

For Earth, For Life
Kubota



ON YOUR SIDE

Financial Results

for the three months ended March 31, 2022



May 12, 2022

Financial Summary

(Unit: billions of yen)	Three months ended Mar. 31, 2022	Three months ended Mar. 31, 2021	Changes	
			Amount	%
Revenue	593.2	537.7	+55.5	+10.3
Domestic	156.9	160.0	-3.1	-2.0
Overseas	436.3	377.6	+58.7	+15.5
Operating profit	11.2% 66.4	14.5% 77.7	-11.4	-14.6
Profit before income taxes	12.4% 73.6	14.6% 78.3	-4.8	-6.1
Profit attributable to owners of the parent	8.4% 49.6	9.7% 52.0	-2.4	-4.7

(Unit: billions of yen)	As of Mar. 31, 2022	As of Dec. 31, 2021	Changes	
			Amount	%
Total assets	4,167.5	3,773.5	+394.0	+10.4
Equity attributable to owners of the parent	1,775.9	1,678.0	+98.0	+5.8

(For reference: Changes excluding the effects of fluctuation in exchange [+25.0 billion yen]
>Overseas revenue in Machinery increased by 9%. Total overseas revenue increased by 9%.)

Revenue by Reportable Segment (Year-on-Year)



Machinery: +55.3 billion yen (Domestic: -3.4, Overseas: +58.6)

Japan

- Sales of farm equipment decreased due to a decline in rice price and termination of subsidies for business continuation of farmers. Sales of construction machinery (CE) and engines were solid.

North America

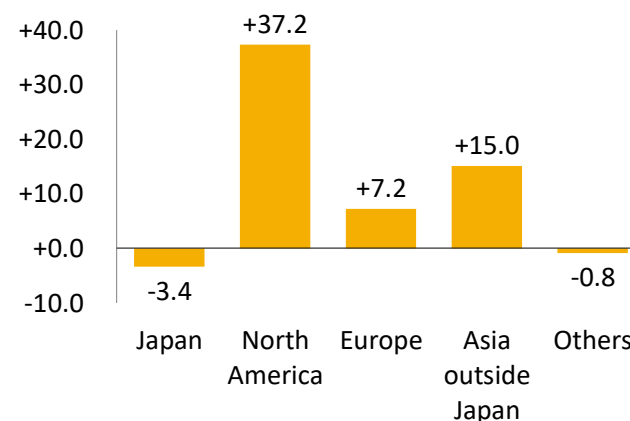
- Retail sales of tractors went according to our assumption, while those decreased from the prior year due to inventory shortage and a lull in stay-at-home demand.
- Retail sales of CE increased thanks to strong housing demand despite delay in supply of products.
- Wholesales increased from the prior year, although supply chain disruption continued.

Europe

- Sales of tractors and CE were solid, while inventory shortage of some models started to emerged.
- Sales of engines maintained strong mainly for construction & industrial machinery.

Asia

- In Thailand, sales mainly of tractors increased due to progress in developing dryland farming market although those to rice farming decreased due to declined rice price and adverse reaction from big government projects in the prior year.
- In China, sales of tractors and combine harvesters increased because customers, who anticipate lack of subsidy budgets, moved to purchase early.



Revenue by Reportable Segment (Year-on-Year)



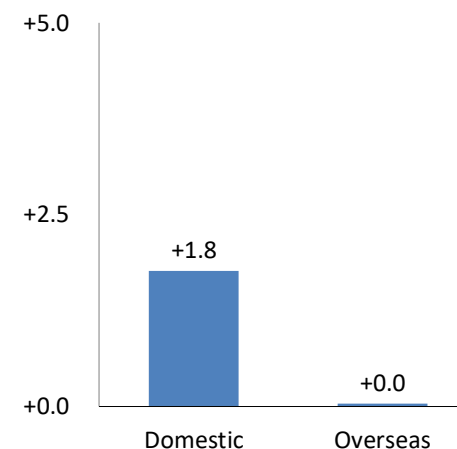
Water: +1.8 billion yen (Domestic: +1.8, Overseas: 0.0)

Domestic

- Sales of plastic pipes increased due to strong demand for apartment buildings in urban areas.
- Sales of water supply and sewerage were solid due to progress in delivery orders received in the prior year.

Overseas

- Sales of pumps increased due to progress in projects for the Middle East.
- Sales of industrial castings, mainly reformer and cracking tubes, decreased due to delay in shipment.



Other: -1.6 billion yen (Domestic: -1.6, Overseas: 0.0)

Other is mainly comprised of a variety of services such as logistics.

Operating Profit

(Unit: billions of yen)	Three months ended Mar. 31, 2022		Three months ended Mar. 31, 2021		Changes	
	Amount	%	Amount	%	Amount	%
Operating profit	66.4	11.2	77.7	14.5	-11.4	-14.6

Factors affecting operating profit (YoY change -11.4 billion yen)

1. Fluctuation in exchange rates	US\$ (106→116 *1) Euro (128→130 *1) Other currencies	+7.0 billion yen +1.0 billion yen +1.5 billion yen	+9.5 billion yen
2. Foreign exchange gain/loss			+3.2 billion yen
3. Material	Machinery Water	-18.3 billion yen -3.7 billion yen	-22.0 billion yen
4. Change in sales incentive ratio	North America : -1.5 billion yen, etc.		-1.4 billion yen
5. Impact of increased or decreased sales			+6.4 billion yen
6. Sales price increase			+14.1 billion yen
7. Other			-21.2 billion yen

*1: Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: US\$:105→112 Euro:125→130

Accompanying Materials

Supplementary data of U.S.

■ YoY growth rate of the tractor market by horsepower

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2021	0-40hp	+64.3%	-1.9%	+1.2%	+2.9%	+15.2%	+10.5%	+8.9%
	40-120hp	+34.0%	+11.4%	+4.9%	+3.8%	+19.3%	+13.8%	+11.1%
	120-160hp	+29.8%	+16.9%	+29.2%	+18.7%	+22.1%	+24.5%	+22.7%
2022	0-40hp	-10.8%	-	-	-	-	-	-
	40-120hp	-4.2%	-	-	-	-	-	-
	120-160hp	+10.3%	-	-	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of the mini-excavator market (0-8t)

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2021	+38.0%	+30.4%	+7.4%	+2.1%	+33.5%	+23.4%	+16.8%
2022	+11.0%	-	-	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of the compact track loaders market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2021	+46.5%	+32.3%	+8.5%	-7.1%	+37.9%	+26.5%	+15.2%
2022	-1.7%	-	-	-	-	-	-

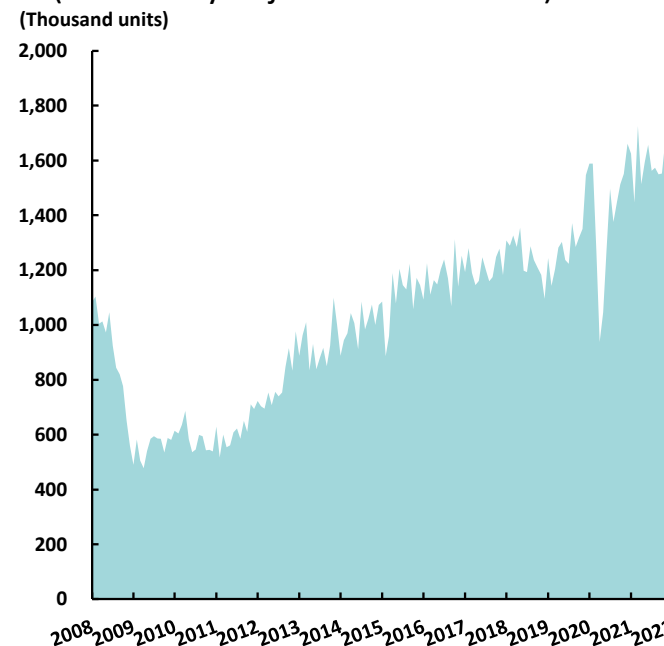
Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of the skid steer loaders market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2021	+14.8%	+27.1%	-2.6%	-21.6%	+21.1%	+12.3%	-0.8%
2022	-20.3%	-	-	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)

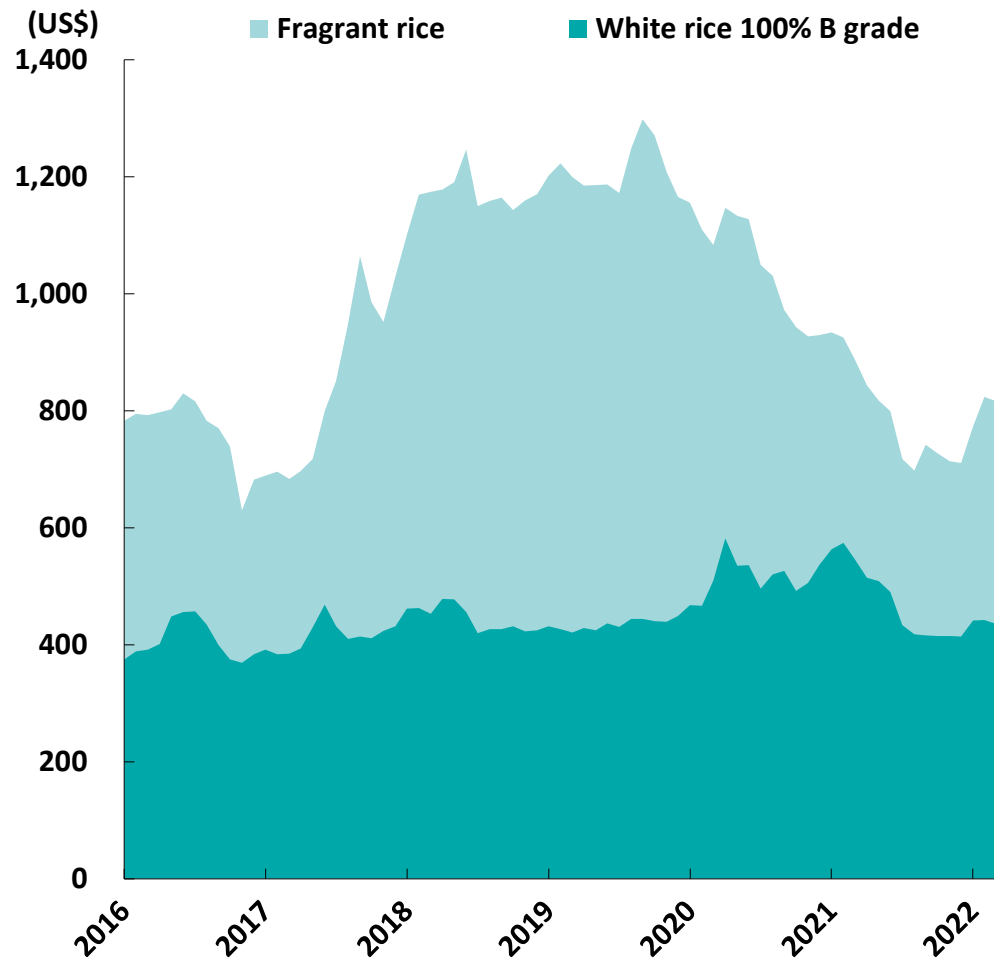
■ New privately owned housing units started (Seasonally adjusted annual rate)



Source: U.S. Census Bureau

Reference Data (Thailand)

■ Export price of Thai rice (US\$/t)



Source: USDA, Thai Rice Exporters Association

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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