



ON YOUR SIDE

# Financial Results for FY 2023 3rd Quarter



November 8, 2023

# Financial Summary for FY 2023 3rd Quarter

(Unit: billions of yen)	FY 2023 3Q	FY 2022 3Q	Changes	
			Amount	%
<b>Revenue</b>	<b>2,258.2</b>	<b>1,952.6</b>	<b>+305.7</b>	<b>+15.7</b>
Japan	472.5	441.6	+30.9	+7.0
Overseas	1,785.7	1,510.9	+274.8	+18.2
<b>Operating profit</b>	11.5% <b>258.9</b>	9.2% <b>180.0</b>	<b>+78.9</b>	<b>+43.8</b>
<b>Profit before income taxes</b>	11.9% <b>268.4</b>	9.9% <b>194.2</b>	<b>+74.1</b>	<b>+38.2</b>
<b>Profit attributable to owners of the parent</b>	8.1% <b>182.4</b>	6.8% <b>133.7</b>	<b>+48.7</b>	<b>+36.4</b>
<b>1USD (JPY)</b>	<b>138</b>	<b>128</b>		
<b>1EUR (JPY)</b>	<b>150</b>	<b>136</b>		
<b>1THB (JPY)</b>	<b>4.01</b>	<b>3.70</b>		

The effect of fluctuation in foreign exchange rate to revenue against LY was +110.0 billion yen.



## Machinery: 1,991.4 billion yen (YoY +285.0)

Japan

Sales of farm equipment increased due to an increase in average unit price and sales growth in the high horsepower range although the market demand has continued to be at the same level as the prior year.

North America

Retail sales of tractors decreased due to shrinking of housing market. Market demand of CE was firm thanks to demand for housing construction and infrastructure development by the government, but growth rate of the market got slower due to the progress of inventory replenishment.

Europe

Although sales of CE had been firm, market demand surpassed its peak and a sign of slowdown has begun to appear. Sales of tractors increased due to recovery from inventory shortage although the market presently has weakness.

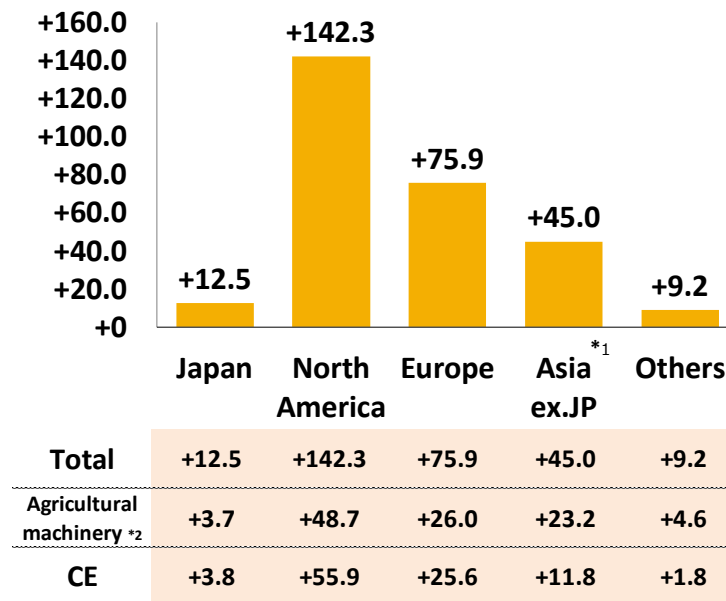
Asia except Japan

In Thailand, sales of tractors for rice and dryland farming decreased due to continuous weak mind for investment caused by unusual weather such as drought. In India, sales for dryland farming were firm, while rice farming business was stagnant due to prolonged monsoon. In China, market shrank due to adverse reaction to the rush demand before implementation of new emissions regulation in 2022.

Others

The Australian market was slowing down as the completion of tax breaks.

■ Changes in revenue by region  
(Billions of yen)



\*1 Escorts has been consolidated since FY 2022 2Q

\*2 Tractor, combine harvesters, and rice transplanter



## Water: 251.5 billion yen (YoY +22.7)

Pipe system

Sales of ductile iron pipes were weak due to a shift to alternative pipes by price increase. Sales of plastic pipes were firm thanks to solid demand for apartment building and non-residential market, despite weak demand for housing market.

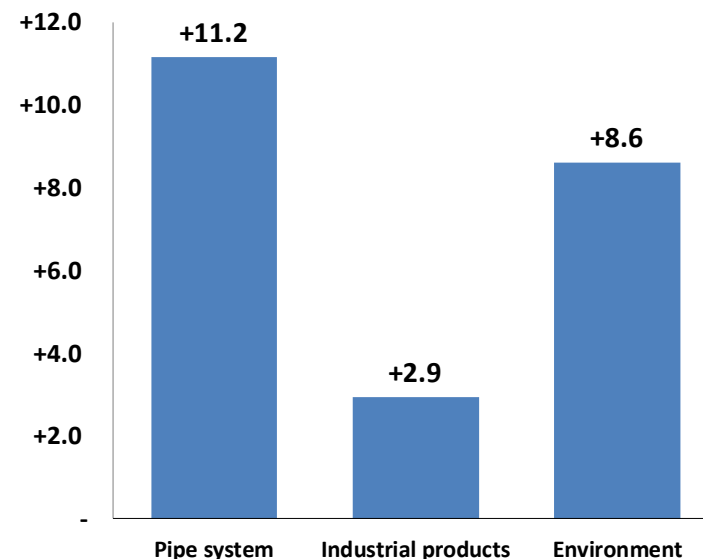
Industrial products

Sales of cracking tubes were firm by construction demand for overseas plant. Orders for air-conditioning equipment increased due to the trend to shift factories back to Japan.

Environment

Sales for industrial waste water increased due to the trend to shift factories back to Japan. Sales of plants engineering for such as incineration were also firm. Sales of pumps decreased due to an effect from the big project in the prior year, but are in line with the company plan.

■ Changes in revenue by business (Billions of yen)



## Other: 15.3 billion yen (YoY -2.1)

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

# Operating Profit

(Unit: billions of yen)	FY 2023 3Q		FY 2022 3Q		Changes	
	Amount	%	Amount	%	Amount	%
Operating profit	258.9	11.5	180.0	9.2	+78.9	+43.8

## Factors affecting operating profit (YoY change +78.9 billion yen)

<b>1. Fluctuation in exchange rates</b>	1USD (JPY) (128→138 *)	+39.0 billion yen	} <b>+55.0 billion yen</b>
	1EUR (JPY) (136→150 *)	+10.0 billion yen	
	Other currencies	+6.0 billion yen	

<b>2. Foreign exchange gain/loss</b>	<b>-17.9 billion yen</b>
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<b>3. Material</b>	Machinery (Purchased parts, steel, etc.)	-12.6 billion yen	} <b>-16.1 billion yen</b>
	Water (PVC, iron & steel scrap, etc.)	-3.5 billion yen	

<b>4. Change in sales incentive ratio</b>	North America : -21.0 billion yen, etc.	<b>-19.9 billion yen</b>
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<b>5. Impact of increased or decreased sales</b>	<b>+11.2 billion yen</b>
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<b>6. Sales price increase</b>	<b>+109.7 billion yen</b>
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<b>7. Other</b>	Logistics expenses +12.7 billion yen, Depreciation and amortization -11.1 billion yen, R&D expenses -9.8 billion yen, etc.	<b>-43.1 billion yen</b>
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\* Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: 1USD(JPY):120→138 1EUR(JPY):132→144

# Annual Financial Forecast for FY 2023

(Unit: billions of yen)	FY 2023 (Forecast)	FY 2022 (Actual)	Changes	
			Amount	%
<b>Revenue</b>	<b>2,950.0</b>	<b>2,677.0</b>	<b>+273.0</b>	<b>+10.2</b>
Japan	632.0	602.4	+29.6	+4.9
Overseas	2,318.0	2,074.6	+243.4	+11.7
<b>Operating profit</b>	10.0% <b>295.0</b>	8.0% <b>214.4</b>	<b>+80.6</b>	<b>+37.6</b>
<b>Profit before income taxes</b>	10.4% <b>307.0</b>	8.6% <b>231.2</b>	<b>+75.9</b>	<b>+32.8</b>
<b>Profit attributable to owners of the parent</b>	6.9% <b>205.0</b>	5.8% <b>156.5</b>	<b>+48.5</b>	<b>+31.0</b>

Previous forecast (Aug. 2023)
<b>2,950.0</b>
639.0
2,311.0
9.7% <b>285.0</b>
10.1% <b>298.0</b>
6.8% <b>200.0</b>

<b>1USD (JPY)</b>	<b>139</b>	<b>131</b>
<b>1EUR (JPY)</b>	<b>150</b>	<b>138</b>
<b>1THB (JPY)</b>	<b>4.00</b>	<b>3.75</b>

Operating profit was revised to 295.0 billion yen, an increase of 10.0 billion yen from the previous forecasts considering the current trends of exchange rate fluctuations and market.

The effect of fluctuation in foreign exchange rate to revenue forecast was +112.0 billion yen against LY and +77.0 billion yen against the previous forecast.

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**Kubota**

# 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.
2022	0-40hp	-10.8%	-18.7%	-21.4%	-26.2%	-15.8%	-17.5%	-19.3%
	40-120hp	-4.2%	-13.4%	-9.5%	-1.2%	-9.8%	-9.7%	-7.5%
	120-160hp	+10.3%	+3.9%	+4.4%	+12.5%	+6.5%	+5.7%	+7.8%
2023	0-40hp	-20.1%	-8.4%	-6.8%	-	-13.0%	-11.2%	-
	40-120hp	-9.2%	-4.5%	-6.5%	-	-6.5%	-6.5%	-
	120-160hp	-0.2%	+0.1%	-0.6%	-	-0.0%	-0.2%	-

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.
2022	+10.2%	-7.7%	+7.6%	-3.1%	-0.3%	+2.3%	+0.8%
2023	+3.8%	+10.9%	-3.1%	-	+7.7%	+3.9%	-

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.
2022	-1.7%	-9.1%	-1.1%	+12.7%	-6.0%	-4.4%	+0.2%
2023	+17.4%	+3.3%	+5.9%	-	+9.4%	+8.2%	-

Source: AEM (Association of Equipment Manufacturers)

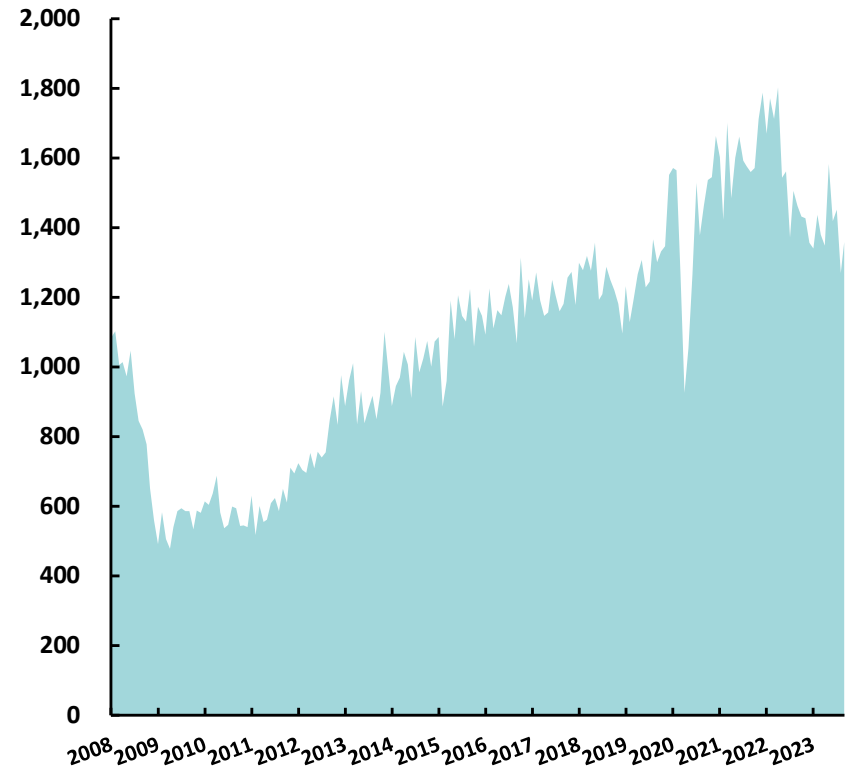
## ■ YoY growth rate of retail sales units in the skid steer loader market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2022	-20.3%	-18.9%	-15.7%	-17.4%	-19.6%	-18.3%	-18.0%
2023	-5.3%	+4.5%	+7.9%	-	+0.1%	+2.6%	-

Source: AEM (Association of Equipment Manufacturers)

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

(Thousand units)

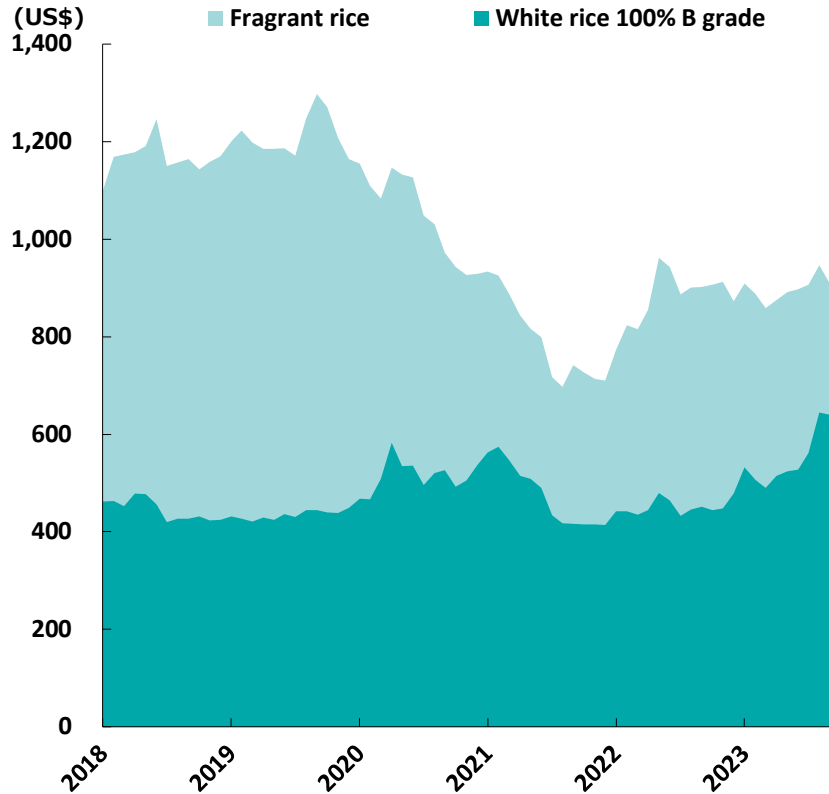


Source: U.S. Census Bureau



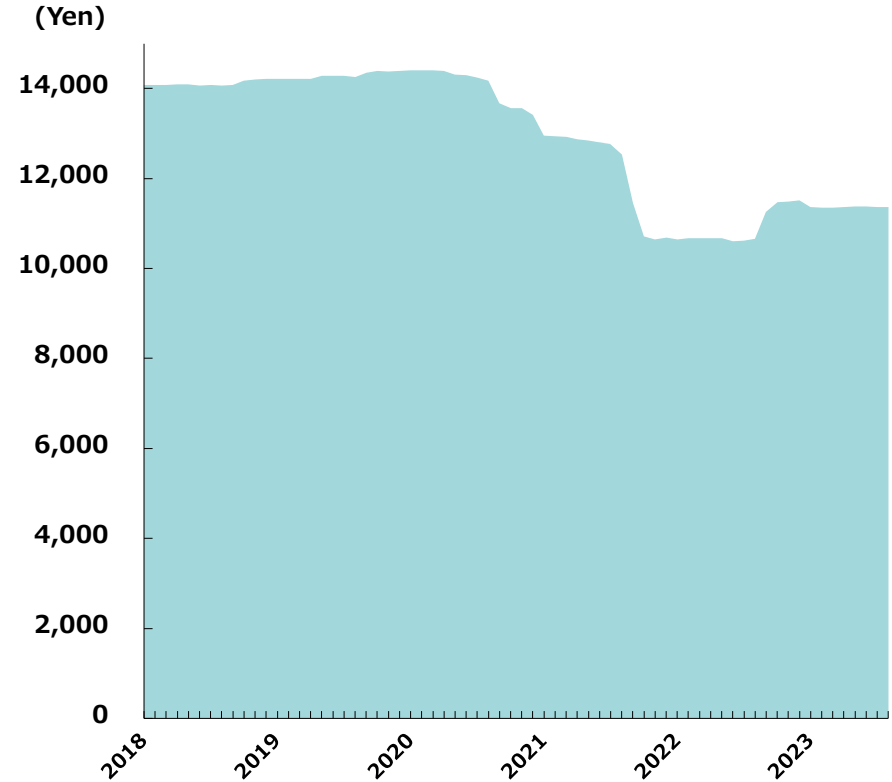
# Supplementary data of Thailand and Japan

■ Export price of Thai rice (US\$/t)



Source: USDA, Thai Rice Exporters Association

■ Producers' price of Japanese rice (yen/ 60kg)



Source: Ministry of Agriculture, Forestry and Fisheries

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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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