

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.

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.

Five-year Summary of Key Financial Data

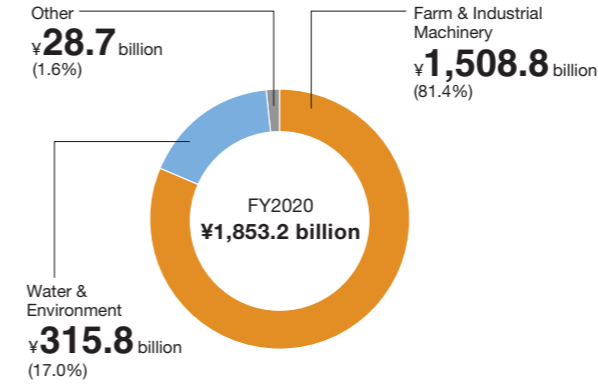
* From the fiscal year ended December 31, 2018, International Financial Reporting Standards (IFRS) have been applied instead of Generally Accepted Accounting Principles (U.S. GAAP) that were applied previously. For the fiscal year ended December 31, 2017, financial figures in accordance with IFRS are presented as well. Terminologies which differ between U.S. GAAP and IFRS are presented together in the format "U.S. GAAP / IFRS."

	U.S. GAAP		IFRS			
	2016.12	2017.12	2017.12	2018.12	2019.12	2020.12
Operating results for fiscal year (billions of yen)						
Revenues / Revenue	¥ 1,596.1	¥ 1,751.5	¥ 1,751.0	¥ 1,850.3	¥ 1,920.0	¥ 1,853.2
Operating income / Operating profit	188.8	198.8	200.0	189.3	201.7	175.3
Income before income taxes and equity in net income of affiliated companies / Profit before income taxes	197.0	212.9	214.0	197.2	209.0	185.9
Net income attributable to Kubota Corporation / Profit attributable to owners of the parent	132.5	136.4	134.2	138.6	149.1	128.5
Capital expenditures*1	65.4	52.2	52.2	64.1	86.7	87.2
Depreciation and amortization*1	43.4	45.3	45.1	49.6	48.9	53.2
R&D expenses	43.0	48.1	43.4	53.8	53.1	55.3
Net cash provided by operating activities	185.0	222.3	137.2	89.1	82.4	142.9
As of fiscal year-end (billions of yen)						
Total assets	¥ 2,670.6	¥ 2,853.9	¥ 2,832.4	¥ 2,895.7	¥ 3,139.3	¥ 3,189.3
Shareholders' equity / Equity attributable to owners of the parent	1,198.8	1,301.3	1,291.1	1,339.9	1,442.8	1,476.0
Interest-bearing debt / Interest-bearing liabilities	818.0	836.6	834.1	839.3	903.0	874.4
Per share data (yen)						
Earnings per share (EPS)	¥ 106.58	¥ 110.30	¥ 108.45	¥ 112.44	¥ 121.59	¥ 105.85
Book-value per share (BPS)	966.19	1,054.86	1,046.55	1,087.44	1,182.72	1,221.95
Annual cash dividend	30	32	32	34	36	36
Financial indicators						
Operating margin (%)	11.8	11.4	11.4	10.2	10.5	9.5
ROA*2 (%)	7.6	7.7	7.8	6.9	6.9	5.9
ROE*3 (%)	11.3	10.9	10.8	10.5	10.7	8.8
Shareholders' equity to total assets / Ratio of equity attributable to owners of the parent to total assets (%)	44.9	45.6	45.6	46.3	46.0	46.3
Payout ratio (%)	28.1	29.0	29.5	30.2	29.6	34.0
Shareholder return ratio*4 (%)	32.7	38.6	39.3	32.3	42.7	49.4
Net debt equity ratio*5 (times)	0.54	0.47	0.47	0.46	0.49	0.44

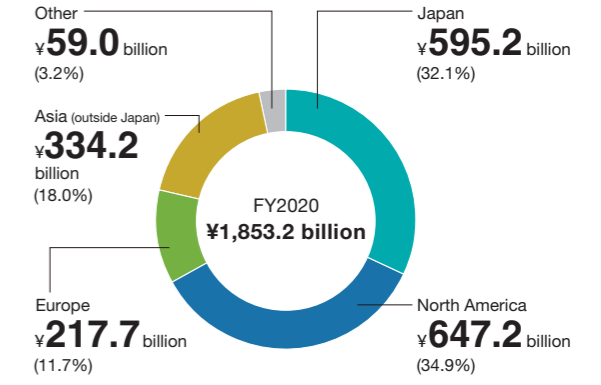
*1 Recognition of right-of-use assets and depreciation of right-of-use assets along with adoption of IFRS 16 Leases are not included.
 *2 ROA: [U.S. GAAP] Income before income taxes and equity in net income of affiliated companies ÷ Total assets (average of beginning and end of fiscal year) [IFRS] Profit before income taxes ÷ Total assets (average of beginning and end of fiscal year)
 *3 ROE: [U.S. GAAP] Net income attributable to Kubota Corporation ÷ Shareholders' equity (average of beginning and end of fiscal year) [IFRS] Profit attributable to owners of the parent ÷ Equity attributable to owners of the parent (average of beginning and end of fiscal year)
 *4 Shareholder return ratio: [U.S. GAAP] (Annual cash dividend + Retirement of own shares) ÷ Net income attributable to Kubota Corporation [IFRS] (Annual cash dividend + Retirement of own shares) ÷ Profit attributable to owners of the parent
 *5 Net debt equity ratio: [U.S. GAAP] (Interest-bearing debt - Cash and cash equivalents) ÷ Shareholders' equity [IFRS] (Interest-bearing liabilities - Cash and cash equivalents) ÷ Equity attributable to owners of the parent
 *6 Beginning with the year ending December 31, 2020, in conformity with the change in the business reporting structure, the amounts related to air-conditioning equipment are reported in the "Water & Environment", whereas they were formerly reported in the "Farm & Industrial Machinery". Accordingly, the information for the year ended December 31, 2019 was adjusted to conform to the current year's presentation.

Please refer to the Annual Securities Report for detailed financial information.
www.kubota.com/ir/financial/yuho/

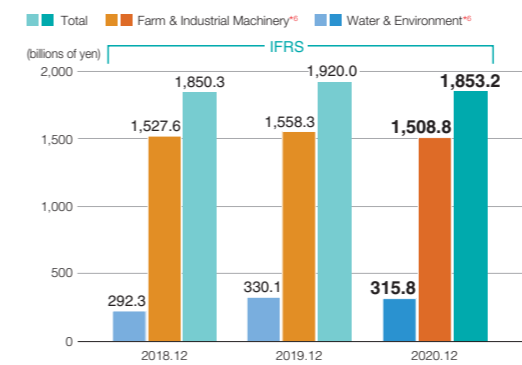
Revenue by Reportable Segment



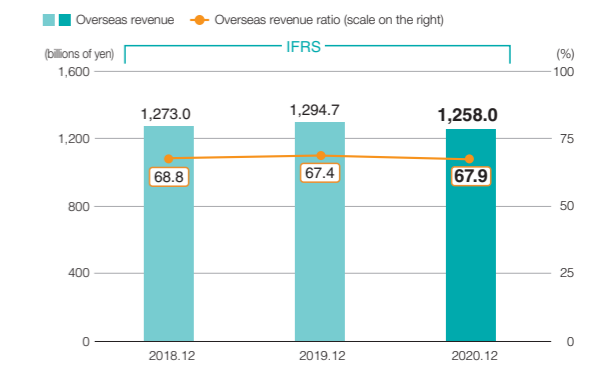
Revenue by Region



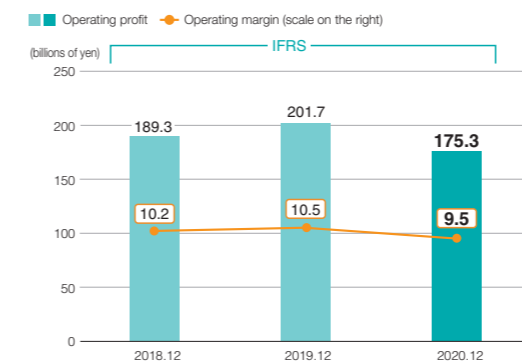
Revenue



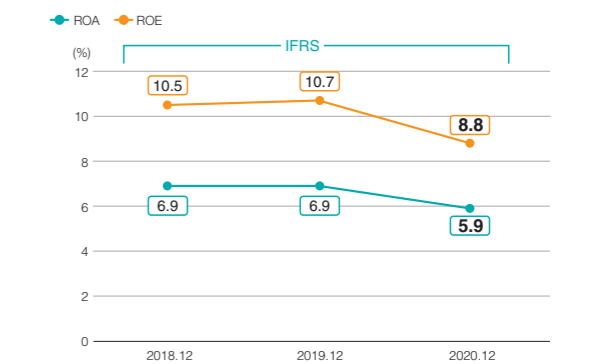
Overseas Revenue and Overseas Revenue Ratio



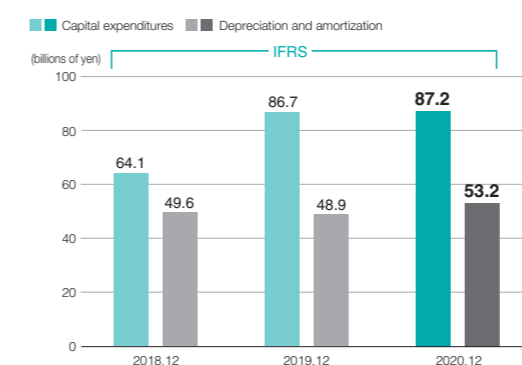
Operating Profit and Operating Margin



ROA*2 and ROE*3



Capital Expenditures, Depreciation and Amortization*1



R&D Expenses and the Ratio of R&D Expenses to Revenue

