498)		(716)		(4,782)	
Operating profit	81,326	11.0	51,981	7.8	29,345	56.5
Finance income	6,277		4,494		1,783	
Finance costs	(1,257)		(843)		(414)	
Profit before income taxes	86,346	11.7	55,632	8.3	30,714	55.2
Income tax expenses	(22,417)		(10,563)		(11,854)	
Share of profits of investments accounted for using the equity method	823		714		109	
Profit for the period	¥ 64,752	8.8	¥ 45,783	6.9	¥ 18,969	41.4

Profit attributable to:						
Owners of the parent	¥ 59,723	8.1	¥ 40,962	6.1	¥ 18,761	45.8
Noncontrolling interests	5,029	0.7	4,821	0.8	208	4.3

Earnings per share attributable to owners of the parent:				
Basic	¥ 50.43		¥ 34.22	
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, 2023		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 659,179	¥ 74,689	¥ 4,609	¥ —	¥ 738,477
	Intersegment	8	23	7,269	(7,300)	—
	Total	659,187	74,712	11,878	(7,300)	738,477
Operating profit		¥ 90,619	¥ 875	¥ 364	¥ (10,532)	¥ 81,326

(Unit: millions of yen)

Three months ended June 30, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 595,747	¥ 65,205	¥ 5,602	¥ —	¥ 666,554
	Intersegment	48	4	8,259	(8,311)	—
	Total	595,795	65,209	13,861	(8,311)	666,554
Operating profit		¥ 55,473	¥ 151	¥ 549	¥ (4,192)	¥ 51,981

Notes:

1. *Adjustments* include 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 administration department expenses, basic research expenses, and foreign exchange gains or losses incurred by Kubota Corporation.
2. 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.
3. 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, 2023	Three months ended June 30, 2022
Japan	¥ 151,462	¥ 142,203
North America	299,380	263,239
Europe	109,785	86,141
Asia outside Japan	150,465	149,550
Other areas	27,385	25,421
Total	¥ 738,477	¥ 666,554

Notes:

1. Revenue from North America included that from the United States of ¥239,133 million and ¥226,218 million for the three months ended June 30, 2023 and 2022, respectively.
2. There was no single customer from whom revenue exceeded 10% of total consolidated revenue of the Company.

**(3) Consolidated revenue by product group**

(Unit: millions of yen)

	Three months ended June 30, 2023		Three months ended June 30, 2022		Change	
	Amount	%	Amount	%	Amount	%
<b>Farm Equipment and Engines</b>	¥ <b>502,926</b>	<b>68.1</b>	¥ <b>477,172</b>	<b>71.6</b>	¥ <b>25,754</b>	<b>5.4</b>
Domestic	74,482		74,891		(409)	(0.5)
Overseas	428,444		402,281		26,163	6.5
<b>Construction Machinery</b>	<b>156,253</b>	<b>21.2</b>	<b>118,575</b>	<b>17.8</b>	<b>37,678</b>	<b>31.8</b>
Domestic	8,866		7,960		906	11.4
Overseas	147,387		110,615		36,772	33.2
<b>Farm &amp; Industrial Machinery</b>	<b>659,179</b>	<b>89.3</b>	<b>595,747</b>	<b>89.4</b>	<b>63,432</b>	<b>10.6</b>
Domestic	83,348	11.3	82,851	12.4	497	0.6
Overseas	575,831	78.0	512,896	77.0	62,935	12.3
<b>Pipe system</b>	<b>31,080</b>	<b>4.2</b>	<b>27,141</b>	<b>4.1</b>	<b>3,939</b>	<b>14.5</b>
Domestic	30,171		26,361		3,810	14.5
Overseas	909		780		129	16.5
<b>Industrial products</b>	<b>17,313</b>	<b>2.3</b>	<b>16,378</b>	<b>2.5</b>	<b>935</b>	<b>5.7</b>
Domestic	9,456		9,548		(92)	(1.0)
Overseas	7,857		6,830		1,027	15.0
<b>Environment</b>	<b>26,296</b>	<b>3.6</b>	<b>21,686</b>	<b>3.2</b>	<b>4,610</b>	<b>21.3</b>
Domestic	23,879		17,849		6,030	33.8
Overseas	2,417		3,837		(1,420)	(37.0)
<b>Water &amp; Environment</b>	<b>74,689</b>	<b>10.1</b>	<b>65,205</b>	<b>9.8</b>	<b>9,484</b>	<b>14.5</b>
Domestic	63,506	8.6	53,758	8.1	9,748	18.1
Overseas	11,183	1.5	11,447	1.7	(264)	(2.3)
<b>Other</b>	<b>4,609</b>	<b>0.6</b>	<b>5,602</b>	<b>0.8</b>	<b>(993)</b>	<b>(17.7)</b>
Domestic	4,608	0.6	5,594	0.8	(986)	(17.6)
Overseas	1	0.0	8	0.0	(7)	(87.5)
<b>Total</b>	¥ <b>738,477</b>	<b>100.0</b>	¥ <b>666,554</b>	<b>100.0</b>	¥ <b>71,923</b>	<b>10.8</b>
Domestic	151,462	20.5	142,203	21.3	9,259	6.5
Overseas	587,015	79.5	524,351	78.7	62,664	12.0

Note:

Beginning with the next consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to a part of its businesses will be reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Other" segment. Therefore, the information for the forecast and result of sales on this page have been adjusted to the new segmentation.