



**ON YOUR SIDE**

# **Financial Results** **for the nine months ended September 30, 2021**



**November 5, 2021**

# Financial Summary

(Unit: billions of yen)	Nine months ended Sept. 30, 2021	Nine months ended Sept. 30, 2020	Changes	
			Amount	%
<b>Revenue</b>	<b>1,641.6</b>	<b>1,356.8</b>	<b>+284.8</b>	<b>+21.0</b>
Domestic	446.1	435.7	+10.3	+2.4
Overseas	1,195.6	921.1	+274.5	+29.8
<b>Operating profit</b>	12.9% <b>211.5</b>	9.6% <b>129.9</b>	<b>+81.6</b>	<b>+62.8</b>
<b>Profit before income taxes</b>	13.0% <b>213.8</b>	10.2% <b>138.7</b>	<b>+75.0</b>	<b>+54.1</b>
<b>Profit attributable to owners of the parent</b>	8.9% <b>146.6</b>	7.1% <b>96.5</b>	<b>+50.2</b>	<b>+52.0</b>

(Unit: billions of yen)	As of Sept. 30, 2021	As of Dec. 31, 2020	Changes	
			Amount	%
<b>Total assets</b>	<b>3,492.1</b>	<b>3,189.3</b>	<b>+302.8</b>	<b>+9.5</b>
<b>Equity attributable to owners of the parent</b>	<b>1,631.6</b>	<b>1,476.0</b>	<b>+155.6</b>	<b>+10.5</b>

( For reference: Changes excluding the effects of fluctuation in exchange [+40.0 billion yen]  
>Overseas revenue in Machinery increased by 27%. Total overseas revenue increased by 25%. )

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

For Earth, For Life  
Kubota



**Machinery: +294.8 billion yen** (Domestic: +17.1, Overseas: +277.7)

## Japan

- Sales of farm equipment 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.

## North America

- Retail sales of tractors and construction machinery (CE) were strong due to continuously strong demand caused by trend in move to suburbs.
- While wholesales increased significantly from the prior year, delays in production and shipment caused by port congestion and labor shortage are not improved, and dealer inventory levels in the U.S. got worse from the end of 2nd quarter in this year.

## Europe

- Sales of tractors and CE increased because demand continued to be strong following the lifting of the suspension of operations by dealers in the prior year
- Sales of engines were also firm due to continuously strong demand for construction & industrial machinery.

## Asia

- In Thailand and neighboring countries, sales increased due to steady progress in developing upland farming market, in addition to stable weather and rice price guarantee system. However, sales in Myanmar have been slow to recover due to dollar shortage in the market.
- In China, while sales of tractors were firm, sales of combine harvesters decreased due to a trend of demand for lower-priced local machines resulting from lack of subsidies and a drop in rice prices.
- In India, lack of rain in the 3rd quarter was resolved by rainfall in late September, and sales were firm compared with the prior year.
- In Vietnam, sales decreased significantly in the 3rd quarter due to the lockdown, but only a slight decrease in cumulative total.

## Other

- In Australia, sales were strong due to continuously strong housing market thanks to the economic stimulus measures.

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



**Water: -8.9 billion yen** (Domestic: -5.7, Overseas: -3.2)

## Domestic

- Sales of ductile iron pipes decreased mainly due to adverse reaction from large-scale projects in the prior year and delay in construction work along with a state of emergency.
- Sales of pumps increased mainly due to significantly increased sales of drainage pump vehicles.

## Overseas

- Sales of industrial castings, mainly cracking tubes, decreased due to decreased demand in the prior year caused by the impact of COVID-19 and delay in shipment. However, demand is on a recovery trend and orders for the this fiscal year were strong.

# Operating Profit

(Unit: billions of yen)	Nine months ended Sept. 30, 2021		Nine months ended Sept. 30, 2020		Changes	
	Amount	%	Amount	%	Amount	%
<b>Operating profit</b>	211.5	12.9	129.9	9.6	+81.6	+62.8

## Factors affecting operating profit (YoY change +81.6 billion yen)

<b>1. Fluctuation in exchange rates</b>	US\$ (108→109 *1) Euro (121→130 *1) Other currencies	-4.0 billion yen +6.0 billion yen +8.0 billion yen	<b>+10.0 billion yen</b>
<b>2. Foreign exchange gain/loss</b>			<b>+8.1 billion yen</b>
<b>3. Material</b>	Machinery Water	-13.0 billion yen -3.0 billion yen	<b>-16.0 billion yen</b>
<b>4. Change in sales incentive ratio</b>	North America : +3.2 billion yen, etc.		<b>+2.9 billion yen</b>
<b>5. Impact of increased or decreased sales</b>			<b>+71.0 billion yen</b>
<b>6. Sales price increase</b>			<b>+12.5 billion yen</b>
<b>7. Other</b>			<b>-6.9 billion yen</b>

\*1: Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: US\$:108→107 Euro:120→128

# Accompanying Materials

# Exchange Rate

		Year ending Dec. 31, 2021		Year ended Dec. 31, 2020
		(Forecast)	(Actual)	(Actual)
¥/US\$	1st quarter (Jan.-Mar.)	-	106	109
	2nd quarter (Apr.-Jun.)	-	109	108
	3rd quarter (Jul.-Sept.)	-	110	106
	Sept. YTD (Jan.-Sept.)	-	109	108
	Full year average (Jan.-Dec.)	108	-	107
¥/Euro	1st quarter (Jan.-Mar.)	-	128	120
	2nd quarter (Apr.-Jun.)	-	132	118
	3rd quarter (Jul.-Sept.)	-	130	124
	Sept. YTD (Jan.-Sept.)	-	130	121
	Full year average (Jan.-Dec.)	130	-	122

		Year ending Dec. 31, 2021		Year ended Dec. 31, 2020
		(Forecast)	(Actual)	(Actual)
¥/THB	1st quarter (Jan.-Mar.)	-	3.50	3.49
	2nd quarter (Apr.-Jun.)	-	3.50	3.37
	3rd quarter (Jul.-Sept.)	-	3.35	3.39
	Sept. YTD (Jan.-Sept.)	-	3.45	3.42
	Full year average (Jan.-Dec.)	3.40	-	3.42
¥/RMB	1st quarter (Jan.-Mar.)	-	16.36	15.60
	2nd quarter (Apr.-Jun.)	-	16.96	15.17
	3rd quarter (Jul.-Sept.)	-	17.02	15.35
	Sept. YTD (Jan.-Sept.)	-	16.78	15.37
	Full year average (Jan.-Dec.)	16.50	-	15.48

¥/US\$	1st quarter end (Mar.)	-	111	109
	2nd quarter end (Jun.)	-	111	108
	3rd quarter end (Sept.)	-	112	106
	4th quarter end (Dec.)	108	-	104
¥/Euro	1st quarter end (Mar.)	-	130	120
	2nd quarter end (Jun.)	-	132	121
	3rd quarter end (Sept.)	-	130	124
	4th quarter end (Dec.)	130	-	127

¥/THB	1st quarter end (Mar.)	-	3.54	3.34
	2nd quarter end (Jun.)	-	3.44	3.49
	3rd quarter end (Sept.)	-	3.30	3.34
	4th quarter end (Dec.)	3.30	-	3.44
¥/RMB	1st quarter end (Mar.)	-	16.84	15.31
	2nd quarter end (Jun.)	-	17.11	15.23
	3rd quarter end (Sept.)	-	17.30	15.54
	4th quarter end (Dec.)	16.34	-	15.88

## Reference Data (Revenue in Machinery by product and region)

### ■ Revenue in Machinery by product and region for the nine months ended September 30, 2021

(Unit: billions of yen)	Tractors		Combine harvesters and rice transplanters		Engines		CE		Finance income*		Others		Machinery total**	
	FY2021 3Q	FY2020 3Q	FY2021 3Q	FY2020 3Q	FY2021 3Q	FY2020 3Q	FY2021 3Q	FY2020 3Q	FY2021 3Q	FY2020 3Q	FY2021 3Q	FY2020 3Q	FY2021 3Q	FY2020 3Q
Japan	44	40	35	34	15	13	27	25	2	2	115	108	239	222
North America	267	213	0	0	44	33	157	106	44	39	85	71	597	462
Europe	47	35	0	0	34	22	77	55	0	0	56	46	215	158
Asia	112	82	81	66	28	24	17	15	19	16	45	32	302	235
Others	27	17	1	1	3	2	13	7	1	1	10	7	55	36
<b>Total**</b>	<b>497</b>	<b>388</b>	<b>117</b>	<b>100</b>	<b>124</b>	<b>95</b>	<b>291</b>	<b>208</b>	<b>66</b>	<b>59</b>	<b>312</b>	<b>264</b>	<b>1,408</b>	<b>1,113</b>

\* Beginning with the year ending December 31, 2021, in conformity with the change in the business reporting structure, the amounts related to "Financial services businesses" are reported in "Finance income" 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 year's presentation.

\*\* "Total" of each product and each region may not match the total of revenue by product and region because revenue by product and region is rounded to the nearest billion yen.



# 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.
2020	0-40hp	-8.9%	+24.0%	+28.2%	+33.3%	+13.3%	+18.0%	+21.0%
	40-120hp	-5.1%	+13.9%	+17.1%	+21.6%	+6.5%	+10.3%	+13.1%
	120-160hp	-14.1%	+9.2%	-10.4%	+8.8%	-0.1%	-3.9%	-0.3%
2021	0-40hp	+64.3%	-1.9%	+1.2%	-	+15.2%	+10.5%	-
	40-120hp	+34.0%	+11.4%	+4.9%	-	+19.3%	+13.8%	-
	120-160hp	+29.8%	+16.9%	+29.2%	-	+22.1%	+24.5%	-

Source: AEM (Association of Equipment Manufacturers)

## ■ YoY growth rate of retail sales units in the mini-excavator market (0-8t)

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2020	+4.5%	-4.4%	+20.2%	+27.5%	-1.0%	+6.1%	+12.0%
2021	+38.0%	+30.4%	+7.4%	-	+33.5%	+23.4%	-

Source: AEM (Association of Equipment Manufacturers)

## ■ YoY growth rate of retail sales units in the compact track loaders market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2020	+2.2%	-0.1%	+25.0%	+24.7%	+0.8%	+9.0%	+13.8%
2021	+46.5%	+32.3%	+8.5%	-	+37.9%	+26.5%	-

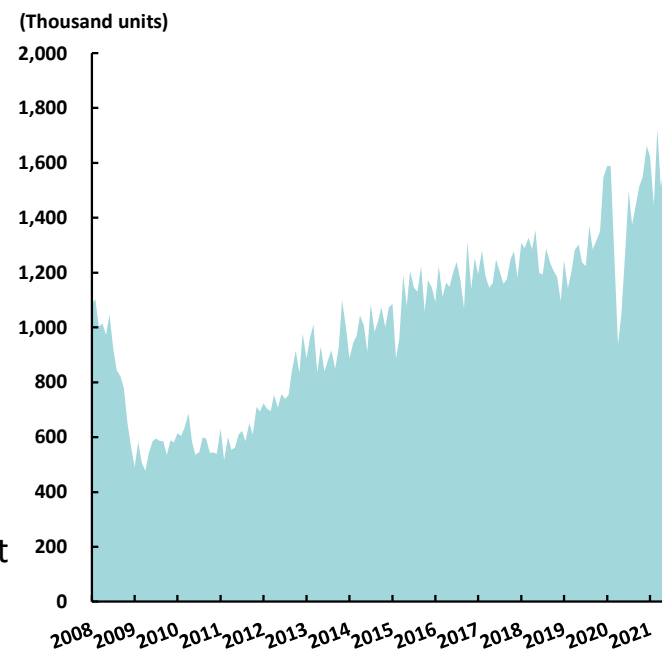
Source: AEM (Association of Equipment Manufacturers)

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

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2020	-10.9%	-23.6%	+6.4%	-0.8%	-18.0%	-10.4%	-6.9%
2021	+14.8%	+27.1%	-2.6%	-	+21.1%	+12.3%	-

Source: AEM (Association of Equipment Manufacturers)

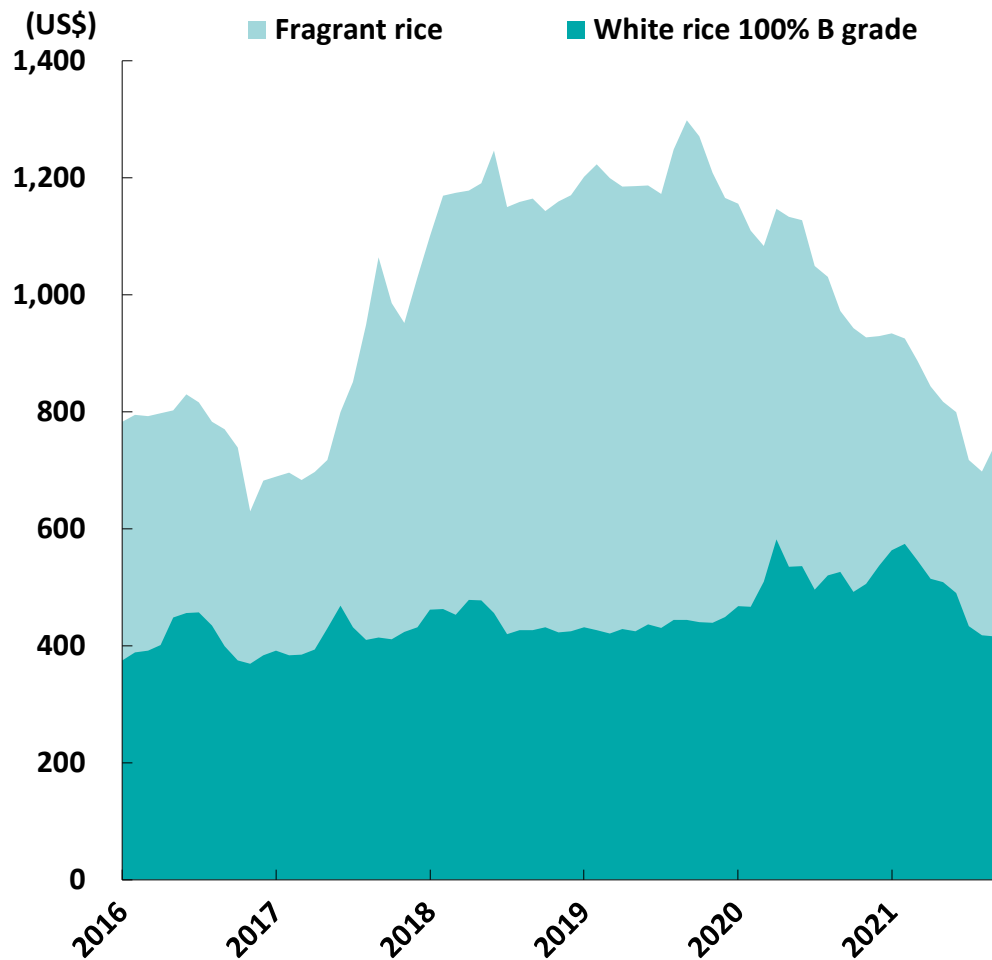
## ■ New privately owned housing units started (Seasonally adjusted annual rate)



Source: U.S. Census Bureau

# Reference Data (Thailand)

■ Export price of Thai rice (US\$/t)



Source: USDA, Thai Rice Exporters Association

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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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