

## Financial and Non-financial Highlights

### 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 due mainly to the COVID-19 pandemic and the effect of a hike in consumption tax the prior year. Water & Environment also experienced a decrease in sales of consumer products such as environment-related products and plastic pipes. Overseas revenue also decreased by ¥36.6 billion [2.8%] from the prior year to ¥1,258.0 billion, due mainly due to a substantial decline in Farm & Industrial Machinery resulting from delays in production and shipment, along with a slight decline in Water & Environment, despite growing stay-at-home demand amid the pandemic.

Operating profit decreased by ¥26.4 billion [13.1%] from the prior year to ¥175.3 billion. This decrease was due mainly to a deterioration in profit performance of production plants caused by temporary production suspension and decline in production volume, along with decreased revenues in domestic and overseas markets, despite factors contributing to increased profits such as the effect of raised product prices and declining 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 primarily because operating profit decreased. 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 company 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) has been applied instead of U.S. GAAP that was 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
<b>Operating results for fiscal year (billions of yen)</b>						
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
<b>As of fiscal year-end (billions of yen)</b>						
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
<b>Per share data (yen)</b>						
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
<b>Financial indicators</b>						
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:

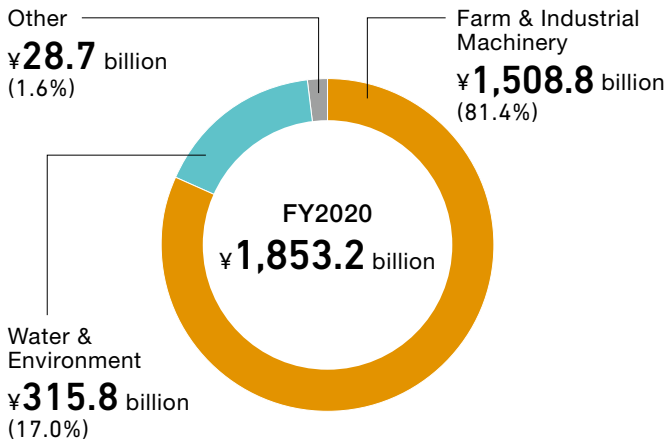
[U.S. GAAP] (Interest-bearing debt - Cash and cash equivalents) ÷ Shareholders' equity  
[IFRS] (Interest-bearing liabilities - Cash and cash equivalents) ÷ Equity attributable to owners of the parent



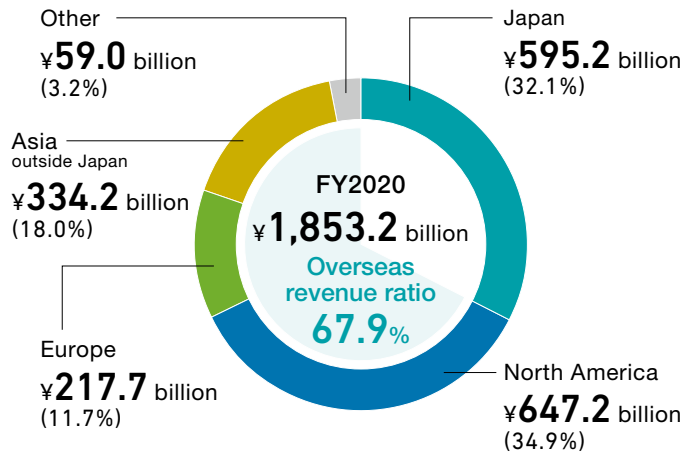
Please refer to the Annual Securities Report for detailed financial information.

[www.kubota.com/ir/financial/yuho/](http://www.kubota.com/ir/financial/yuho/)

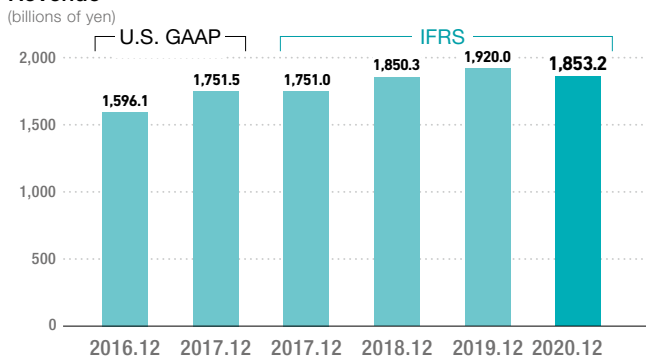
Revenue by Reportable Segment



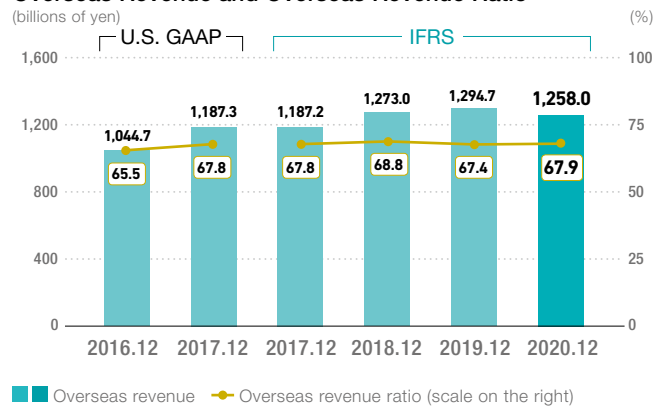
Revenue by Region



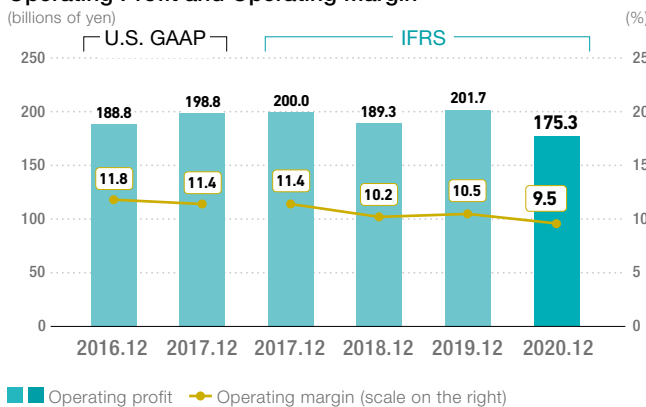
Revenue



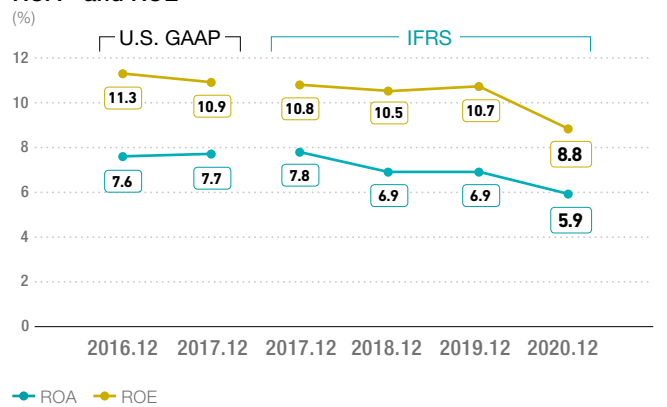
Overseas Revenue and Overseas Revenue Ratio



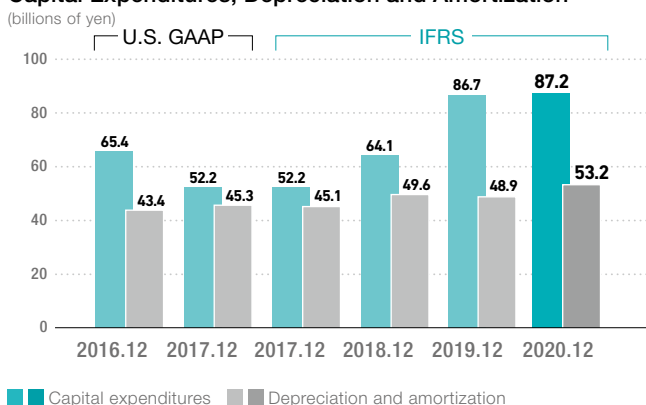
Operating Profit and Operating Margin



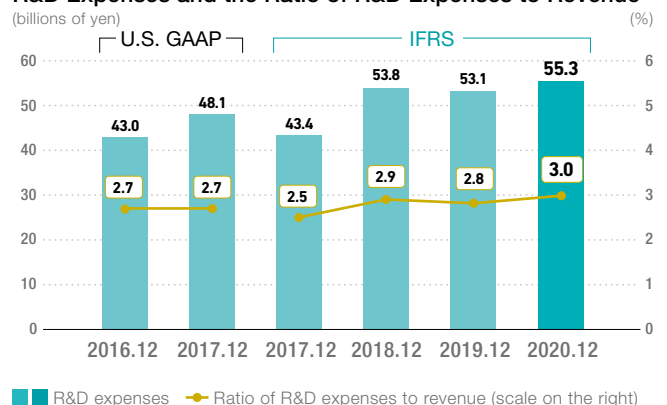
ROA\*2 and ROE\*3



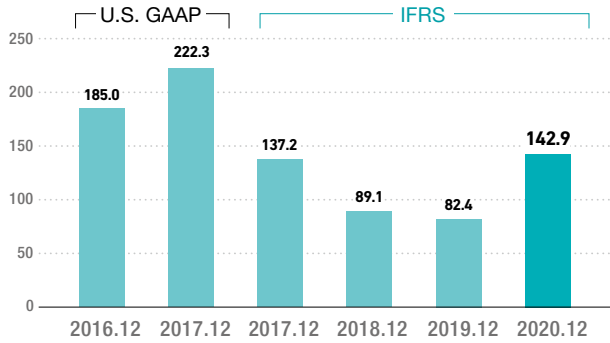
Capital Expenditures, Depreciation and Amortization\*1



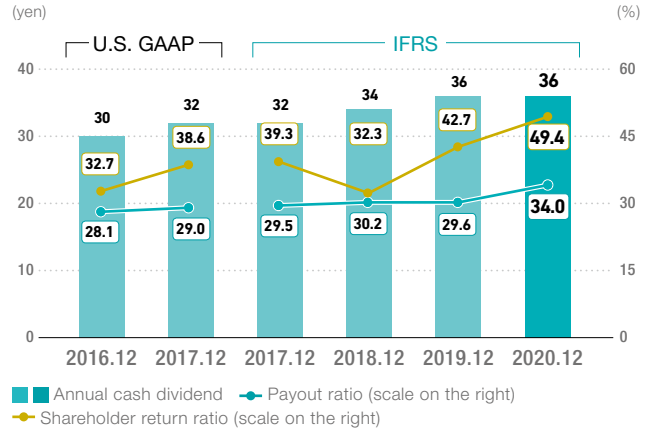
R&D Expenses and the Ratio of R&D Expenses to Revenue



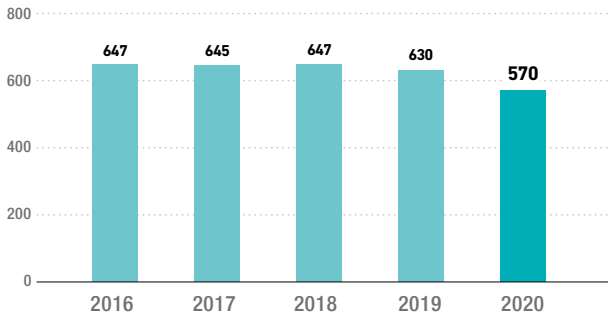
**Net Cash Provided by Operating Activities**  
(billions of yen)



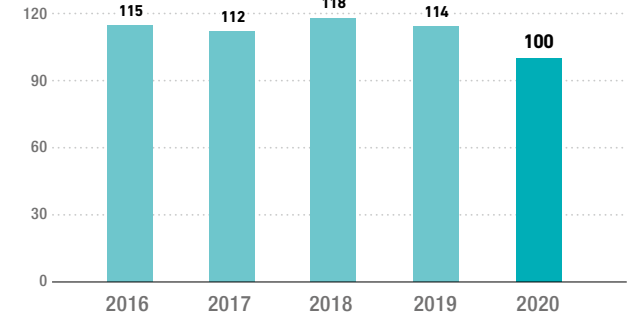
**Annual Cash Dividend Per Share, Payout Ratio, and Shareholder Return Ratio\*4**



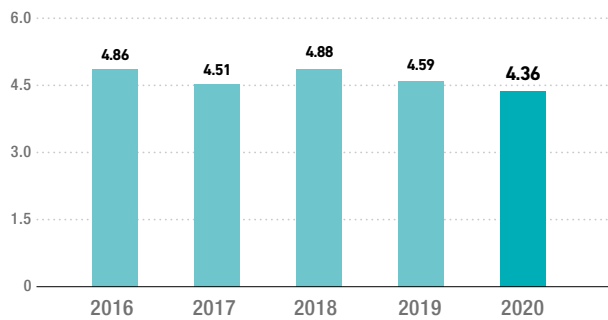
**CO<sub>2</sub> Emissions\*6**  
(kilotons CO<sub>2</sub>e)



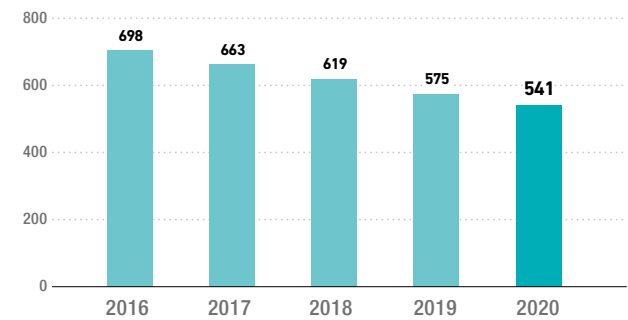
**Waste Discharge\*6**



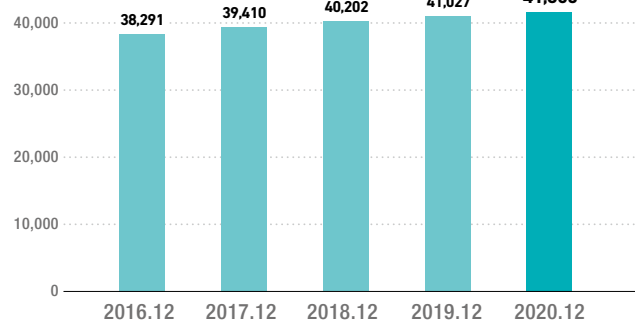
**Water Consumption\*6**  
(million m<sup>3</sup>)



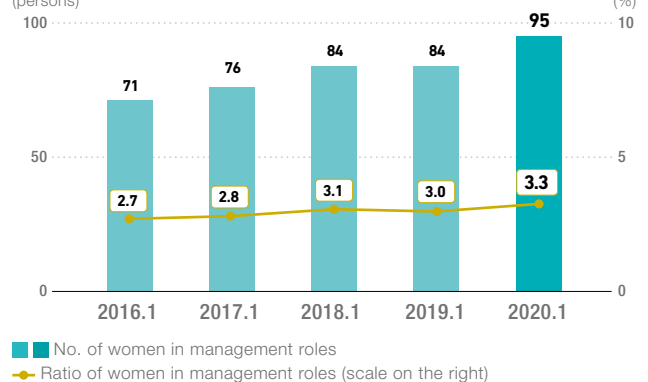
**VOC (Volatile Organic Compound) Emissions\*6**



**No. of Employees**  
(persons)



**No. of Women in Management Roles**  
(Kubota Corp.)



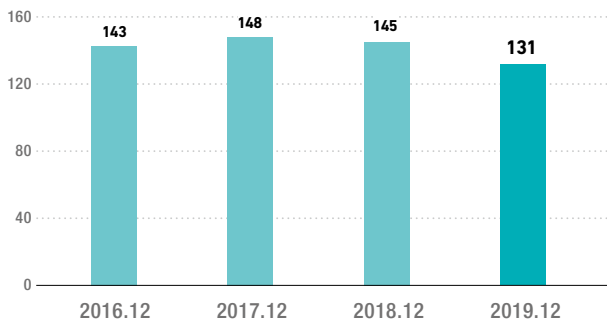
\*6 \*For the reporting period for environmental data, see the Calculation Standards of Environmental Performance Indicators (p. 98).

**No. of Employees who Have Completed Foreign Language Training (Kubota Corp.)<sup>\*7</sup>**

(persons)



\* In 2020, the event was canceled due to concerns about COVID-19.



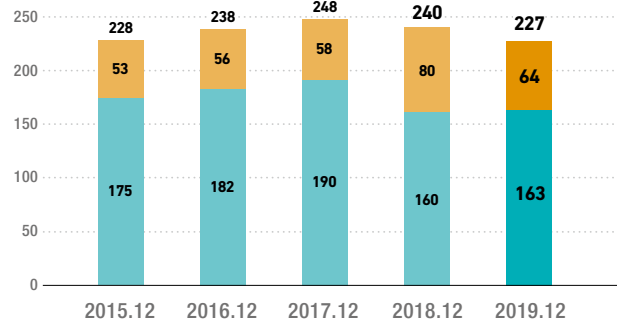
<sup>\*7</sup> The totals for the period from January 1 to December 31 of each year.

**No. of Participants in the Technical Skills Contest**

(persons)



\* In 2020, the event was canceled due to concerns about COVID-19.



■ Japan ■ Overseas

**No. of Patents/New Utility Models Possessed (Kubota Corporation and Group Companies in Japan)**

(No.)

