

For Earth, For Life
Kubota

A photograph of three children running joyfully through a lush green field under a blue sky with light clouds. The child in the foreground is wearing a teal shirt, the middle child a green jacket, and the child on the right a yellow sweater. Their arms are outstretched, and they appear to be having fun. The field is tall grass, and there are trees in the background.

ON YOUR SIDE

Financial Results for FY2023 1st Quarter



May 12, 2023

Financial Summary for FY2023 1st Quarter

(Unit: billions of yen)	FY2023 1Q	FY2022 1Q	Changes	
			Amount	%
Revenue	781.6	592.8	+188.8	+31.8
Domestic	163.6	156.9	+6.7	+4.3
Overseas	618.0	435.9	+182.1	+41.8
Operating profit	13.2% 103.2	11.3% 66.8	+36.5	+54.6
Profit before income taxes	13.5% 105.5	12.6% 74.8	+30.7	+41.0
Profit attributable to owners of the parent	8.8% 69.1	8.5% 50.6	+18.5	+36.6

1USD (JPY)	132	116
1EUR (JPY)	142	130
1THB (JPY)	3.91	3.52

Excluding the effects of fluctuation in exchange [+56.0 billion yen], the increase rate in total overseas revenue is 29%.

Revenue by Reportable Segment



Machinery: 685.0 billion yen (YoY +185.7)

Japan

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

North America

Replenishment of dealer inventories for high demand season is progressing well due to relief of logistics congestion. Sales of CE increased thanks to backorders of housing construction and demand for infrastructure development by the government.

Europe

Sales of CE and engines increased, supported by construction demand. Sales of tractors increased by regaining market share thanks to improvement of inventory shortage.

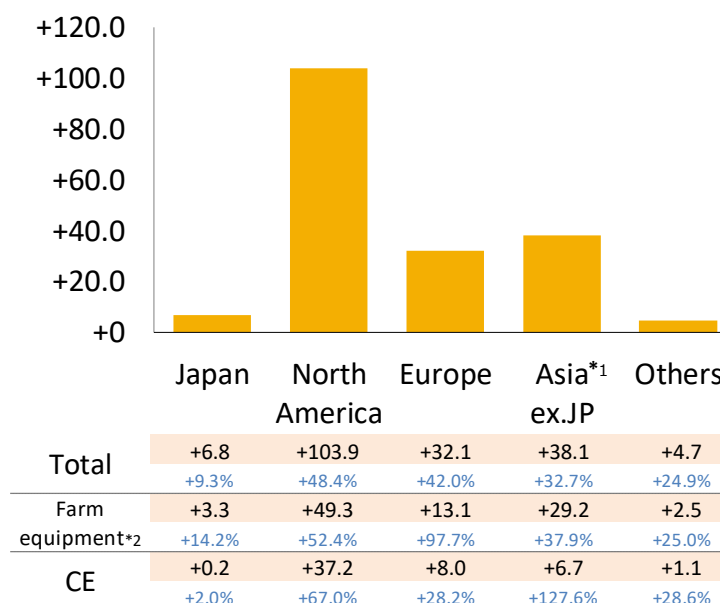
Asia outside Japan

In Thailand, sales of tractors for dryland farming were firm. On the other hand, we struggled with sales for rice farming due to delay of market recovery caused by concern about drought and farmer's shift to dryland farming. Indian market is expected to be well by adequate water reservoir levels along with good crop yield and improved crop prices. Sales in China decreased due to adverse reaction to the rush demand before the new emission regulation in the prior year.

Others

Sales were firm in Australia, but market slow down came to surface.

■ Changes in revenue by region
(Billions of yen)



*1 Escorts has been consolidated since the 2Q of FY2022

*2 Tractor, combine harvesters, and rice transplanters

Revenue by Reportable Segment



Water: 91.0 billion yen (YoY +3.4)

Pipe system

Sales of Ductile iron pipes were weak due to shift to alternative tubes caused by price increase. Sales of plastic pipes for apartment building and non-residential market were solid, while sales for housing market decreased.

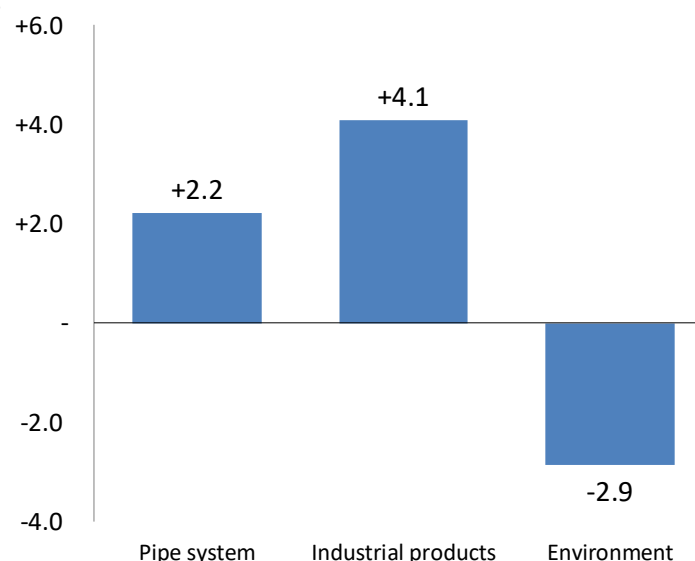
Industrial products

Sales of cracking tubes were firm, supported by demand for overseas factory construction. Orders for air-conditioning equipment increased due to the trend to reshore factories to Japan by review of supply chain.

Environment

Sales of pumps decreased due to an effect from the big project in the prior year, but are in line with plans. The number of orders of Public private partnership projects increased steadily.

■ Changes in revenue by business (Billions of yen)



Other: 5.6 billion yen (YoY -0.4)

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

Operating Profit

(Unit: billions of yen)	FY2023 1Q		FY2022 1Q		Changes	
	Amount	%	Amount	%	Amount	%
Operating profit	103.2	13.2	66.8	11.3	+36.5	+54.6

Factors affecting operating profit (YoY change +36.5 billion yen)

1. Fluctuation in exchange rates	1USD (JPY) (116→132 *) 1EUR (JPY) (130→142 *) Other currencies	+24.0 billion yen +3.5 billion yen +3.5 billion yen	}	+31.0 billion yen
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2. Foreign exchange gain/loss				-8.5 billion yen
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3. Material	Machinery Water	-4.4 billion yen -1.9 billion yen	}	-6.3 billion yen
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4. Change in sales incentive ratio	North America : -8.9 billion yen etc.			-9.8 billion yen
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5. Impact of increased or decreased sales				+17.9 billion yen
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6. Sales price increase				+43.7 billion yen
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7. Other	Logistics expenses ▲2.4 billion yen, R&D expenses ▲4.0 billion yen, Depreciation and amortization ▲5.5 billion yen, etc.			-31.6 billion yen
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* Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: 1USD(JPY):112→142 1EUR(JPY):130→144



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(Reference ①) Supplementary data of U.S.

■ YoY growth rate of retail sales units in the tractor market by horsepower

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2022	0-40hp	-10.8%	-18.7%	-21.4%	-26.2%	-15.8%	-17.5%	-19.3%
	40-120hp	-4.2%	-13.4%	-9.5%	-1.2%	-9.8%	-9.7%	-7.5%
	120-160hp	+10.3%	+3.9%	+4.4%	+12.5%	+6.5%	+5.7%	+7.8%
2023	0-40hp	-20.1%	-	-	-	-	-	-
	40-120hp	-9.2%	-	-	-	-	-	-
	120-160hp	-0.2%	-	-	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in the mini-excavator market (0-6t)

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2022		+10.2%	-7.7%	+7.6%	-3.1%	-0.3%	+2.3%	+0.8%
2023		+3.8%	-	-	-	-	-	-

Source: AEM (Association of Equipment Manufacturers)

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

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2022		-1.7%	-9.1%	-1.1%	+12.7%	-6.0%	-4.4%	+0.2%
2023		+17.4%	-	-	-	-	-	-

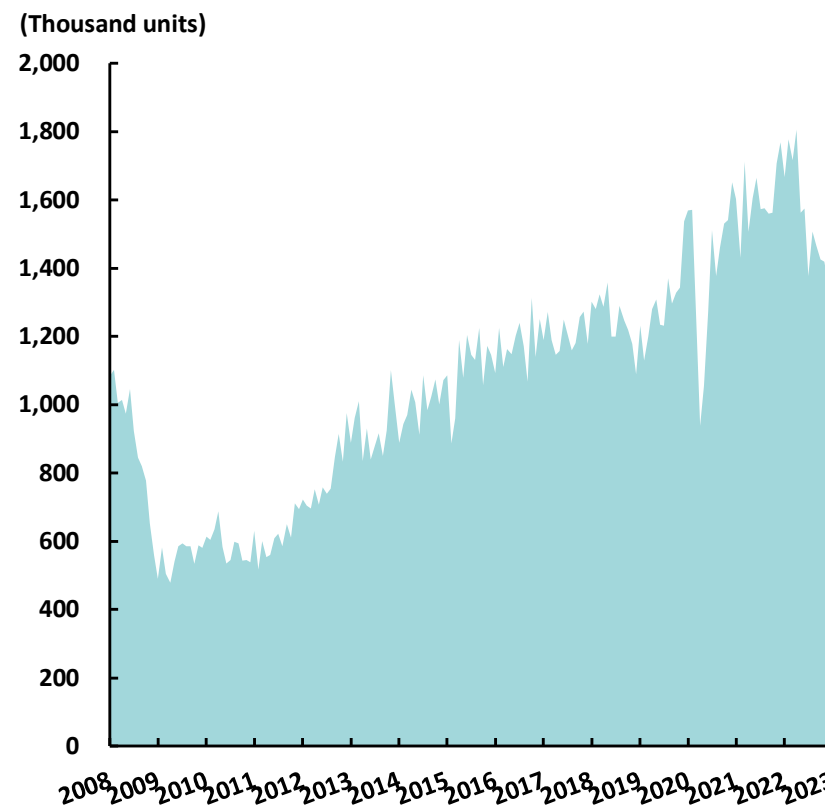
Source: AEM (Association of Equipment Manufacturers)

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

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

Source: AEM (Association of Equipment Manufacturers)

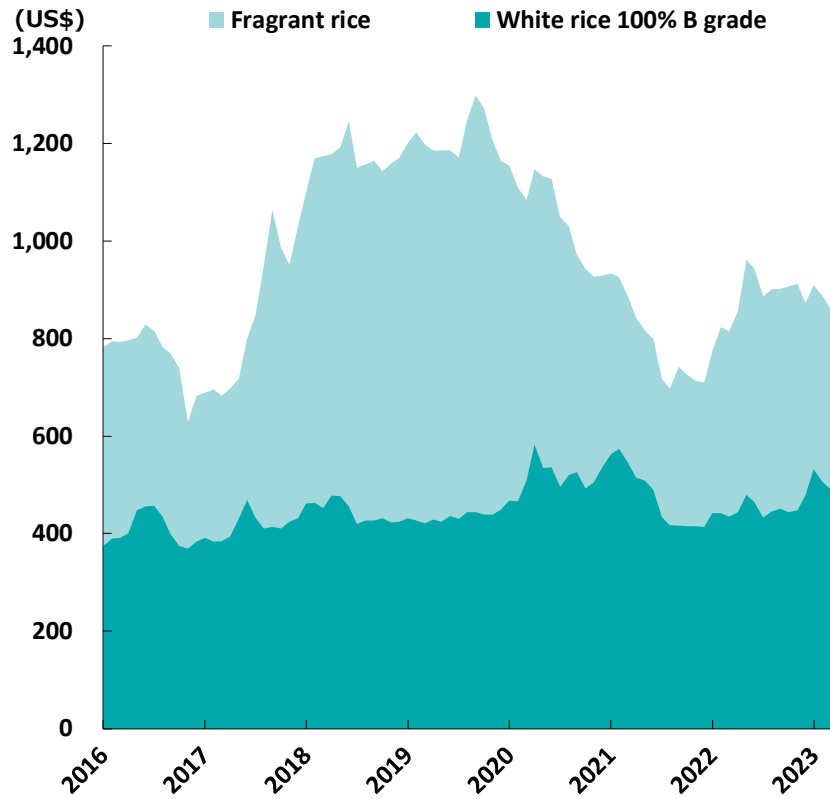
■ New privately owned housing units started (Seasonally adjusted annual rate)



Source: U.S. Census Bureau

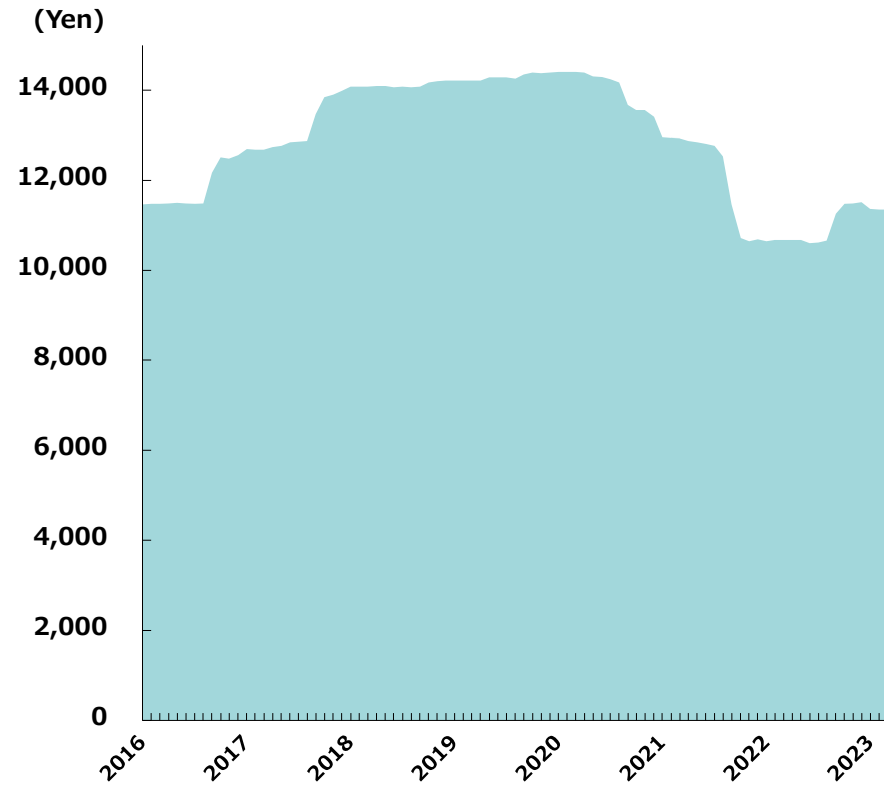
(Reference ②) Supplementary data of Thailand and Japan

■ Export price of Thai rice (US\$/t)



Source: USDA, Thai Rice Exporters Association

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



Source: Ministry of Agriculture, Forestry and Fisheries

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.
