



ON YOUR SIDE

Financial Results for the year ended December 31, 2020

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Financial Summary

For Earth, For Life


(Unit: billions of yen)	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Changes	
			Amount	%
Revenue	1,853.2	1,920.0	-66.8	-3.5
Domestic	595.2	625.4	-30.2	-4.8
Overseas	1,258.0	1,294.7	-36.6	-2.8
Operating profit	9.5% 175.3	10.5% 201.7	-26.4	-13.1
Profit before income taxes	10.0% 185.9	10.9% 209.0	-23.1	-11.1
Profit attributable to owners of the parent	6.9% 128.5	7.8% 149.1	-20.5	-13.8

Variance from revised forecast (Nov. 2020)	
Amount	%
+23.2	+1.3
+4.7	+0.8
+18.5	+1.5
+5.3	+3.1
+5.9	+3.3
+3.5	+2.8

	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Changes
ROE	8.8%	10.7%	-1.9 p

Revenue by Reportable Segment

For Earth, For Life


(Unit: billions of yen)	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Changes	
			Amount	%
Farm & Industrial Machinery (Machinery)	1,508.8	1,558.3	-49.6	-3.2
Domestic	292.9	306.3	-13.4	-4.4
Overseas	1,215.9	1,252.0	-36.1	-2.9
Water & Environment (Water)	315.8	330.1	-14.3	-4.3
Domestic	274.0	287.8	-13.9	-4.8
Overseas	41.8	42.3	-0.4	-1.0
Other	28.7	31.6	-3.0	-9.3
Domestic	28.3	31.2	-2.9	-9.3
Overseas	0.4	0.4	-0.1	-13.3
Total revenue	1,853.2	1,920.0	-66.8	-3.5

Domestic revenue	595.2	625.4	-30.2	-4.8
Overseas revenue	1,258.0	1,294.7	-36.6	-2.8

For reference: Changes excluding the effects of fluctuation in exchange [-23.0 billion yen]
 >Overseas revenue in Machinery decreased by 1%. Total overseas revenue decreased by 1%.

Revenue by Reportable Segment (Year-on-Year)



Machinery: -49.6 billion yen (Domestic: -13.4, Overseas: -36.1)

* The negative impact of COVID-19 on revenue is recognized as a decrease of around 93.0 billion yen, including a negative effect from delay in production and shipment mainly due to suspended operations in our manufacturing bases.

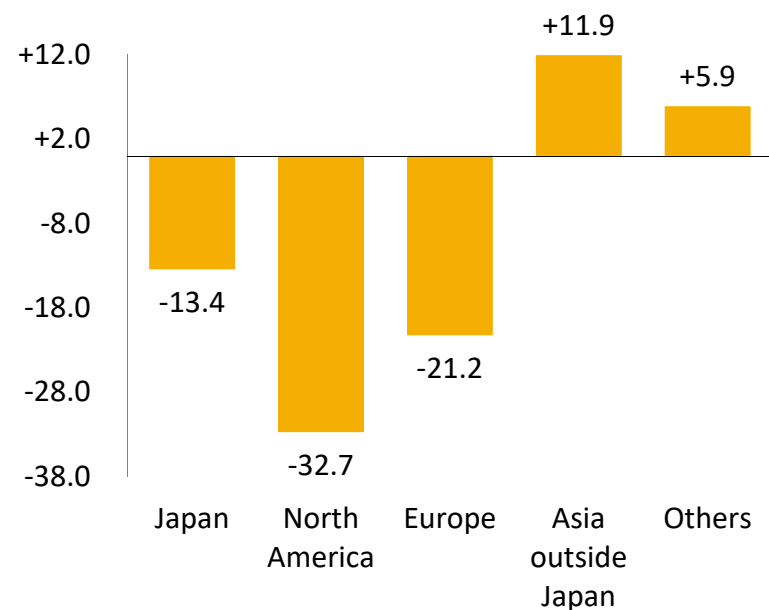
Japan

- Sales of farm equipment and construction machinery (CE) decreased due to adverse reaction from rushed demand before the consumption tax hike, in addition to voluntary restraint of sales activities and a slump of demand along with the infection spread of COVID-19.

North America

- Wholesales of tractors and CE decreased due to delay in production and shipment caused by the negative impact of COVID-19, while retail sales of them were strong.
- In addition, there was a negative impact of adverse reaction from carryover of shipment of CE from the 2nd half of the fiscal 2018 to the 1st half of the fiscal 2019 caused by a typhoon.
- As a result, dealer inventories in the U.S. remained at 3.3 months, which were extremely low.

■ Changes in revenue by region (Billions of yen)



Revenue by Reportable Segment (Year-on-Year)



Machinery: -49.6 billion yen (Domestic: -13.4, Overseas: -36.1)

* The negative impact of COVID-19 on revenue is recognized as a decrease of around 93.0 billion yen, including a negative effect from delay in production and shipment mainly due to suspended operations in our manufacturing bases.

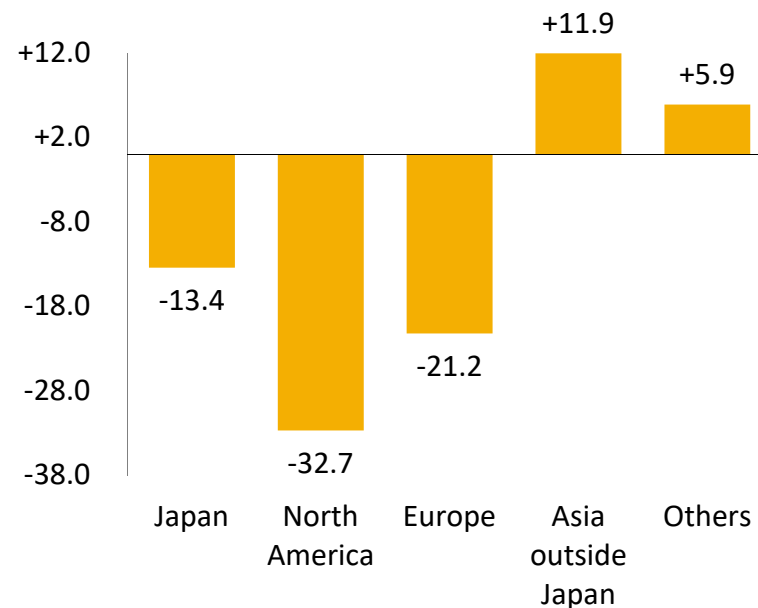
Europe

- Sales of farm equipment and CE decreased mainly due to suspended business by dealers along with the infection spread of COVID-19.

Asia outside Japan

- In Thailand, wholesales of tractors decreased due to a negative effect from dealer inventory adjustments, while retail sales of tractors recovered.
- In Myanmar, sales significantly increased mainly due to appreciation of the local currency.
- Sales of farm equipment in China increased due to quick recovery from a slump of demand caused by the infection spread of COVID-19, in addition to a positive effect from introduction of new models of general-purpose combine harvesters. Sales of engines significantly increased, since construction & industrial machinery market recovered rapidly.
- Sales of farm equipment in India increased significantly due to favorable rainfall in the rainy season and government support for farmers.

■ Changes in revenue by region (Billions of yen)



Revenue by Reportable Segment (Year-on-Year)



Water: -14.3 billion yen (Domestic: -13.9, Overseas: -0.4)

* The negative impact of COVID-19 on revenue is recognized as a decrease of around 12.0 billion yen.

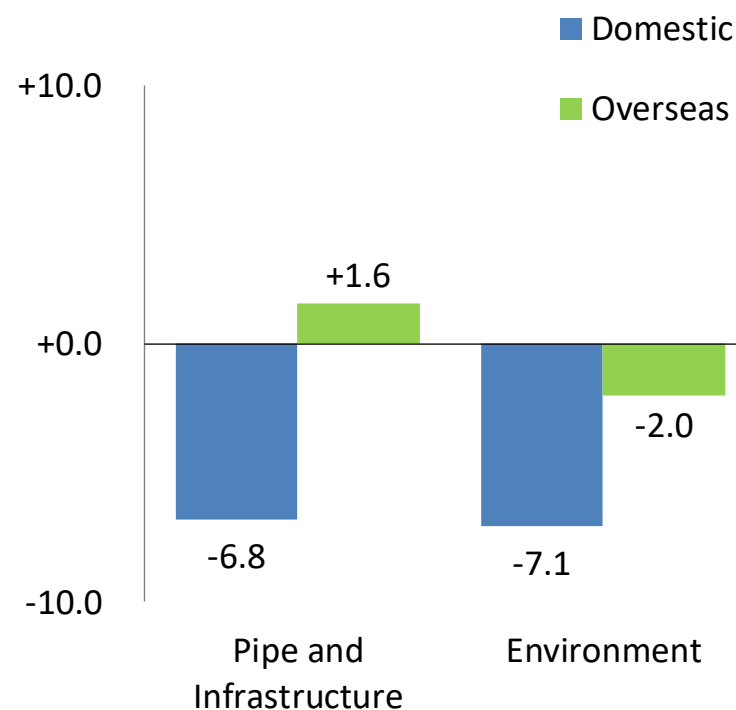
Domestic

- In pipe- and infrastructure-related business, sales of plastic pipes, industrial castings, spiral-welded-steel pipes, and air-conditioning equipment mainly decreased due to the negative impact of the infection spread of COVID-19, while sales of ductile iron pipes and construction business increased.
- Sales of environment-related business decreased due to the completion of construction of waste disposal and treatment facility in Futaba Town, Fukushima Prefecture, which was a large-scale project.

Overseas

- In pipe- and infrastructure-related business, sales of ductile iron pipes and industrial castings increased.
- In environment-related business, sales of overseas EPC business decreased due to delay in ODA projects caused by the negative impact of the infection spread of COVID-19.

■ Changes in revenue by product (Billions of yen)



Operating Profit

(Unit: billions of yen)	Year ended Dec. 31, 2020		Year ended Dec. 31, 2019		Changes	
	Amount	%	Amount	%	Amount	%
Operating profit	175.3	9.5	201.7	10.5	-26.4	-13.1

Factors affecting operating profit (YoY change -26.4 billion yen)

1. Fluctuation in exchange rates	US\$ (109→107 *1) Euro (122→122 *1) Other currencies	-5.5 billion yen -1.5 billion yen -4.5 billion yen	-11.5 billion yen
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2. Foreign exchange gain/loss			-0.9 billion yen
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3. Material	Machinery Water	+3.0 billion yen +3.0 billion yen	+6.0 billion yen
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4. Change in sales incentive ratio	North America : +7.2 billion yen etc.		+7.0 billion yen
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5. Impact of increased or decreased sales			-16.0 billion yen
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6. Sales price increase			+8.0 billion yen
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7. Other			-19.0 billion yen
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*1: Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: US\$:110→108 Euro:124→121

Operating Profit by Reportable Segment

For Earth, For Life


(Unit: billions of yen)		Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Changes
Machinery	Revenue	1,508.8	1,558.3	-49.6
	Operating profit	179.6	203.1	-23.4
	OP margin	11.9%	13.0%	-1.1P
Water	Revenue	315.8	330.1	-14.3
	Operating profit	25.9	28.1	-2.2
	OP margin	8.2%	8.5%	-0.3P
Other	Revenue	28.7	31.6	-3.0
	Operating profit	3.8	3.6	+0.2
	OP margin	13.4%	11.4%	+1.9P
Adjustment	Operating profit	-34.1	-33.2	-0.9
Total	Revenue	1,853.2	1,920.0	-66.8
	Operating profit	175.3	201.7	-26.4
	OP margin	9.5%	10.5%	-1.0P

Shareholder Return History

For Earth, For Life


(Unit: billions of yen)	Year ended Dec. 31, 2016	Year ended Dec. 31, 2017	Year ended Dec. 31, 2018	Year ended Dec. 31, 2019	Year ended Dec. 31, 2020	Changes	Total of last 5 years
	U.S. GAAP		IFRS				
Profit attributable to owners of the parent (Per share)	132.5 (106.58yen)	136.4 (110.30yen)	138.6 (112.44yen)	149.1 (121.59yen)	128.5 (105.85yen)	- 20.5 (- 15.74yen)	685.1
Total amount of dividend paid (Dividend per share)	37.3 (30yen)	39.5 (32yen)	41.9 (34yen)	44.1 (36yen)	43.6 (36yen)	- 0.4 (+ 0yen)	206.4
Retirement of treasury shares (Number of shares retired)	6.0 (3.8 mil. shares)	13.2 (7.1 mil. shares)	2.9 (1.5 mil. shares)	19.6 (12.0 mil. shares)	19.9 (12.0 mil. shares)	+ 0.3 (+ 0.0mil. shares)	61.5
Total shareholder return	43.3	52.7	44.8	63.6	63.5	- 0.2	267.9

Payout ratio	28%	29%	30%	30%	34%	+ 4P	30%
Shareholder return ratio (Dividends and retirement of treasury)	33%	39%	32%	43%	49%	+ 7P	39%

Mid-term target for shareholder return

- Set the target of over 40% in shareholder return ratio , and aim at 50%
- Continue share buy-backs and prompt retirement of treasury shares

Statement of Financial Position

For Earth, For Life


(Unit: billions of yen)	As of Dec. 31, 2020	As of Dec. 31, 2019	Changes	Changes excl. the effects of fluctuation in exchange
Cash and cash equivalents	222.9	199.7	+ 23.3	
Trade receivables	592.0	682.6	- 90.6	▲ 77.0
Finance receivables	1,125.0	993.2	+ 131.8	+ 191.0
Inventories	374.0	382.4	- 8.4	▲ 1.0
Other	875.4	881.5	- 6.1	
Total assets	3,189.3	3,139.3	+ 50.0	
Bonds and borrowings	874.4	903.0	- 28.5	+ 11.0
Trade payables	323.6	293.8	+ 29.8	
Other	417.1	405.3	+ 11.7	
Total liabilities	1,615.1	1,602.1	+ 13.0	
Equity attributable to owners of the parent	1,476.0	1,442.8	+ 33.2	
Noncontrolling interests	98.1	94.4	+ 3.8	
Total equity	1,574.2	1,537.2	+ 37.0	
Total liabilities and equity	3,189.3	3,139.3	+ 50.0	
Net debt equity ratio	0.44	0.49	-0.05	
Net debt equity ratio (excl. financial services)	-0.30	-0.14	-0.16	

Statement of Cash Flows

(Unit: billions of yen)	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Changes
Net cash provided by operating activities	142.9	82.4	+60.5
Increase in finance receivables	-185.3	-97.0	-88.3
Other	328.2	179.4	+148.8
Net cash used in investing activities	-47.1	-91.5	+44.3
Payments for acquisition of property, plant, and equipment and intangible assets	-84.8	-94.9	+10.1
Other	37.6	3.4	+34.2
Net cash used in financing activities	-68.4	-21.5	-46.8
Effect of exchange rate changes on cash and cash equivalents	-4.2	1.1	-5.3
Net increase (decrease) in cash and cash equivalents	23.3	-29.5	+52.7
Free cash flow	58.2	-12.4	+70.6
Free cash flow (excl. the changes in finance receivables)	243.4	84.5	+158.9

Financial Services <Reference (unaudited)>

Statement of Financial Position

(Unit: billions of yen)	As of Dec. 31, 2020		As of Dec. 31, 2019	
	Financial services	Equipment operations	Financial services	Equipment operations
Total assets	1,317.4	2,097.3	1,181.2	2,048.2
Cash and cash equivalents	24.9	198.0	19.8	179.8
Trade receivables	33.2	560.4	29.3	655.7
Finance receivables	1,125.0	-	993.2	-
Inventories	-	374.0	-	382.4
Property, plant, and equipment	1.2	423.5	0.5	404.9
Other	133.1	541.4	138.4	425.4
Total liabilities	1,115.3	707.8	996.5	678.6
Total interest-bearing liabilities	1,056.4	-	938.0	-
Other	59.0	707.8	58.4	678.6
Total equity	202.1	1,389.5	184.7	1,369.7

Statement of Profit or Loss (Financial Services)

(Unit: billions of yen)	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Changes	
	Amount	Amount	Amount	%
Revenue	79.2	76.0	+3.1	+4.1
Operating profit	32.8	25.3	+7.5	+29.7
	41.5%	33.3%		
Profit attributable to owners of the parent	19.9	15.4	+4.4	+28.7
	25.1%	20.3%		

Recent Developments In Machinery

Recent Developments in Machinery (U.S.)

U.S.

Retail sales of tractors and CEs are expected to decline slightly due to gradual weakening of strong demand caused by stay-at-home lifestyle, although the level of them is expected to remain at high mainly due to trends of relocating to suburbs. On the other hand, wholesales of each product are expected to increase significantly due to restocking of dealer inventories.

Tractors / RS*

Retail sales of compact tractors are expected to decrease slightly due to weakening of strong demand caused by stay-at-home lifestyle in the 2nd half of this year, although those are expected to remain strong in the 1st half of this year. Retail sales of medium-sized tractors are expected to increase slightly because an increase in sales of over 60hp tractors is expected to compensate for a decrease in sales of 40-60hp tractors due to an adverse reaction from strong demand in the prior year. Retail sales of large-sized tractors are expected to decrease slightly in consideration of the possibility that government support for farmers may disappear.

CE / RS

Retail sales of mini-excavators and CTL are expected to decrease slightly due to adverse reaction from significantly increased sales in the prior year, while the demand is expected to continue to be at the high level due to strong housing demand. The severe competitive environment is expected due to recovery in supply capability of each competitor.

Tractors • CE / WS*

Dealer inventories as of the end of the prior year were 3.3 months, which were at historically low level. Kubota aims to increase wholesales of each product significantly by recovery from delay in production and shipment in the prior year.

Engines / WS

Wholesales of engines are expected to increase significantly due to recovery in demand mainly for refrigerating trucks and construction & industrial machinery from a slump in the prior year.

* RS: Retail sales, WS: Wholesales

Supplementary data of U.S.

■ YoY growth rate of retail sales units in the tractor market by horsepower

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2019	0-40hp	+9.7%	+4.9%	+6.4%	-0.1%	+6.4%	+6.4%	+5.0%
	40-120hp	-0.8%	-0.2%	+7.2%	-4.1%	-0.4%	+2.2%	+0.5%
	120-160hp	-5.7%	+2.3%	+16.6%	-0.4%	-1.0%	+4.8%	+3.3%
2020	0-40hp	-8.9%	+24.0%	+28.2%	+33.3%	+13.3%	+18.0%	+21.0%
	40-120hp	-5.1%	+13.9%	+17.1%	+21.6%	+6.5%	+10.3%	+13.1%
	120-160hp	-14.1%	+9.2%	-10.4%	+8.8%	-0.1%	-3.9%	-0.3%

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in the mini-excavator market (0-8t)

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2019	+2.7%	+7.4%	+11.0%	+25.0%	+5.6%	+7.4%	+11.7%
2020	+4.5%	-4.4%	+20.2%	+27.5%	-1.0%	+6.1%	+12.0%

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in the compact track loaders market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2019	+4.6%	+6.4%	+9.9%	+9.2%	+5.7%	+7.1%	+7.7%
2020	+2.2%	-0.1%	+25.0%	+24.7%	+0.8%	+9.0%	+13.8%

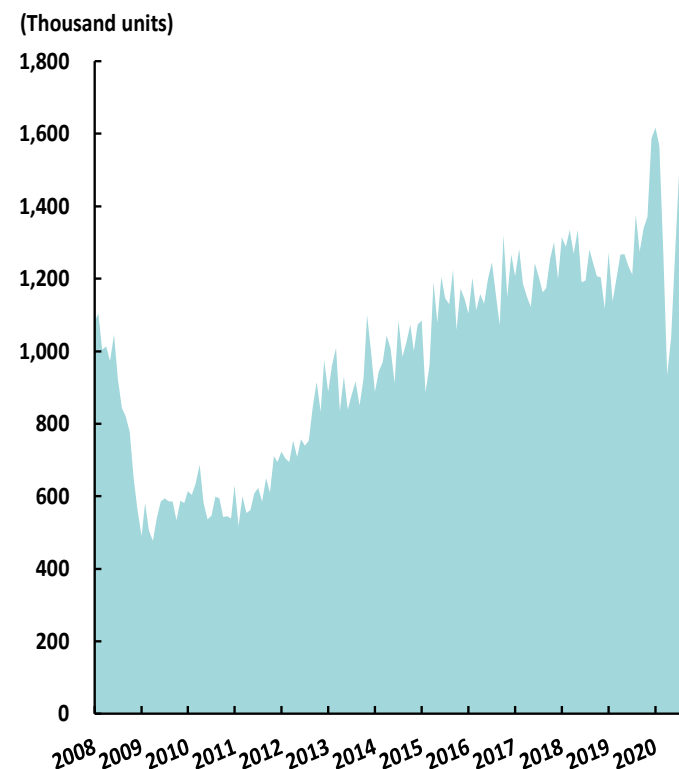
Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in the skid steer loaders market

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2019	-8.9%	-9.1%	-14.0%	-1.2%	-9.0%	-10.6%	-7.4%
2020	-10.9%	-23.6%	+6.4%	-0.8%	-18.0%	-10.4%	-6.9%

Source: AEM (Association of Equipment Manufacturers)

■ New privately owned housing units started (Seasonally adjusted annual rate)



Source: U.S. Census Bureau

Recent Developments in Machinery (Europe)

Europe

Sales of tractors, CE, and Engines are expected to increase due to recovery in demand from a slump in the prior year.

Tractors / RS

Retail sales of compact tractors are expected to increase due to recovery from the negative impact of the infection spread of COVID-19. Retail sales of medium- and large-sized tractors are expected to increase significantly due to an adverse reaction from a large drop in the prior year caused by uncertainty about outlook for agricultural market.

Implements / WS

Wholesales of implements are expected to recover moderately similar to recovery in demand of medium- and large-sized tractors.

CE / RS

Retail sales of CE are expected to increase slightly due to recovery from conservative buying of major rental companies in the prior year.

Engines / WS

Wholesales of engines are expected to increase significantly due to recovery from suspended production by OEM clients and a slump of demand for construction & industrial machinery in the prior year.

Recent Developments in Machinery (Asia)

Thailand and neighboring countries

Demand for farm equipment is expected to increase due to stable crop prices and favorable rainfall in the rainy season in the prior year. Growth rate of wholesales is expected to become better than that of retail sales due to adverse reaction from inventory adjustment in the 1st half of the prior year.

Tractors / RS

Demand is expected to be solid due to resolution of water shortage and continuation of stable crop prices at a high level. Retail sales are expected to increase.

Combines/ RS

Retail sales are expected to keep an expanding trend due to stable rice prices at a high level.

CE / RS

Retail sales are expected to increase due to solid demand for development of irrigation in rural area.

Neighboring countries / RS

Retail sales of tractors in Cambodia are expected to recover from a drop in the prior year. Retail sales in Myanmar are expected to increase due to an expansion in demand, while the impact of political instability needs to be monitored.

China

Budgeted government subsidies are expected to decreased due to adverse reaction from a significant increase in the prior year. Demand for most of farm equipment is expected to decrease due to adverse reaction from an increase of demand in the prior year.

Combines/ RS

Demand is expected to decrease mainly due to adverse reaction from increased demand in the prior year. Retail sales are expected to increase by introducing new models with a cabin whose demand shows an increase trend.

Rice transplanters / RS

Retail sales are expected to increase due to continuously increasing demand for riding rice transplanters resulted from promotion of mechanization by the government.

Engines / WS

Wholesales are expected to increase by taking advantage of an increase in demand for power generators and forklifts.

Recent Developments in Machinery (Japan)

Japan

Demand for tractors is expected to increase due to recovery from a slump in the prior year. Demand for combine harvesters and rice transplanters is expected to be at the same level as the prior year. Demand for CE and engines is expected to recover.

Farm Equipment / RS

Retail sales of tractors are expected to increase due to recovery from adverse reaction from rushed demand before the consumption tax hike in the prior year and relief from the negative impact of the infection spread of COVID-19.

On the other hand, retail sales of combine harvesters and rice transplanters are expected to increase slightly due to slow recovery from a slump.

CE / RS

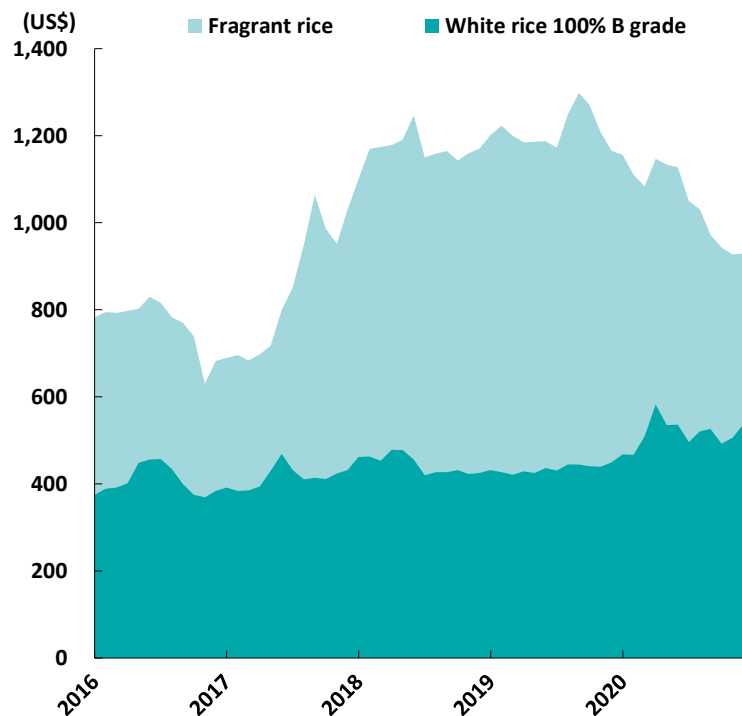
Retail sales are expected to recover from a slump of demand due to postponed construction work caused by the infection spread of COVID-19.

Engines / WS

Wholesales are expected to increase due to recovery mainly from OEM clients' reduction in production volume along with the infection spread of COVID-19.

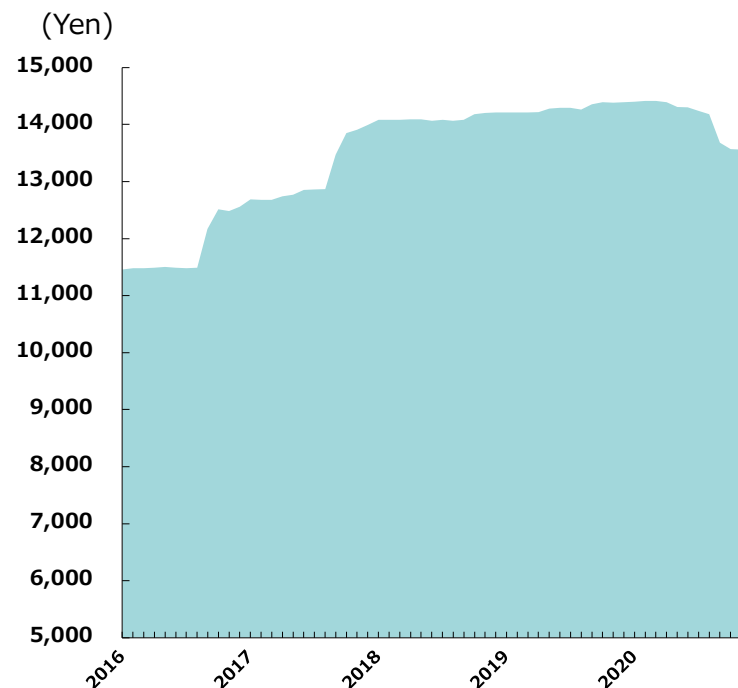
Supplementary data of Thailand, China, and Japan

■ Export price of Thai rice (US\$/t)



Source: USDA, Thai Rice Exporters Association

■ Producers' price of Japanese rice (yen/ 60kg)



Source: Ministry of Agriculture, Forestry and Fisheries

■ Budgeted government subsidies for purchasers of farm equipment

(Unit: billions of RMB)		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Subsidies	1st stage	13.0	20.0	17.0	21.0	22.8	18.6	18.6	18.0	16.9	14.0
	Full year	21.5	21.8	23.8	23.8	23.7	18.6	18.6	18.0	27.4	

Forecast

Anticipated Operating Results

For Earth, For Life


(Unit: billions of yen)	Year ending Dec. 31, 2021 (Forecast)	Year ended Dec. 31, 2020 (Actual)	Changes		Six months ending June 30, 2021 (Forecast)
			Amount	%	
Revenue	2,050.0	1,853.2	+196.8	+10.6	1,040.0
Domestic	606.0	595.2	+10.8	+1.8	300.0
Overseas	1,444.0	1,258.0	+186.0	+14.8	740.0
Operating profit	10.7% 220.0	9.5% 175.3	+44.7	+25.5	11.5% 120.0
Profit before income taxes	11.0% 225.0	10.0% 185.9	+39.1	+21.0	11.8% 123.0
Profit attributable to owners of the parent	7.7% 158.0	6.9% 128.5	+29.5	+22.9	8.5% 88.0

Anticipated Revenue by Reportable Segment

(Unit: billions of yen)	Year ending Dec. 31, 2021 (Forecast)	Year ended Dec. 31, 2020 (Actual)	Changes	
			Amount	%
Machinery	1,700.0	1,509.1	+190.9	+12.7
Domestic	300.0	292.9	+7.1	+2.4
Overseas	1,400.0	1,216.2	+183.8	+15.1
Water	320.0	315.8	+4.2	+1.3
Domestic	276.0	274.0	+2.0	+0.7
Overseas	44.0	41.8	+2.2	+5.2
Other	30.0	28.3	+1.7	+5.8
Domestic	30.0	28.3	+1.7	+5.9
Overseas	0.0	0.0	-	-
Total revenue	2,050.0	1,853.2	+196.8	+10.6

Domestic revenue	606.0	595.2	+10.8	+1.8
Overseas revenue	1,444.0	1,258.0	+186.0	+14.8

*Beginning with the year ending December 31, 2021, in conformity with the change in the business reporting structure, the amounts related to a part of its businesses will be reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Other" segment. Therefore, the information for the year ended December 31, 2020 was adjusted to conform to ongoing year's presentation.

For reference: Changes excluding the effects of fluctuation in exchange [-20.0 billion yen]
 >Overseas revenue in Machinery is forecast to increase by 17%. Total overseas revenue is forecast to increase by 16%.

Anticipated Operating Profit

(Unit: billions of yen)	Year ending Dec. 31, 2021 (Forecast)		Year ended Dec. 31, 2020 (Actual)		Changes	
	Amount	%	Amount	%	Amount	%
Operating profit	220.0	10.7	175.3	9.5	+44.7	+25.5

Factors affecting operating profit (YoY change +44.7 billion yen)

1. Fluctuation in exchange rates	US\$ (107→105 *1) Euro (122→125 *1) Other currencies	-10.5 billion yen +3.5 billion yen -2.0 billion yen	-9.0 billion yen
2. Foreign exchange gain/loss			-2.0 billion yen
3. Material	Machinery Water	-10.0 billion yen -3.0 billion yen	-13.0 billion yen
4. Change in sales incentive ratio	North America : -9.8 billion yen, Europe: -0.7 billion yen etc.		-11.3 billion yen
5. Impact of increased or decreased sales			+65.0 billion yen
6. Sales price increase			+12.0 billion yen
7. Other			+3.0 billion yen

*1: Exchange rates, which affected profit of exported products from Japan in consideration of the period of transportation and inventory, were as follows: US\$:108→105 Euro:121→125

Anticipated Operating Profit by Reportable Segment

For Earth, For Life


(Unit: billions of yen)		Year ending Dec. 31, 2021 (Forecast)	Year ended Dec. 31, 2020 (Actual)	Changes
Machinery	Revenue	1,700.0	1,509.1	+190.9
	Operating profit	228.0	180.0	+48.0
	OP margin	13.4%	11.9%	+1.5P
Water	Revenue	320.0	315.8	+4.2
	Operating profit	27.0	25.9	+1.1
	OP margin	8.4%	8.2%	+0.2P
Other	Revenue	30.0	28.4	+1.6
	Operating profit	3.0	3.5	-0.5
	OP margin	10.0%	12.2%	-2.2P
Adjustment	Operating profit	-38.0	-34.1	-3.9
Total	Revenue	2,050.0	1,853.2	+196.8
	Operating profit	220.0	175.3	+44.7
	OP margin	10.7%	9.5%	+1.3P

*Beginning with the year ending December 31, 2021, in conformity with the change in the business reporting structure, the amounts related to a part of its businesses will be reported in the "Farm & Industrial Machinery" segment, whereas they were formerly reported in the "Other" segment. Therefore, the information for the year ended December 31, 2020 was adjusted to conform to ongoing year's presentation.

CAPEX, Depreciation and R&D Expenses

■ CAPEX, Depreciation and R&D expenses

(Unit: billions of yen)	Year ending Dec. 31, 2021 (Forecast)	Year ended Dec. 31, 2020 (Actual)	Year ended Dec. 31, 2019 (Actual)
Capital expenditures *	140.0	87.2	86.7
Depreciation and amortization *	61.0	53.2	48.9
R&D expenses	61.0	55.3	53.1

* : Recognition of right-of-use assets and depreciation of right-of-use assets along with adoption of IFRS 16 *Leases* are not included.

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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