

KUBOTA Corporation

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FINANCIAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 [IFRS]

Kubota Corporation hereby reports its consolidated results for the nine months ended September 30, 2024.

Consolidated Financial Highlights**1. Consolidated financial results for the nine months ended September 30, 2024****(1) Results of operations**

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

	Nine months ended Sept. 30, 2024	Change (%)	Nine months ended Sept. 30, 2023	Change (%)
Revenue	¥ 2,277,925	0.9	¥ 2,258,231	15.7
Operating profit	¥ 275,380	6.4	¥ 258,857	43.8
Profit before income taxes	¥ 287,984	7.3	¥ 268,372	38.2
Profit for the period	¥ 217,725	9.1	¥ 199,496	35.0
Profit attributable to owners of the parent	¥ 197,916	8.5	¥ 182,366	36.4
Comprehensive income for the period	¥ 249,241	(39.2)	¥ 410,106	1.9
Earnings per share attributable to owners of the parent:				
Basic	¥ 169.00		¥ 154.02	
Diluted	—		—	

(2) Financial position

(Unit: millions of yen)

	Sept. 30, 2024	Dec. 31, 2023
Total assets	¥ 5,588,427	¥ 5,359,247
Total equity	¥ 2,560,783	¥ 2,416,067
Equity attributable to owners of the parent	¥ 2,299,755	¥ 2,175,773
Ratio of equity attributable to owners of the parent to total assets	41.2%	40.6%

Notes:

1. Change (%) represents the percentage change from the same period in the prior year.
2. Amounts less than one million yen are rounded.

2. Cash dividends

(Unit: yen)

	Cash dividends per common share		
	Interim	Year-end	Total
Year ending Dec. 31, 2024	¥ 25.00	¥ 25.00 (forecast)	¥ 50.00 (forecast)
Year ended Dec. 31, 2023	¥ 24.00	¥ 24.00	¥ 48.00

3. Forecasts of operations for the year ending December 31, 2024

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

	Year ending Dec. 31, 2024	Change (%)
Revenue	¥ 2,950,000	(2.3)
Operating profit	¥ 310,000	(5.7)
Profit before income taxes	¥ 326,000	(4.8)
Profit attributable to owners of the parent	¥ 221,000	(7.3)
Earnings per share attributable to owners of the parent - basic	¥ 189.37	

Notes:

1. Change (%) represents the percentage change from the prior year.
2. Please refer to the accompanying materials, "1. Review of operations and financial results (3) Forecasts for the year ending December 31, 2024" on page 6 for further information related to the forecasts of operations.

4. Other information

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2024 (changes in specified subsidiaries resulting in the changes in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
 - a) Changes in accounting policies required by International Financial Reporting Standards (hereinafter "IFRS"): None
 - b) Changes in accounting policies due to reasons other than a) above: None
 - c) Changes in accounting estimates: None
- (3) Number of common shares issued

a) Number of common shares issued including treasury shares as of September 30, 2024	:	1,176,666,846
Number of common shares issued including treasury shares as of December 31, 2023	:	1,176,666,846
b) Number of treasury shares as of September 30, 2024	:	22,049,817
Number of treasury shares as of December 31, 2023	:	1,685,151
c) Weighted-average number of common shares outstanding during the nine months ended September 30, 2024	:	1,171,123,312
Weighted-average number of common shares outstanding during the nine months ended September 30, 2023	:	1,184,036,547

Information on the status of the quarterly review by the independent auditor

Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit firm: None
 Kubota Corporation plans to disclose quarterly financial results attached with interim review report on November 13, 2024 after the interim review by the independent auditor is completed.

Method of obtaining supplementary materials on the financial results

Kubota Corporation plans to hold a result briefing (conference call) for institutional investors and securities analysts on November 8, 2024. The supplementary material will be published on the Company's website on the same day.

< 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.

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1. Review of operations and financial results

(1) Summary of the results of operations for the nine-month period

For the nine months ended September 30, 2024, revenue of Kubota Corporation and its subsidiaries (hereinafter, the “Company”) increased by ¥19.7 billion (0.9%) from the same period in the prior year to ¥2,277.9 billion.

Domestic revenue decreased by ¥15.2 billion (3.2%) from the same period in the prior year to ¥457.3 billion because of decreased revenue from Farm & Industrial Machinery, Water & Environment and Other.

Overseas revenue increased by ¥34.9 billion (2.0%) from the same period in the prior year to ¥1,820.6 billion because of increased revenue from Farm & Industrial Machinery and Water & Environment.

Operating profit increased by ¥16.5 billion (6.4%) from the same period in the prior year to ¥275.4 billion mainly due to favorable effects from exchange rate fluctuation and price increase although there were some negative factors such as decreased sales in mostly Europe and North America of Farm & Industrial Machinery, an increase in foreign exchange losses and increased cost in sales incentive. Profit before income taxes increased by ¥19.6 billion (7.3%) from the same period in the prior year to ¥288.0 billion. Profit for the period increased by ¥18.2 billion (9.1%) to ¥217.7 billion, reflecting income tax expenses of ¥71.4 billion and share of profits of investments accounted for using the equity method of ¥1.1 billion. Profit attributable to owners of the parent increased by ¥15.6 billion (8.5%) from the same period in the prior year to ¥197.9 billion.

Revenue from external customers and operating profit by each reportable segment were as follows:

1) Farm & Industrial Machinery

Farm & Industrial Machinery is composed of farm equipment, agricultural-related products, engines, and construction machinery.

Revenue in this segment increased by 1.3% from the same period in the prior year to ¥2,017.1 billion, which accounted for 88.6% of consolidated revenue.

Domestic revenue decreased by 3.2% from the same period in the prior year to ¥234.4 billion mainly due to decreased sales of farm equipment and construction machinery.

Overseas revenue increased by 1.9% from the same period in the prior year to ¥1,782.7 billion along with positive effect from fluctuation of foreign exchange rates. In North America, although the sales of CE increased with steady demand for infrastructure development by the government, the Company struggled with tractor business due to stagnation in the residential market and crop prices decline. In Europe, sales of CE and engines decreased as the market has continued to decline due to economic stagnation. Tractor business was also sluggish due to weak demand. In Thailand, although the flood has remained partially, the sales increased mainly in the product for rice market as the drought was over. In India, although the market had shrunk in the 1st half of the current consolidated fiscal year due to the drought and slow economic activity caused by the general election, the market has turned toward recovery since the 2nd half of the current consolidated fiscal year due to breakaway from them.

Operating profit in this segment increased by 9.4% from the same period in the prior year to ¥306.2 billion mainly due to some positive factors such as favorable effects from fluctuation of foreign exchange rates and price increase although there were some negative factors such as the loss caused by sales decrease mainly in Europe and North America, an increase in foreign exchange losses and increased cost in sales incentive.

2) Water & Environment

Water & Environment is composed of pipe system business (ductile iron pipes, plastic pipes, and other products), industrial products business (reformer and cracking tubes, spiral-welded steel pipes, air-conditioning equipment, and other products), and environment business (environmental control plants, pumps, and other products).

Revenue in this segment decreased by 1.2% from the same period in the prior year to ¥248.4 billion, which accounted for 10.9% of consolidated revenue.

Domestic revenue decreased by 2.2% from the same period in the prior year to ¥210.5 billion due to decreased sales in pipe system business and environment business although sales of industrial products business increased.

Overseas revenue increased by 4.3% from the same period in the prior year to ¥38.0 billion due to increased sales in environment business mainly.

Operating profit in this segment increased by 7.6% from the same period in the prior year to ¥17.4 billion mainly due to price increase and material price decline.

3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by 18.5% from the same period in the prior year to ¥12.4 billion and accounted for 0.5% of consolidated revenue.

Operating profit in this segment decreased by 12.4% from the same period in the prior year to ¥1.1 billion.

(2) Financial position

a) Assets, liabilities, and equity

Total assets as of September 30, 2024, were ¥5,588.4 billion, an increase of ¥229.2 billion from the prior fiscal year-end. With respect to assets, trade receivables and finance receivables increased mainly in North America business and property, plant, and equipment were also increased due to capital expenditure for enhancement of the production system and disaster management.

Total liabilities also increased from the prior fiscal year-end due to an increase in bonds and borrowings as a result of increase in borrowings belonging to North America business mainly. Equity increased mostly due to the accumulation of retained earnings.

The ratio of equity attributable to owners of the parent to total assets stood at 41.2%, 0.6 percentage points higher than the prior fiscal year-end.

b) Cash flows

Net cash provided by operating activities during the nine months ended September 30, 2024 was ¥150.6 billion, an increase of ¥210.5 billion in net cash inflow compared with the same period in the prior year. This increase resulted from improvement of working capital mainly.

Net cash used in investing activities was ¥132.1 billion, a decrease of ¥3.7 billion in net cash outflow compared with the same period in the prior year. This decrease resulted mainly from the proceeds from sales of securities although the expenditure from the acquisition of tangible assets due to capital expenditure and acquisition of intangible assets increased.

Net cash used by financing activities was ¥3.4 billion, a decrease of ¥181.8 billion in net cash inflow compared with the same period in the prior year mostly due to a decrease in funding.

As a result of the above and after taking into account the effects of exchange rate changes, cash and cash equivalents as of September 30, 2024, were ¥246.1 billion, an increase of ¥24.0 billion from the beginning of the current period.

(3) Forecasts for the year ending December 31, 2024

The Company revised its forecasts for revenue for the year ending December 31, 2024, downward to ¥2,950.0 billion, a decrease of ¥50.0 billion from the previous forecasts, which was announced on August 7, 2024. This revision was made because revenue is expected to decrease mainly in North America and Europe of Farm & Industrial Machinery segment.

Operating profit was revised to ¥310.0 billion, a decrease of ¥20.0 billion from the previous forecasts mainly considering the downward sales revision in Farm & Industrial Machinery segment. Profit before income taxes was revised to ¥326.0 billion, a decrease of ¥22.0 billion from the previous forecasts and profit attributable to owners of the parent was revised to ¥221.0 billion, a decrease of ¥14.0 billion from the previous forecasts.

These forecasts are based on the assumption of exchange rates of ¥150=US\$1 and ¥163=€1.

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

	Year ending Dec. 31, 2024				(Reference)
	Revised forecasts	Previous forecasts	Change		Year ended Dec. 31, 2023
			Amount	%	
Revenue	2,950,000	3,000,000	(50,000)	(1.7)	3,020,711
Operating profit	310,000	330,000	(20,000)	(6.1)	328,829
Profit before income taxes	326,000	348,000	(22,000)	(6.3)	342,289
Profit attributable to owners of the parent	221,000	235,000	(14,000)	(6.0)	238,455
Earnings per share attributable to owners of the parent-Basic	189.37	199.98	-	-	201.74

2. Other information

(1) Changes in significant subsidiaries

None

(2) Changes in accounting policies

None

3. Condensed consolidated financial statements

(1) Condensed consolidated statement of financial position

ASSETS

(Unit: millions of yen)

	Sept. 30, 2024		Dec. 31, 2023		Change
	Amount	%	Amount	%	Amount
Current assets:					
Cash and cash equivalents	¥ 246,074		¥ 222,118		¥ 23,956
Trade receivables	988,291		945,490		42,801
Finance receivables	584,537		552,419		32,118
Other financial assets	85,828		83,018		2,810
Contract assets	24,626		47,669		(23,043)
Inventories	674,290		668,048		6,242
Income taxes receivable	18,518		5,763		12,755
Other current assets	66,429		55,846		10,583
Total current assets	2,688,593	48.1	2,580,371	48.1	108,222
Noncurrent assets:					
Investments accounted for using the equity method	46,749		46,523		226
Finance receivables	1,411,828		1,349,047		62,781
Other financial assets	182,321		188,654		(6,333)
Property, plant, and equipment	791,461		727,061		64,400
Goodwill	147,755		145,715		2,040
Intangible assets	189,453		187,000		2,453
Deferred tax assets	91,558		96,091		(4,533)
Other noncurrent assets	38,709		38,785		(76)
Total noncurrent assets	2,899,834	51.9	2,778,876	51.9	120,958
Total assets	¥ 5,588,427	100.0	¥ 5,359,247	100.0	¥ 229,180

LIABILITIES AND EQUITY

(Unit: millions of yen)

	Sept. 30, 2024		Dec. 31, 2023		Change
	Amount	%	Amount	%	Amount
Current liabilities:					
Bonds and borrowings	¥ 838,740		¥ 663,294		¥ 175,446
Trade payables	256,854		300,902		(44,048)
Other financial liabilities	90,289		93,270		(2,981)
Insurance contract liabilities	56,381		51,333		5,048
Income taxes payable	26,373		29,706		(3,333)
Provisions	76,003		77,191		(1,188)
Contract liabilities	35,798		33,043		2,755
Other current liabilities	253,305		244,323		8,982
Total current liabilities	1,633,743	29.2	1,493,062	27.9	140,681
Noncurrent liabilities:					
Bonds and borrowings	1,282,751		1,326,913		(44,162)
Other financial liabilities	34,872		44,701		(9,829)
Retirement benefit liabilities	17,252		15,907		1,345
Deferred tax liabilities	51,831		55,653		(3,822)
Other noncurrent liabilities	7,195		6,944		251
Total noncurrent liabilities	1,393,901	24.9	1,450,118	27.0	(56,217)
Total liabilities	3,027,644	54.1	2,943,180	54.9	84,464
Equity:					
Share capital	84,130		84,130		—
Share premium	96,572		97,377		(805)
Retained earnings	1,846,880		1,693,681		153,199
Other components of equity	314,792		303,794		10,998
Treasury shares	(42,619)		(3,209)		(39,410)
Total equity attributable to owners of the parent	2,299,755	41.2	2,175,773	40.6	123,982
Noncontrolling interests	261,028	4.7	240,294	4.5	20,734
Total equity	2,560,783	45.9	2,416,067	45.1	144,716
Total liabilities and equity	¥ 5,588,427	100.0	¥ 5,359,247	100.0	¥ 229,180

(2) Condensed consolidated statement of profit or loss

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

	Nine months ended Sept. 30, 2024		Nine months ended Sept. 30, 2023		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 2,277,925	100.0	¥ 2,258,231	100.0	¥ 19,694	0.9
Cost of sales	(1,560,132)		(1,608,363)		48,231	
Selling, general, and administrative expenses	(424,835)		(397,380)		(27,455)	
Other income	17,050		17,213		(163)	
Other expenses	(34,628)		(10,844)		(23,784)	
Operating profit	275,380	12.1	258,857	11.5	16,523	6.4
Finance income	18,611		13,341		5,270	
Finance costs	(6,007)		(3,826)		(2,181)	
Profit before income taxes	287,984	12.6	268,372	11.9	19,612	7.3
Income tax expenses	(71,389)		(70,444)		(945)	
Share of profits of investments accounted for using the equity method	1,130		1,568		(438)	
Profit for the period	¥ 217,725	9.6	¥ 199,496	8.8	¥ 18,229	9.1

Profit attributable to:						
Owners of the parent	¥ 197,916	8.7	¥ 182,366	8.1	¥ 15,550	8.5
Noncontrolling interests	19,809	0.9	17,130	0.7	2,679	15.6

Earnings per share attributable to owners of the parent:				
Basic	¥ 169.00	¥ 154.02		
Diluted	—	—		

(3) Condensed consolidated statement of comprehensive income

(Unit: millions of yen)

	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023	Change
Profit for the period	¥ 217,725	¥ 199,496	¥ 18,229
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	(22)	115	(137)
Net change in fair value of financial assets measured at fair value through other comprehensive income	8,098	12,687	(4,589)
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	23,440	197,808	(174,368)
Total other comprehensive income, net of income tax	31,516	210,610	(179,094)
Comprehensive income for the period	¥ 249,241	¥ 410,106	¥ (160,865)

Comprehensive income attributable to:			
Owners of the parent	¥ 221,790	¥ 370,988	¥ (149,198)
Noncontrolling interests	27,451	39,118	(11,667)

(4) Condensed consolidated statement of changes in equity

Nine months ended Sept. 30, 2024

(Unit: millions of yen)

	Equity attributable to owners of the parent						Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent		
Balance as of Jan. 1, 2024	¥ 84,130	97,377	1,693,681	303,794	(3,209)	¥ 2,175,773	¥ 240,294	¥ 2,416,067
Profit for the period			197,916			197,916	19,809	217,725
Total other comprehensive income, net of income tax				23,874		23,874	7,642	31,516
Comprehensive income for the period			197,916	23,874		221,790	27,451	249,241
Transfer to retained earnings			12,878	(12,878)		—		—
Dividends paid			(57,595)			(57,595)	(8,039)	(65,634)
Purchases and sales of treasury shares					(39,410)	(39,410)		(39,410)
Share-based payment transactions		194				194		194
Changes in ownership interests in subsidiaries		(999)		2		(997)	1,322	325
Balance as of Sept. 30, 2024	¥ 84,130	¥ 96,572	¥ 1,846,880	¥ 314,792	¥ (42,619)	¥ 2,299,755	¥ 261,028	¥ 2,560,783

Nine months ended Sept. 30, 2023

(Unit: millions of yen)

	Equity attributable to owners of the parent						Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent		
Balance as of Jan. 1, 2023	¥ 84,130	¥ 79,247	¥ 1,529,248	¥ 185,422	¥ (3,557)	¥ 1,874,490	¥ 227,998	¥ 2,102,488
Profit for the period			182,366			182,366	17,130	199,496
Total other comprehensive income, net of income tax				188,622		188,622	21,988	210,610
Comprehensive income for the period			182,366	188,622		370,988	39,118	410,106
Transfer to retained earnings			102	(102)		—		—
Dividends paid			(54,483)			(54,483)	(9,475)	(63,958)
Purchases and sales of treasury shares					(24,422)	(24,422)		(24,422)
Retirement of treasury shares			(19,999)		19,999	—		—
Share-based payment transactions		(131)				(131)		(131)
Changes in ownership interests in subsidiaries		18,458		(215)		18,243	(17,844)	399
Balance as of Sept. 30, 2023	¥ 84,130	¥ 97,574	¥ 1,637,234	¥ 373,727	¥ (7,980)	¥ 2,184,685	¥ 239,797	¥ 2,424,482

(5) Condensed consolidated statement of cash flows

(Unit: millions of yen)

	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023	Change
Cash flows from operating activities:			
Profit for the period	¥ 217,725	¥ 199,496	
Depreciation and amortization	87,882	78,262	
Loss from disposal of property, plant, and equipment and intangible assets, net	2,051	3,272	
Finance income and costs	(12,282)	(6,527)	
Income tax expenses	71,389	70,444	
Share of profits of investments accounted for using the equity method	(1,130)	(1,568)	
Increase in trade receivables	(48,755)	(150,846)	
Increase in finance receivables	(69,388)	(68,207)	
Decrease in inventories	1,122	6,430	
Decrease (increase) in other assets	13,566	(1,467)	
Decrease in trade payables	(46,437)	(148,166)	
Increase in other liabilities	12,401	38,199	
Net changes in retirement benefit assets and liabilities	1,493	1,145	
Other, net	1,269	658	
Interest received	14,482	8,662	
Dividends received	1,780	1,331	
Interest paid	(3,443)	(3,012)	
Income taxes paid, net	(93,116)	(87,973)	
Net cash provided by (used in) operating activities	150,609	(59,867)	¥ 210,476
Cash flows from investing activities:			
Payments for acquisition of property, plant, and equipment	(136,138)	(110,868)	
Payments for acquisition of intangible assets	(20,789)	(14,106)	
Proceeds from sales of property, plant, and equipment	4,482	1,286	
Proceeds from sales and redemptions of securities	30,288	70	
Purchase of investments accounted for using the equity method	(34)	(339)	
Payments for loans receivable from associates	(22,500)	(14,800)	
Collection of loans receivable from associates	21,921	13,481	
Payments for time deposits	(19,622)	(9,852)	
Proceeds from withdrawal of time deposits	20,324	10,086	
Net (increase) decrease in restricted cash	(592)	195	
Payments for acquisition of short-term investments	(2,198)	(10,207)	
Proceeds from sales and redemptions of short-term investments	—	5,507	
Other, net	(7,257)	(6,266)	
Net cash used in investing activities	(132,115)	(135,813)	3,698

(Unit: millions of yen)

	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023	Change
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	477,696	711,441	
Redemptions of bonds and repayments of long-term borrowings	(380,233)	(353,838)	
Net increase (decrease) in short-term borrowings	23,219	(75,240)	
Repayments of lease liabilities	(16,217)	(13,143)	
Net increase in deposits from Group financing (within three months)	(4,030)	(1,148)	
Deposits from Group financing received (over three months)	17,241	16,640	
Repayments of deposits from Group financing (over three months)	(15,475)	(15,065)	
Dividends paid	(57,595)	(54,483)	
Purchases of treasury shares	(39,871)	(24,805)	
Other, net	(8,144)	(12,012)	
Net cash (used in) provided by financing activities	(3,409)	178,347	(181,756)
Effect of exchange rate changes on cash and cash equivalents	8,871	12,048	(3,177)
Net increase (decrease) in cash and cash equivalents	23,956	(5,285)	
Cash and cash equivalents, at the beginning of the period	222,118	225,799	
Cash and cash equivalents, at the end of the period	¥ 246,074	¥ 220,514	¥ 25,560

(6) Significant matters serving as the basis for condensed consolidated financial statements preparation

The quarterly condensed consolidated financial statements were prepared in accordance with Article 5, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. However, a part of the disclosures required under IAS 34, "Interim Financial Reporting" is omitted under Article 5, Paragraph 5 of the said preparation standards.

(7) Notes to the going concern assumption

None

(8) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Nine months ended Sept. 30, 2024		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 2,017,071	¥ 248,417	¥ 12,437	¥ —	¥ 2,277,925
	Intersegment	185	16	21,848	(22,049)	—
	Total	2,017,256	248,433	34,285	(22,049)	2,277,925
Operating profit		¥ 306,228	¥ 17,424	¥ 1,119	¥ (49,391)	¥ 275,380

(Unit: millions of yen)

Nine months ended Sept. 30, 2023		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 1,991,414	¥ 251,549	¥ 15,268	¥ —	¥ 2,258,231
	Intersegment	141	31	23,482	(23,654)	—
	Total	1,991,555	251,580	38,750	(23,654)	2,258,231
Operating profit		¥ 279,965	¥ 16,190	¥ 1,278	¥ (38,576)	¥ 258,857

Notes:

- Adjustments include the items, such as the elimination of intersegment transfers and corporate expenses which are not allocated to any particular reportable segment. The corporate expenses included in Adjustments consist mainly of expenses of the administration department, basic research expenses, and foreign exchange gains or losses incurred in Kubota Corporation.
- The aggregated amounts of operating profit are equal to those presented in the condensed consolidated statement of profit or loss. Please refer to the condensed consolidated statement of profit or loss for the reconciliation of operating profit to profit before income taxes.
- Intersegment transfers are recorded at values that approximate market prices.

b) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023
Japan	¥ 457,311	¥ 472,532
North America	980,268	938,490
Europe	256,376	318,655
Asia outside Japan	506,754	446,038
Other areas	77,216	82,516
Total	¥ 2,277,925	¥ 2,258,231

Notes:

- The revenue from North America included that from the United States was ¥891,005 million and ¥801,764 million for the nine months ended September 30, 2024 and 2023, respectively.
- There was no specific customer that exceeded 10% of total consolidated revenue of the Company.

(9) Consolidated revenue by product group

(Unit: millions of yen)

	Nine months ended Sept. 30, 2024		Nine months ended Sept. 30, 2023		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 1,519,965	66.8	¥ 1,524,761	67.5	¥ (4,796)	(0.3)
Domestic	206,802		211,942		(5,140)	(2.4)
Overseas	1,313,163		1,312,819		344	0.0
Construction Machinery	497,106	21.8	466,653	20.7	30,453	6.5
Domestic	27,617		30,196		(2,579)	(8.5)
Overseas	469,489		436,457		33,032	7.6
Farm & Industrial Machinery	2,017,071	88.6	1,991,414	88.2	25,657	1.3
Domestic	234,419	10.3	242,138	10.7	(7,719)	(3.2)
Overseas	1,782,652	78.3	1,749,276	77.5	33,376	1.9
Pipe system	95,224	4.2	101,395	4.5	(6,171)	(6.1)
Domestic	92,218		98,582		(6,364)	(6.5)
Overseas	3,006		2,813		193	6.9
Industrial products	54,228	2.4	52,240	2.3	1,988	3.8
Domestic	32,131		28,127		4,004	14.2
Overseas	22,097		24,113		(2,016)	(8.4)
Environment	98,965	4.3	97,914	4.3	1,051	1.1
Domestic	86,108		88,447		(2,339)	(2.6)
Overseas	12,857		9,467		3,390	35.8
Water & Environment	248,417	10.9	251,549	11.1	(3,132)	(1.2)
Domestic	210,457	9.3	215,156	9.5	(4,699)	(2.2)
Overseas	37,960	1.6	36,393	1.6	1,567	4.3
Other	12,437	0.5	15,268	0.7	(2,831)	(18.5)
Domestic	12,435	0.5	15,238	0.7	(2,803)	(18.4)
Overseas	2	0.0	30	0.0	(28)	(93.3)
Total	¥ 2,277,925	100.0	¥ 2,258,231	100.0	¥ 19,694	0.9
Domestic	457,311	20.1	472,532	20.9	(15,221)	(3.2)
Overseas	1,820,614	79.9	1,785,699	79.1	34,915	2.0

4. Supplementary information

(1) Anticipated consolidated revenue by reportable segment

(Unit: billions of yen)

	Year ending Dec. 31, 2024		Year ended Dec. 31, 2023		Change	
	Amount	%	Amount	%	Amount	%
Domestic	¥ 300.0		¥ 315.8		¥ (15.8)	(5.0)
Overseas	2,263.0		2,321.0		(58.0)	(2.5)
Farm & Industrial Machinery	2,563.0	86.9	2,636.7	87.3	(73.7)	(2.8)
Domestic	310.0		307.9		2.1	0.7
Overseas	60.0		56.6		3.4	6.0
Water & Environment	370.0	12.5	364.5	12.1	5.5	1.5
Domestic	17.0		19.5		(2.5)	(12.8)
Overseas	0.0		0.0		–	–
Other	17.0	0.6	19.5	0.6	(2.5)	(12.9)
Total	¥ 2,950.0	100.0	¥ 3,020.7	100.0	¥ (70.7)	(2.3)

Domestic	¥ 627.0	21.3	¥ 643.1	21.3	¥ (16.1)	(2.5)
Overseas	2,323.0	78.7	2,377.6	78.7	(54.6)	(2.3)

5. Results of operations for the three months ended September 30, 2024

(1) Condensed consolidated statement of profit or loss

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

	Three months ended Sept. 30, 2024		Three months ended Sept. 30, 2023		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 698,326	100.0	¥ 738,191	100.0	¥ (39,865)	(5.4)
Cost of sales	(471,881)		(527,018)		55,137	
Selling, general, and administrative expenses	(137,806)		(136,855)		(951)	
Other income	5,503		5,527		(24)	
Other expenses	(26,106)		(5,562)		(20,544)	
Operating profit	68,036	9.7	74,283	10.1	(6,247)	(8.4)
Finance income	5,702		4,550		1,152	
Finance costs	(2,481)		(2,302)		(179)	
Profit before income taxes	71,257	10.2	76,531	10.4	(5,274)	(6.9)
Income tax expenses	(18,021)		(17,737)		(284)	
Share of profits of investments accounted for using the equity method	431		632		(201)	
Profit for the period	¥ 53,667	7.7	¥ 59,426	8.1	¥ (5,759)	(9.7)

Profit attributable to:						
Owners of the parent	¥ 47,112	6.7	¥ 53,543	7.3	¥ (6,431)	(12.0)
Noncontrolling interests	6,555	1.0	5,883	0.8	672	11.4

Earnings per share attributable to owners of the parent:			
Basic	¥ 40.50	¥ 45.42	
Diluted	—	—	

(2) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Three months ended Sept. 30, 2024		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 613,670	¥ 80,825	¥ 3,831	¥ —	¥ 698,326
	Intersegment	44	10	7,247	(7,301)	—
	Total	613,714	80,835	11,078	(7,301)	698,326
Operating profit		¥ 90,373	¥ 4,312	¥ 162	¥ (26,811)	¥ 68,036

(Unit: millions of yen)

Three months ended Sept. 30, 2023		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 647,236	¥ 85,903	¥ 5,052	¥ —	¥ 738,191
	Intersegment	33	6	7,350	(7,389)	—
	Total	647,269	85,909	12,402	(7,389)	738,191
Operating profit		¥ 81,596	¥ 6,298	¥ 196	¥ (13,807)	¥ 74,283

Notes:

1. *Adjustments* include items such as the elimination of intersegment transfers and corporate expenses which are not allocated to any particular reportable segment. The corporate expenses included in *Adjustments* consist mainly of administration department expenses, basic research expenses, and foreign exchange gains or losses incurred by Kubota Corporation.
2. The aggregated amounts of operating profit are equal to those presented in the condensed consolidated statement of profit or loss. Please refer to the condensed consolidated statement of profit or loss for the reconciliation of operating profit to profit before income taxes.
3. Intersegment transfers are recorded at values that approximate market prices.

b) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Three months ended Sept. 30, 2024	Three months ended Sept. 30, 2023
Japan	¥ 151,608	¥ 157,477
North America	287,354	317,174
Europe	72,588	99,818
Asia outside Japan	162,826	136,330
Other areas	23,950	27,392
Total	¥ 698,326	¥ 738,191

Notes:

1. Revenue from North America included that from the United States was ¥261,586 million and ¥275,309 million for the three months ended September 30, 2024 and 2023, respectively.
2. There was no single customer from whom revenue exceeded 10% of total consolidated revenue of the Company.

(3) Consolidated revenue by product group

(Unit: millions of yen)

	Three months ended Sept. 30, 2024		Three months ended Sept. 30, 2023		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 461,822	66.1	¥ 492,487	66.7	¥ (30,665)	(6.2)
Domestic	68,844		67,220		1,624	2.4
Overseas	392,978		425,267		(32,289)	(7.6)
Construction Machinery	151,848	21.8	154,749	21.0	(2,901)	(1.9)
Domestic	10,351		12,039		(1,688)	(14.0)
Overseas	141,497		142,710		(1,213)	(0.8)
Farm & Industrial Machinery	613,670	87.9	647,236	87.7	(33,566)	(5.2)
Domestic	79,195	11.4	79,259	10.7	(64)	(0.1)
Overseas	534,475	76.5	567,977	77.0	(33,502)	(5.9)
Pipe system	33,813	4.8	38,951	5.3	(5,138)	(13.2)
Domestic	32,720		38,060		(5,340)	(14.0)
Overseas	1,093		891		202	22.7
Industrial products	18,570	2.7	16,540	2.2	2,030	12.3
Domestic	12,035		9,475		2,560	27.0
Overseas	6,535		7,065		(530)	(7.5)
Environment	28,442	4.1	30,412	4.1	(1,970)	(6.5)
Domestic	23,827		25,634		(1,807)	(7.0)
Overseas	4,615		4,778		(163)	(3.4)
Water & Environment	80,825	11.6	85,903	11.6	(5,078)	(5.9)
Domestic	68,582	9.8	73,169	9.9	(4,587)	(6.3)
Overseas	12,243	1.8	12,734	1.7	(491)	(3.9)
Other	3,831	0.5	5,052	0.7	(1,221)	(24.2)
Domestic	3,831	0.5	5,049	0.7	(1,218)	(24.1)
Overseas	—	—	3	0.0	(3)	(100.0)
Total	¥ 698,326	100.0	¥ 738,191	100.0	¥ (39,865)	(5.4)
Domestic	151,608	21.7	157,477	21.3	(5,869)	(3.7)
Overseas	546,718	78.3	580,714	78.7	(33,996)	(5.9)