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FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023 [IFRS]

Kubota Corporation hereby reports its consolidated results for the year ended December 31, 2023.

Consolidated Financial Highlights

1. Consolidated financial results for the year ended December 31, 2023

(1) Results of operations

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

| | Year ended Dec. 31, 2023 | Change (%) | Year ended Dec. 31, 2022 | Change (%) |
|--|-----------------------------|---------------|-----------------------------|---------------|
| Revenue | ¥ 3,020,711 | 12.8 | ¥ 2,676,980 | — |
| Operating profit | ¥ 328,829 | 53.4 | ¥ 214,387 | — |
| % of revenue | 10.9% | | 8.0% | |
| Profit before income taxes | ¥ 342,289 | 48.1 | ¥ 231,150 | — |
| % of revenue | 11.3% | | 8.6% | |
| Profit for the year | ¥ 259,998 | 49.0 | ¥ 174,440 | — |
| % of revenue | 8.6% | | 6.5% | |
| Profit attributable to owners of the parent | ¥ 238,455 | 52.4 | ¥ 156,472 | — |
| % of revenue | 7.9% | | 5.8% | |
| Comprehensive income for the year | ¥ 407,057 | 32.0 | ¥ 308,405 | — |
| % of revenue | 13.5% | | 11.5% | |
| Earnings per share attributable to owners of the parent: | | | | |
| Basic | ¥ 201.74 | | ¥ 131.06 | |
| Diluted | — | | — | |
| Ratio of profit attributable to owners of the parent to equity attributable to owners of the parent | 11.8% | | 8.8% | |
| Ratio of profit before income taxes to total assets | 6.8% | | 5.4% | |

(2) Financial position

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

| | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---------------|---------------|
| Total assets | ¥ 5,359,247 | ¥ 4,765,053 |
| Total equity | ¥ 2,416,067 | ¥ 2,102,488 |
| Equity attributable to owners of the parent | ¥ 2,175,773 | ¥ 1,874,490 |
| Ratio of equity attributable to owners of the parent to total assets | 40.6% | 39.3% |
| Equity attributable to owners of the parent per share | ¥ 1,851.75 | ¥ 1,576.30 |

(3) Cash flows

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|---|-----------------------------|-----------------------------|
| Net cash used in operating activities | (¥ 17,273) | (¥ 7,680) |
| Net cash used in investing activities | (¥ 173,441) | (¥ 318,499) |
| Net cash provided by financing activities | ¥ 178,404 | ¥ 282,557 |
| Cash and cash equivalents, at the end of the year | ¥ 222,118 | ¥ 225,799 |

Notes:

1. Change (%) represents the percentage change from 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 prior year of the year ended Dec. 31, 2022, are not presented.
3. Amounts less than one million yen are rounded.

2. Cash dividends

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

| | Cash dividends per share | | | | | Annual cash dividends | Payout ratio | Ratio of dividends to equity attributable to owners of the parent |
|--------------------------|--------------------------|-----------------------|----------------------|----------|---------|-----------------------|--------------|---|
| | First quarter period | Second quarter period | Third quarter period | Year-end | Total | | | |
| Year ended Dec. 31, 2023 | — | ¥ 24.00 | — | ¥ 24.00 | ¥ 48.00 | ¥ 56,585 | 23.8% | 2.8% |
| Year ended Dec. 31, 2022 | — | ¥ 22.00 | — | ¥ 22.00 | ¥ 44.00 | ¥ 52,496 | 33.6% | 3.0% |

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 retirement of its own shares.

3. Forecasts of operations for the year ending December 31, 2024

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

| | Six months ending June 30, 2024 | Change (%) | Year ending Dec. 31, 2024 | Change (%) |
|---|------------------------------------|---------------|------------------------------|---------------|
| Revenue | ¥ 1,550,000 | 2.0 | ¥ 3,050,000 | 1.0 |
| Operating profit | ¥ 180,000 | (2.5) | ¥ 320,000 | (2.7) |
| Profit before income taxes | ¥ 188,000 | (2.0) | ¥ 333,000 | (2.7) |
| Profit attributable to owners of the parent | ¥ 130,000 | 0.9 | ¥ 226,000 | (5.2) |
| Earnings per share attributable to owners of the parent - basic | ¥ 110.64 | | ¥ 192.34 | |

Notes:

- Change (%) represents the percentage change from the prior year.
- Please refer to the accompanying materials, "1. Review of operations and financial results (1) Review of operations b) Forecasts for the year ending December 31, 2024" on page 6 for further information related to the forecasts of operations.

4. Other information

- Changes in significant subsidiaries during the year ended December 31, 2023 (changes in specified subsidiaries resulting in the changes in scope of consolidation): None
- Changes in accounting policies and changes in accounting estimates
 - Changes in accounting policies required by International Financial Reporting Standards (hereinafter "IFRS"): Yes
 - Changes in accounting policies due to reasons other than a) above: None
 - Changes in accounting estimates: None

Note:

See the accompanying materials, "3. Consolidated financial statements (7) Notes to consolidated financial statements c) Changes in accounting policies" on page 14.

- Number of common shares issued
 - Number of common shares issued including treasury shares as of December 31, 2023 : 1,176,666,846
 - Number of common shares issued including treasury shares as of December 31, 2022 : 1,191,006,846
 - Number of treasury shares as of December 31, 2023 : 1,685,151
 - Number of treasury shares as of December 31, 2022 : 1,838,075
 - Weighted-average number of common shares outstanding during the year ended December 31, 2023 : 1,181,975,005
 - Weighted-average number of common shares outstanding during the year ended December 31, 2022 : 1,193,854,627

(Reference) Non consolidated financial highlights

(1) Results of operations

(Unit: millions of yen, except per common share amounts)

| | Year ended Dec. 31, 2023 | Change (%) | Year ended Dec. 31, 2022 | Change (%) |
|-----------------------------|-----------------------------|---------------|-----------------------------|---------------|
| Net sales | ¥ 1,223,415 | 5.5 | ¥ 1,159,920 | 7.9 |
| Operating income | ¥ 73,051 | 54.0 | ¥ 47,425 | (9.0) |
| Ordinary income | ¥ 109,238 | 20.5 | ¥ 90,689 | (23.5) |
| Net income | ¥ 123,773 | 67.8 | ¥ 73,779 | (22.9) |
| Net income per common share | | | | |
| Basic | ¥ 104.68 | | ¥ 61.78 | |
| Diluted | — | | — | |

(2) Financial position

(Unit: millions of yen, except per common share amounts)

| | Dec. 31, 2023 | Dec. 31, 2022 |
|---------------------------------|---------------|---------------|
| Total assets | ¥ 1,711,527 | ¥ 1,644,815 |
| Net assets | ¥ 679,596 | ¥ 631,545 |
| Ratio of equity to total assets | 39.7% | 38.4% |
| Net assets per common share | ¥ 578.22 | ¥ 530.93 |

Note:

All amounts are rounded off to the nearest million yen.

Information on the status of the audit by the independent auditor

This release is not subject to the audit by the independent auditor.

Retrospective adjustment

Effective from the beginning of the current consolidated fiscal year, the Company has adopted IFRS 17 Insurance Contracts. 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 the 1st quarter of FY 2023. The Company adjusted the figures of prior fiscal year-end retrospectively for these effects.

Method of obtaining supplementary materials on the financial results

Kubota Corporation plans to hold a result briefing for institutional investors and securities analysts on February 15, 2024. The supplementary material will be posted on its 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, 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.

Index to Accompanying Materials

| | | |
|----|--|----|
| 1. | Review of operations and financial results | 5 |
| | (1) Review of operations | 5 |
| | (2) Financial position | 6 |
| 2. | Basic rationale for selection of accounting standards | 7 |
| 3. | Consolidated financial statements for the year ended December 31, 2023 | 8 |
| | (1) Consolidated statement of financial position | 8 |
| | (2) Consolidated statement of profit or loss | 10 |
| | (3) Consolidated statement of comprehensive income | 11 |
| | (4) Consolidated statement of changes in equity | 12 |
| | (5) Consolidated statement of cash flows | 13 |
| | (6) Notes to the going concern assumption | 14 |
| | (7) Notes to consolidated financial statements | 14 |
| | (8) Consolidated segment information | 16 |
| | (9) Per common share information | 18 |
| | (10) Subsequent events | 18 |
| | (11) Consolidated revenue by product group | 19 |
| | (12) Anticipated consolidated revenue by reportable segment | 20 |
| 4. | Results of operations for the three months ended December 31, 2023 | 21 |
| | (1) Condensed consolidated statement of profit or loss | 21 |
| | (2) Consolidated segment information | 22 |
| | (3) Consolidated revenue by product group | 23 |

1. Review of operations and financial results

Effective from the beginning of the current consolidated fiscal year, Kubota Corporation and its subsidiaries (hereinafter, 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 the 1st quarter of FY 2023. In the following analysis, consolidated financial position, results of operations, and cash flows for this current period, are compared with the figures for the prior fiscal year-end, which are retrospectively adjusted for these effects.

(1) Review of operations

a) Summary of the results of operations for the year ended December 31, 2023

For the year ended December 31, 2023, revenue of the Company increased by ¥343.7 billion (12.8%) from the prior year to ¥3,020.7 billion.

Domestic revenue increased by ¥40.8 billion (6.8%) from the prior year to ¥643.1 billion because of increased revenue from Farm & Industrial Machinery and Water & Environment.

Overseas revenue also increased by ¥303.0 billion (14.6%) from the prior year to ¥2,377.6 billion because of increased revenue from Farm & Industrial Machinery and Water & Environment. As a result, overseas revenue accounted for 78.7% of consolidated revenue, which increased by 1.2 percentage points from the prior year.

Operating profit increased by ¥114.4 billion (53.4%) from the prior year to ¥328.8 billion mainly due to sales price increase and favorable impact from foreign exchange rates, although there were some negative effects, such as an increase in sales incentive cost caused by an interest rate hike, a rise in material prices, and an increase in various expenses mainly due to inflation. Profit before income taxes increased by ¥111.1 billion (48.1%) from the prior year to ¥342.3 billion due to increased operating profit. Profit for the year increased by ¥85.6 billion (49.0%) to ¥260.0 billion, reflecting income tax expenses of ¥84.4 billion and share of profits of investments accounted for using the equity method of ¥2.1 billion. Profit attributable to owners of the parent increased by ¥82.0 billion (52.4%) from the prior year to ¥238.5 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 13.3% from the prior year to ¥2,636.7 billion, which accounted for 87.3% of consolidated revenue.

Domestic revenue increased by 4.4% from the prior year to ¥315.8 billion mainly due to increased sales of construction machinery and engines.

Overseas revenue increased by 14.7% from the prior year to ¥2,321.0 billion. In North America, revenue increased from the prior year. Sales of construction machinery increased thanks to firm demand for housing construction and infrastructure development by the government, although the Company struggled with tractor business due to weak residential market. In Europe, revenue increased from the prior year. Sales of construction machinery were solid, supported by public construction demand. Sales of tractors also increased thanks to replenishment of dealer inventory. Sales in Thailand continued suffering purchase postponement caused by unfavorable weather such as drought. Sales in India increased due to consolidation of EKL since the second quarter of the prior year and firm sales development in dryland farming.

Operating profit in this segment increased by 53.0% from the prior year to ¥355.8 billion mainly due to favorable effects mainly of sales price increase and fluctuation of exchange rates, although there were some negative effects from an increase in sales incentive cost caused by an interest rate hike, 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 11.3% from the prior year to ¥364.5 billion, which accounted for 12.1% of consolidated revenue.

Domestic revenue increased by 11.3% from the prior year to ¥307.9 billion due to increased sales of environment business and pipe system business.

Overseas revenue increased by 11.0% from the prior year to ¥56.6 billion mainly due to firm sales of industrial products business, such as cracking tubes, supported by demand for overseas plant constructions, and increased sales of environment business, especially MBR system.

Operating profit in this segment increased by 77.1% from the prior year to ¥30.5 billion due to the compensation of negative effect from a rise in material prices by sales price increase.

3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by 15.8% from the prior year to ¥19.5 billion and accounted for 0.6% of consolidated revenue.

Operating profit in this segment decreased by 51.1% from the prior year to ¥1.5 billion.

b) Forecasts for the year ending December 31, 2024

Consolidated revenue for the year ending December 31, 2024 is forecasted to increase by ¥29.3 billion from the prior year to ¥3,050.0 billion. In the domestic market, revenue in Farm & Industrial Machinery is expected to decrease slightly as the prior year due to high agricultural production costs. On the other hand, revenue in Water & Environment is expected to increase due to pipe system business mainly. In the overseas market, demand for construction machinery is expected to be solid and sales of farm equipment are also expected to be firm mainly in India although there are regional differences.

Operating profit is forecasted to decrease slightly to ¥320.0 billion due to increase in fixed cost and raw material cost caused by inflation despite favorable effects of sales price increase mainly. Profit before income taxes is forecasted to be ¥333.0 billion. Profit attributable to owners of the parent is forecasted to be ¥226.0 billion.

(These forecasts are based on the assumption of exchange rates of ¥140=US\$1 and ¥153=€1.)

(2) Financial position

a) Assets, liabilities, and equity

Total assets as of December 31, 2023, were ¥5,359.2 billion, an increase of ¥594.2 billion from the prior fiscal year-end. This increase was attributable to increases in trade receivables and financial receivables as a result of an increase in revenue in North America.

Total liabilities also increased from the prior fiscal year-end due to an increase in bonds and borrowings as a result of an increase in working capital mainly along with the change in payment terms with business partners in Japan. 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 40.6%, 1.3 percentage points higher than the prior fiscal year-end.

b) Cash flows

Net cash used in operating activities during the year ended December 31, 2023 was ¥17.3 billion, an increase of ¥9.6 billion in net cash outflow compared with the prior year. This increase of expenditure was due to decrease in trade payables mainly resulting from the change in payment terms with business partners in Japan, despite profit for the year increased.

Net cash used in investing activities was ¥173.4 billion, a decrease of ¥145.1 billion in net cash outflow compared with the prior year. This decrease resulted from the acquisition of shares of a subsidiary in the prior year mainly.

Net cash provided by financing activities was ¥178.4 billion, a decrease of ¥104.2 billion in net cash inflow compared with the prior year, due to an increase in repayments of 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 December 31, 2023, were ¥222.1 billion, a decrease of ¥3.7 billion from the beginning of the fiscal year.

(Reference) Cash flow indices

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|---|-----------------------------|-----------------------------|
| Ratio of equity attributable to owners of the parent to total assets (%) | 40.6 | 39.3 |
| Equity ratio based on market capitalization (%) | 46.5 | 45.3 |
| Interest-bearing liabilities / Net cash provided by operating activities (year) | - | - |
| Interest coverage ratio (times) | - | - |

Note:

- Ratio of equity attributable to owners of the parent to total assets: equity attributable to owners of the parent / total assets
- Equity ratio based on market capitalization: market capitalization / total assets
- Interest coverage ratio: net cash provided by operating activities / interest paid

Each ratio is calculated based on figures in the consolidated financial statements. Market capitalization is calculated based on closing price at the end of the fiscal year multiplied by the number of shares outstanding at the end of the fiscal year, excluding treasury shares. Net cash provided by operating activities is the amount in the consolidated statements of cash flows. Interest-bearing liabilities are bonds and borrowings in the consolidated statement of financial position. Additionally, interest paid is the total amount of interest paid in the consolidated statements of cash flows and interest paid resulting from interest-bearing liabilities related to sales financing operations. Among these cash flow indices, 'Interest-bearing liabilities / Net cash provided by operating activities' and 'Interest coverage ratio' were not presented because figure of net cash provided by operating activities was negative.

2. Basic rationale for selection of accounting standards

Kubota Corporation has voluntarily adopted IFRS from the 1st quarter of the fiscal year ended December 31, 2018.

< 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.

3. Consolidated financial statements for the year ended December 31, 2023

(1) Consolidated statement of financial position

ASSETS

(Unit: millions of yen)

| | Dec. 31, 2023 | | Dec. 31, 2022 | | Change |
|---|--------------------|--------------|--------------------|--------------|------------------|
| | Amount | % | Amount | % | Amount |
| Current assets: | | | | | |
| Cash and cash equivalents | ¥ 222,118 | | ¥ 225,799 | | ¥ (3,681) |
| Trade receivables | 945,490 | | 779,385 | | 166,105 |
| Finance receivables | 552,419 | | 480,658 | | 71,761 |
| Other financial assets | 83,018 | | 71,516 | | 11,502 |
| Contract assets | 47,669 | | 28,018 | | 19,651 |
| Inventories | 668,048 | | 644,471 | | 23,577 |
| Income taxes receivable | 5,763 | | 2,710 | | 3,053 |
| Other current assets | 55,846 | | 55,223 | | 623 |
| Total current assets | 2,580,371 | 48.1 | 2,287,780 | 48.0 | 292,591 |
| Noncurrent assets: | | | | | |
| Investments accounted for using the equity method | 46,523 | | 46,492 | | 31 |
| Finance receivables | 1,349,047 | | 1,203,856 | | 145,191 |
| Other financial assets | 188,654 | | 165,438 | | 23,216 |
| Property, plant, and equipment | 727,061 | | 644,245 | | 82,816 |
| Goodwill | 145,715 | | 134,597 | | 11,118 |
| Intangible assets | 187,000 | | 184,291 | | 2,709 |
| Deferred tax assets | 96,091 | | 75,827 | | 20,264 |
| Other noncurrent assets | 38,785 | | 22,527 | | 16,258 |
| Total noncurrent assets | 2,778,876 | 51.9 | 2,477,273 | 52.0 | 301,603 |
| Total assets | ¥ 5,359,247 | 100.0 | ¥ 4,765,053 | 100.0 | ¥ 594,194 |

LIABILITIES AND EQUITY

(Unit: millions of yen)

| | Dec. 31, 2023 | | Dec. 31, 2022 | | Change |
|--|--------------------|--------------|--------------------|--------------|------------------|
| | Amount | % | Amount | % | Amount |
| Current liabilities: | | | | | |
| Bonds and borrowings | ¥ 663,294 | | ¥ 640,889 | | ¥ 22,405 |
| Trade payables | 300,902 | | 454,780 | | (153,878) |
| Other financial liabilities | 93,270 | | 106,096 | | (12,826) |
| Insurance contract liabilities | 51,333 | | 50,792 | | 541 |
| Income taxes payable | 29,706 | | 24,646 | | 5,060 |
| Provisions | 77,191 | | 65,823 | | 11,368 |
| Contract liabilities | 33,043 | | 33,509 | | (466) |
| Other current liabilities | 244,323 | | 207,040 | | 37,283 |
| Total current liabilities | 1,493,062 | 27.9 | 1,583,575 | 33.2 | (90,513) |
| Noncurrent liabilities: | | | | | |
| Bonds and borrowings | 1,326,913 | | 970,216 | | 356,697 |
| Other financial liabilities | 44,701 | | 41,135 | | 3,566 |
| Retirement benefit liabilities | 15,907 | | 14,293 | | 1,614 |
| Deferred tax liabilities | 55,653 | | 46,673 | | 8,980 |
| Other noncurrent liabilities | 6,944 | | 6,673 | | 271 |
| Total noncurrent liabilities | 1,450,118 | 27.0 | 1,078,990 | 22.7 | 371,128 |
| Total liabilities | 2,943,180 | 54.9 | 2,662,565 | 55.9 | 280,615 |
| Equity: | | | | | |
| Share capital | 84,130 | | 84,130 | | — |
| Share premium | 97,377 | | 79,247 | | 18,130 |
| Retained earnings | 1,693,681 | | 1,529,248 | | 164,433 |
| Other components of equity | 303,794 | | 185,422 | | 118,372 |
| Treasury shares | (3,209) | | (3,557) | | 348 |
| Total equity attributable to owners of the parent | 2,175,773 | 40.6 | 1,874,490 | 39.3 | 301,283 |
| Noncontrolling interests | 240,294 | 4.5 | 227,998 | 4.8 | 12,296 |
| Total equity | 2,416,067 | 45.1 | 2,102,488 | 44.1 | 313,579 |
| Total liabilities and equity | ¥ 5,359,247 | 100.0 | ¥ 4,765,053 | 100.0 | ¥ 594,194 |

(2) Consolidated statement of profit or loss

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

| | Year ended Dec. 31, 2023 | | Year ended Dec. 31, 2022 | | Change | |
|--|-----------------------------|-------|-----------------------------|-------|-----------|------|
| | Amount | % | Amount | % | Amount | % |
| Revenue | ¥ 3,020,711 | 100.0 | ¥ 2,676,980 | 100.0 | ¥ 343,731 | 12.8 |
| Cost of sales | (2,144,242) | | (1,991,301) | | (152,941) | |
| Selling, general, and administrative expenses | (538,621) | | (479,354) | | (59,267) | |
| Other income | 22,174 | | 15,488 | | 6,686 | |
| Other expenses | (31,193) | | (7,426) | | (23,767) | |
| Operating profit | 328,829 | 10.9 | 214,387 | 8.0 | 114,442 | 53.4 |
| Finance income | 18,713 | | 18,760 | | (47) | |
| Finance costs | (5,253) | | (1,997) | | (3,256) | |
| Profit before income taxes | 342,289 | 11.3 | 231,150 | 8.6 | 111,139 | 48.1 |
| Income tax expenses | (84,402) | | (58,352) | | (26,050) | |
| Share of profits of investments accounted for using the equity method | 2,111 | | 1,642 | | 469 | |
| Profit for the year | ¥ 259,998 | 8.6 | ¥ 174,440 | 6.5 | ¥ 85,558 | 49.0 |

| | | | | | | |
|--------------------------|-----------|-----|-----------|-----|----------|------|
| Profit attributable to: | | | | | | |
| Owners of the parent | ¥ 238,455 | 7.9 | ¥ 156,472 | 5.8 | ¥ 81,983 | 52.4 |
| Noncontrolling interests | 21,543 | 0.7 | 17,968 | 0.7 | 3,575 | 19.9 |

| | | | | |
|--|----------|--|----------|--|
| Earnings per share attributable to owners of the parent: | | | | |
| Basic | ¥ 201.74 | | ¥ 131.06 | |
| Diluted | — | | — | |

(3) Consolidated statement of comprehensive income

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 | Change |
|--|-----------------------------|-----------------------------|----------|
| Profit for the year | ¥ 259,998 | ¥ 174,440 | ¥ 85,558 |
| Other comprehensive income, net of income tax: | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurement of defined benefit pension plans | 4,244 | (8,642) | 12,886 |
| Net change in fair value of financial assets measured at fair value through other comprehensive income | 15,925 | 8,108 | 7,817 |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange rate differences on translating foreign operations | 126,890 | 134,499 | (7,609) |
| Total other comprehensive income, net of income tax | 147,059 | 133,965 | 13,094 |
| Comprehensive income for the year | ¥ 407,057 | ¥ 308,405 | ¥ 98,652 |

| | | | |
|---------------------------------------|-----------|-----------|----------|
| Comprehensive income attributable to: | | | |
| Owners of the parent | ¥ 367,470 | ¥ 283,262 | ¥ 84,208 |
| Noncontrolling interests | 39,587 | 25,143 | 14,444 |

(4) Consolidated statement of changes in equity

(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 year | | | 156,472 | | | 156,472 | 17,968 | 174,440 |
| Total other comprehensive income, net of income tax | | | | 126,790 | | 126,790 | 7,175 | 133,965 |
| Comprehensive income for the year | | | 156,472 | 126,790 | | 283,262 | 25,143 | 308,405 |
| Transfer to retained earnings | | | 10,757 | (10,757) | | — | | — |
| Dividends paid | | | (51,466) | | | (51,466) | (6,673) | (58,139) |
| Purchases and sales of treasury shares | | | | | (23,412) | (23,412) | | (23,412) |
| Retirement of treasury shares | | | (19,989) | | 19,989 | — | | — |
| Share-based payment transactions | | 552 | | | | 552 | | 552 |
| Written put options over noncontrolling interests | | (3,138) | | | | (3,138) | | (3,138) |
| Changes associated with business combinations | | | | | | — | 105,190 | 105,190 |
| Changes in ownership interests in subsidiaries | | (3,053) | | 146 | | (2,907) | (2,736) | (5,643) |
| Balance as of Dec. 31, 2022 | ¥ 84,130 | ¥ 79,247 | ¥ 1,529,248 | ¥ 185,422 | ¥ (3,557) | ¥ 1,874,490 | ¥ 227,998 | ¥ 2,102,488 |
| Profit for the year | | | 238,455 | | | 238,455 | 21,543 | 259,998 |
| Total other comprehensive income, net of income tax | | | | 129,015 | | 129,015 | 18,044 | 147,059 |
| Comprehensive income for the year | | | 238,455 | 129,015 | | 367,470 | 39,587 | 407,057 |
| Transfer to retained earnings | | | 10,429 | (10,429) | | — | | — |
| Dividends paid | | | (54,483) | | | (54,483) | (9,610) | (64,093) |
| Purchases and sales of treasury shares | | | | | (29,620) | (29,620) | | (29,620) |
| Retirement of treasury shares | | | (29,968) | | 29,968 | — | | — |
| Share-based payment transactions | | 96 | | | | 96 | | 96 |
| Changes in ownership interests in subsidiaries | | 18,034 | | (214) | | 17,820 | (17,681) | 139 |
| Balance as of Dec. 31, 2023 | ¥ 84,130 | ¥ 97,377 | ¥ 1,693,681 | ¥ 303,794 | ¥ (3,209) | ¥ 2,175,773 | ¥ 240,294 | ¥ 2,416,067 |

(5) Consolidated statement of cash flows

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 | Change |
|--|-----------------------------|-----------------------------|------------------|
| Cash flows from operating activities: | | | |
| Profit for the year | ¥ 259,998 | ¥ 174,440 | |
| Depreciation and amortization | 107,270 | 89,249 | |
| Finance income and costs | (11,068) | (12,040) | |
| Income tax expenses | 84,402 | 58,352 | |
| Share of profits of investments accounted for using the equity method | (2,111) | (1,642) | |
| Increase in trade receivables | (135,656) | (174,720) | |
| Increase in finance receivables | (92,461) | (77,218) | |
| Decrease (increase) in inventories | 21,952 | (62,683) | |
| Increase in other assets | (20,608) | (7,356) | |
| (Decrease) increase in trade payables | (168,591) | 31,844 | |
| Increase in other liabilities | 35,320 | 50,700 | |
| Other, net | (3,885) | 2,493 | |
| Interest received | 13,231 | 5,100 | |
| Dividends received | 2,549 | 2,255 | |
| Interest paid | (4,218) | (2,205) | |
| Income taxes paid, net | (103,397) | (84,249) | |
| Net cash used in operating activities | (17,273) | (7,680) | ¥ (9,593) |
| Cash flows from investing activities: | | | |
| Payments for acquisition of property, plant, and equipment and intangible assets | (172,480) | (169,651) | |
| Payments for acquisition of securities | (6,816) | (8,763) | |
| Proceeds from sales and redemptions of securities | 11,637 | 1,844 | |
| Payments for acquisition of subsidiaries | (1,626) | (135,039) | |
| Purchase of investments accounted for under the equity method | (339) | (28,856) | |
| Net increase in loans receivable from associates | (600) | (600) | |
| Net increase in time deposits | (5,635) | (3,374) | |
| Net decrease in restricted cash | 200 | 638 | |
| Net (increase) decrease in short-term investments | (2,078) | 11,827 | |
| Other, net | 4,296 | 13,475 | |
| Net cash used in investing activities | (173,441) | (318,499) | 145,058 |
| Cash flows from financing activities: | | | |
| Funding from bonds and long-term borrowings | 777,403 | 703,003 | |
| Redemptions of bonds and repayments of long-term borrowings | (449,942) | (373,832) | |
| Net (decrease) increase in short-term borrowings | (36,813) | 55,973 | |
| Repayments of lease liabilities | (17,379) | (20,731) | |
| Net increase (decrease) in deposits from Group financing | 1,768 | (305) | |
| Dividends paid | (54,483) | (51,466) | |
| Purchases of treasury shares | (30,003) | (23,412) | |
| Other, net | (12,147) | (6,673) | |
| Net cash provided by financing activities | 178,404 | 282,557 | (104,153) |
| Effect of exchange rate changes on cash and cash equivalents | 8,629 | 10,782 | (2,153) |
| Net decrease in cash and cash equivalents | (3,681) | (32,840) | |
| Cash and cash equivalents, at the beginning of the year | 225,799 | 258,639 | |
| Cash and cash equivalents, at the end of the year | ¥ 222,118 | ¥ 225,799 | ¥ (3,681) |

(6) Notes to the going concern assumption

None

(7) Notes to consolidated financial statements

a) Accounting policies applied for consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with IFRS.

b) Entities under consolidation and entities under the equity method

199 entities are consolidated.

| | | |
|-----------------|----------|--|
| Major entities: | Domestic | Kubota Credit Co., Ltd. Kubota ChemiX Co., Ltd. |
| | Overseas | Kubota North America Corporation Kubota Tractor Corporation Kubota Credit Corporation, U.S.A. Kubota Manufacturing of America Corporation (Note) Kubota Industrial Equipment Corporation (Note) Kubota Engine America Corporation Great Plains Manufacturing, Inc. Kubota Canada Ltd. Kubota Holdings Europe B.V. Kubota Europe S.A.S. Kubota Baumaschinen GmbH Kverneland AS Kubota China Holdings Co., Ltd. Kubota Agricultural Machinery (Suzhou) Co., Ltd. Kubota China Financial Leasing Ltd. SIAM KUBOTA Corporation Co., Ltd. Siam Kubota Leasing Co., Ltd. Kubota Engine (Thailand) Co., Ltd. Escorts Kubota Ltd. Kubota Australia Pty Ltd. |

19 entities are accounted for using the equity method.

| | | |
|---------------|----------|----------------|
| Major entity: | Domestic | KMEW Co., Ltd. |
|---------------|----------|----------------|

(Note)

Kubota Manufacturing of America Corporation and Kubota Industrial Equipment Corporation have merged on January 1, 2024, to form Kubota Manufacturing of America Corporation.

c) Changes in accounting policies

Effective from January 1, 2023, 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 of IFRS 17 is in accordance with the transitional provisions stipulated in the standard.

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.

In addition, the Company applies the premium allocation approach to simplify the measurement of the liability for remaining coverage for certain group of insurance contracts. For this group of insurance contracts, the carrying amount of the liability for remaining coverage is not adjusted to reflect the time value of money and the effect of financial risk since the Company expects, at initial recognition, that the time between providing each part of the services and the related premium due date is no more than a year.

(8) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

| Year ended December 31, 2023 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|---|--------------------|-----------------------------|---------------------|----------|-------------|--------------|
| Revenue | External customers | ¥ 2,636,727 | ¥ 364,469 | ¥ 19,515 | ¥ — | ¥ 3,020,711 |
| | Intersegment | 205 | 48 | 31,044 | (31,297) | — |
| | Total | 2,636,932 | 364,517 | 50,559 | (31,297) | 3,020,711 |
| Operating profit | | ¥ 355,788 | ¥ 30,547 | ¥ 1,512 | ¥ (59,018) | ¥ 328,829 |
| Depreciation and amortization | | ¥ 80,530 | ¥ 8,112 | ¥ 6,208 | ¥ 12,420 | ¥ 107,270 |
| Addition to noncurrent assets | | 139,948 | 13,581 | 10,733 | 18,416 | 182,678 |
| December 31, 2023 | | | | | | |
| Assets | | ¥ 4,669,912 | ¥ 318,553 | ¥ 83,745 | ¥ 287,037 | ¥ 5,359,247 |
| Investments accounted for using the equity method | | 14,361 | 5,568 | 26,594 | — | 46,523 |

(Unit: millions of yen)

| Year ended December 31, 2022 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|---|--------------------|-----------------------------|---------------------|----------|-------------|--------------|
| Revenue | External customers | ¥ 2,326,198 | ¥ 327,602 | ¥ 23,180 | ¥ — | ¥ 2,676,980 |
| | Intersegment | 257 | 184 | 34,787 | (35,228) | — |
| | Total | 2,326,455 | 327,786 | 57,967 | (35,228) | 2,676,980 |
| Operating profit | | ¥ 232,579 | ¥ 17,250 | ¥ 3,089 | ¥ (38,531) | ¥ 214,387 |
| Depreciation and amortization | | ¥ 70,169 | ¥ 7,748 | ¥ 4,635 | ¥ 6,697 | ¥ 89,249 |
| Addition to noncurrent assets | | 135,964 | 11,809 | 9,492 | 36,874 | 194,139 |
| December 31, 2022 | | | | | | |
| Assets | | ¥ 4,098,091 | ¥ 307,759 | ¥ 96,782 | ¥ 262,421 | ¥ 4,765,053 |
| Investments accounted for using the equity method | | 13,577 | 5,030 | 27,885 | — | 46,492 |

Notes:

- Adjustments* include the items, such as the elimination of intersegment transfers, corporate expenses, and corporate assets 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 corporate assets included in *Adjustments* consist mainly of cash and cash equivalents, securities, and corporate properties held or used by the administration department of Kubota Corporation.
- The aggregated amounts of operating profit are equal to those presented in the consolidated statement of profit or loss. Please refer to the 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.
- Noncurrent assets do not include financial instruments, deferred tax assets, nor net defined benefit assets.

b) Revenue from external customers by product group

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

(Unit: millions of yen)

| | | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|-----------------------------|----------------------------|-----------------------------|-----------------------------|
| | Farm Equipment and Engines | ¥ 1,995,603 | ¥ 1,819,740 |
| | Construction Machinery | 641,124 | 506,458 |
| Farm & Industrial Machinery | | 2,636,727 | 2,326,198 |
| | Pipe system | 145,756 | 134,628 |
| | Industrial products | 73,129 | 68,958 |
| | Environment | 145,584 | 124,016 |
| Water & Environment | | 364,469 | 327,602 |
| Other | | 19,515 | 23,180 |
| Total | | ¥ 3,020,711 | ¥ 2,676,980 |

Note:

Effective from the current consolidated fiscal year, in conformity with changes in the internal organization of the Company, the product group name has been changed from “Materials and urban infrastructure-related products” to “Industrial products.”

c) Geographic information

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

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|--------------------|-----------------------------|-----------------------------|
| Japan | ¥ 643,144 | ¥ 602,376 |
| North America | 1,252,213 | 1,100,168 |
| Europe | 418,302 | 337,976 |
| Asia outside Japan | 600,598 | 532,989 |
| Other areas | 106,454 | 103,471 |
| Total | ¥ 3,020,711 | ¥ 2,676,980 |

Notes:

1. Revenue from North America includes that from the United States of ¥1,115,337 million and ¥969,683 million for the years ended December 31, 2023 and 2022, respectively.
2. There was no single customer from whom revenue exceeded 10% of total consolidated revenue of the Company.

Information about noncurrent assets based on physical location is summarized as follows:

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|--------------------|-----------------------------|-----------------------------|
| Japan | ¥ 499,525 | ¥ 461,777 |
| North America | 177,116 | 150,621 |
| Europe | 93,094 | 82,829 |
| Asia outside Japan | 308,815 | 285,791 |
| Other areas | 3,018 | 2,355 |
| Total | ¥ 1,081,568 | ¥ 983,373 |

Notes:

1. Noncurrent assets do not include financial instruments, deferred tax assets, nor net defined benefit assets.
2. Noncurrent assets of North America includes those in the United States of ¥165,004 million and ¥139,895 million at December 31, 2023 and 2022, respectively. In addition, noncurrent assets of Asia outside Japan includes those in India of ¥235,445 million and ¥223,246 million at December 31, 2023 and 2022, respectively.

(9) Per common share information

(Unit: yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|---|-----------------------------|-----------------------------|
| Equity attributable to owners of the parent per share | ¥ 1,851.75 | ¥ 1,576.30 |
| Earnings per share attributable to owners of the parent - basic | 201.74 | 131.06 |
| Earnings per share attributable to owners of the parent - diluted | — | — |

The Company adopted a restricted stock compensation plan (hereinafter, the “Plan”) for the Company’s Directors and Executive Officers. Among the new shares issued under the Plan, contingently returnable shares are distinguished as participating equity instruments and classified as common shares. Each common share and participating equity instrument have the same right to profit attributable to owners of the parent.

Shares of Kubota Corporation held by the trust in connection with the stock compensation plan are deducted from the weighted-average number of common shares issued as treasury shares.

The numerator and denominator used to calculate earnings per share attributable to owners of the parent are presented in the following table.

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|---|-----------------------------|-----------------------------|
| Profit attributable to owners of the parent | ¥ 238,455 | ¥ 156,472 |
| Profit attributable to participating equity instruments | — | — |
| Profit attributable to common shareholders | ¥ 238,455 | ¥ 156,472 |

(Unit: thousands of shares)

| | Year ended Dec. 31, 2023 | Year ended Dec. 31, 2022 |
|---|-----------------------------|-----------------------------|
| Weighted-average number of common shares outstanding | 1,181,975 | 1,193,855 |
| Weighted-average number of participating equity instruments | — | 1 |
| Weighted-average number of common shares | 1,181,975 | 1,193,855 |

Earnings per share attributable to owners of the parent—Diluted for the years ended December 31, 2023 and 2022, are not stated since Kubota Corporation did not have potentially dilutive common shares that were outstanding.

(10) Subsequent events

None

(11) Consolidated revenue by product group

(Unit: millions of yen)

| | Year ended Dec. 31, 2023 | | Year ended Dec. 31, 2022 | | Change | |
|--|-----------------------------|--------------|-----------------------------|--------------|------------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| Farm Equipment and Engines | ¥ 1,995,603 | 66.1 | ¥ 1,819,740 | 68.0 | ¥ 175,863 | 9.7 |
| Domestic | 271,229 | | 263,874 | | 7,355 | 2.8 |
| Overseas | 1,724,374 | | 1,555,866 | | 168,508 | 10.8 |
| Construction Machinery | 641,124 | 21.2 | 506,458 | 18.9 | 134,666 | 26.6 |
| Domestic | 44,544 | | 38,730 | | 5,814 | 15.0 |
| Overseas | 596,580 | | 467,728 | | 128,852 | 27.5 |
| Farm & Industrial Machinery | 2,636,727 | 87.3 | 2,326,198 | 86.9 | 310,529 | 13.3 |
| Domestic | 315,773 | 10.5 | 302,604 | 11.3 | 13,169 | 4.4 |
| Overseas | 2,320,954 | 76.8 | 2,023,594 | 75.6 | 297,360 | 14.7 |
| Pipe system | 145,756 | 4.9 | 134,628 | 5.0 | 11,128 | 8.3 |
| Domestic | 141,688 | | 130,275 | | 11,413 | 8.8 |
| Overseas | 4,068 | | 4,353 | | (285) | (6.5) |
| Industrial products | 73,129 | 2.4 | 68,958 | 2.6 | 4,171 | 6.0 |
| Domestic | 40,186 | | 39,829 | | 357 | 0.9 |
| Overseas | 32,943 | | 29,129 | | 3,814 | 13.1 |
| Environment | 145,584 | 4.8 | 124,016 | 4.6 | 21,568 | 17.4 |
| Domestic | 126,012 | | 106,514 | | 19,498 | 18.3 |
| Overseas | 19,572 | | 17,502 | | 2,070 | 11.8 |
| Water & Environment | 364,469 | 12.1 | 327,602 | 12.2 | 36,867 | 11.3 |
| Domestic | 307,886 | 10.2 | 276,618 | 10.3 | 31,268 | 11.3 |
| Overseas | 56,583 | 1.9 | 50,984 | 1.9 | 5,599 | 11.0 |
| Other | 19,515 | 0.6 | 23,180 | 0.9 | (3,665) | (15.8) |
| Domestic | 19,485 | 0.6 | 23,154 | 0.9 | (3,669) | (15.8) |
| Overseas | 30 | 0.0 | 26 | 0.0 | 4 | 15.4 |
| Total | ¥ 3,020,711 | 100.0 | ¥ 2,676,980 | 100.0 | ¥ 343,731 | 12.8 |
| Domestic | 643,144 | 21.3 | 602,376 | 22.5 | 40,768 | 6.8 |
| Overseas | 2,377,567 | 78.7 | 2,074,604 | 77.5 | 302,963 | 14.6 |

Note:

Effective from the current consolidated fiscal year, in conformity with changes in the internal organization of the Company, the product group name has been changed from “Materials and urban infrastructure-related products” to “Industrial products.”

(12) Anticipated consolidated revenue by reportable segment

(Unit: billions of yen)

| | Year ended Dec. 31, 2024 | | Year ended Dec. 31, 2023 | | Change | |
|-----------------------------|-----------------------------|-------|-----------------------------|-------|---------|-------|
| | Amount | % | Amount | % | Amount | % |
| Domestic | ¥ 311.0 | | ¥ 315.8 | | ¥ (4.8) | (1.5) |
| Overseas | 2,343.0 | | 2,321.0 | | 22.0 | 0.9 |
| Farm & Industrial Machinery | 2,654.0 | 87.0 | 2,636.7 | 87.3 | 17.3 | 0.7 |
| Domestic | 318.0 | | 307.9 | | 10.1 | 3.3 |
| Overseas | 60.0 | | 56.6 | | 3.4 | 6.0 |
| Water & Environment | 378.0 | 12.4 | 364.5 | 12.1 | 13.5 | 3.7 |
| Domestic | 18.0 | | 19.5 | | (1.5) | (7.6) |
| Overseas | 0.0 | | 0.0 | | - | - |
| Other | 18.0 | 0.6 | 19.5 | 0.6 | (1.5) | (7.6) |
| Total | ¥ 3,050.0 | 100.0 | ¥ 3,020.7 | 100.0 | ¥ 29.3 | 1.0 |

| | | | | | | |
|----------|---------|------|---------|------|-------|-----|
| Domestic | ¥ 647.0 | 21.2 | ¥ 643.1 | 21.3 | ¥ 3.9 | 0.6 |
| Overseas | 2,403.0 | 78.8 | 2,377.6 | 78.7 | 25.4 | 1.1 |

4. Results of operations for the three months ended December 31, 2023

(1) Condensed consolidated statement of profit or loss

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

| | Three months ended Dec. 31, 2023 | | Three months ended Dec. 31, 2022 | | Change | |
|--|-------------------------------------|-------|-------------------------------------|-------|----------|-------|
| | Amount | % | Amount | % | Amount | % |
| Revenue | ¥ 762,480 | 100.0 | ¥ 724,409 | 100.0 | ¥ 38,071 | 5.3 |
| Cost of sales | (535,879) | | (535,122) | | (757) | |
| Selling, general, and administrative expenses | (141,241) | | (143,099) | | 1,858 | |
| Other income | 8,398 | | 1,141 | | 7,257 | |
| Other expenses | (23,786) | | (12,949) | | (10,837) | |
| Operating profit | 69,972 | 9.2 | 34,380 | 4.7 | 35,592 | 103.5 |
| Finance income | 5,784 | | 3,528 | | 2,256 | |
| Finance costs | (1,839) | | (996) | | (843) | |
| Profit before income taxes | 73,917 | 9.7 | 36,912 | 5.1 | 37,005 | 100.3 |
| Income tax expenses | (13,958) | | (10,397) | | (3,561) | |
| Share of profits of investments accounted for using the equity method | 543 | | 112 | | 431 | |
| Profit for the period | ¥ 60,502 | 7.9 | ¥ 26,627 | 3.7 | ¥ 33,875 | 127.2 |

| | | | | | | |
|--------------------------|----------|-----|----------|-----|----------|-------|
| Profit attributable to: | | | | | | |
| Owners of the parent | ¥ 56,089 | 7.4 | ¥ 22,783 | 3.1 | ¥ 33,306 | 146.2 |
| Noncontrolling interests | 4,413 | 0.5 | 3,844 | 0.6 | 569 | 14.8 |

| | | | | |
|--|--------|--|---------|--|
| Earnings per share attributable to owners of the parent: | | | | |
| Basic | ¥ 47.7 | | ¥ 19.16 | |
| Diluted | — | | — | |

(2) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

| Three months ended Dec. 31, 2023 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|----------------------------------|--------------------|-----------------------------|---------------------|---------|-------------|--------------|
| Revenue | External customers | ¥ 645,313 | ¥ 112,920 | ¥ 4,247 | ¥ — | ¥ 762,480 |
| | Intersegment | 64 | 17 | 7,562 | (7,643) | — |
| | Total | 645,377 | 112,937 | 11,809 | (7,643) | 762,480 |
| Operating profit | | ¥ 75,823 | ¥ 14,357 | ¥ 234 | ¥ (20,442) | ¥ 69,972 |

(Unit: millions of yen)

| Three months ended Dec. 31, 2022 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|----------------------------------|--------------------|-----------------------------|---------------------|---------|-------------|--------------|
| Revenue | External customers | ¥ 619,763 | ¥ 98,794 | ¥ 5,852 | ¥ — | ¥ 724,409 |
| | Intersegment | 117 | 121 | 9,510 | (9,748) | — |
| | Total | 619,880 | 98,915 | 15,362 | (9,748) | 724,409 |
| Operating profit | | ¥ 49,750 | ¥ 6,576 | ¥ 228 | ¥ (22,174) | ¥ 34,380 |

Notes:

1. *Adjustments* include the items, such as the elimination of intersegment transfers, corporate expenses, and corporate assets 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.
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 Dec. 31, 2023 | Three months ended Dec. 31, 2022 |
|--------------------|-------------------------------------|-------------------------------------|
| Japan | ¥ 170,612 | ¥ 160,754 |
| North America | 313,723 | 305,656 |
| Europe | 99,647 | 95,319 |
| Asia outside Japan | 154,560 | 134,335 |
| Other areas | 23,938 | 28,345 |
| Total | ¥ 762,480 | ¥ 724,409 |

Notes:

1. Revenue from North America includes that from the United States of ¥313,573 million and ¥267,262 million for the three months ended Dec. 31, 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 Dec. 31, 2023 | | Three months ended Dec. 31, 2022 | | Change | |
|--|-------------------------------------|--------------|-------------------------------------|--------------|-------------------|---------------|
| | Amount | % | Amount | % | Amount | % |
| Farm Equipment and Engines | ¥ 470,842 | 61.7 | ¥ 480,954 | 66.4 | ¥ (10,112) | (2.1) |
| Domestic | 59,287 | | 60,650 | | (1,363) | (2.2) |
| Overseas | 411,555 | | 420,304 | | (8,749) | (2.1) |
| Construction Machinery | 174,471 | 22.9 | 138,809 | 19.2 | 35,662 | 25.7 |
| Domestic | 14,348 | | 12,328 | | 2,020 | 16.4 |
| Overseas | 160,123 | | 126,481 | | 33,642 | 26.6 |
| Farm & Industrial Machinery | 645,313 | 84.6 | 619,763 | 85.6 | 25,550 | 4.1 |
| Domestic | 73,635 | 9.6 | 72,978 | 10.1 | 657 | 0.9 |
| Overseas | 571,678 | 75.0 | 546,785 | 75.5 | 24,893 | 4.6 |
| Pipe system | 44,361 | 5.8 | 44,405 | 6.1 | (44) | (0.1) |
| Domestic | 43,106 | | 42,337 | | 769 | 1.8 |
| Overseas | 1,255 | | 2,068 | | (813) | (39.3) |
| Industrial products | 20,889 | 2.7 | 19,663 | 2.7 | 1,226 | 6.2 |
| Domestic | 12,059 | | 11,581 | | 478 | 4.1 |
| Overseas | 8,830 | | 8,082 | | 748 | 9.3 |
| Environment | 47,670 | 6.3 | 34,726 | 4.8 | 12,944 | 37.3 |
| Domestic | 37,565 | | 28,011 | | 9,554 | 34.1 |
| Overseas | 10,105 | | 6,715 | | 3,390 | 50.5 |
| Water & Environment | 112,920 | 14.8 | 98,794 | 13.6 | 14,126 | 14.3 |
| Domestic | 92,730 | 12.2 | 81,929 | 11.3 | 10,801 | 13.2 |
| Overseas | 20,190 | 2.6 | 16,865 | 2.3 | 3,325 | 19.7 |
| Other | 4,247 | 0.6 | 5,852 | 0.8 | (1,605) | (27.4) |
| Domestic | 4,247 | 0.6 | 5,847 | 0.8 | (1,600) | (27.4) |
| Overseas | — | 0.0 | 5 | 0.0 | (5) | (100.0) |
| Total | ¥ 762,480 | 100.0 | ¥ 724,409 | 100.0 | ¥ 38,071 | 5.3 |
| Domestic | 170,612 | 22.4 | 160,754 | 22.2 | 9,858 | 6.1 |
| Overseas | 591,868 | 77.6 | 563,655 | 77.8 | 28,213 | 5.0 |

Note:

Effective from the current consolidated fiscal year, in conformity with changes in the internal organization of the Company, the product group name has been changed from “Materials and urban infrastructure-related products” to “Industrial products.”