

KUBOTA Corporation

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Notice of revision of forecasts of operations for the year ending December 31, 2020

We would like to extend our heartfelt sympathies to all those suffering from COVID-19 and those who are enduring difficult living conditions due to the infection spread of COVID-19.

Kubota Corporation (hereinafter, the "Company") has revised the forecasts of operations for the year ending December 31, 2020, which were announced on February 14, 2020, as follows:

1. Revision of the forecasts of operations for the year ending December 31, 2020

(1) Forecasts of operations for the six months ending June 30, 2020

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

	Six months ending June 30, 2020				(Reference)
	Revised forecasts	Previous forecasts	Change		Six months ended June 30, 2019
			Amount	%	
Revenue	-	970,000	-	-	970,829
Operating profit	-	93,000	-	-	110,947
Profit before income taxes	-	96,000	-	-	114,640
Profit attributable to owners of the parent	-	68,000	-	-	81,189
Earnings per share attributable to owners of the parent-Basic	-	55.74	-	-	65.95

(2) Forecasts of operations for the year ending December 31, 2020

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

	year ending Dec. 31, 2020				(Reference)
	Revised forecasts	Previous forecasts	Change		Year ended Dec. 31, 2019
			Amount	%	
Revenue	-	1,950,000	-	-	1,920,042
Operating profit	-	200,000	-	-	201,654
Profit before income taxes	-	207,000	-	-	209,022
Profit attributable to owners of the parent	-	148,000	-	-	149,061
Earnings per share attributable to owners of the parent-Basic	-	121.32	-	-	121.59

2. Reasons for the revision

The global economy has rapidly deteriorated and the outlook going forward remains uncertain, amid the restrictions on movement and other measures resulting from the infection spread of COVID-19 in each region around the world. COVID-19 has impacted on business activities of the Company, such as voluntary restraint of participation in trade shows in the domestic and overseas regions, and there have been some negative impacts including suspension of operations at each base and suspension of operations by dealers, as described later.

It is difficult to calculate the rational forecasts under the uncertain circumstances about the scale of the infection spread of COVID-19 and the timing of end of COVID-19, despite some improvement in the environment, such as gradually restarted operations

in each base. Accordingly, the Company decided to revise the forecasts of operations for the six months ending June 30, 2020 and the year ending December 31, 2020 to undetermined temporarily.

The Company will disclose the forecasts again when it becomes possible to calculate the rational forecasts.

(i) Major impacts on the Company's bases

Area	Base	Major impact
Japan	Each manufacturing base	Suspended production activities for about two weeks including Golden Week holidays and restarted operations gradually from May 7
U.S.	Manufacturing bases in Georgia	Suspended operations from March 31 to April 12 and restarted operations for four days a week from April 13
	Manufacturing bases in Kansas	Suspended operations in some bases from March 25 to April 13 and restarted operations from April 14
Europe	Manufacturing bases in France, Germany, and Italy	Suspended operations from late March and gradually restarted operations from April
	Sales bases in France and U.K.	Suspended operations mainly in warehouses from late March other than emergency matters
China	Each manufacturing base	Restarted operations gradually from February 10 after the extended Chinese New Year holiday and restarted normal production from mid of or late March
Other	India and Philippines	Closed down offices from late March to mid May
	Malaysia	Closed down offices from March 18 to April 20 and restarted operations from April 21

(ii) Major impacts on the Company's customers

Area	Major impact
U.S.	21 stores of the dealers had suspended operations at the end of March, and 3 stores of the dealers suspended operations as of May 6. About 1,100 stores of the dealers have continued to operate.
Europe	Most dealers in France, Italy, Spain, and Portugal and some of the dealers in U.K. suspended operations at the end of March. Most farm equipment dealers in France, Italy, Spain, and Portugal have restarted operations at the end of April, and the number of construction machinery dealers in France that have suspended operations also decreased from 22 to 9. Most dealers in Germany have continued to operate other than suspension of visits to customers.
	About 70% of major OEM clients for engines had suspended operations at the end of March, and about 40% of them suspended operations at the end of April.

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