

# Financial Highlights

For the year ended December 31, 2017, revenues of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased by ¥155.4 billion [9.7%] from the prior year to ¥1,751.5 billion. Domestic revenues increased from the prior year because of increased revenues in Farm & Industrial Machinery, which was mainly due to strong sales of agricultural-related products, and tractors. In the overseas markets, revenues increased from the prior year because sales of construction machinery and engines increased significantly due to worldwide favorable business conditions, and strong demand in the construction industry.

Operating income increased by ¥10.0 billion [5.3%] from the prior year to ¥198.8 billion. Income before income taxes and equity in net income of affiliated companies increased by ¥15.9 billion [8.1%] from the prior year to ¥212.9 billion. Income taxes increased by ¥13.4 billion [8.1%] to ¥69.9 billion mainly because the federal corporate tax rate cut in the United States has been determined. Net income attributable to Kubota Corporation increased by ¥4.0 billion [3.0%] from the prior year to ¥136.4 billion after taking into account equity in net income of affiliated companies and net income attributable to non-controlling interests.

\* Due to the change in fiscal year-end, the fiscal year ended December 31, 2015 was the nine-month period that commenced on April 1, 2015 and ended on December 31, 2015. For this reason, some data on the chart below is presented on the 12-month basis, which commenced on January 1, 2015 and ended on December 31, 2015, as a reference. Return on assets and return on equity of the year ended December 31, 2015 are calculated on the 12-month basis only.

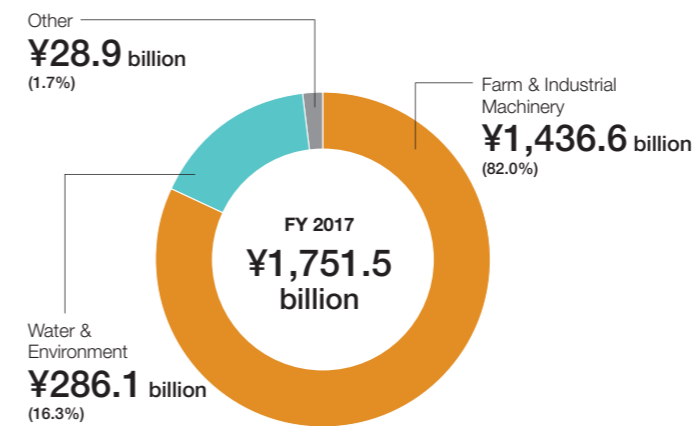
Five-year Summary of Key Financial Data	2014.3	2015.3	2015.12 (9 months)	2016.12	2017.12	2015.12 (12 months, reference data)	
<b>Operating results for fiscal year (in billions of yen)</b>							
Revenues	¥ 1,510.5	¥ 1,584.3	¥ 1,244.8	¥ 1,596.1	¥ 1,751.5	¥ 1,688.6	
Operating income	203.9	203.1	166.9	188.8	198.8	222.9	
Income before income taxes and equity in net income of affiliated companies	212.4	210.7	169.5	197.0	212.9	224.0	
Net income attributable to Kubota Corporation	132.7	139.5	110.1	132.5	136.4	149.4	
Capital investments	51.6	50.4	35.3	65.4	52.2	53.9	
Depreciation and amortization	35.3	38.2	31.2	43.4	45.3	41.4	
R&D expenses	36.0	39.5	29.6	43.0	48.1	39.4	
Net cash provided by operating activities	83.0	85.9	197.0	185.0	222.3	205.9	
<b>As of fiscal year-end (in billions of yen)</b>							
Total assets	¥ 2,110.7	¥ 2,472.2	¥ 2,532.9	¥ 2,670.6	¥ 2,853.9	¥ 2,532.9	
Shareholders' equity	935.8	1,100.1	1,140.3	1,198.8	1,301.3	1,140.3	
Interest-bearing debt	592.1	765.1	768.7	818.0	836.6	768.7	
<b>Per share data (yen)</b>							
Earnings per share (EPS) <sup>*1</sup>	¥ 105.74	¥ 111.68	¥ 88.47	¥ 106.58	¥ 110.30	¥ 119.93	
Book-value per share (BPS) <sup>*2</sup>	748.76	883.10	916.28	966.19	1,054.86	916.28	
Annual cash dividend	28	28	28	30	32	—	
<b>Financial indicators</b>							
Operating margin	(%)	13.5	12.8	13.4	11.8	11.4	13.2
Return on assets (ROA) <sup>*3</sup>	(%)	10.7	9.2	—	7.6	7.7	9.0
Return on equity (ROE) <sup>*4</sup>	(%)	15.3	13.7	—	11.3	10.9	13.5
Shareholders' equity to total assets	(%)	44.3	44.5	45.0	44.9	45.6	45.0
Payout ratio	(%)	26.5	25.1	31.6	28.1	29.0	—
Shareholder return ratio <sup>*5</sup>	(%)	34.0	30.6	33.9	32.7	38.6	—
Net debt equity ratio <sup>*6</sup>	(times)	0.54	0.59	0.55	0.54	0.47	0.55

\*1 Earnings per share (EPS) = Net income attributable to Kubota Corporation ÷ Weighted average number of common shares outstanding  
 \*2 Book-value per share (BPS) = Shareholders' equity ÷ Number of common shares outstanding as of each balance sheet date  
 \*3 Return on assets (ROA) = Income before income taxes and equity in net income of affiliated companies ÷ Total assets (average of beginning and end of fiscal year)

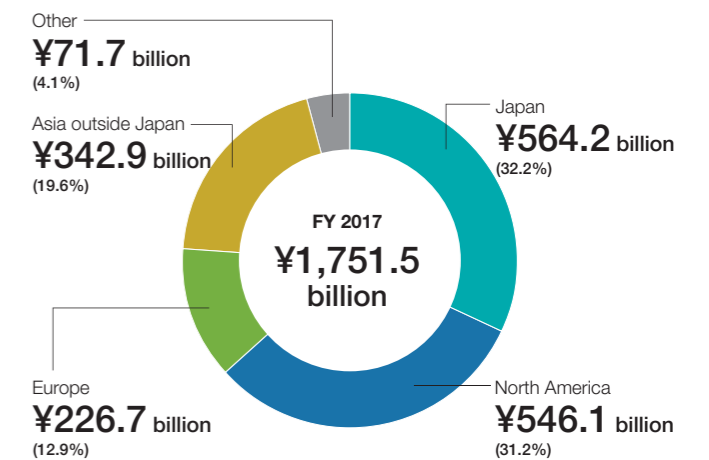
\*4 Return on equity (ROE) = Net income attributable to Kubota Corporation ÷ Shareholders' equity (average of beginning and end of fiscal year)  
 \*5 Shareholder return ratio = (Annual cash dividend + Retirement of own shares) ÷ Net income attributable to Kubota Corporation  
 \*6 Net debt equity ratio = (Interest-bearing debt - Cash and cash equivalents) ÷ Shareholders' equity

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

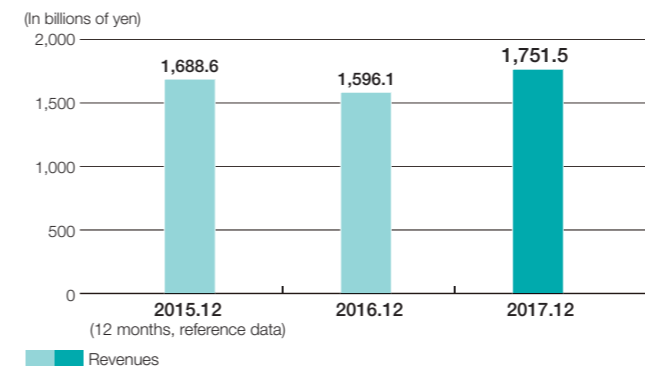
## Revenues by reportable segment



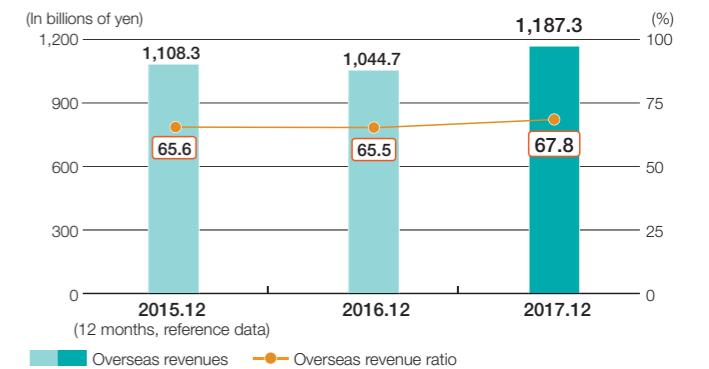
## Revenues by region



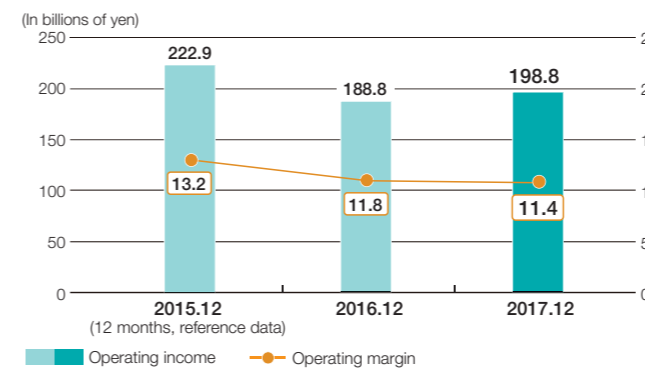
## Revenues



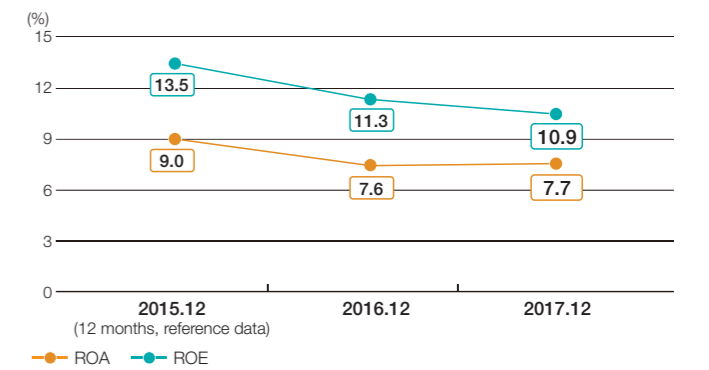
## Overseas revenues and overseas revenue ratio



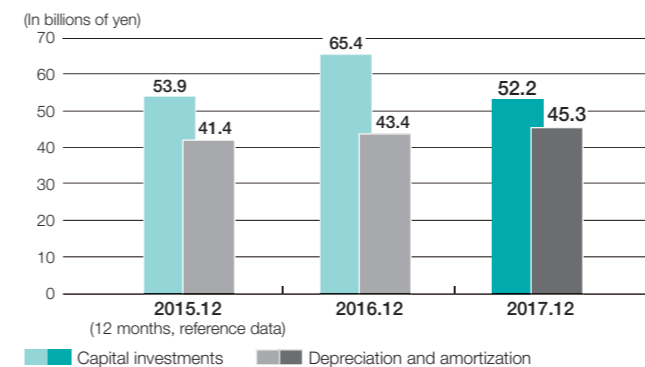
## Operating income and operating margin



## ROA<sup>\*3</sup> and ROE<sup>\*4</sup>



## Capital investments, depreciation and amortization



## R&D expenses and the ratio of R&D expenses to revenues

