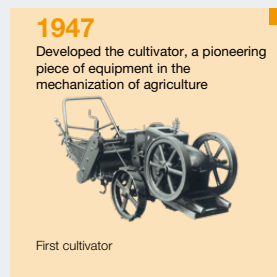
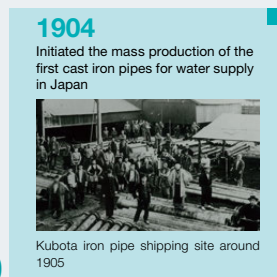


## The Kubota Group's Path and Contribution to the SDGs

The Kubota Group's ideal for 2030 is outlined in GMB2030 as being an “Essentials Innovator for Supporting Life” committed to a prosperous society and cycle of nature. 2030 is also the target year for the Sustainable Development Goals (SDGs), a series of common aims for the entire world established by the United Nations. We recognize that the SDGs parallel Kubota's desired direction, which has been, ever

2030 > Our Goal

An “Essentials Innovator for Supporting Life,”  
committed to a prosperous society  
and cycle of nature



Founded  
in 1890

Founded as a casting manufacturer  
Started production of castings for  
weighing equipment and daily  
commodities

Food Water Environment

Approach to creating value  
(Approach to promoting SDGs)

Food	Contribute to the abundant and stable production of food by the streamlining of agriculture.
	Contribute to the supply and restoration of reliable water by enhancing water infrastructures.
Water	Contribute to creating and preserving a comfortable living environment by enhancing social infrastructures.

Work for the development of society by drawing on all of our capabilities and know-how to offer superior products, technologies and services

Cultivate human resources capable of meeting the challenge of the unknown with ingenuity and courage based on respect for others, integrity, customer-first values and a bottom-up approach.

since its founding, to resolve social issues in the fields of food, water, and the environment. Therefore, by working to promote K-ESG management, we aim to accomplish the goals of GMB2030 and contribute to the achievement of the SDGs.

Main related SDGs	The Kubota Group's SDGs KPI	Examples of main initiatives for achieving KPIs in FY2021
2 ZERO HUNGER 1 NO POVERTY	<ul style="list-style-type: none"> <li>Contribution to food production through further spread of agricultural machinery</li> <li>Promotion of smart agriculture using IoT and robot technologies (Kubota Smart Agri System (KSAS))</li> </ul>	<ul style="list-style-type: none"> <li>Achieved cumulative sales of more than 10,000 rice transplanters with straight-line keeping function</li> <li>Launched agricultural machinery sharing service in different regions in collaboration with local authorities to assist new farmers and support business expansion</li> <li>Expanded partnerships with, and equity stakes in, companies worldwide that possess proprietary technology in order to accelerate the shift to smart agriculture</li> <li>Established new R&amp;D bases in Europe to accelerate development in the local areas and supply other suitable products</li> <li>Signaled agreement with the provisions of the United Nations' Food Systems Summit, held in September 2021, and announced commitment to building sustainable food systems</li> <li>Received recognition as a DX-certified operator under the Ministry of Economy, Trade and Industry's Digital Transformation (DX) Certification program</li> </ul>
6 CLEAN WATER AND SANITATION 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> <li>Contribution to the development of sustainable water infrastructure by offering more products, technologies, and services relating to water, sewage and water treatment facilities.</li> <li>Contribution to efficient operations in the water environment field by exploiting all-around abilities and IoT in water-related products, water treatment technology, mapping/design technology, construction and other areas</li> </ul>	<ul style="list-style-type: none"> <li>Continued supporting a fellowship for young researchers at Japanese universities to engage in research on futuristic water supply topics</li> <li>Received multiple orders for water equipment projects in Cambodia and Laos</li> <li>Participated in a joint water treatment plant project in Naruto City and Kitajima-cho—a first for Tokushima Prefecture—under a Design &amp; Build (DB) model; also received an order for a pipeline project in the city of Osaka, one of the largest in Japan, under the DB model</li> <li>Received an order for a water supply pump project in Sagami-hara, one of the largest in Japan, under the Design, Build, &amp; Maintain (DBM) model, where one private company is contracted for all three stages</li> <li>Devised a new method of evaluating the degree of deterioration in water pipelines—gaining more precise estimates of deterioration through joint research with the University of Tokyo and the use of machine learning</li> <li>Received an order to update Big Creek Water Reclamation Facility in Georgia, US</li> </ul>
11 SUSTAINABLE CITIES AND COMMUNITIES 7 AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> <li>Contribution to the development of environment-friendly, sustainable urban infrastructure</li> <li>Contribution to development of sustainable, resilient urban infrastructure that is resistant to disasters</li> </ul>	<ul style="list-style-type: none"> <li>Established CE Engineering Dept. North America, with the aim of developing new products to expand use of smaller construction machinery</li> <li>Developed a Kubota-first, an electronically controlled compact diesel engine—using the new three vortex common rail (TVCR) combustion method, reduces smoke production to levels that cannot even be seen</li> <li>Started selling mini backhoes fitted with LPG engines to clear restrictions on using diesel engines in major European cities</li> <li>Received certification for meeting Chinese Phase IV emission standards for non-road CI diesel engines</li> <li>Completed construction of a new logistics base for agricultural machinery in Tomakomai, Hokkaido—centralized management of previously spread-out inventory and simplification of distribution channels led to greater logistical efficiency</li> <li>Selected as one of the companies taking on the Zero Emissions Challenge by the Ministry of the Economy, Trade and Industry</li> <li>Renewed the Eco-First Commitment pledge to the Japanese Environment Minister</li> <li>Invested in Ichikawa Kankyo Holdings, which is involved in resource recycling, via capital participation</li> <li>Signed a three-way collaborative agreement to build an agricultural area in Hokkaido Ballpark F Village, which is due to open in 2023</li> <li>Garnered high praise in the CDP Water Security 2021 report</li> <li>Delivery of extra-large diameter (2,600 mm) earthquake-resistant ductile iron pipes (US-type, R method) to the Tokyo Metropolitan Government</li> <li>Delivery of drainage pump vehicles for flood disaster relief to MLIT, MAFF, and municipal governments</li> </ul>

Common points for food, water, and the environment:  
Expansion of eco-products (sales ratio of eco-products)

Sales ratio of Eco-Products for FY2021: 68.0%

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul style="list-style-type: none"> <li>Endeavoring to improve indicators in the categories of quality assurance, environment, procurement, safety, and personnel</li> </ul>	<ul style="list-style-type: none"> <li>Received the Award from the Commissioner of the Patent Office at the Intellectual Property Achievement Awards for the first time</li> <li>Formulated the Kubota Group Health Declaration</li> <li>Donated bags of new rice to a charity that runs kids' cafeterias throughout Japan</li> <li>Signed an industrial-academic collaboration agreement with the University of Tokyo</li> </ul> <p>(Quality Assurance) Number of recalls: Japan 7 (Environment) CO<sub>2</sub> emissions from the Kubota Group: 16.5% reduction compared to FY2014 (Procurement) Promotion of CSR procurement: CSR procurement questionnaire survey conducted at 220 suppliers; response to the regulations of conflict minerals (Safety) No class-A incidents: Not achieved (Personnel) Percentage of employees with disabilities: 2.47% Percentage of employees taking childcare leave: 68.1% (male)/100% (female) Attainment of Health KUBOTA 21 targets: promoting activities toward 2022 targets</p>
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Reference: The 17 SDGs: 1) No poverty; 2) Zero hunger; 3) Good health and well-being; 4) Quality education; 5) Gender equality; 6) Clean water and sanitation; 7) Affordable and clean energy; 8) Decent work and economic growth; 9) Industry, innovation and infrastructure; 10) Reduced inequalities; 11) Sustainable cities and communities; 12) Responsible consumption and production; 13) Climate action; 14) Life below water; 15) Life on land; 16) Peace, justice and strong institutions; and, 17) Partnerships for the goals

# Financial & Non-financial Highlights

## Summary of the results of operations for the year ended December 31, 2021

For the year ended December 31, 2021, the Kubota Group's revenue and profits increased. During the period, revenue increased by ¥343.5 billion [18.5%] from the prior year to ¥2,196.8 billion.

Domestic revenue increased by ¥7.6 billion [1.3%] from the prior year to ¥602.8 billion because while domestic revenue decreased in Water & Environment and Other, it rose in Farm & Industrial Machinery, particularly through sales of agricultural machinery and other products.

Overseas revenue, on the other hand, increased by ¥335.9 billion [26.7%] from the prior year to ¥1,594 billion because while overseas revenue decreased in Water & Environment, sales of agricultural and construction machinery rose dramatically. Overseas revenue as a percentage of total revenue rose 4.7 percentage points from the prior year to 72.6%.

Operating profit increased by ¥70.9 billion [40.5%] from the prior year to ¥246.2 billion. This increase was due mainly to massively increased domestic and overseas revenue and improved exchange rates, among other factors, despite factors that reduced profit, such as the dramatic increase in the price of raw materials and logistics costs. Profit before income taxes increased by ¥66.7 billion [35.9%] from the prior year to ¥252.6 billion primarily because operating profit increased. Income tax expenses were ¥64.9 billion. Share of profits of investments accounted for using the equity method was ¥3 billion. Profit for the year increased by ¥49.3 billion [34.9%] from the prior year to ¥190.7 billion. Profit attributable to owners of the parent company increased by ¥47.1 billion [36.7%] from the prior year to ¥175.6 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				
	2017.12	2017.12	2018.12	2019.12	2020.12	2021.12
<b>Operating results for fiscal year (billions of yen)</b>						
Revenues / Revenue	¥ 1,751.5	¥ 1,751.0	¥ 1,850.3	¥ 1,920.0	¥ 1,853.2	¥ 2,196.8
Operating income / Operating profit	198.8	200.0	189.3	201.7	175.3	246.2
Income before income taxes and equity in net income of affiliated companies / Profit before income taxes	212.9	214.0	197.2	209.0	185.9	252.6
Net income attributable to Kubota Corporation / Profit attributable to owners of the parent	136.4	134.2	138.6	149.1	128.5	175.6
Capital expenditures <sup>*1</sup>	52.2	52.2	64.1	86.7	87.2	121.4
Depreciation and amortization <sup>*1</sup>	45.3	45.1	49.6	48.9	53.2	55.6
R&D expenses	48.1	43.4	53.8	53.1	55.3	65.3
Net cash provided by operating activities	222.3	137.2	89.1	82.4	142.9	92.5
<b>As of fiscal year-end (billions of yen)</b>						
Total assets	¥ 2,853.9	¥ 2,832.4	¥ 2,895.7	¥ 3,139.3	¥ 3,189.3	¥ 3,773.5
Shareholders' equity / Equity attributable to owners of the parent	1,301.3	1,291.1	1,339.9	1,442.8	1,476.0	1,678.0
Interest-bearing debt / Interest-bearing liabilities	836.6	834.1	839.3	903.0	874.4	1,094.5
<b>Per share data (yen)</b>						
Earnings per share (EPS)	¥ 110.30	¥ 108.45	¥ 112.44	¥ 121.59	¥ 105.85	¥ 145.52
Book-value per share (BPS)	1,054.86	1,046.55	1,087.44	1,182.72	1,221.95	1,398.41
Annual cash dividend	32	32	34	36	36	42
<b>Financial indicators</b>						
Operating margin (%)	11.4	11.4	10.2	10.5	9.5	11.2
ROA <sup>*2</sup> (%)	7.7	7.8	6.9	6.9	5.9	7.3
ROE <sup>*3</sup> (%)	10.9	10.8	10.5	10.7	8.8	11.1
Shareholders' equity to total assets / Ratio of equity attributable to owners of the parent to total assets (%)	45.6	45.6	46.3	46.0	46.3	44.5
Payout ratio (%)	29.0	29.5	30.2	29.6	34.0	28.9
Shareholder return ratio <sup>*4</sup> (%)	38.6	39.3	32.3	42.7	49.4	40.3
Net debt equity ratio <sup>*5</sup> (times)	0.47	0.47	0.46	0.49	0.44	0.50

<sup>\*1</sup> Recognition of right-of-use assets and depreciation of right-of-use assets along with adoption of IFRS 16 Leases are not included.

<sup>\*2</sup> 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)

<sup>\*3</sup> 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)

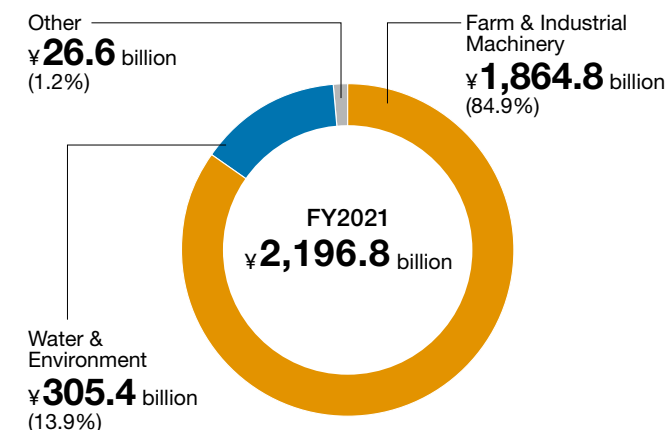
<sup>\*4</sup> Shareholder return ratio:

[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

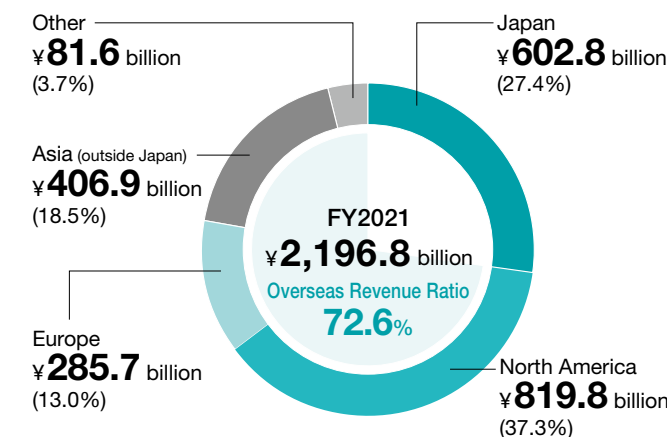
<sup>\*5</sup> Net debt equity ratio:  
[U.S. GAAP] (Interest-bearing debt – Cash and cash equivalents) ÷ Shareholders' equity  
[IFRS] (Interest-bearing liabilities – Cash and cash equivalents) ÷ Equity attributable to owners of the parent

Please refer to the Annual Securities Report for detailed financial information.  
[www.kubota.com/ir/financial/yuho/](http://www.kubota.com/ir/financial/yuho/)

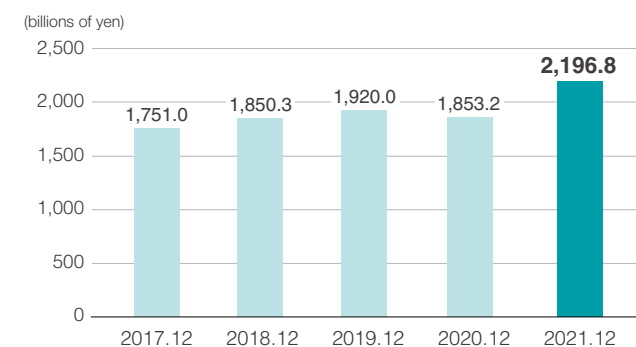
## Revenue by Reportable Segment



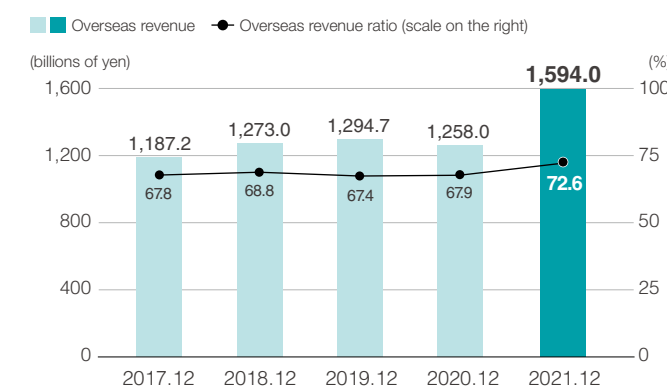
## Revenue by Region



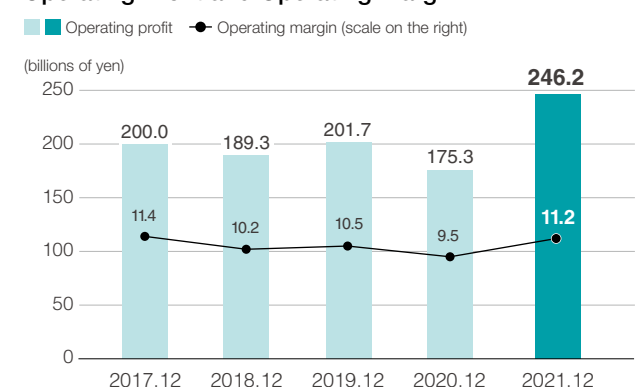
## Revenue



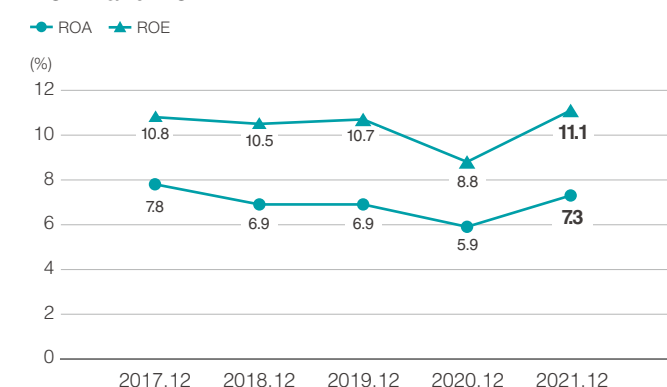
## Overseas Revenue and Overseas Revenue Ratio



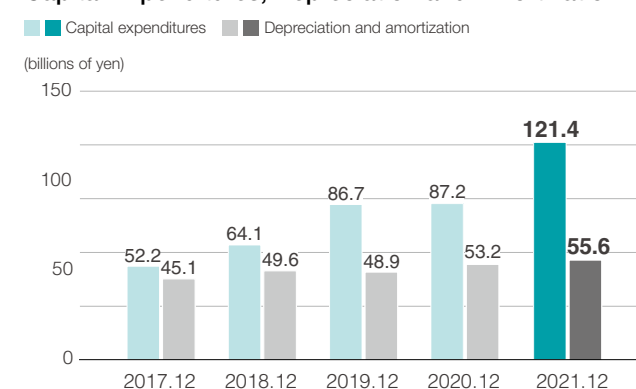
## Operating Profit and Operating Margin



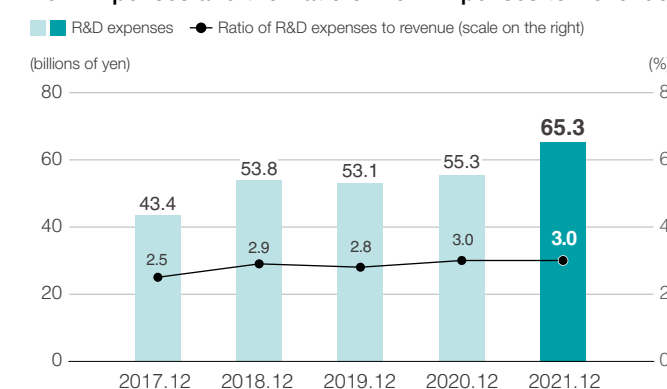
## ROA<sup>\*2</sup> and ROE<sup>\*3</sup>



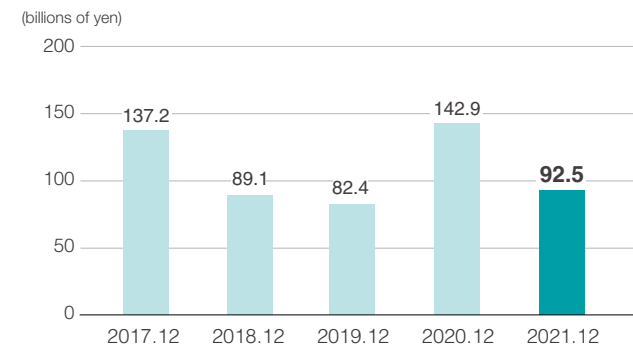
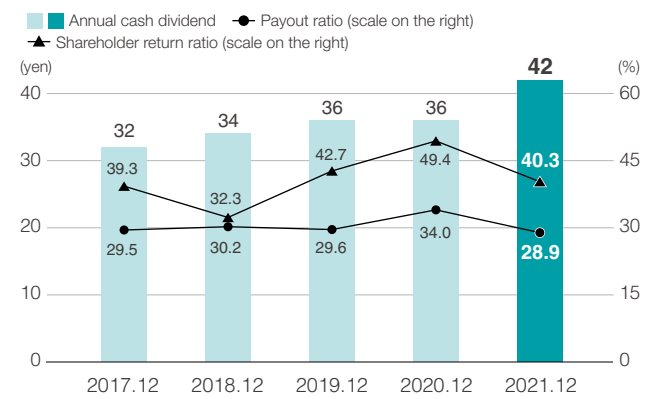
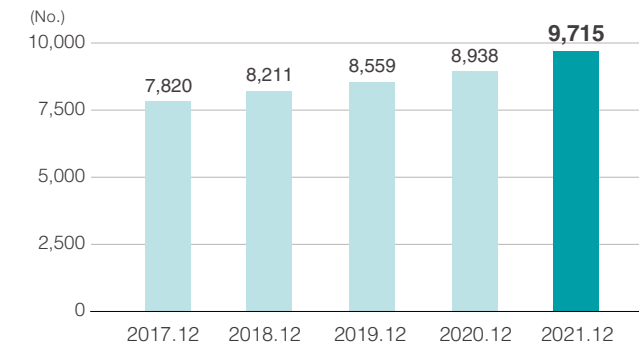
## Capital Expenditures, Depreciation and Amortization<sup>\*1</sup>



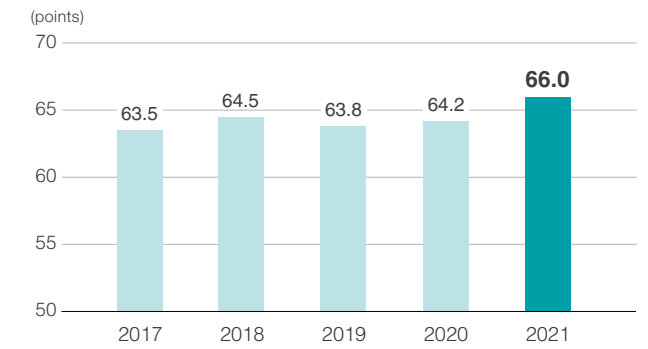
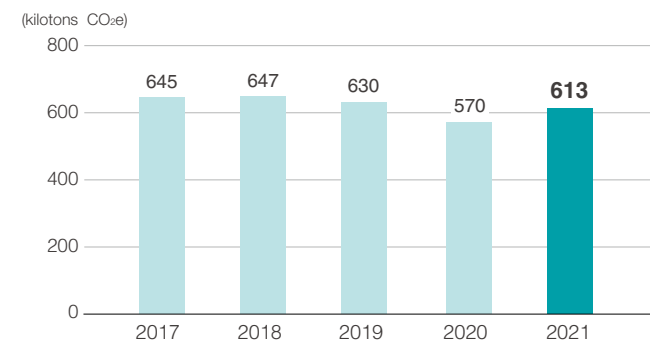
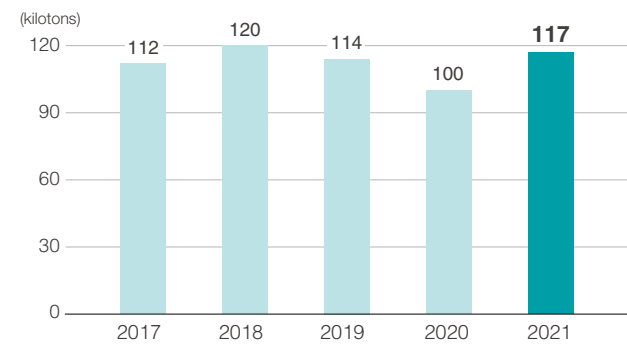
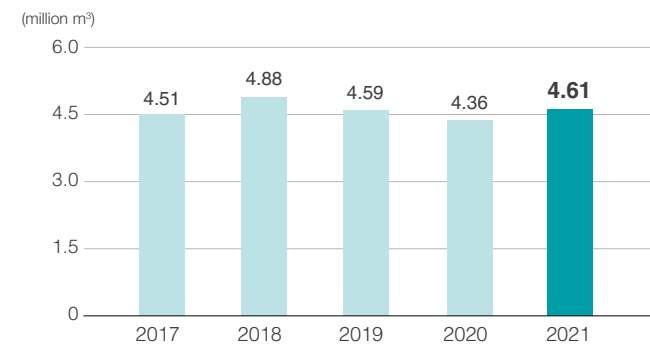
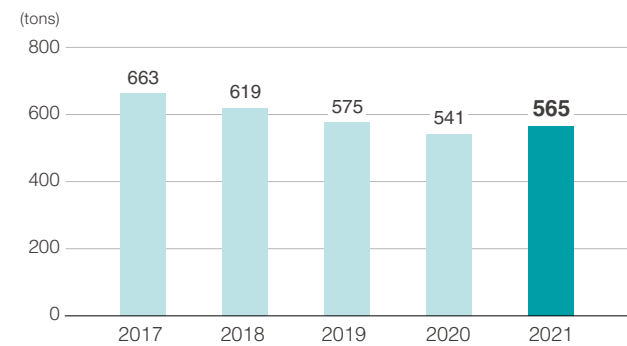
## R&D Expenses and the Ratio of R&D Expenses to Revenue



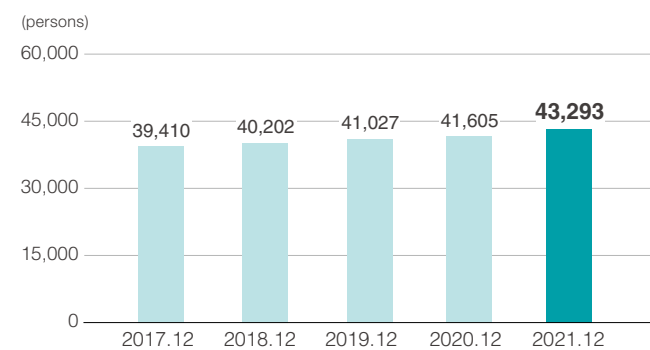
## Net Cash Provided by Operating Activities

Annual Cash Dividend Per Share, Payout Ratio, and Shareholder Return Ratio<sup>\*4</sup>No. of Patents/New Utility Models Possessed  
(Kubota Corporation and Group Companies in Japan)

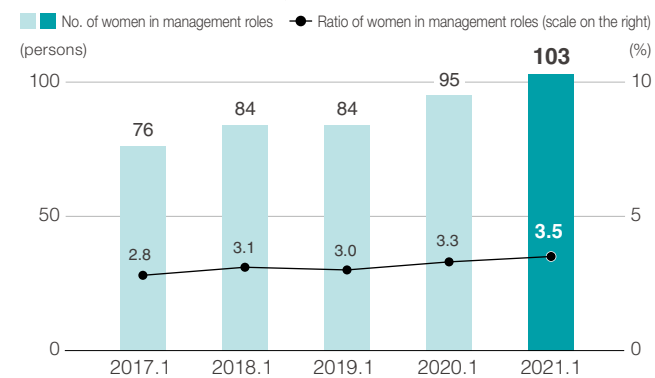
## Overall customer satisfaction with dealer where purchased

CO<sub>2</sub> Emissions<sup>\*6</sup>Waste Discharge<sup>\*6</sup>Water Consumption<sup>\*6</sup>VOC (Volatile Organic Compound) Emissions<sup>\*6</sup>

## No. of Employees



## No. of Women in Management Roles



<sup>\*6</sup> For the reporting period for environmental data, see the Calculation Standards of Environmental Performance Indicators (p. 86).



## Farm & Industrial Machinery

Our main products are the agricultural machinery and related products that carry the weight of a brighter future for people and food on their shoulders, and the engines and construction machinery that are helping to make people's lives richer



## Water & Environment

To ensure every person on this planet has access to safe water, our major products are those related to the water pipelines that support the foundations of society and industry, and other environment-related products



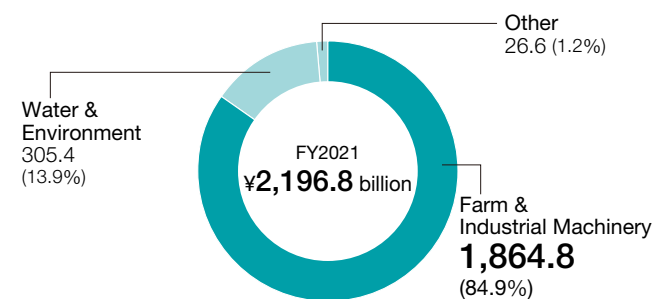
### Business Overview

#### Results of FY2021

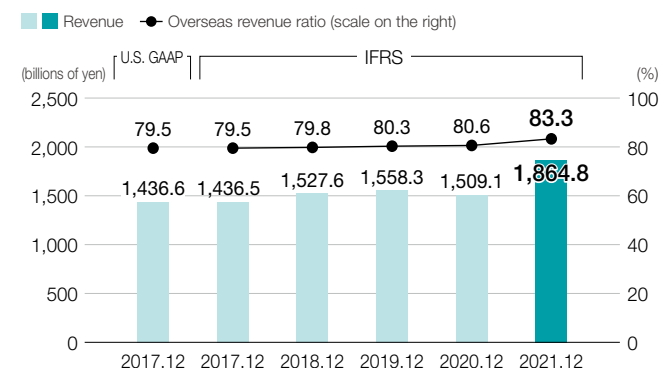
Revenue in this segment increased by 23.6% from the prior year to ¥1,864.8 billion, and accounted for 84.9% of consolidated revenue. Domestic revenue increased by 6.0% from the prior year to ¥310.5 billion, and overseas revenue increased by 27.8% from the prior year to ¥1,554.3 billion.

Profit in this segment increased by 39.1% from the prior year to ¥250.4 billion. This increase was due mainly to massively increased domestic and overseas revenue, price rises, and improved exchange rates, among other factors, despite factors that reduced profit, such as the dramatic increase in the price of raw materials and logistics costs.

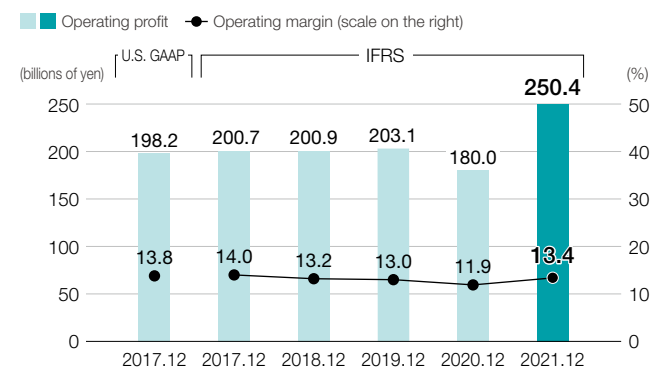
Revenue by Reportable Segment (billions of yen)



Revenue and Overseas Revenue Ratio



Operating Profit and Operating Margin



\* Owing to changes in organizational structure, "Air-conditioning equipment" previously included in the Farm & Industrial Machinery segment has been included in the Water & Environment segment since FY2020. 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. Accordingly, "Air-conditioning equipment" has been reclassified and restated for FY2019, and "Financial services businesses" has been reclassified and restated for FY2020.

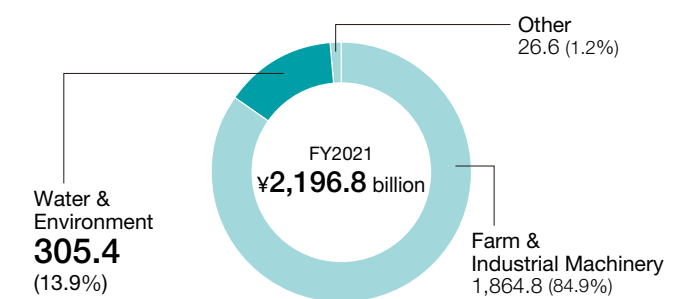
### Business Overview

#### Results of FY2021

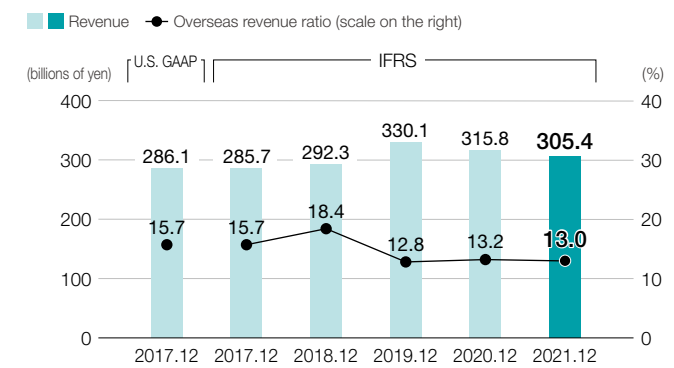
Revenue in this segment decreased by 3.3% from the prior year to ¥305.4 billion, and accounted for 13.9% of consolidated revenue. Domestic revenue decreased by 3.0% from the prior year to ¥265.7 billion, and overseas revenue decreased by 5.2% from the prior year to ¥39.7 billion.

Profit in this segment decreased by 14.1% from the prior year to ¥22.3 billion due to reduced domestic revenue and dramatic rise in the price of raw materials.

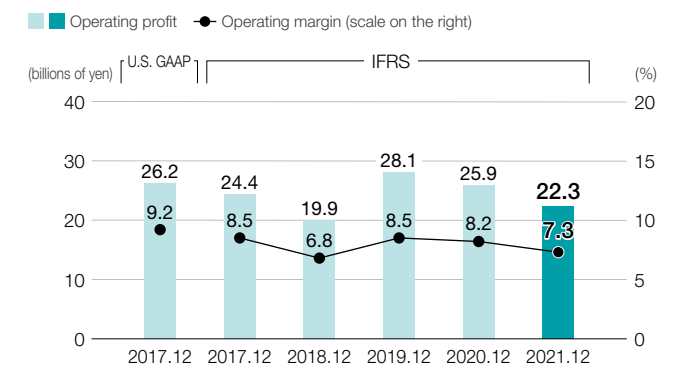
Revenue by Reportable Segment (billions of yen)



Revenue and Overseas Revenue Ratio



Operating Profit and Operating Margin



\* Owing to changes in organizational structure, "air-conditioning equipment" previously included in the Farm & Industrial Machinery segment has been included in the Water & Environment segment since FY2020. Accordingly, the same category has been reclassified and restated for FY2019.