

KUBOTA Corporation

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RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2021 [IFRS]

Kubota Corporation hereby reports its consolidated results for the six months ended June 30, 2021.

Consolidated Financial Highlights**1. Consolidated results of operations for the six months ended June 30, 2021****(1) Results of operations**

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

	Six months ended June 30, 2021	Change [%]	Six months ended June 30, 2020	Change [%]
Revenue	¥ 1,101,405	24.6	¥ 884,170	(8.9)
Operating profit	¥ 147,548	80.7	¥ 81,670	(26.4)
Profit before income taxes	¥ 149,409	77.0	¥ 84,421	(26.4)
Profit for the period	¥ 113,140	73.6	¥ 65,161	(24.9)
Profit attributable to owners of the parent	¥ 102,950	72.8	¥ 59,570	(26.6)
Comprehensive income for the period	¥ 167,788	443.9	¥ 30,848	(60.1)
Earnings per share attributable to owners of the parent:				
Basic	¥ 85.22		¥ 48.87	
Diluted	-		-	

(2) Financial condition

(Unit: millions of yen)

	June 30, 2021	Dec. 31, 2020
Total assets	¥ 3,430,791	¥ 3,189,317
Total equity	¥ 1,712,384	¥ 1,574,185
Equity attributable to owners of the parent	¥ 1,610,291	¥ 1,476,039
Ratio of equity attributable to owners of the parent to total assets	46.9%	46.3%

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, 2021	¥ 21.00	Undecided	Undecided
Year ended Dec. 31, 2020	¥ 17.00	¥ 19.00	¥ 36.00

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, 2021 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, 2021

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

	Year ending Dec. 31, 2021	Change [%]
Revenue	¥ 2,150,000	16.0
Operating profit	¥ 260,000	48.3
Profit before income taxes	¥ 263,000	41.5
Profit attributable to owners of the parent	¥ 183,000	42.4
Earnings per share attributable to owners of the parent - Basic	¥ 151.49	

Notes:

1. Change [%] represents the percentage change from the same period in 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, 2021" on page 6 for further information related to the forecasts of operations.

4. Other information

(1) Changes in significant subsidiaries during the six months ended June 30, 2021 (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 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 June 30, 2021 | : 1,208,576,846 |
| Number of common shares issued including treasury shares as of December 31, 2020 | : 1,208,576,846 |
| b) Number of treasury shares as of June 30, 2021 | : 533,513 |
| Number of treasury shares as of December 31, 2020 | : 643,937 |
| c) Weighted-average number of common shares outstanding during the six months ended June 30, 2021 | : 1,207,946,806 |
| Weighted-average number of common shares outstanding during the six months ended June 30, 2020 | : 1,218,840,330 |

(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 for institutional investors and securities analysts on August 5, 2021. 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

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

For the six months ended June 30, 2021, revenue of Kubota Corporation and its subsidiaries (hereinafter, the “Company”) increased by ¥217.2 billion [24.6%] from the same period in the prior year to ¥1,101.4 billion.

Domestic revenue increased by ¥12.4 billion [4.3%] from the same period in the prior year to ¥302.5 billion because of increased revenue in Farm & Industrial Machinery mainly due to increased sales of farm equipment, despite a decrease in revenue in Water & Environment and Other.

Overseas revenue increased by ¥204.9 billion [34.5%] from the same period in the prior year to ¥798.9 billion because of significantly increased sales of farm equipment and construction machinery, while revenue in Water & Environment decreased from the same period in the prior year.

Operating profit increased by ¥65.9 billion [80.7%] from the same period in the prior year to ¥147.5 billion mainly due to significantly increased revenue in the domestic and overseas markets and improved foreign exchange rates, while there were some negative effects from increased fixed costs and a rise in material prices. Profit before income taxes increased by ¥65.0 billion [77.0%] from the same period in the prior year to ¥149.4 billion due to increased operating profit. Income tax expenses were ¥37.8 billion. Share of profits of investments accounted for using the equity method was ¥1.5 billion. Profit for the period increased by ¥48.0 billion [73.6%] from the same period in the prior year to ¥113.1 billion. Profit attributable to owners of the parent increased by ¥43.4 billion [72.8%] from the same period in the prior year to ¥103.0 billion.

Revenue from external customers and operating profit by each reportable segment were as follows:

1) Farm & Industrial Machinery

Farm & Industrial Machinery is comprised of farm equipment, agricultural-related products, engines, and construction machinery.

Revenue in this segment increased by 30.9% from the same period in the prior year to ¥941.3 billion and accounted for 85.5% of consolidated revenue.

Domestic revenue increased by 10.9% from the same period in the prior year to ¥160.4 billion. Sales of farm equipment and agricultural-related products increased due to a recovery from adverse reaction from rushed demand before the consumption tax hike and increased demand resulting from subsidies for business continuation of farmers.

Overseas revenue increased by 35.9% from the same period in the prior year to ¥780.9 billion. In North America, sales of tractors and construction machinery increased significantly mainly due to strong demand along with trend in move to suburbs despite delay in production and shipment caused by port congestion and labor shortages. In addition, sales of engines recovered. In Europe, sales of construction machinery, tractors, and engines increased due to a recovery from sluggish sales along with the infection spread of COVID-19 in the prior year. In Asia outside Japan, sales of farm equipment in Thailand significantly increased mainly due to favorable weather conditions and stable crop prices at a high level. In addition, sales of farm equipment in China, India, and Philippines were strong as well. In Other areas, sales of tractors and construction machinery in Australia increased significantly due to more rainfall than usual and government stimulus policies.

Operating profit in this segment increased by 65.1% from the same period in the prior year to ¥143.9 billion mainly due to significantly increased revenue in the domestic and overseas markets and deteriorated profitability of products, which had been shipped in the same period in the prior year, in its manufacturing bases, while some negative effects from increased fixed costs and a rise in material prices.

2) Water & Environment

Water & Environment is comprised of pipe- and infrastructure-related products (ductile iron pipes, plastic pipes, valves for public sector, industrial castings, spiral-welded steel pipes, air-conditioning equipment, and other products) and environment-related products (environmental control plants, pumps, valves for private sector, and other products).

Revenue in this segment decreased by 2.5% from the same period in the prior year to ¥146.6 billion and accounted for 13.3% of consolidated revenue.

Domestic revenue decreased by 1.8% from the same period in the prior year to ¥128.6 billion. In pipe- and infrastructure-related products, sales of ductile iron pipes and construction business decreased mainly due to a negative effect from postponed construction period along with a state of emergency. In environment-related products, sales of pumps increased significantly due to increased sales of drainage pump vehicles.

Overseas revenue decreased by 7.4% from the same period in the prior year to ¥18.0 billion. Mainly sales of industrial castings decreased.

Operating profit in this segment increased by 33.2% from the same period in the prior year to ¥13.2 billion mainly due to an improvement in plant construction costs.

3) Other

Other is mainly comprised of a variety of services.

Revenue in this segment decreased by 7.6% from the same period in the prior year to ¥13.6 billion and accounted for 1.2% of consolidated revenue.

Operating profit in this segment increased by 9.6% from the same period in the prior year to ¥1.6 billion.

(2) Financial condition

a) Assets, liabilities, and equity

Total assets as of June 30, 2021 were ¥3,430.8 billion, an increase of ¥241.5 billion from the prior fiscal year-end. With respect to assets, the yen value of finance receivables increased significantly due to the yen depreciation compared with the prior fiscal year-end in addition to an expansion in sales financing operations in North America, where retail sales were strong. In addition, inventories increased mainly due to increased inventories in transit along with port congestion.

With respect to liabilities, the yen value of bonds and borrowings denominated in foreign currencies increased mainly due to the yen depreciation compared with the prior fiscal year-end and an increase in finance receivables. 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 46.9%, 0.6 percentage points higher than the prior fiscal year-end.

b) Cash flows

Net cash provided by operating activities during the six months ended June 30, 2021 was ¥50.8 billion, an increase of ¥1.3 billion in net cash inflow compared with the same period in the prior year. This increase was mainly due to an increase in profit for the period, despite an increase in cash outflow related to an increase in finance receivables.

Net cash used in investing activities was ¥45.3 billion, an increase of ¥14.9 billion in net cash outflow compared with the same period in the prior year. This increase was mainly due to a decrease in cash inflow related to sales of securities and an increase in cash outflow related to acquisition of property, plant, and equipment and intangible assets, despite a decrease in cash outflow related to net increase in time deposits.

Net cash provided by financing activities was ¥2.3 billion, a decrease of ¥33.9 billion in net cash inflow compared with the same period in the prior year mainly due to a decrease 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 June 30, 2021 were ¥237.5 billion, an increase of ¥14.6 billion from the beginning of the current period.

(3) Forecasts for the year ending December 31, 2021

The Company revised its forecasts for revenue for the year ending December 31, 2021 upward to ¥2,150.0 billion, an increase of ¥100.0 billion from the previous forecasts, which were announced on February 15, 2021. This revision was made because overseas revenue is expected to increase due to a significant increase in sales of farm equipment in Asia outside Japan and more favorable exchange rates for the yen than forecast, in addition to strong sales of tractors and agricultural-related products in domestic market.

Operating profit was revised to ¥260.0 billion, an increase of ¥40.0 billion from the previous forecasts based on the revised revenue forecast and exchange rate trends. Profit before income taxes was revised to ¥263.0 billion, an increase of ¥38.0 billion from the previous forecasts and profit attributable to owners of the parent was revised to ¥183.0 billion, an increase of ¥25.0 billion from the previous forecasts.

The infection of new variants of COVID-19 is spreading around the world. If the situation with COVID-19 gets worse, there is a possibility that the Company's results of operations will be affected. However, the impact is not included in these forecasts because it is difficult to make assumptions at this point.

These forecasts are based on the assumption of exchange rates of ¥108=US\$1 and ¥130=€1.

(Reference) The forecasts for the year ending December 31, 2021

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

	Year ending Dec. 31, 2021				(Reference) Year ended Dec. 31, 2020
	Revised forecasts	Previous forecasts	Change		
			Amount	%	
Revenue	2,150,000	2,050,000	100,000	4.9	1,853,234
Operating profit	260,000	220,000	40,000	18.2	175,284
Profit before income taxes	263,000	225,000	38,000	16.9	185,899
Profit attributable to owners of the parent	183,000	158,000	25,000	15.8	128,524
Earnings per share attributable to owners of the parent-Basic	151.49	130.80	-	-	105.85

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)

	June 30, 2021		Dec. 31, 2020		Change
	Amount	%	Amount	%	Amount
Current assets:					
Cash and cash equivalents	¥ 237,539		¥ 222,919		¥ 14,620
Trade receivables	588,952		592,027		(3,075)
Finance receivables	349,583		317,626		31,957
Other financial assets	41,683		49,967		(8,284)
Inventories	428,731		373,998		54,733
Income taxes receivable	3,261		9,700		(6,439)
Other current assets	62,432		72,305		(9,873)
Total current assets	1,712,181	49.9	1,638,542	51.4	73,639
Noncurrent assets:					
Investments accounted for using the equity method	37,255		36,124		1,131
Finance receivables	941,820		807,342		134,478
Other financial assets	142,300		138,583		3,717
Property, plant, and equipment	440,501		424,672		15,829
Goodwill and intangible assets	80,324		72,539		7,785
Deferred tax assets	49,015		43,641		5,374
Other noncurrent assets	27,395		27,874		(479)
Total noncurrent assets	1,718,610	50.1	1,550,775	48.6	167,835
Total assets	¥ 3,430,791	100.0	¥ 3,189,317	100.0	¥ 241,474

LIABILITIES AND EQUITY

(Unit: millions of yen)

	June 30, 2021		Dec. 31, 2020		Change
	Amount	%	Amount	%	Amount
Current liabilities:					
Bonds and borrowings	¥ 437,570		¥ 366,038		¥ 71,532
Trade payables	328,615		323,607		5,008
Other financial liabilities	79,228		87,445		(8,217)
Income taxes payable	28,907		14,676		14,231
Provisions	42,059		39,736		2,323
Other current liabilities	204,727		194,924		9,803
Total current liabilities	1,121,106	32.7	1,026,426	32.2	94,680
Noncurrent liabilities:					
Bonds and borrowings	519,096		508,398		10,698
Other financial liabilities	28,977		31,537		(2,560)
Retirement benefit liabilities	16,303		16,144		159
Deferred tax liabilities	28,580		28,088		492
Other noncurrent liabilities	4,345		4,539		(194)
Total noncurrent liabilities	597,301	17.4	588,706	18.4	8,595
Total liabilities	1,718,407	50.1	1,615,132	50.6	103,275
Equity:					
Share capital	84,130		84,130		-
Share premium	84,840		84,943		(103)
Retained earnings	1,408,142		1,325,764		82,378
Other components of equity	33,632		(18,162)		51,794
Treasury shares	(453)		(636)		183
Total equity attributable to owners of the parent	1,610,291	46.9	1,476,039	46.3	134,252
Noncontrolling interests	102,093	3.0	98,146	3.1	3,947
Total equity	1,712,384	49.9	1,574,185	49.4	138,199
Total liabilities and equity	¥ 3,430,791	100.0	¥ 3,189,317	100.0	¥ 241,474

(2) Condensed consolidated statement of profit or loss

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

	Six months ended June 30, 2021		Six months ended June 30, 2020		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 1,101,405	100.0	¥ 884,170	100.0	¥ 217,235	24.6
Cost of sales	(777,257)		(634,113)		(143,144)	
Selling, general, and administrative expenses	(181,523)		(166,357)		(15,166)	
Other income	7,080		4,356		2,724	
Other expenses	(2,157)		(6,386)		4,229	
Operating profit	147,548	13.4	81,670	9.2	65,878	80.7
Finance income	2,611		3,914		(1,303)	
Finance costs	(750)		(1,163)		413	
Profit before income taxes	149,409	13.6	84,421	9.5	64,988	77.0
Income tax expenses	(37,808)		(20,598)		(17,210)	
Share of profits of investments accounted for using the equity method	1,539		1,338		201	
Profit for the period	¥ 113,140	10.3	¥ 65,161	7.4	¥ 47,979	73.6

Profit attributable to:						
Owners of the parent	¥ 102,950	9.3	¥ 59,570	6.7	¥ 43,380	72.8
Noncontrolling interests	10,190	1.0	5,591	0.7	4,599	82.3

Earnings per share attributable to owners of the parent:				
Basic	¥ 85.22		¥ 48.87	
Diluted	-		-	

(3) Condensed consolidated statement of comprehensive income

(Unit: millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2020	Change
Profit for the period	¥ 113,140	¥ 65,161	¥ 47,979
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	(249)	113	(362)
Net change in fair value of financial assets measured at fair value through other comprehensive income	1,913	(7,887)	9,800
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	52,984	(26,539)	79,523
Total other comprehensive income, net of income tax	54,648	(34,313)	88,961
Comprehensive income for the period	¥ 167,788	¥ 30,848	¥ 136,940

Comprehensive income attributable to:			
Owners of the parent	¥ 157,131	¥ 28,401	¥ 128,730
Noncontrolling interests	10,657	2,447	8,210

(4) Condensed consolidated statement of changes in equity

Six months ended June 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			102,950			102,950	10,190	113,140
Total other comprehensive income, net of income tax				54,181		54,181	467	54,648
Comprehensive income for the period			102,950	54,181		157,131	10,657	167,788
Transfer to retained earnings			2,385	(2,385)		-		-
Dividends paid			(22,957)			(22,957)	(6,774)	(29,731)
Purchases and sales of treasury shares					(1)	(1)		(1)
Share-based payments with transfer restrictions		(43)			184	141		141
Changes in ownership interests in subsidiaries		(60)		(2)		(62)	64	2
Balance as of June 30, 2021	¥ 84,130	¥ 84,840	¥ 1,408,142	¥ 33,632	¥ (453)	¥ 1,610,291	¥ 102,093	¥ 1,712,384

Six months ended June 30, 2020

(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, 2020	¥ 84,130	¥ 84,671	¥ 1,238,824	¥ 35,849	¥ (637)	¥ 1,442,837	¥ 94,377	¥ 1,537,214
Profit for the period			59,570			59,570	5,591	65,161
Total other comprehensive income, net of income tax				(31,169)		(31,169)	(3,144)	(34,313)
Comprehensive income for the period			59,570	(31,169)		28,401	2,447	30,848
Transfer to retained earnings			17,873	(17,873)		-		-
Dividends paid			(23,185)			(23,185)	(2,721)	(25,906)
Purchases and sales of treasury shares					(7,000)	(7,000)		(7,000)
Share-based payments with transfer restrictions		(61)	(35)		148	52		52
Changes in ownership interests in subsidiaries		383		15		398	(423)	(25)
Balance as of June 30, 2020	¥ 84,130	¥ 84,993	¥ 1,293,047	¥ (13,178)	¥ (7,489)	¥ 1,441,503	¥ 93,680	¥ 1,535,183

(5) Condensed consolidated statement of cash flows

(Unit: millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2020	Change
Cash flows from operating activities:			
Profit for the period	¥ 113,140	¥ 65,161	
Depreciation and amortization	35,156	33,099	
Finance income and costs	(1,762)	(2,910)	
Income tax expenses	37,808	20,598	
Decrease in trade receivables	9,790	10,600	
Increase in finance receivables	(99,287)	(63,460)	
(Increase) decrease in inventories	(37,529)	6,300	
Decrease in other assets	12,198	37,786	
Decrease in trade payables	(928)	(46,317)	
Increase in other liabilities	4,287	11,320	
Other, net	(3,067)	(1,534)	
Interest received	1,087	2,058	
Dividends received	1,133	1,430	
Interest paid	(1,242)	(419)	
Income taxes paid, net	(19,987)	(24,191)	
Net cash provided by operating activities	50,797	49,521	¥ 1,276
Cash flows from investing activities:			
Payments for acquisition of property, plant, and equipment and intangible assets	(56,973)	(38,434)	
Proceeds from sales and redemptions of securities	3,941	26,916	
Net decrease in loans receivable from associate	1,431	250	
Net increase in time deposits	(5,379)	(25,373)	
Net decrease (increase) in restricted cash	9,900	(1,014)	
Net decrease in short-term investments	-	2,894	
Other, net	1,803	4,344	
Net cash used in investing activities	(45,277)	(30,417)	(14,860)
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	150,882	204,676	
Redemptions of bonds and repayments of long-term borrowings	(122,997)	(93,171)	
Net increase (decrease) in short-term borrowings	8,763	(38,197)	
Repayments of lease liabilities	(9,409)	(7,272)	
Dividends paid	(22,957)	(23,185)	
Purchases of treasury shares	(2)	(7,000)	
Other, net	(2,017)	342	
Net cash provided by financing activities	2,263	36,193	(33,930)
Effect of exchange rate changes on cash and cash equivalents	6,837	(4,303)	11,140
Net increase in cash and cash equivalents	14,620	50,994	
Cash and cash equivalents, at beginning of period	222,919	199,665	
Cash and cash equivalents, at end of period	¥ 237,539	¥ 250,659	¥ (13,120)

(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, 2021		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 941,275	¥ 146,551	¥ 13,579	¥ -	¥ 1,101,405
	Intersegment	92	724	14,569	(15,385)	-
	Total	941,367	147,275	28,148	(15,385)	1,101,405
Operating profit		¥ 143,935	¥ 13,190	¥ 1,625	¥ (11,202)	¥ 147,548

(Unit: millions of yen)

Six months ended June 30, 2020		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 719,147	¥ 150,326	¥ 14,697	¥ -	¥ 884,170
	Intersegment	137	535	13,245	(13,917)	-
	Total	719,284	150,861	27,942	(13,917)	884,170
Operating profit		¥ 87,197	¥ 9,904	¥ 1,482	¥ (16,913)	¥ 81,670

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.
- Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to "Financial services businesses" are reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Other" segment. The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.

b) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2020
Japan	¥ 302,545	¥ 290,193
North America	394,654	300,361
Europe	147,374	108,788
Asia outside Japan	216,827	161,160
Other areas	40,005	23,668
Total	¥ 1,101,405	¥ 884,170

Notes:

- Revenue from North America included that from the United States of ¥343,158 million and ¥270,045 million for the six months ended June 30, 2021 and 2020, respectively.
- There was no single customer from whom revenue exceeded 10% or more of total consolidated revenue of the Company.

(8) Consolidated revenue by product group

(Unit: millions of yen)

	Six months ended June 30, 2021		Six months ended June 30, 2020		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 749,300	68.1	¥ 583,956	66.0	¥ 165,344	28.3
Domestic	143,964		129,099		14,865	11.5
Overseas	605,336		454,857		150,479	33.1
Construction Machinery	191,975	17.4	135,191	15.3	56,784	42.0
Domestic	16,442		15,501		941	6.1
Overseas	175,533		119,690		55,843	46.7
Farm & Industrial Machinery	941,275	85.5	719,147	81.3	222,128	30.9
Domestic	160,406	14.6	144,600	16.3	15,806	10.9
Overseas	780,869	70.9	574,547	65.0	206,322	35.9
Pipe- and Infrastructure-related Products	82,389	7.5	90,325	10.2	(7,936)	(8.8)
Domestic	69,152		75,393		(6,241)	(8.3)
Overseas	13,237		14,932		(1,695)	(11.4)
Environment-related Products	64,162	5.8	60,001	6.8	4,161	6.9
Domestic	59,431		55,519		3,912	7.0
Overseas	4,731		4,482		249	5.6
Water & Environment	146,551	13.3	150,326	17.0	(3,775)	(2.5)
Domestic	128,583	11.7	130,912	14.8	(2,329)	(1.8)
Overseas	17,968	1.6	19,414	2.2	(1,446)	(7.4)
Other	13,579	1.2	14,697	1.7	(1,118)	(7.6)
Domestic	13,556	1.2	14,681	1.7	(1,125)	(7.7)
Overseas	23	0.0	16	0.0	7	43.8
Total	¥ 1,101,405	100.0	¥ 884,170	100.0	¥ 217,235	24.6
Domestic	302,545	27.5	290,193	32.8	12,352	4.3
Overseas	798,860	72.5	593,977	67.2	204,883	34.5

Note:

Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to "Financial services businesses" are reported in the "Farm Equipment and Engines" segment, whereas they were formerly reported in the "Other" segment. 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, 2021		Year ended Dec. 31, 2020		Change	
	Amount	%	Amount	%	Amount	%
Domestic	¥ 310.0		¥ 292.9		¥ 17.1	5.8
Overseas	1,490.0		1,216.2		273.8	22.5
Farm & Industrial Machinery	1,800.0	83.7	1,509.1	81.4	290.9	19.3
Domestic	276.0		274.0		2.0	0.7
Overseas	44.0		41.8		2.2	5.2
Water & Environment	320.0	14.9	315.8	17.0	4.2	1.3
Domestic	30.0		28.3		1.7	5.9
Overseas	0.0		0.0		—	—
Other	30.0	1.4	28.3	1.6	1.7	5.8
Total	¥ 2,150.0	100.0	¥ 1,853.2	100.0	¥ 296.8	16.0

Domestic	¥ 616.0	28.7	¥ 595.2	32.1	¥ 20.8	3.5
Overseas	1,534.0	71.3	1,258.0	67.9	276.0	21.9

Note:

Beginning with the current 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, 2021

(1) Condensed consolidated statement of profit or loss

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

	Three months ended June 30, 2021		Three months ended June 30, 2020		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 563,719	100.0	¥ 444,627	100.0	¥ 119,092	26.8
Cost of sales	(398,995)		(312,295)		(86,700)	
Selling, general, and administrative expenses	(94,682)		(78,289)		(16,393)	
Other income	1,270		1,173		97	
Other expenses	(1,487)		(4,004)		2,517	
Operating profit	69,825	12.4	51,212	11.5	18,613	36.3
Finance income	1,703		2,719		(1,016)	
Finance costs	(437)		(540)		103	
Profit before income taxes	71,091	12.6	53,391	12.0	17,700	33.2
Income tax expenses	(16,427)		(12,509)		(3,918)	
Share of profits of investments accounted for using the equity method	1,009		1,051		(42)	
Profit for the period	¥ 55,673	9.9	¥ 41,933	9.4	¥ 13,740	32.8

Profit attributable to:						
Owners of the parent	¥ 50,909	9.0	¥ 38,814	8.7	¥ 12,095	31.2
Noncontrolling interests	4,764	0.9	3,119	0.7	1,645	52.7

Earnings per share attributable to owners of the parent:				
Basic	¥ 42.14		¥ 31.87	
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, 2021		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 496,822	¥ 60,850	¥ 6,047	¥ -	¥ 563,719
	Intersegment	27	221	7,433	(7,681)	-
	Total	496,849	61,071	13,480	(7,681)	563,719
Operating profit		¥ 75,850	¥ 693	¥ 615	¥ (7,333)	¥ 69,825

(Unit: millions of yen)

Three months ended June 30, 2020		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 372,177	¥ 65,474	¥ 6,976	¥ -	¥ 444,627
	Intersegment	94	264	6,223	(6,581)	-
	Total	372,271	65,738	13,199	(6,581)	444,627
Operating profit		¥ 56,674	¥ 1,606	¥ 514	¥ (7,582)	¥ 51,212

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.
- Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to "Financial services businesses" are reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Other" segment. The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.

b) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2020
Japan	¥ 142,506	¥ 140,166
North America	214,416	151,248
Europe	77,545	49,291
Asia outside Japan	110,655	91,035
Other areas	18,597	12,887
Total	¥ 563,719	¥ 444,627

Notes:

- Revenue from North America included that from the United States of ¥186,109 million and ¥134,856 million for the three months ended June 30, 2021 and 2020, 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 June 30, 2021		Three months ended June 30, 2020		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 391,740	69.5	¥ 298,036	67.0	¥ 93,704	31.4
Domestic	76,321		70,854		5,467	7.7
Overseas	315,419		227,182		88,237	38.8
Construction Machinery	105,082	18.6	74,141	16.7	30,941	41.7
Domestic	7,980		7,413		567	7.6
Overseas	97,102		66,728		30,374	45.5
Farm & Industrial Machinery	496,822	88.1	372,177	83.7	124,645	33.5
Domestic	84,301	14.9	78,267	17.6	6,034	7.7
Overseas	412,521	73.2	293,910	66.1	118,611	40.4
Pipe- and Infrastructure-related Products	39,027	6.9	41,078	9.2	(2,051)	(5.0)
Domestic	33,183		33,269		(86)	(0.3)
Overseas	5,844		7,809		(1,965)	(25.2)
Environment-related Products	21,823	3.9	24,396	5.5	(2,573)	(10.5)
Domestic	18,988		21,658		(2,670)	(12.3)
Overseas	2,835		2,738		97	3.5
Water & Environment	60,850	10.8	65,474	14.7	(4,624)	(7.1)
Domestic	52,171	9.3	54,927	12.3	(2,756)	(5.0)
Overseas	8,679	1.5	10,547	2.4	(1,868)	(17.7)
Other	6,047	1.1	6,976	1.6	(929)	(13.3)
Domestic	6,034	1.1	6,972	1.6	(938)	(13.5)
Overseas	13	0.0	4	0.0	9	225.0
Total	¥ 563,719	100.0	¥ 444,627	100.0	¥ 119,092	26.8
Domestic	142,506	25.3	140,166	31.5	2,340	1.7
Overseas	421,213	74.7	304,461	68.5	116,752	38.3

Note:

Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to "Financial services businesses" are reported in the "Farm Equipment and Engines" segment, whereas they were formerly reported in the "Other" segment. The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.