

For Earth, For Life  
Kubota



ON YOUR SIDE

# Financial Results

## for the nine months ended September 30, 2022



November 9, 2022

# Financial Summary

(Unit: billions of yen)	Nine months ended Sept. 30, 2022	Nine months ended Sept. 30, 2021	Changes	
			Amount	%
<b>Revenue</b>	<b>1,954.2</b>	<b>1,641.6</b>	<b>+312.5</b>	<b>+19.0</b>
Domestic	441.6	446.1	-4.4	-1.0
Overseas	1,512.6	1,195.6	+317.0	+26.5
<b>Operating profit</b>	9.4% <b>183.4</b>	12.9% <b>211.5</b>	<b>-28.1</b>	<b>-13.3</b>
<b>Profit before income taxes</b>	10.0% <b>196.0</b>	13.0% <b>213.8</b>	<b>-17.8</b>	<b>-8.3</b>
<b>Profit attributable to owners of the parent</b>	6.8% <b>133.3</b>	8.9% <b>146.6</b>	<b>-13.3</b>	<b>-9.1</b>

(Unit: billions of yen)	As of Sept. 30, 2022	As of Dec. 31, 2021	Changes	
			Amount	%
<b>Total assets</b>	<b>4,779.9</b>	<b>3,773.5</b>	<b>+1,006.4</b>	<b>+26.7</b>
<b>Equity attributable to owners of the parent</b>	<b>1,964.3</b>	<b>1,678.0</b>	<b>+286.3</b>	<b>+17.1</b>

( Excluding the effects of fluctuation in exchange [+160.0 billion yen], the increase rate in total overseas revenue is 13%. )

# Revenue by Reportable Segment (Year-on-Year)



## Machinery: +300.0 billion yen (Domestic: -9.2, Overseas: +309.3)

### Japan

Sales of farm equipment decreased due to termination of subsidies for business continuation of farmers and stagnated rice price.

### North America

Shipping of tractors continues in order to replenish dealer inventories, while stagnation of housing market became more clearly. Sales of CE and engines increased thanks to demand for infrastructure development by the government.

### Europe

Sales of CE and engines increased thanks to demand for construction. Sales of tractors decreased due to inventory shortage of mowers in 2Q. In addition, they also decreased due to a decline in investment appetite caused by inflation.

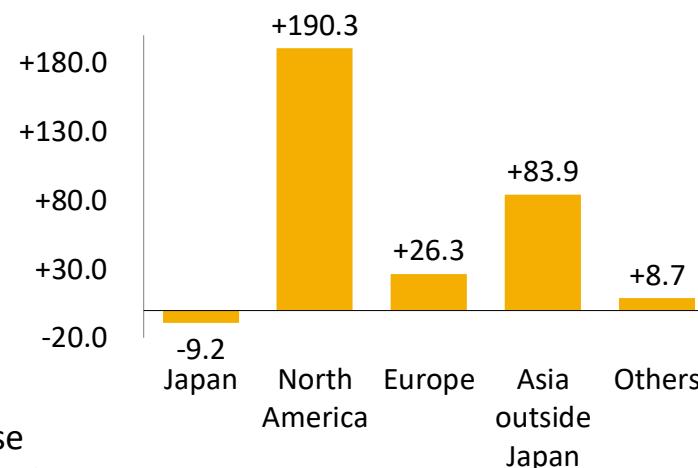
### Asia outside Japan

In Thailand, sales for rice farming decreased due to adverse reaction from government project in the prior year, while sales for dryland farming were strong. In India, sales for dryland farming were solid thanks to expectation of a good harvest, while sales for rice farming decreased due to floods. In China, sales, mainly rice transplanters, were stagnant due to lockdown in the first half of this year, despite increased sales of tractors thanks to rush demand before implementation of the new emission regulation.

### Others

Sales were firm mainly in Australia, where demand is solid.

■ Changes in revenue by region (Billions of yen)



※Escorts is consolidated from the 2Q of FY2022

# Revenue by Reportable Segment (Year-on-Year)



**Water: +15.2 billion yen** (Domestic: +7.5, Overseas: +7.7)

## Pipe system

Sales of steel pipes increased thanks to price increase while construction works have a tendency to delay due to staff shortage at construction sites.

Sales of plastic pipes increased thanks to price increase in addition to solid sales for construction, while sales for infrastructure decreased.

## Materials and Urban infrastructure

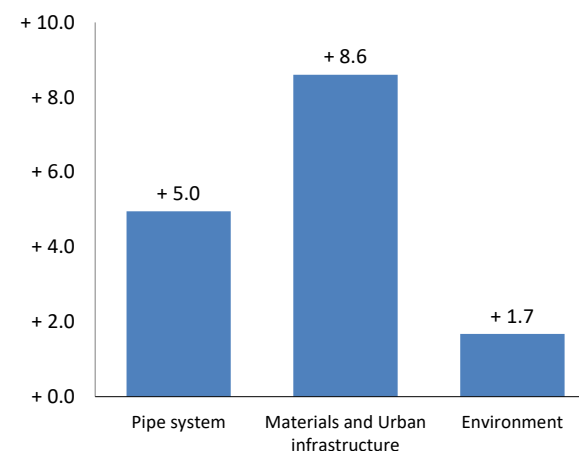
Sales of reformer and cracking tubes for overseas projects were stable.

## Environment

Sales of water supply and sewage facilities increased because operating and maintenance services and public private partnership projects increased.

Sales of pumps decreased due to adverse reaction from special demand for drainage pump vehicles in the prior year.

■ Changes in revenue by business (Billions of yen)



**Other: -2.7 billion yen** (Domestic: -2.7, Overseas: -0.0)

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

# Operating Profit

(Unit: billions of yen)	Nine months ended Sept. 30, 2022		Nine months ended Sept. 30, 2021		Changes	
	Amount	%	Amount	%	Amount	%
<b>Operating profit</b>	183.4	9.4	211.5	12.9	-28.1	-13.3

## Factors affecting operating profit (YoY change -28.1 billion yen)

<b>1. Fluctuation in exchange rates</b>	US\$ (109→128 *1) Euro (130→136 *1) Other currencies	+31.0 billion yen +3.0 billion yen +10.0 billion yen	} <b>+44.0 billion yen</b>
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<b>2. Foreign exchange gain/loss</b>			<b>+16.7 billion yen</b>
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<b>3. Material</b>	Machinery Water	-53.9 billion yen -12.4 billion yen	} <b>-66.3 billion yen</b>
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<b>4. Change in sales incentive ratio</b>	North America : -16.6 billion yen etc.		<b>-17.2 billion yen</b>
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<b>5. Impact of increased or decreased sales</b>			<b>+11.7 billion yen</b>
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<b>6. Sales price increase</b>			<b>+72.2 billion yen</b>
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<b>7. Other</b>	Logistics expenses ▲28.0 billion yen, R&D expenses ▲17.0 billion yen, Depreciation and amortization ▲5.0 billion yen, etc.		<b>-89.2 billion yen</b>
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\*1: Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: US\$:107→120 Euro:128→133

# Anticipated Operating Results

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(Unit: billions of yen)	Year ending Dec. 31, 2022 (Forecast)	Year ended Dec. 31, 2021 (Actual)	Changes		Previous forecast (Aug. 2022)
			Amount	%	
<b>Revenue</b>	2,600.0	2,196.8	+403.2	+18.4	2,640.0
Domestic	604.0	602.8	+1.2	+0.2	626.0
Overseas	1,996.0	1,594.0	+402.0	+25.2	2,014.0
<b>Operating profit</b>	9.2% 240.0	11.2% 246.2	-6.2	-2.5	9.8% 260.0
<b>Profit before income taxes</b>	9.8% 254.0	11.5% 252.6	+1.4	+0.6	10.3% 273.0
<b>Profit attributable to owners of the parent</b>	6.7% 173.0	8.0% 175.6	-2.6	-1.5	7.0% 185.0

Excluding the effects of fluctuation in exchange [+227.0 billion yen], the increase rate in total overseas revenue is 11%.

# Anticipated Operating Profit

(Unit: billions of yen)	Year ending Dec. 31, 2022 (Forecast)		Year ended Dec. 31, 2021 (Actual)		Changes	
	Amount	%	Amount	%	Amount	%
Operating profit	240.0	9.2	246.2	11.2	-6.2	-2.5

## Factors affecting operating profit (YoY change -6.2 billion yen)

<b>1. Fluctuation in exchange rates</b>	US\$ (110→132 *1) Euro (130→137 *1) Other currencies	+57.0 billion yen +5.0 billion yen +14.0 billion yen	<b>+76.0 billion yen</b>
<b>2. Foreign exchange gain/loss</b>			<b>+14.1 billion yen</b>
<b>3. Material</b>	Machinery Water	-64.2 billion yen -18.7 billion yen	<b>-82.9 billion yen</b>
<b>4. Change in sales incentive ratio</b>	North America : -28.4 billion yen etc.		<b>-25.9 billion yen</b>
<b>5. Impact of increased or decreased sales</b>			<b>-0.4 billion yen</b>
<b>6. Sales price increase</b>			<b>+107.1 billion yen</b>
<b>7. Other</b>	Logistics expenses ▲39.3 billion yen, R&D expenses ▲21.0 billion yen, Depreciation and amortization ▲6.7 billion yen, etc.		<b>-94.2 billion yen</b>

\*1: Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: US\$:108→124 Euro:129→134



# Anticipated Operating Profit by Reportable Segment

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(Unit: billions of yen)		Year ending Dec. 31, 2022 (Forecast)	Year ended Dec. 31, 2021 (Actual)	Changes
<b>Machinery</b>	Revenue	2,246.0	1,864.8	+381.2
	Operating profit	255.0	250.4	+4.6
	OP margin	11.4%	13.4%	-2.1P
<b>Water</b>	Revenue	330.0	305.4	+24.6
	Operating profit	18.0	22.3	-4.3
	OP margin	5.5%	7.3%	-1.8P
<b>Other</b>	Revenue	24.0	26.6	-2.6
	Operating profit	4.0	3.7	+0.3
	OP margin	16.7%	13.9%	+2.7P
<b>Adjustment</b>	Operating profit	-37.0	-30.2	-6.8
<b>Total</b>	Revenue	2,600.0	2,196.8	+403.2
	Operating profit	240.0	246.2	-6.2
	OP margin	9.2%	11.2%	-2.0P



# Accompanying Materials

# Supplementary data of U.S.

## ■ YoY growth rate of retail sales units in 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%	-18.7%	-21.4%	-	-15.8%	-17.5%	-
	40-120hp	-4.2%	-13.4%	-9.5%	-	-9.8%	-9.7%	-
	120-160hp	+10.3%	+3.9%	+4.4%	-	+6.5%	+5.7%	-

Source: AEM (Association of Equipment Manufacturers)

## ■ YoY growth rate of retail sales units in the mini-excavator market (0-6t)

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2021	+34.7%	+27.4%	+4.6%	+1.0%	+30.3%	+20.5%	+14.5%
2022	+10.2%	-7.7%	+7.6%	-	-0.3%	+2.3%	-

Source: AEM (Association of Equipment Manufacturers)

## ■ YoY growth rate of retail sales units in the compact track loader 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%	-9.1%	-1.1%	-	-6.0%	-4.4%	-

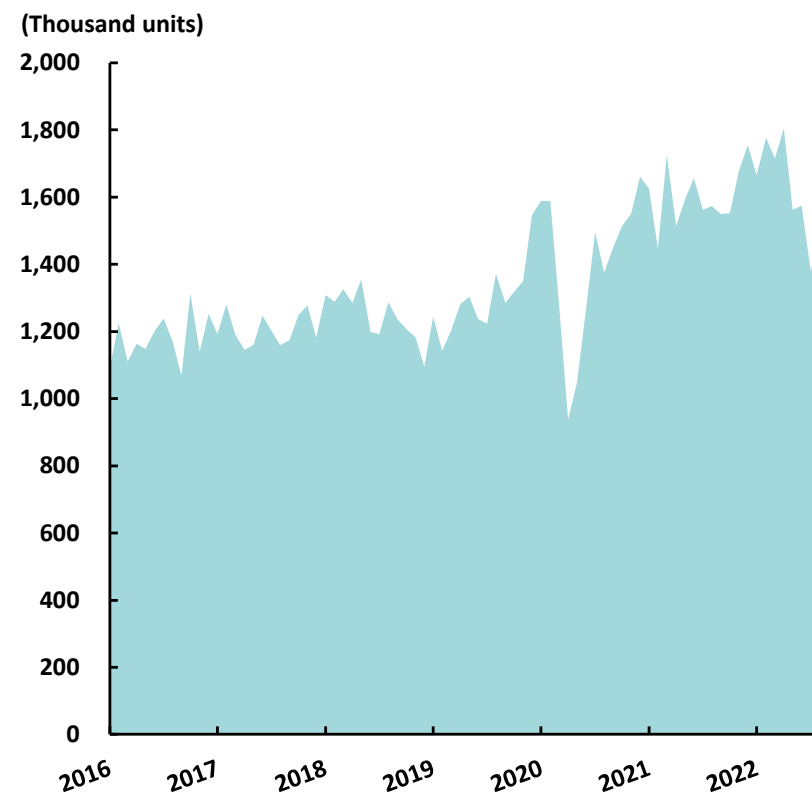
Source: AEM (Association of Equipment Manufacturers)

## ■ YoY growth rate of retail sales units in the skid steer loader 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%	-18.9%	-15.7%	-	-19.6%	-18.3%	-

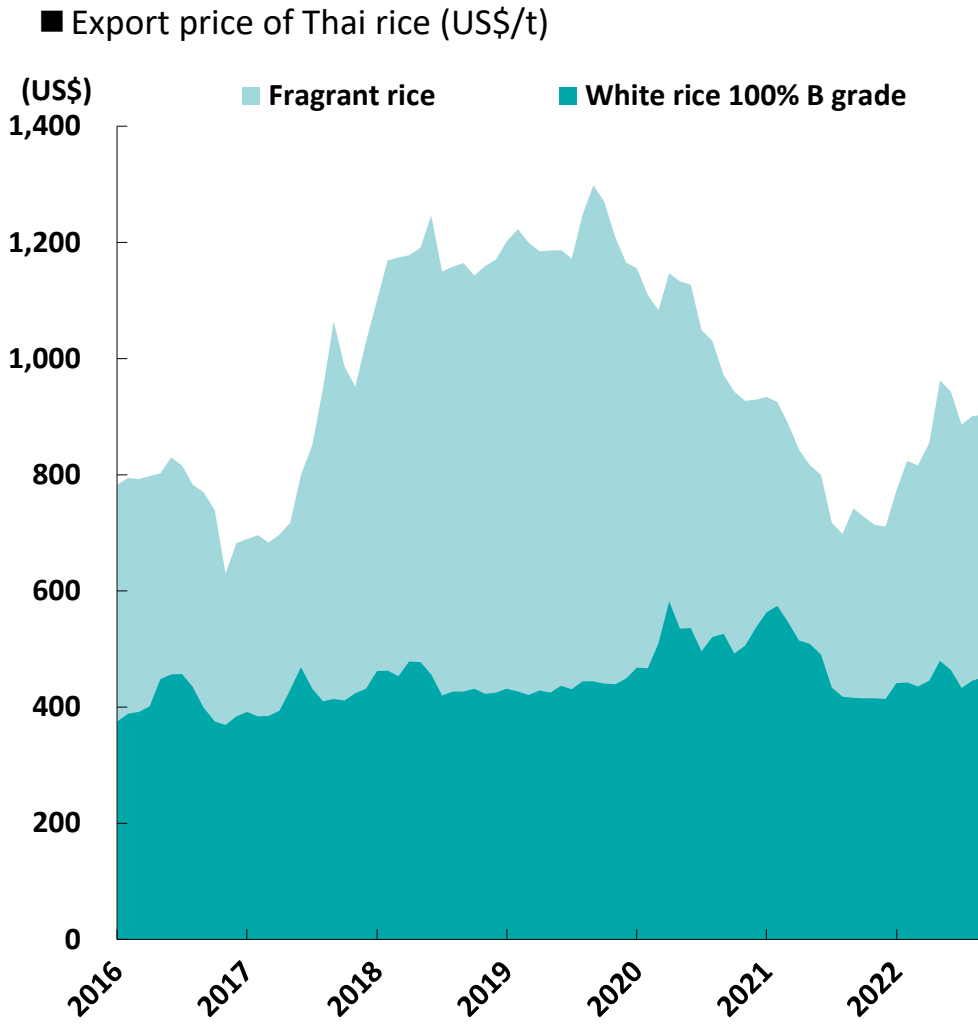
Source: AEM (Association of Equipment Manufacturers)

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



Source: U.S. Census Bureau

# Supplementary data of Thailand



Source: USDA, Thai Rice Exporters Association

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## 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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