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RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020 [IFRS]

Kubota Corporation hereby reports its consolidated results for the year ended December 31, 2020.

Consolidated Financial Highlights

1. Consolidated financial highlights for the year ended December 31, 2020

(1) Consolidated results of operations

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

| | Year ended Dec. 31, 2020 | Change [%] | Year ended Dec. 31, 2019 | Change [%] |
|--|-----------------------------|---------------|-----------------------------|---------------|
| Revenue | ¥ 1,853,234 | (3.5) | ¥ 1,920,042 | 3.8 |
| Operating profit | ¥ 175,284 | (13.1) | ¥ 201,654 | 6.5 |
| % of revenue | 9.5% | | 10.5% | |
| Profit before income taxes | ¥ 185,899 | (11.1) | ¥ 209,022 | 6.0 |
| % of revenue | 10.0% | | 10.9% | |
| Profit for the year | ¥ 141,400 | (11.1) | ¥ 159,091 | 6.0 |
| % of revenue | 7.6% | | 8.3% | |
| Profit attributable to owners of the parent | ¥ 128,524 | (13.8) | ¥ 149,061 | 7.6 |
| % of revenue | 6.9% | | 7.8% | |
| Comprehensive income for the year | ¥ 105,349 | (41.9) | ¥ 181,200 | 85.6 |
| % of revenue | 5.7% | | 9.4% | |
| Earnings per share attributable to owners of the parent: | | | | |
| Basic | ¥ 105.85 | | ¥ 121.59 | |
| Diluted | - | | - | |
| Ratio of profit attributable to owners of the parent to equity attributable to owners of the parent | 8.8% | | 10.7% | |
| Ratio of profit before income taxes to total assets | 5.9% | | 6.9% | |

(2) Consolidated financial position

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

| | Dec. 31, 2020 | Dec. 31, 2019 |
|---|---------------|---------------|
| Total assets | ¥ 3,189,317 | ¥ 3,139,318 |
| Total equity | ¥ 1,574,185 | ¥ 1,537,214 |
| Equity attributable to owners of the parent | ¥ 1,476,039 | ¥ 1,442,837 |
| Ratio of equity attributable to owners of the parent to total assets | 46.3% | 46.0% |
| Equity attributable to owners of the parent per share | ¥ 1,221.95 | ¥ 1,182.72 |

(3) Consolidated cash flows

(Unit: millions of yen)

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 |
|---|-----------------------------|-----------------------------|
| Net cash provided by operating activities | ¥ 142,919 | ¥ 82,410 |
| Net cash used in investing activities | (¥ 47,133) | (¥ 91,470) |
| Net cash used in financing activities | (¥ 68,354) | (¥ 21,515) |
| Cash and cash equivalents, at the end of the year | ¥ 222,919 | ¥ 199,665 |

Notes:

1. Change [%] represents the percentage change from the prior year.
2. Share of profits of investments accounted for using the equity method for the year ended December 31, 2020 and 2019 was ¥2,528 million and ¥3,071 million, respectively.
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, 2020 | - | ¥ 17.00 | - | ¥ 19.00 | ¥ 36.00 | ¥ 43,625 | 34.0% | 3.0% |
| Year ended Dec. 31, 2019 | - | ¥ 17.00 | - | ¥ 19.00 | ¥ 36.00 | ¥ 44,065 | 29.6% | 3.2% |

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, 2021

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

| | Six months ending June 30, 2021 | Change [%] | Year ending Dec. 31, 2021 | Change [%] |
|---|---------------------------------|------------|---------------------------|------------|
| Revenue | ¥ 1,040,000 | 17.6 | ¥ 2,050,000 | 10.6 |
| Operating profit | ¥ 120,000 | 46.9 | ¥ 220,000 | 25.5 |
| Profit before income taxes | ¥ 123,000 | 45.7 | ¥ 225,000 | 21.0 |
| Profit attributable to owners of the parent | ¥ 88,000 | 47.7 | ¥ 158,000 | 22.9 |
| Earnings per share attributable to owners of the parent - basic | ¥ 72.85 | | ¥ 130.80 | |

Notes:

1. Change [%] represents the percentage change from the prior year.
2. Please refer to the accompanying materials, "1. Review of operations and financial condition (1) Review of operations c) 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 year (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 International Financial Reporting Standards (hereinafter "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 December 31, 2020 : 1,208,576,846
Number of common shares issued including treasury shares as of December 31, 2019 : 1,220,576,846
- b) Number of treasury shares as of December 31, 2020 : 643,937
Number of treasury shares as of December 31, 2019 : 648,716
- c) Weighted-average number of common shares outstanding during the year ended December 31, 2020 : 1,214,174,244
Weighted-average number of common shares outstanding during the year ended December 31, 2019 : 1,225,875,217

Note:

Please refer to the accompanying materials "3. Consolidated financial statements (9) Per common share information" on page 18.

(Reference) Non consolidated financial highlights

- (1) Results of operations (Unit: millions of yen, except per common share amounts)

| | Year ended Dec. 31, 2020 | Change [%] | Year ended Dec. 31, 2019 | Change [%] |
|-----------------------------|-----------------------------|---------------|-----------------------------|---------------|
| Net sales | ¥ 865,585 | (3.6) | ¥ 897,574 | 1.4 |
| Operating income | ¥ 11,048 | (56.1) | ¥ 25,169 | (48.0) |
| Ordinary income | ¥ 53,785 | (5.7) | ¥ 57,049 | (33.5) |
| Net income | ¥ 69,043 | 18.5 | ¥ 58,261 | (21.2) |
| Net income per common share | | | | |
| Basic | ¥ 56.84 | | ¥ 47.51 | |
| Diluted | - | | - | |

- (2) Financial position (Unit: millions of yen, except per common share amounts)

| | Dec. 31, 2020 | Dec. 31, 2019 |
|---------------------------------|---------------|---------------|
| Total assets | ¥ 1,238,811 | ¥ 1,166,239 |
| Net assets | ¥ 609,747 | ¥ 622,537 |
| Ratio of equity to total assets | 49.2% | 53.4% |
| Net assets per common share | ¥ 504.64 | ¥ 510.16 |

Note:

- Amounts are rounded down to the nearest million yen.
- Gain on sales of investment securities was recognized as extraordinary income due to its significant amount for the year ended December 31, 2020. To reflect the impact of this change, Kubota Corporation has calculated the amounts of ordinary income and the rate of change from the prior year by retrospectively adjusting until the year ended December 31, 2018.

(Information on the status of the audit by the independent auditor)

This release is not subject to the audit 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 February 22, 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) Review of operations

a) Summary of the results of operations for the year ended December 31, 2020

For the year ended December 31, 2020, revenue of Kubota Corporation and its subsidiaries (hereinafter, the "Company") decreased by ¥66.8 billion [3.5%] from the prior year to ¥1,853.2 billion.

Domestic revenue decreased by ¥30.2 billion [4.8%] from the prior year to ¥595.2 billion because revenue in Farm & Industrial Machinery decreased mainly due to some negative impacts of the infection spread of COVID-19 and the consumption tax hike in the fiscal 2019. In addition, revenue in Water & Environment decreased due to a decrease in sales of environment-related products and products for private sector, such as plastic pipes.

Overseas revenue decreased by ¥36.6 billion [2.8%] from the prior year to ¥1,258.0 billion because of significantly decreased revenue in Farm & Industrial Machinery mainly due to delay in production and shipment, while demand caused by stay-at-home lifestyle increased along with the infection spread of COVID-19. In addition, revenue in Water & Environment decreased slightly. As a result, overseas revenue accounted for 67.9% of consolidated revenue, which increased by 0.5 percentage points from the prior year.

Operating profit decreased by ¥26.4 billion [13.1%] from the prior year to ¥175.3 billion. This decrease was mainly due to some negative effects from decreased revenue in the domestic and overseas markets, as well as a deterioration in profitability in its manufacturing bases resulting from a temporary suspension of production and a reduction in production volume, although there were some positive effects from raised product prices and declined interest rates in the United States. Profit before income taxes decreased by ¥23.1 billion [11.1%] from the prior year to ¥185.9 billion mainly due to decreased operating profit. Income tax expenses were ¥47.0 billion. Share of profits of investments accounted for using the equity method was ¥2.5 billion. Profit for the year decreased by ¥17.7 billion [11.1%] from the prior year to ¥141.4 billion. Profit attributable to owners of the parent decreased by ¥20.5 billion [13.8%] from the prior year to ¥128.5 billion.

b) Review of operations by reportable segment

1) Farm & Industrial Machinery

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

Revenue in this segment decreased by 3.2% from the prior year to ¥1,508.8 billion, and accounted for 81.4% of consolidated revenue.

Domestic revenue decreased by 4.4% from the prior year to ¥292.9 billion. Sales of farm equipment decreased significantly mainly due to adverse reaction from rushed demand before the consumption tax hike and voluntary restraint of sales activities along with the infection spread of COVID-19.

Overseas revenue decreased by 2.9% from the prior year to ¥1,215.9 billion. In North America, retail sales from dealers to end customers were extremely strong mainly due to solid demand after April and a positive effect from introduction of new models. However, wholesales of construction machinery and tractors decreased due to carryover of wholesales to the fiscal 2021 resulting from delay in production along with the infection spread of COVID-19. As a result, dealer inventory level significantly declined. In addition, sales of engines also decreased significantly mainly due to a negative impact of inventory adjustments by OEM clients. In Europe, sales of engines, construction machinery, and tractors decreased mainly due to some negative effects from temporarily suspended business by dealers and a

reduction in production of OEM clients for engines along with the infection spread of COVID-19. In Asia outside Japan, wholesales of tractors in Thailand decreased due to a negative impact of inventory adjustments, while retail sales increased slightly due to a recovery in the second half of the year caused by favorable rainfall in the rainy season. On the other hand, sales of engines and farm equipment in China increased due to recovered demand after resumption of economic activities. In addition, sales of farm equipment in India increased as well. As a result, revenue in Asia outside Japan increased from the prior year.

Operating profit in this segment decreased by 11.5% from the prior year to ¥179.6 billion mainly due to a deterioration in profitability in its manufacturing bases, decreased revenue in the domestic and overseas markets, and a negative effect from the yen appreciation, although there were some positive effects such as raised product prices and declined interest rates in the United States.

2) Water & Environment

Water & Environment is comprised of pipe- and infrastructure-related products (ductile iron pipes, plastic pipes, valves for public sector, industrial castings, ceramics, 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 4.3% from the prior year to ¥315.8 billion, and accounted for 17.0% of consolidated revenue.

Domestic revenue decreased by 4.8% from the prior year to ¥274.0 billion. Revenue in pipe- and infrastructure-related products decreased due to a decrease in sales of plastic pipes, industrial castings, spiral-welded steel pipes, and air-conditioning equipment, mainly for private sector along with the infection spread of COVID-19, while sales of ductile iron pipes and construction business increased. Revenue in environment-related products decreased due to the completion of construction of waste disposal and treatment facility in Futaba Town, Fukushima Prefecture, which was a large-scale project.

Overseas revenue decreased by 1.0% from the prior year to ¥41.8 billion due to decreased sales of environment-related products, while sales of ductile iron pipes and industrial castings increased.

Operating profit in this segment decreased by 7.9% from the prior year to ¥25.9 billion mainly due to decreased revenue in the domestic market and an increase in construction cost of plant, while material prices declined.

3) Other

Other is mainly comprised of a variety of services.

Revenue in this segment decreased by 9.3% from the prior year to ¥28.7 billion, and accounted for 1.6% of consolidated revenue.

Operating profit in this segment increased by 6.1% from the prior year to ¥3.8 billion.

c) Forecasts for the year ending December 31, 2021

Consolidated revenue for the year ending December 31, 2021 is forecast to increase by ¥196.8 billion from the prior year to ¥2,050.0 billion. Domestic revenue is expected to increase because revenue in Farm & Industrial Machinery and Water & Environment are expected to recover from the slump along with the infection spread of COVID-19. Overseas revenue is expected to increase significantly because of solid demand for Farm & Industrial Machinery and a significant increase in revenue in North America mainly due to the carryover of wholesales to dealers from the fiscal 2020. In addition, revenue in Water & Environment is expected to increase as well.

Operating profit is forecast to increase by ¥44.7 billion from the prior year to ¥220.0 billion mainly due to a significant increase in revenue and resolution of a deterioration in profitability in manufacturing bases resulting from a

reduction in production in the fiscal 2020. On the other hand, there are expected to be some negative effects from a rise in material prices and the yen appreciation. Profit before income taxes is forecast to increase by ¥39.1 billion from the prior year to ¥225.0 billion. Profit attributable to owners of the parent is forecast to increase by ¥29.5 billion from the prior year to ¥158.0 billion.

(These forecasts are based on the assumption of exchange rates of ¥105=US\$1 and ¥125=€1.)

(2) Financial condition

a) Assets, liabilities, and equity

Total assets as of December 31, 2020 were ¥3,189.3 billion, an increase of ¥50.0 billion from the prior fiscal year-end. With respect to assets, trade receivables decreased due to progressed collection of trade receivables from dealers along with strong retail sales, amid delay in production and shipments caused by the infection spread of COVID-19. On the other hand, finance receivables increased due to the expansion in sales financing operations in North America, where retail sales were strong.

With respect to liabilities, trade payables increased due to an increase in production volume in the second half of the year, while bonds and borrowings decreased. Equity increased due to the accumulation of retained earnings despite a deterioration in other components of equity along with fluctuations in foreign exchange rates. The ratio of equity attributable to owners of the parent to total assets stood at 46.3%, 0.3 percentage points higher than the prior fiscal year-end.

b) Cash flows

Net cash provided by operating activities during the year ended December 31, 2020 was ¥142.9 billion, an increase of ¥60.5 billion in net cash inflow compared with the prior year. This increase was due to the changes in working capital, such as trade receivables and trade payables, despite a decrease in profit for the year.

Net cash used in investing activities was ¥47.1 billion, a decrease of ¥44.3 billion in net cash outflow compared with the prior year. This decrease was mainly due to a decrease in cash outflow related to acquisition of property, plant, and equipment and intangible assets and an increase in cash inflow related to sales of securities, while cash outflow related to payments for acquisition of securities increased.

Net cash used in financing activities was ¥68.4 billion, an increase of ¥46.8 billion in net cash outflow compared with 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 December 31, 2020 were ¥222.9 billion, an increase of ¥23.3 billion from the beginning of the current year.

(Reference) Cash flow indices

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 |
|---|-----------------------------|-----------------------------|
| Ratio of equity attributable to owners of the parent to total assets [%] | 46.3 | 46.0 |
| Equity ratio based on market capitalization [%] | 85.3 | 67.1 |
| Interest-bearing liabilities / Net cash provided by operating activities [year] | 6.1 | 11.0 |
| Interest coverage ratio [times] | 7.2 | 3.9 |

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.

2. Basic rationale for selection of accounting standards

Kubota Corporation has voluntarily adopted International Financial Reporting Standards (hereinafter, "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

(1) Consolidated statement of financial position

ASSETS

(Unit: millions of yen)

| | Dec. 31, 2020 | | Dec. 31, 2019 | | Change |
|---|--------------------|--------------|--------------------|--------------|-----------------|
| | Amount | % | Amount | % | Amount |
| Current assets: | | | | | |
| Cash and cash equivalents | ¥ 222,919 | | ¥ 199,665 | | ¥ 23,254 |
| Trade receivables | 592,027 | | 682,596 | | (90,569) |
| Finance receivables | 317,626 | | 293,933 | | 23,693 |
| Other financial assets | 49,967 | | 71,968 | | (22,001) |
| Inventories | 373,998 | | 382,401 | | (8,403) |
| Income taxes receivable | 9,700 | | 6,287 | | 3,413 |
| Other current assets | 72,305 | | 82,034 | | (9,729) |
| Total current assets | 1,638,542 | 51.4 | 1,718,884 | 54.8 | (80,342) |
| Noncurrent assets: | | | | | |
| Investments accounted for using the equity method | 36,124 | | 33,729 | | 2,395 |
| Finance receivables | 807,342 | | 699,238 | | 108,104 |
| Other financial assets | 138,583 | | 148,936 | | (10,353) |
| Property, plant, and equipment | 424,672 | | 405,349 | | 19,323 |
| Goodwill and intangible assets | 72,539 | | 60,986 | | 11,553 |
| Deferred tax assets | 43,641 | | 46,984 | | (3,343) |
| Other noncurrent assets | 27,874 | | 25,212 | | 2,662 |
| Total noncurrent assets | 1,550,775 | 48.6 | 1,420,434 | 45.2 | 130,341 |
| Total assets | ¥ 3,189,317 | 100.0 | ¥ 3,139,318 | 100.0 | ¥ 49,999 |

LIABILITIES AND EQUITY

(Unit: millions of yen)

| | Dec. 31, 2020 | | Dec. 31, 2019 | | Change |
|--|--------------------|--------------|--------------------|--------------|-----------------|
| | Amount | % | Amount | % | Amount |
| Current liabilities: | | | | | |
| Bonds and borrowings | ¥ 366,038 | | ¥ 386,538 | | ¥ (20,500) |
| Trade payables | 323,607 | | 293,774 | | 29,833 |
| Other financial liabilities | 87,445 | | 78,860 | | 8,585 |
| Income taxes payable | 14,676 | | 18,611 | | (3,935) |
| Provisions | 39,736 | | 31,001 | | 8,735 |
| Other current liabilities | 194,924 | | 192,959 | | 1,965 |
| Total current liabilities | 1,026,426 | 32.2 | 1,001,743 | 31.9 | 24,683 |
| Noncurrent liabilities: | | | | | |
| Bonds and borrowings | 508,398 | | 516,443 | | (8,045) |
| Other financial liabilities | 31,537 | | 30,247 | | 1,290 |
| Retirement benefit liabilities | 16,144 | | 15,773 | | 371 |
| Deferred tax liabilities | 28,088 | | 32,984 | | (4,896) |
| Other noncurrent liabilities | 4,539 | | 4,914 | | (375) |
| Total noncurrent liabilities | 588,706 | 18.4 | 600,361 | 19.1 | (11,655) |
| Total liabilities | 1,615,132 | 50.6 | 1,602,104 | 51.0 | 13,028 |
| Equity: | | | | | |
| Share capital | 84,130 | | 84,130 | | - |
| Share premium | 84,943 | | 84,671 | | 272 |
| Retained earnings | 1,325,764 | | 1,238,824 | | 86,940 |
| Other components of equity | (18,162) | | 35,849 | | (54,011) |
| Treasury shares | (636) | | (637) | | 1 |
| Total equity attributable to owners of the parent | 1,476,039 | 46.3 | 1,442,837 | 46.0 | 33,202 |
| Noncontrolling interests | 98,146 | 3.1 | 94,377 | 3.0 | 3,769 |
| Total equity | 1,574,185 | 49.4 | 1,537,214 | 49.0 | 36,971 |
| Total liabilities and equity | ¥ 3,189,317 | 100.0 | ¥ 3,139,318 | 100.0 | ¥ 49,999 |

(2) Consolidated statement of profit or loss

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

| | Year ended Dec. 31, 2020 | | Year ended Dec. 31, 2019 | | Change | |
|---|-----------------------------|-------|-----------------------------|-------|------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Revenue | ¥ 1,853,234 | 100.0 | ¥ 1,920,042 | 100.0 | ¥ (66,808) | (3.5) |
| Cost of sales | (1,318,384) | | (1,360,115) | | 41,731 | |
| Selling, general, and administrative expenses | (356,092) | | (351,986) | | (4,106) | |
| Other income | 6,950 | | 3,648 | | 3,302 | |
| Other expenses | (10,424) | | (9,935) | | (489) | |
| Operating profit | 175,284 | 9.5 | 201,654 | 10.5 | (26,370) | (13.1) |
| Finance income | 12,294 | | 8,866 | | 3,428 | |
| Finance costs | (1,679) | | (1,498) | | (181) | |
| Profit before income taxes | 185,899 | 10.0 | 209,022 | 10.9 | (23,123) | (11.1) |
| Income tax expenses | (47,027) | | (53,002) | | 5,975 | |
| Share of profits of investments accounted for using the equity method | 2,528 | | 3,071 | | (543) | |
| Profit for the year | ¥ 141,400 | 7.6 | ¥ 159,091 | 8.3 | ¥ (17,691) | (11.1) |

| | | | | | | |
|--------------------------|-----------|-----|-----------|-----|------------|--------|
| Profit attributable to: | | | | | | |
| Owners of the parent | ¥ 128,524 | 6.9 | ¥ 149,061 | 7.8 | ¥ (20,537) | (13.8) |
| Noncontrolling interests | 12,876 | 0.7 | 10,030 | 0.5 | 2,846 | 28.4 |

| | | | | |
|--|----------|--|----------|--|
| Earnings per share attributable to owners of the parent: | | | | |
| Basic | ¥ 105.85 | | ¥ 121.59 | |
| Diluted | - | | - | |

(3) Consolidated statement of comprehensive income

(Unit: millions of yen)

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 | Change |
|--|-----------------------------|-----------------------------|------------|
| Profit for the year | ¥ 141,400 | ¥ 159,091 | ¥ (17,691) |
| Other comprehensive income, net of income tax: | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurement of defined benefit pension plans | 3,078 | 5,859 | (2,781) |
| Net change in fair value of financial assets measured at fair value through other comprehensive income | (180) | 11,819 | (11,999) |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange rate differences on translating foreign operations | (38,949) | 4,431 | (43,380) |
| Total other comprehensive income, net of income tax | (36,051) | 22,109 | (58,160) |
| Comprehensive income for the year | ¥ 105,349 | ¥ 181,200 | ¥ (75,851) |

| | | | |
|---------------------------------------|----------|-----------|------------|
| Comprehensive income attributable to: | | | |
| Owners of the parent | ¥ 96,656 | ¥ 167,048 | ¥ (70,392) |
| Noncontrolling interests | 8,693 | 14,152 | (5,459) |

(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, 2019 | ¥ 84,130 | ¥ 85,305 | ¥ 1,135,395 | ¥ 35,343 | ¥ (323) | ¥ 1,339,850 | ¥ 86,583 | ¥ 1,426,433 |
| Profit for the year | | | 149,061 | | | 149,061 | 10,030 | 159,091 |
| Total other comprehensive income, net of income tax | | | | 17,987 | | 17,987 | 4,122 | 22,109 |
| Comprehensive income for the year | | | 149,061 | 17,987 | | 167,048 | 14,152 | 181,200 |
| Transfer to retained earnings | | | 17,018 | (17,018) | | - | | - |
| Dividends paid | | | (43,065) | | | (43,065) | (3,984) | (47,049) |
| Purchases and sales of treasury shares | | | | | (20,002) | (20,002) | | (20,002) |
| Retirement of treasury shares | | | (19,566) | | 19,566 | - | | - |
| Share-based payments with transfer restrictions | | (9) | (19) | | 122 | 94 | | 94 |
| Changes in ownership interests in subsidiaries | | (625) | | (463) | | (1,088) | (2,374) | (3,462) |
| Balance as of Dec. 31, 2019 | ¥ 84,130 | ¥ 84,671 | ¥ 1,238,824 | ¥ 35,849 | ¥ (637) | ¥ 1,442,837 | ¥ 94,377 | ¥ 1,537,214 |
| Profit for the year | | | 128,524 | | | 128,524 | 12,876 | 141,400 |
| Total other comprehensive income, net of income tax | | | | (31,868) | | (31,868) | (4,183) | (36,051) |
| Comprehensive income for the year | | | 128,524 | (31,868) | | 96,656 | 8,693 | 105,349 |
| Transfer to retained earnings | | | 22,158 | (22,158) | | - | | - |
| Dividends paid | | | (43,853) | | | (43,853) | (4,503) | (48,356) |
| Purchases and sales of treasury shares | | | | | (20,002) | (20,002) | | (20,002) |
| Retirement of treasury shares | | | (19,854) | | 19,854 | - | | - |
| Share-based payments with transfer restrictions | | (4) | (35) | | 149 | 110 | | 110 |
| Changes in ownership interests in subsidiaries | | 276 | | 15 | | 291 | (421) | (130) |
| Balance as of Dec. 31, 2020 | ¥ 84,130 | ¥ 84,943 | ¥ 1,325,764 | ¥ (18,162) | ¥ (636) | ¥ 1,476,039 | ¥ 98,146 | ¥ 1,574,185 |

(5) Consolidated statement of cash flows

(Unit: millions of yen)

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 | Change |
|--|-----------------------------|-----------------------------|-----------------|
| Cash flows from operating activities: | | | |
| Profit for the year | ¥ 141,400 | ¥ 159,091 | |
| Depreciation and amortization | 67,336 | 62,244 | |
| Finance income and costs | (10,218) | (6,753) | |
| Income tax expenses | 47,027 | 53,002 | |
| Share of profits of investments accounted for using the equity method | (2,528) | (3,071) | |
| Decrease (increase) in trade receivables | 71,497 | (21,099) | |
| Increase in finance receivables | (185,256) | (96,954) | |
| Decrease (increase) in inventories | 1,042 | (14,721) | |
| Decrease (increase) in other assets | 12,482 | (25,491) | |
| Increase (decrease) in trade payables | 37,881 | (12,501) | |
| Increase in other liabilities | 14,203 | 23,955 | |
| Other, net | 66 | 4,249 | |
| Interest received | 4,013 | 4,622 | |
| Dividends received | 2,414 | 3,491 | |
| Interest paid | (1,035) | (874) | |
| Income taxes paid, net | (57,405) | (46,780) | |
| Net cash provided by operating activities | 142,919 | 82,410 | ¥ 60,509 |
| Cash flows from investing activities: | | | |
| Payments for acquisition of property, plant, and equipment and intangible assets | (84,753) | (94,859) | |
| Payments for acquisition of securities | (18,153) | (1,212) | |
| Proceeds from sales and redemptions of securities | 34,537 | 19,689 | |
| Net decrease (increase) in loans receivable from associate | 101 | (350) | |
| Net decrease (increase) in time deposits | 7,792 | (23,934) | |
| Net decrease in short-term investments | 7,645 | 8,308 | |
| Other, net | 5,698 | 888 | |
| Net cash used in investing activities | (47,133) | (91,470) | 44,337 |
| Cash flows from financing activities: | | | |
| Funding from bonds and long-term borrowings | 272,068 | 273,699 | |
| Redemptions of bonds and repayments of long-term borrowings | (233,935) | (221,267) | |
| Net (decrease) increase in short-term borrowings | (25,629) | 10,368 | |
| Repayments of lease liabilities | (14,618) | (15,081) | |
| Dividends paid | (43,853) | (43,065) | |
| Purchases of treasury shares | (20,002) | (20,002) | |
| Payments for acquisition of noncontrolling interests | (1,419) | (5,652) | |
| Other, net | (966) | (515) | |
| Net cash used in financing activities | (68,354) | (21,515) | (46,839) |
| Effect of exchange rate changes on cash and cash equivalents | (4,178) | 1,117 | (5,295) |
| Net increase (decrease) in cash and cash equivalents | 23,254 | (29,458) | |
| Cash and cash equivalents, at the beginning of the year | 199,665 | 229,123 | |
| Cash and cash equivalents, at the end of the year | ¥ 222,919 | ¥ 199,665 | ¥ 23,254 |

(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

172 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 Kubota Industrial Equipment Corporation 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. Kubota Australia Pty Ltd. |

13 entities are accounted for using the equity method.

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

(8) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

| Year ended December 31, 2020 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|---|--------------------|-----------------------------|---------------------|-----------|-------------|--------------|
| Revenue | External customers | ¥ 1,508,766 | ¥ 315,774 | ¥ 28,694 | ¥ - | ¥ 1,853,234 |
| | Intersegment | 252 | 1,383 | 27,935 | (29,570) | - |
| | Total | 1,509,018 | 317,157 | 56,629 | (29,570) | 1,853,234 |
| Operating profit | | ¥ 179,629 | ¥ 25,920 | ¥ 3,840 | ¥ (34,105) | ¥ 175,284 |
| Depreciation and amortization | | ¥ 50,733 | ¥ 7,379 | ¥ 4,396 | ¥ 4,828 | ¥ 67,336 |
| Addition to noncurrent assets | | 78,465 | 9,057 | 6,688 | 16,010 | 110,220 |
| December 31, 2020 | | | | | | |
| Assets | | ¥ 2,607,087 | ¥ 295,077 | ¥ 152,290 | ¥ 134,863 | ¥ 3,189,317 |
| Investments accounted for using the equity method | | 11,778 | 39 | 24,307 | - | 36,124 |

(Unit: millions of yen)

| Year ended December 31, 2019 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|---|--------------------|-----------------------------|---------------------|-----------|-------------|--------------|
| Revenue | External customers | ¥ 1,558,329 | ¥ 330,065 | ¥ 31,648 | ¥ - | ¥ 1,920,042 |
| | Intersegment | 429 | 1,271 | 28,994 | (30,694) | - |
| | Total | 1,558,758 | 331,336 | 60,642 | (30,694) | 1,920,042 |
| Operating profit | | ¥ 203,066 | ¥ 28,143 | ¥ 3,619 | ¥ (33,174) | ¥ 201,654 |
| Depreciation and amortization | | ¥ 45,997 | ¥ 7,218 | ¥ 4,271 | ¥ 4,758 | ¥ 62,244 |
| Addition to noncurrent assets | | 89,683 | 8,972 | 5,959 | 7,649 | 112,263 |
| December 31, 2019 | | | | | | |
| Assets | | ¥ 2,556,578 | ¥ 287,115 | ¥ 156,667 | ¥ 138,958 | ¥ 3,139,318 |
| Investments accounted for using the equity method | | 10,945 | 38 | 22,746 | - | 33,729 |

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* consists 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* consists 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.
- Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to "Air-conditioning equipment" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Farm & Industrial Machinery" 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) 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, 2020 | Year ended Dec. 31, 2019 |
|-----------------------------|------------------------------|-----------------------------|-----------------------------|
| | Farm Equipment and Engines | ¥ 1,218,845 | ¥ 1,246,611 |
| | Construction Machinery | 289,921 | 311,718 |
| Farm & Industrial Machinery | | 1,508,766 | 1,558,329 |
| | Pipe-related Products | 193,090 | 198,320 |
| | Environment-related Products | 122,684 | 131,745 |
| Water & Environment | | 315,774 | 330,065 |
| Other | | 28,694 | 31,648 |
| Total | | ¥ 1,853,234 | ¥ 1,920,042 |

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 "Air-conditioning equipment" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Farm & Industrial Machinery" segment. The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.

c) Geographic information

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

(Unit: millions of yen)

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 |
|--------------------|-----------------------------|-----------------------------|
| Japan | ¥ 595,188 | ¥ 625,381 |
| North America | 647,158 | 679,092 |
| Europe | 217,720 | 239,586 |
| Asia outside Japan | 334,186 | 321,976 |
| Other areas | 58,982 | 54,007 |
| Total | ¥ 1,853,234 | ¥ 1,920,042 |

Notes:

1. Revenue from North America included that from the United States of ¥586,705 million and ¥613,235 million for the years ended December 31, 2020 and 2019, 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, 2020 | Year ended Dec. 31, 2019 |
|--------------------|-----------------------------|-----------------------------|
| Japan | ¥ 324,173 | ¥ 290,627 |
| North America | 78,029 | 80,547 |
| Europe | 50,704 | 46,964 |
| Asia outside Japan | 56,545 | 60,234 |
| Other areas | 3,900 | 4,260 |
| Total | ¥ 513,351 | ¥ 482,632 |

Notes:

1. Noncurrent assets do not include financial instruments, deferred tax assets, nor net defined benefit assets.
2. Noncurrent assets of North America included those in the United States of ¥71,322 million and ¥73,699 million at December 31, 2020 and 2019, respectively.

(9) Per common share information

(Unit: yen)

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 |
|---|-----------------------------|-----------------------------|
| Equity attributable to owners of the parent per share | ¥ 1,221.95 | ¥ 1,182.72 |
| Earnings per share attributable to owners of the parent - basic | 105.85 | 121.59 |
| 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. Among the new shares issued under the Plan, contingently returnable shares are distinguished as participating equity instruments from common 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, 2020 | Year ended Dec. 31, 2019 |
|---|-----------------------------|-----------------------------|
| Profit attributable to owners of the parent | ¥ 128,524 | ¥ 149,061 |
| Profit attributable to participating equity instruments | 4 | 3 |
| Profit attributable to common shareholders | ¥ 128,520 | ¥ 149,058 |

(Unit: thousands of shares)

| | Year ended Dec. 31, 2020 | Year ended Dec. 31, 2019 |
|---|-----------------------------|-----------------------------|
| Weighted-average number of common shares outstanding | 1,214,215 | 1,225,902 |
| Weighted-average number of participating equity instruments | 41 | 27 |
| Weighted-average number of common shares | 1,214,174 | 1,225,875 |

(10) Subsequent events

None

(11) Consolidated revenue by product group

(Unit: millions of yen)

| | Year ended Dec. 31, 2020 | | Year ended Dec. 31, 2019 | | Change | |
|--|-----------------------------|--------------|-----------------------------|--------------|-------------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| Farm Equipment and Engines | ¥ 1,218,845 | 65.8 | ¥ 1,246,611 | 64.9 | ¥ (27,766) | (2.2) |
| Domestic | 256,080 | | 268,578 | | (12,498) | (4.7) |
| Overseas | 962,765 | | 978,033 | | (15,268) | (1.6) |
| Construction Machinery | 289,921 | 15.6 | 311,718 | 16.2 | (21,797) | (7.0) |
| Domestic | 36,809 | | 37,746 | | (937) | (2.5) |
| Overseas | 253,112 | | 273,972 | | (20,860) | (7.6) |
| Farm & Industrial Machinery | 1,508,766 | 81.4 | 1,558,329 | 81.1 | (49,563) | (3.2) |
| Domestic | 292,889 | 15.8 | 306,324 | 15.9 | (13,435) | (4.4) |
| Overseas | 1,215,877 | 65.6 | 1,252,005 | 65.2 | (36,128) | (2.9) |
| Pipe- and Infrastructure-related Products | 193,090 | 10.4 | 198,320 | 10.3 | (5,230) | (2.6) |
| Domestic | 163,885 | | 170,670 | | (6,785) | (4.0) |
| Overseas | 29,205 | | 27,650 | | 1,555 | 5.6 |
| Environment-related Products | 122,684 | 6.6 | 131,745 | 6.9 | (9,061) | (6.9) |
| Domestic | 110,071 | | 117,144 | | (7,073) | (6.0) |
| Overseas | 12,613 | | 14,601 | | (1,988) | (13.6) |
| Water & Environment | 315,774 | 17.0 | 330,065 | 17.2 | (14,291) | (4.3) |
| Domestic | 273,956 | 14.7 | 287,814 | 15.0 | (13,858) | (4.8) |
| Overseas | 41,818 | 2.3 | 42,251 | 2.2 | (433) | (1.0) |
| Other | 28,694 | 1.6 | 31,648 | 1.7 | (2,954) | (9.3) |
| Domestic | 28,343 | 1.6 | 31,243 | 1.7 | (2,900) | (9.3) |
| Overseas | 351 | 0.0 | 405 | 0.0 | (54) | (13.3) |
| Total | ¥ 1,853,234 | 100.0 | ¥ 1,920,042 | 100.0 | ¥ (66,808) | (3.5) |
| Domestic | 595,188 | 32.1 | 625,381 | 32.6 | (30,193) | (4.8) |
| Overseas | 1,258,046 | 67.9 | 1,294,661 | 67.4 | (36,615) | (2.8) |

Note:

In conformity with the change in the business reporting structure of the Company, the amounts related to "Air-conditioning equipment" are reported in the "Pipe- and Infrastructure-related Products", whereas they were formerly reported in the "Farm Equipment and Engines", and the amounts related to "Valves for private sector" are reported in the "Environment-related Products", whereas they were formerly reported in the "Pipe- and Infrastructure-related Products". The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.

(12) 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 | ¥ 300.0 | | ¥ 292.9 | | ¥ 7.1 | 2.4 |
| Overseas | 1,400.0 | | 1,216.2 | | 183.8 | 15.1 |
| Farm & Industrial Machinery | 1,700.0 | 82.9 | 1,509.1 | 81.4 | 190.9 | 12.7 |
| Domestic | 276.0 | | 274.0 | | 2.0 | 0.7 |
| Overseas | 44.0 | | 41.8 | | 2.2 | 5.2 |
| Water & Environment | 320.0 | 15.6 | 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 | 1.5 | 28.3 | 1.6 | 1.7 | 5.8 |
| Total | ¥ 2,050.0 | 100.0 | ¥ 1,853.2 | 100.0 | ¥ 196.8 | 10.6 |

| | | | | | | |
|----------|---------|------|---------|------|--------|------|
| Domestic | ¥ 606.0 | 29.6 | ¥ 595.2 | 32.1 | ¥ 10.8 | 1.8 |
| Overseas | 1,444.0 | 70.4 | 1,258.0 | 67.9 | 186.0 | 14.8 |

Note:

Beginning with the next 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 December 31, 2020

(1) Condensed consolidated statement of profit or loss

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

| | Three months ended Dec. 31, 2020 | | Three months ended Dec. 31, 2019 | | Change | |
|--|-------------------------------------|-------|-------------------------------------|-------|----------|------|
| | Amount | % | Amount | % | Amount | % |
| Revenue | ¥ 496,440 | 100.0 | ¥ 459,292 | 100.0 | ¥ 37,148 | 8.1 |
| Cost of sales | (345,148) | | (326,757) | | (18,391) | |
| Selling, general, and administrative expenses | (105,068) | | (95,829) | | (9,239) | |
| Other income | 1,775 | | 2,620 | | (845) | |
| Other expenses | (2,602) | | (3,856) | | 1,254 | |
| Operating profit | 45,397 | 9.1 | 35,470 | 7.7 | 9,927 | 28.0 |
| Finance income | 2,053 | | 2,710 | | (657) | |
| Finance costs | (291) | | (445) | | 154 | |
| Profit before income taxes | 47,159 | 9.5 | 37,735 | 8.2 | 9,424 | 25.0 |
| Income tax expenses | (12,320) | | (9,208) | | (3,112) | |
| Share of profits of investments accounted for using the equity method | 457 | | 267 | | 190 | |
| Profit for the period | ¥ 35,296 | 7.1 | ¥ 28,794 | 6.3 | ¥ 6,502 | 22.6 |

| | | | | | | |
|--------------------------|----------|-----|----------|-----|---------|------|
| Profit attributable to: | | | | | | |
| Owners of the parent | ¥ 32,056 | 6.5 | ¥ 26,621 | 5.8 | ¥ 5,435 | 20.4 |
| Noncontrolling interests | 3,240 | 0.6 | 2,173 | 0.5 | 1,067 | 49.1 |

| | | | | |
|--|---------|--|---------|--|
| Earnings per share attributable to owners of the parent: | | | | |
| Basic | ¥ 26.54 | | ¥ 21.82 | |
| 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, 2020 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|----------------------------------|--------------------|-----------------------------|---------------------|---------|-------------|--------------|
| Revenue | External customers | ¥ 395,788 | ¥ 93,316 | ¥ 7,336 | ¥ - | ¥ 496,440 |
| | Intersegment | 102 | 501 | 7,632 | (8,235) | - |
| | Total | 395,890 | 93,817 | 14,968 | (8,235) | 496,440 |
| Operating profit | | ¥ 43,641 | ¥ 11,044 | ¥ 1,635 | ¥ (10,923) | ¥ 45,397 |

(Unit: millions of yen)

| Three months ended Dec. 31, 2019 | | Farm & Industrial Machinery | Water & Environment | Other | Adjustments | Consolidated |
|----------------------------------|--------------------|-----------------------------|---------------------|---------|-------------|--------------|
| Revenue | External customers | ¥ 355,552 | ¥ 95,817 | ¥ 7,923 | ¥ - | ¥ 459,292 |
| | Intersegment | 249 | 454 | 7,517 | (8,220) | - |
| | Total | 355,801 | 96,271 | 15,440 | (8,220) | 459,292 |
| Operating profit | | ¥ 30,790 | ¥ 10,551 | ¥ 1,316 | ¥ (7,187) | ¥ 35,470 |

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 consists 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.
4. Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to "Air-conditioning equipment" are reported in the "Water & Environment" segment, whereas they were formerly reported in the "Farm & Industrial Machinery" 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 Dec. 31, 2020 | Three months ended Dec. 31, 2019 |
|--------------------|-------------------------------------|-------------------------------------|
| Japan | ¥ 159,462 | ¥ 144,643 |
| North America | 176,726 | 161,307 |
| Europe | 57,664 | 53,009 |
| Asia outside Japan | 84,875 | 84,755 |
| Other areas | 17,713 | 15,578 |
| Total | ¥ 496,440 | ¥ 459,292 |

Notes:

1. Revenue from North America included that from the United States of ¥161,449 million and ¥149,349 million for the three months ended Dec. 31, 2020 and 2019, 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, 2020 | | Three months ended Dec. 31, 2019 | | Change | |
|--|-------------------------------------|--------------|-------------------------------------|--------------|-----------------|--------------|
| | Amount | % | Amount | % | Amount | % |
| Farm Equipment and Engines | ¥ 314,047 | 63.2 | ¥ 287,013 | 62.5 | ¥ 27,034 | 9.4 |
| Domestic | 59,101 | | 44,440 | | 14,661 | 33.0 |
| Overseas | 254,946 | | 242,573 | | 12,373 | 5.1 |
| Construction Machinery | 81,741 | 16.5 | 68,539 | 14.9 | 13,202 | 19.3 |
| Domestic | 12,069 | | 9,461 | | 2,608 | 27.6 |
| Overseas | 69,672 | | 59,078 | | 10,594 | 17.9 |
| Farm & Industrial Machinery | 395,788 | 79.7 | 355,552 | 77.4 | 40,236 | 11.3 |
| Domestic | 71,170 | 14.3 | 53,901 | 11.7 | 17,269 | 32.0 |
| Overseas | 324,618 | 65.4 | 301,651 | 65.7 | 22,967 | 7.6 |
| Pipe- and Infrastructure-related Products | 55,842 | 11.2 | 59,162 | 12.9 | (3,320) | (5.6) |
| Domestic | 48,583 | | 52,126 | | (3,543) | (6.8) |
| Overseas | 7,259 | | 7,036 | | 223 | 3.2 |
| Environment-related Products | 37,474 | 7.6 | 36,655 | 8.0 | 819 | 2.2 |
| Domestic | 32,467 | | 30,803 | | 1,664 | 5.4 |
| Overseas | 5,007 | | 5,852 | | (845) | (14.4) |
| Water & Environment | 93,316 | 18.8 | 95,817 | 20.9 | (2,501) | (2.6) |
| Domestic | 81,050 | 16.3 | 82,929 | 18.1 | (1,879) | (2.3) |
| Overseas | 12,266 | 2.5 | 12,888 | 2.8 | (622) | (4.8) |
| Other | 7,336 | 1.5 | 7,923 | 1.7 | (587) | (7.4) |
| Domestic | 7,242 | 1.5 | 7,813 | 1.7 | (571) | (7.3) |
| Overseas | 94 | 0.0 | 110 | 0.0 | (16) | (14.5) |
| Total | ¥ 496,440 | 100.0 | ¥ 459,292 | 100.0 | ¥ 37,148 | 8.1 |
| Domestic | 159,462 | 32.1 | 144,643 | 31.5 | 14,819 | 10.2 |
| Overseas | 336,978 | 67.9 | 314,649 | 68.5 | 22,329 | 7.1 |

Note:

In conformity with the change in the business reporting structure of the Company, the amounts related to "Air-conditioning equipment" are reported in the "Pipe- and Infrastructure-related Products", whereas they were formerly reported in the "Farm Equipment and Engines", and the amounts related to "Valves for private sector" are reported in the "Environment-related Products", whereas they were formerly reported in the "Pipe- and Infrastructure-related Products". The information for the same period in the prior year has been retrospectively adjusted to conform to the current fiscal year's presentation.

5. Other

(1) Change of management (Effective as of March 19, 2021)

a) Appointment of new Audit & Supervisory Board Member

Name

Yuri Furusawa

Former Councillor, Cabinet Secretariat, Cabinet Bureau of Personnel Affair

* Ms. Yuri Furusawa is a candidate for Outside Audit & Supervisory Board Member.