

KUBOTA Corporation

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RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2023 [IFRS]

Kubota Corporation hereby reports its consolidated results for the three months ended March 31, 2023.

Consolidated Financial Highlights**1. Consolidated results of operations for the three months ended March 31, 2023****(1) Results of operations**

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

	Three months ended Mar. 31, 2023	Change [%]	Three months ended Mar. 31, 2022	Change [%]
Revenue	¥ 781,563	31.8	¥ 592,792	-
Operating profit	¥ 103,248	54.6	¥ 66,779	-
Profit before income taxes	¥ 105,495	41.0	¥ 74,837	-
Profit for the period	¥ 75,318	35.7	¥ 55,488	-
Profit attributable to owners of the parent	¥ 69,100	36.6	¥ 50,571	-
Comprehensive income for the period	¥ 105,849	(22.0)	¥ 135,718	-
Earnings per share attributable to owners of the parent:				
Basic	¥ 58.11		¥ 42.15	
Diluted	-		-	

(2) Financial condition

(Unit: millions of yen)

	Mar. 31, 2023	Dec. 31, 2022
Total assets	¥ 4,916,820	¥ 4,765,053
Total equity	¥ 2,182,625	¥ 2,102,488
Equity attributable to owners of the parent	¥ 1,943,414	¥ 1,874,490
Ratio of equity attributable to owners of the parent to total assets	39.5%	39.3%

Notes:

1. Change [%] represents the percentage change from the same period in the prior year.
2. Kubota Corporation and its subsidiaries (hereinafter, the "Company") have retrospectively adopted changes in accounting policies. Therefore, the percentage changes from the same period in the prior year of the three months ended March 31, 2022 are not presented.

2. Cash dividends

(Unit: yen)

	Cash dividends per common share		
	Interim	Year-end	Total
Year ending Dec. 31, 2023	Undecided	Undecided	Undecided
Year ended Dec. 31, 2022	¥ 22.00	¥ 22.00	¥ 44.00

Note:

Although Kubota Corporation's basic policy for the return of profit to shareholders is to maintain stable dividends and raise dividends, the specific amount of cash dividends for each fiscal year is decided in consideration of the development of business performance, financial condition, and shareholder return ratio calculated from dividends and share buybacks. The specific amount of year-end cash dividends for the year ending December 31, 2023 has not been decided at this time, and Kubota Corporation will publicize the amount as soon as a decision is made.

3. Forecasts of operations for the year ending December 31, 2023

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

	Six months ending June 30, 2023	Change [%]	Year ending Dec. 31, 2023	Change [%]
Revenue	¥ 1,480,000	17.5	¥ 2,900,000	8.3
Operating profit	¥ 150,000	26.3	¥ 270,000	25.9
Profit before income taxes	¥ 154,000	18.0	¥ 278,000	20.3
Profit attributable to owners of the parent	¥ 104,000	13.6	¥ 186,000	18.9
Earnings per share attributable to owners of the parent - Basic	¥ 87.46		¥ 156.41	

Notes:

- Change [%] represents the percentage change from the prior year.
- Please refer to the accompanying materials, "1. Review of operations and financial condition (3) Forecasts for the year ending December 31, 2023" on page 6 for further information related to the forecasts of operations.
- Effective from the beginning of current consolidated fiscal year, the Company has adopted IFRS 17 Insurance Contracts, and effective from the year ended December 31, 2022, the Company has changed the measurement method of allowance for doubtful accounts for lease receivables. In addition, the provisional accounting for the business combination of Escorts Limited (currently, Escorts Kubota Limited), which the Company acquired on April 11, 2022, has been finalized during this current period. Figures for the year ended December 31, 2022 are retrospectively adjusted for these effects.

4. Other information

(1) Changes in significant subsidiaries during the three months ended March 31, 2023 (changes in specified subsidiaries resulting in the changes in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- Changes in accounting policies required by International Financial Reporting Standards (hereinafter "IFRS"): Yes
- Changes in accounting policies due to reasons other than a) above: None
- Changes in accounting estimates: None

Note:

See the accompanying materials, "2. Other information (2) Changes in accounting policies" on page 6.

(3) Number of common shares issued

- Number of common shares issued including treasury shares as of March 31, 2023 : 1,191,006,846
Number of common shares issued including treasury shares as of December 31, 2022 : 1,191,006,846
- Number of treasury shares as of March 31, 2023 : 1,838,317
Number of treasury shares as of December 31, 2022 : 1,838,075
- Weighted-average number of common shares outstanding during the three months ended March 31, 2023 : 1,189,168,601
Weighted-average number of common shares outstanding during the three months ended March 31, 2022 : 1,199,903,842

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

This release is not subject to the quarterly review by the independent auditor.

(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 May 12, 2023. 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 condition

Effective from the beginning of current consolidated fiscal year, Kubota Corporation and its subsidiaries (hereinafter, the “Company”) have adopted IFRS 17 Insurance Contracts, and effective from the year ended December 31, 2022, the Company has changed the measurement method of allowance for doubtful accounts for lease receivables. In addition, the provisional accounting for the business combination of Escorts Limited (currently, Escorts Kubota Limited; hereinafter, “EKL”), which the Company acquired on April 11, 2022, has been finalized during this current period. In the following analysis, consolidated financial position, results of operations, and cash flows for this current period, are compared with the figures for the same period in the prior year and the prior fiscal year-end, that are retrospectively adjusted for these effects.

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

For the three months ended March 31, 2023, revenue of the Company increased by ¥188.8 billion [31.8%] from the same period in the prior year to ¥781.6 billion.

Domestic revenue increased by ¥6.7 billion [4.3%] from the same period in the prior year to ¥163.6 billion because of increased revenue in Farm & Industrial Machinery and Water & Environment.

Overseas revenue also increased by ¥182.1 billion [41.8%] from the same period in the prior year to ¥618.0 billion because of increased revenue in Farm & Industrial Machinery and Water & Environment.

Operating profit increased by ¥36.5 billion [54.6%] from the same period in the prior year to ¥103.2 billion mainly due to sales price increase and favorable impact from foreign exchange rates although there were some negative effects, such as an increase in sales incentive costs caused by a rise in interest rate, a rise in material prices, and an increase in various expenses mainly due to inflation. Profit before income taxes increased by ¥30.7 billion [41.0%] from the same period in the prior year to ¥105.5 billion due to increased operating profit. Income tax expenses were ¥30.3 billion. Share of profits of investments accounted for using the equity method was ¥0.1 billion. Profit for the period increased by ¥19.8 billion [35.7%] from the same period in the prior year to ¥75.3 billion. Profit attributable to owners of the parent increased by ¥18.5 billion [36.6%] from the same period in the prior year to ¥69.1 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 37.2% from the same period in the prior year to ¥685.0 billion and accounted for 87.7% of consolidated revenue.

Domestic revenue increased by 9.3% from the same period in the prior year to ¥79.5 billion mainly due to increased sales of farm equipment and agricultural-related products.

Overseas revenue increased by 41.9% from the same period in the prior year to ¥605.5 billion. In North America, sales increased due to significant progress of replenishment of dealer inventory due to relief of logistics congestion. In addition, sales of construction machinery increased thanks to backorders of home construction and demand for infrastructure construction by the government. In Europe, sales of construction machinery and engines were solid, supported by construction demand. Sales of tractors also increased thanks to improvement of inventory shortage. With respect to Asia outside Japan, in Thailand, sales of farm equipment for dryland farming were firm. On the other hand, the Company struggled with sales for rice farming due to delay of market recovery. Sales in India increased due to consolidation of EKL since the 2nd quarter of the prior year.

Operating profit in this segment increased by 80.8% from the same period in the prior year to ¥107.8 billion mainly due to some favorable impacts of foreign exchange rates, sales price increase, and sales increase although there were some negative effects from an increase in sales incentive cost caused by a rise in interest rate, a rise in material prices, and an increase in various expenses caused by inflation mainly.

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, other products and engineering).

Revenue in this segment increased by 3.9% from the same period in the prior year to ¥91.0 billion and accounted for 11.6% of consolidated revenue.

Domestic revenue increased by 0.4% from the same period in the prior year to ¥78.5 billion. Sales of pipe system business increased due to firm sales of plastic pipes for apartment building and non-residential market. Sales of environment business decreased mainly due to decreased sales of pumps while sales of operation & maintenance increased steadily.

Overseas revenue increased by 33.8% from the same period in the prior year to ¥12.5 billion mainly due to firm sales of industrial products business, such as cracking tubes, supported by demand for overseas factory construction.

Operating profit in this segment decreased by 5.5% from the same period in the prior year to ¥9.0 billion due to a rise in various expenses caused by inflation although sales price increase could compensate negative effects from a rise in material prices.

3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by 6.3% from the same period in the prior year to ¥5.6 billion and accounted for 0.7% of consolidated revenue.

Operating profit in this segment decreased by 39.7% from the same period in the prior year to ¥0.7 billion.

(2) Financial condition

a) Assets, liabilities, and equity

Total assets as of March 31, 2023, were ¥4,916.8 billion, an increase of ¥151.8 billion from the prior fiscal year-end. With respect to assets, trade receivables mainly increased due to increased revenue in North America and Europe.

With respect to liabilities, bonds and borrowings increased due to an increase in working capital mainly along with a change of payment terms with business partners. Equity increased due to the accumulation of retained earnings and an improvement in other components of equity along with fluctuations mainly in foreign exchange rates. The ratio of equity attributable to owners of the parent to total assets stood at 39.5%, 0.2 percentage points higher than the prior fiscal year-end.

b) Cash flows

Net cash used in operating activities during the three months ended March 31, 2023, was ¥105.0 billion, an increase of ¥20.8 billion in net cash outflow compared with the same period in the prior year. This increase was due to an increase in trade receivables and a decrease in trade payables mainly resulting from the change in payment terms with suppliers.

Net cash used in investing activities was ¥47.2 billion, a decrease of ¥26.7 billion in net cash outflow compared

with the same period in the prior year. This decrease was mainly due to a decrease in cash outflow related to purchase of investments accounted for using the equity method although payments for acquisition of property, plant, and equipment in cash outflow increased.

Net cash provided by financing activities was ¥105.8 billion, a decrease of ¥91.0 billion in net cash inflow compared with the same period in the prior year, due to a decrease in funding through short-term borrowings and an increase in redemptions of bonds and repayments of long-term borrowings.

As a result of the above and after taking into account the effects of exchange rate changes, cash and cash equivalents as of March 31, 2023, were ¥181.1 billion, a decrease of ¥44.7 billion from the beginning of the current period.

(3) Forecasts for the year ending December 31, 2023

The forecasts of the results of operations for the year ending December 31, 2023, which were announced on February 14, 2023, remain unchanged.

These forecasts are based on the assumption of exchange rates of ¥125=US\$1 and ¥135=€1.

2. Other information

(1) Changes in significant subsidiaries

None

(2) Changes in accounting policies

Effective from the current consolidated fiscal year, the Company has adopted IFRS 17 Insurance Contracts. The Company has retrospectively applied IFRS 17 with a transition date of January 1, 2022. The retrospective application is in accordance with the transitional provisions stipulated in IFRS 17.

Following is the accounting policy for insurance contracts after the adoption of IFRS 17.

1) Classification and Level of Aggregation

The Company classifies contracts under which the Company assumes significant insurance risks as insurance contracts.

The Company recognizes portfolios consisting of multiple insurance contracts that are exposed to similar risks and are managed together, and aggregates as the group of insurance contracts by dividing each annual cohort into groups based on the profitability of the contracts.

2) Recognition

Insurance contracts issued by the Company are recognized from the earliest of the following: the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due, and for a group of onerous contracts, when the group becomes onerous.

3) Measurement

On initial recognition, a group of insurance contracts is measured at the total of the fulfillment of cash flows and contractual service margin. The fulfillment cash flows is an explicit, unbiased and probability-weighted estimate of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the Company fulfills insurance contracts, including a risk adjustment for non-financial risk. The contractual service margin is the excess of the consideration charged for a group of insurance contracts over the risk-adjusted expected present value of the cash outflows expected to fulfil that group of contracts and the insurance earned cash flows incurred prior to the recognition of the group of contracts.

The carrying amount of a group of insurance contracts at the end of the reporting period is measured at the total of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage is comprised of the fulfillment of cash flows for future services allocated to the group at the end of the reporting period and the contractual service margin. The liability for incurred claims is comprised of the fulfillment cash flows related to past service allocated to the group at the end of reporting period. Revenue from a group of insurance contracts is recognized as the Company is released from the risk over the period the Company provides insurance coverage.

3. Condensed consolidated financial statements

(1) Condensed consolidated statement of financial position

ASSETS

(Unit: millions of yen)

	Mar. 31, 2023		Dec. 31, 2022		Change
	Amount	%	Amount	%	Amount
Current assets:					
Cash and cash equivalents	¥ 181,097		¥ 225,799		¥ (44,702)
Trade receivables	935,204		779,385		155,819
Finance receivables	476,440		480,658		(4,218)
Other financial assets	72,047		71,516		531
Contract asset	17,419		28,018		(10,599)
Inventories	647,250		644,471		2,779
Income taxes receivable	2,301		2,710		(409)
Other current assets	69,363		55,223		14,140
Total current assets	2,401,121	48.8	2,287,780	48.0	113,341
Noncurrent assets:					
Investments accounted for using the equity method	46,961		46,492		469
Finance receivables	1,223,299		1,203,856		19,443
Other financial assets	172,987		165,438		7,549
Property, plant, and equipment	656,405		644,245		12,160
Goodwill	138,652		134,597		4,055
Intangible assets	185,631		184,291		1,340
Deferred tax assets	69,584		75,827		(6,243)
Other noncurrent assets	22,180		22,527		(347)
Total noncurrent assets	2,515,699	51.2	2,477,273	52.0	38,426
Total assets	¥ 4,916,820	100.0	¥ 4,765,053	100.0	¥ 151,767

LIABILITIES AND EQUITY

(Unit: millions of yen)

	Mar. 31, 2023		Dec. 31, 2022		Change
	Amount	%	Amount	%	Amount
Current liabilities:					
Bonds and borrowings	¥ 733,192		¥ 640,889		¥ 92,303
Trade payables	348,160		454,780		(106,620)
Other financial liabilities	95,986		106,096		(10,110)
Insurance liabilities	50,716		50,792		(76)
Income taxes payable	37,496		24,646		12,850
Provisions	68,078		65,823		2,255
Contract liabilities	37,659		33,509		4,150
Other current liabilities	225,978		207,040		18,938
Total current liabilities	1,597,265	32.5	1,583,575	33.2	13,690
Noncurrent liabilities:					
Bonds and borrowings	1,027,491		970,216		57,275
Other financial liabilities	40,036		41,135		(1,099)
Retirement benefit liabilities	14,531		14,293		238
Deferred tax liabilities	47,737		46,673		1,064
Other noncurrent liabilities	7,135		6,673		462
Total noncurrent liabilities	1,136,930	23.1	1,078,990	22.7	57,940
Total liabilities	2,734,195	55.6	2,662,565	55.9	71,630
Equity:					
Share capital	84,130		84,130		—
Share premium	79,629		79,247		382
Retained earnings	1,572,177		1,529,248		42,929
Other components of equity	211,036		185,422		25,614
Treasury shares	(3,558)		(3,557)		(1)
Total equity attributable to owners of the parent	1,943,414	39.5	1,874,490	39.3	68,924
Noncontrolling interests	239,211	4.9	227,998	4.8	11,213
Total equity	2,182,625	44.4	2,102,488	44.1	80,137
Total liabilities and equity	¥ 4,916,820	100.0	¥ 4,765,053	100.0	¥ 151,767

(2) Condensed consolidated statement of profit or loss

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

	Three months ended Mar. 31, 2023		Three months ended Mar. 31, 2022		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 781,563	100.0	¥ 592,792	100.0	¥ 188,771	31.8
Cost of sales	(551,394)		(433,333)		(118,061)	
Selling, general, and administrative expenses	(126,798)		(100,634)		(26,164)	
Other income	1,060		8,679		(7,619)	
Other expenses	(1,183)		(725)		(458)	
Operating profit	103,248	13.2	66,779	11.3	36,469	54.6
Finance income	3,293		8,184		(4,891)	
Finance costs	(1,046)		(126)		(920)	
Profit before income taxes	105,495	13.5	74,837	12.6	30,658	41.0
Income tax expenses	(30,290)		(19,870)		(10,420)	
Share of profits of investments accounted for using the equity method	113		521		(408)	
Profit for the period	¥ 75,318	9.6	¥ 55,488	9.4	¥ 19,830	35.7

Profit attributable to:						
Owners of the parent	¥ 69,100	8.8	¥ 50,571	8.5	¥ 18,529	36.6
Noncontrolling interests	6,218	0.8	4,917	0.9	1,301	26.5

Earnings per share attributable to owners of the parent:				
Basic	¥ 58.11		¥ 42.15	
Diluted	—		—	

(3) Condensed consolidated statement of comprehensive income

(Unit: millions of yen)

	Three months ended Mar. 31, 2023	Three months ended Mar. 31, 2022	Change
Profit for the period	¥ 75,318	¥ 55,488	¥ 19,830
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	(4)	430	(434)
Net change in fair value of financial assets measured at fair value through other comprehensive income	3,290	6,529	(3,239)
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	27,245	73,271	(46,026)
Total other comprehensive income, net of income tax	30,531	80,230	(49,699)
Comprehensive income for the period	¥ 105,849	¥ 135,718	¥ (29,869)

Comprehensive income attributable to:			
Owners of the parent	¥ 94,712	¥ 123,749	¥ (29,037)
Noncontrolling interests	11,137	11,969	(832)

(4) Condensed consolidated statement of changes in equity

Three months ended March 31, 2023

(Unit: millions of yen)

	Equity attributable to owners of the parent					Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares			
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			69,100			69,100	6,218	75,318
Total other comprehensive income, net of income tax				25,612		25,612	4,919	30,531
Comprehensive income for the period			69,100	25,612		94,712	11,137	105,849
Transfer to retained earnings			(2)	2		—	—	—
Dividends paid			(26,169)			(26,169)	(58)	(26,227)
Purchases and sales of treasury shares					(1)	(1)		(1)
Share-based payment transactions		382				382		382
Changes in ownership interests in subsidiaries						—	134	134
Balance as of Mar. 31, 2023	¥ 84,130	¥ 79,629	¥ 1,572,177	¥ 211,036	¥ (3,558)	¥ 1,943,414	¥ 239,211	¥ 2,182,625

Three months ended March 31, 2022

(Unit: millions of yen)

	Equity attributable to owners of the parent					Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares			
Balance as of Jan. 1, 2022	¥ 84,130	¥ 84,886	¥ 1,439,631	¥ 69,522	¥ (134)	¥ 1,678,035	¥ 107,074	¥ 1,785,109
Cumulative effects of changes in accounting policies			(6,157)	(279)		(6,436)		(6,436)
Profit for the period			50,571			50,571	4,917	55,488
Total other comprehensive income, net of income tax				73,178		73,178	7,052	80,230
Comprehensive income for the period			50,571	73,178		123,749	11,969	135,718
Transfer to retained earnings			18,496	(18,496)		—	—	—
Dividends paid			(25,205)			(25,205)	(50)	(25,255)
Share-based payments with transfer restrictions		25				25		25
Changes in ownership interests in subsidiaries		(25)				(25)	402	377
Balance as of Mar. 31, 2022	¥ 84,130	¥ 84,886	¥ 1,477,336	¥ 123,925	¥ (134)	¥ 1,770,143	¥ 119,395	¥ 1,889,538

(5) Condensed consolidated statement of cash flows

(Unit: millions of yen)

	Three months ended Mar. 31, 2023	Three months ended Mar. 31, 2022	Change
Cash flows from operating activities:			
Profit for the period	¥ 75,318	¥ 55,488	
Depreciation and amortization	25,359	18,620	
Finance income and costs	(1,247)	(7,238)	
Income tax expenses	30,290	19,870	
Increase in trade receivables	(147,865)	(90,181)	
Decrease (increase) in finance receivables	2,184	(264)	
Decrease (increase) in inventories	6,142	(39,212)	
Decrease in other assets	342	3,871	
Decrease in trade payables	(110,609)	(23,699)	
Increase in other liabilities	24,196	7,010	
Other, net	1,008	(759)	
Interest received	2,503	87	
Dividends received	27	48	
Interest paid	(524)	(509)	
Income taxes paid, net	(12,171)	(27,392)	
Net cash used in operating activities	(105,047)	(84,260)	¥ (20,787)
Cash flows from investing activities:			
Payments for acquisition of property, plant, and equipment and intangible assets	(43,306)	(33,918)	
Purchase of investments accounted for using the equity method	(339)	(28,856)	
Net increase in short-term loans receivable from associate	(1,552)	(1,450)	
Net (increase) decrease in time deposits	(559)	3,009	
Net decrease (increase) in restricted cash	67	(5,228)	
Net (increase) decrease in short-term investments	(606)	703	
Other, net	(876)	(8,159)	
Net cash used in investing activities	(47,171)	(73,899)	26,728
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	178,021	164,640	
Redemptions of bonds and repayments of long-term borrowings	(145,209)	(96,275)	
Net increase in short-term borrowings	104,090	159,837	
Repayments of lease liabilities	(4,066)	(4,692)	
Dividends paid	(26,169)	(25,205)	
Other, net	(890)	(1,524)	
Net cash provided by financing activities	105,777	196,781	(91,004)
Effect of exchange rate changes on cash and cash equivalents	1,739	8,663	(6,924)
Net (decrease) increase in cash and cash equivalents	(44,702)	47,285	
Cash and cash equivalents, at the beginning of the period	225,799	258,639	
Cash and cash equivalents, at the end of the period	¥ 181,097	¥ 305,924	¥ (124,827)

(6) Notes to the going concern assumption

None

(7) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Three months ended Mar. 31, 2023		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 684,999	¥ 90,957	¥ 5,607	¥ —	¥ 781,563
	Intersegment	100	2	8,863	(8,965)	—
	Total	685,099	90,959	14,470	(8,965)	781,563
Operating profit		¥ 107,750	¥ 9,017	¥ 718	¥ (14,237)	¥ 103,248

(Unit: millions of yen)

Three months ended Mar. 31, 2022		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 499,303	¥ 87,508	¥ 5,981	¥ —	¥ 592,792
	Intersegment	36	44	8,081	(8,161)	—
	Total	499,339	87,552	14,062	(8,161)	592,792
Operating profit		¥ 59,587	¥ 9,537	¥ 1,190	¥ (3,535)	¥ 66,779

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)

	Three months ended Mar. 31, 2023	Three months ended Mar. 31, 2022
Japan	¥ 163,593	¥ 156,892
North America	321,936	216,600
Europe	109,052	77,175
Asia outside Japan	159,243	119,957
Other areas	27,739	22,168
Total	¥ 781,563	¥ 592,792

Notes:

- The revenue from North America included that from the United States was ¥287,322 million and ¥190,902 million for three months ended March 31, 2023 and 2022, respectively.
- There was no specific customer that exceeded 10% of total consolidated revenue of the Company.

(8) Consolidated revenue by product group

(Unit: millions of yen)

	Three months ended Mar. 31, 2023		Three months ended Mar. 31, 2022		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 529,348	67.8	¥ 396,939	66.9	¥ 132,409	33.4
Domestic	70,240		63,633		6,607	10.4
Overseas	459,108		333,306		125,802	37.7
Construction Machinery	155,651	19.9	102,364	17.3	53,287	52.1
Domestic	9,291		9,110		181	2.0
Overseas	146,360		93,254		53,106	56.9
Farm & Industrial Machinery	684,999	87.7	499,303	84.2	185,696	37.2
Domestic	79,531	10.2	72,743	12.3	6,788	9.3
Overseas	605,468	77.5	426,560	71.9	178,908	41.9
Pipe system-related products	31,364	4.0	29,150	4.9	2,214	7.6
Domestic	30,351		28,435		1,916	6.7
Overseas	1,013		715		298	41.7
Industrial products	18,387	2.3	14,296	2.4	4,091	28.6
Domestic	9,196		8,896		300	3.4
Overseas	9,191		5,400		3,791	70.2
Environment-related products	41,206	5.3	44,062	7.5	(2,856)	(6.5)
Domestic	38,934		40,850		(1,916)	(4.7)
Overseas	2,272		3,212		(940)	(29.3)
Water & Environment	90,957	11.6	87,508	14.8	3,449	3.9
Domestic	78,481	10.0	78,181	13.2	300	0.4
Overseas	12,476	1.6	9,327	1.6	3,149	33.8
Other	5,607	0.7	5,981	1.0	(374)	(6.3)
Domestic	5,581	0.7	5,968	1.0	(387)	(6.5)
Overseas	26	0.0	13	0.0	13	100.0
Total	¥ 781,563	100.0	¥ 592,792	100.0	¥ 188,771	31.8
Domestic	163,593	20.9	156,892	26.5	6,701	4.3
Overseas	617,970	79.1	435,900	73.5	182,070	41.8

Note:

Beginning with the current consolidated fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts formerly reported in "Materials and urban infrastructure-related products" are now classified as "Industrial products".