

Financial Results for FY 2024

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Financial Summary for FY 2024

(Unit: billions of yen)	FY 2024 Full Year	FY 2023 Full Year	Changes	
			Amount	%
Revenue	3,016.3	3,020.7	-4.4	-0.1
Japan	632.5	643.1	-10.7	-1.7
Overseas	2,383.8	2,377.6	+6.2	+0.3
Operating profit	10.5% 315.6	10.9% 328.8	-13.2	-4.0
Profit before income taxes	11.1% 335.3	11.3% 342.3	-7.0	-2.0
Profit attributable to owners of the parent	7.6% 230.4	7.9% 238.5	-8.0	-3.4
ROE	9.9%	11.8%	-1.9 p	

Changes from previous forecast (Nov. 2024)	
Amount	%
+66.3	+2.2
+5.5	+0.9
+60.8	+2.6
+5.6	+1.8
+9.3	+2.9
+9.4	+4.3

1USD (JPY)	152	141
1EUR (JPY)	164	152
1THB (JPY)	4.30	4.04

The effect of foreign exchange rate on revenue against LY was +159.0 billion yen.



Machinery: 2,636.9 billion yen (YoY: +0.1)

Conditions in each market

Japan

The agricultural machinery market has been weak continuously because production costs is ahead of farmers income although rice prices have been recovering.

North America

The CE business was steady due to stable demand of infrastructure development although housing market is slightly soft. In the tractor business, the residential market has been slow due to slowdown in business sentiment. The agricultural market also slowed down due to crop prices decline.

Europe

The CE and Engine business continue to be down by weak economics and investments, but they are slightly improved in part. The tractor market has been weak continuously.

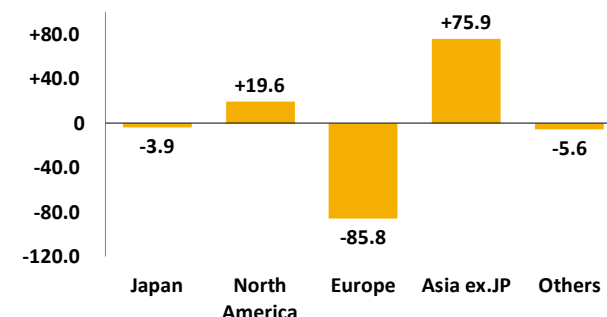
Asia except Japan

The Thailand market has recovered steadily mainly in the rice market although a part of dryland market was sluggish due to the flood. The Indian market also recovered from the drought thanks to the sufficient rainfall and harvest in the latter half.

Others

In Australia, both tractor and CE market has shrunk due to slowdown in business sentiment.

■ Changes in revenue by region (Billions of yen)



	Japan	North America	Europe	Asia ex.JP	Others
Total	-3.9	+19.6	-85.8	+75.9	-5.6
Agricultural machinery *	-7.3	-44.4	-26.5	+59.4	-8.5
CE	-5.2	+42.4	-35.1	+1.9	+2.5

* Tractors, combine harvesters, and rice transplanters

Water & Environment: 362.6 billion yen (YoY: -1.8)

Conditions in each market

Pipe system

Ductile iron pipes business is weak due to shift to alternative pipes stemming from a high price. Plastic pipes business was overall OK, demand for infrastructure has been steady but for housing market declined.

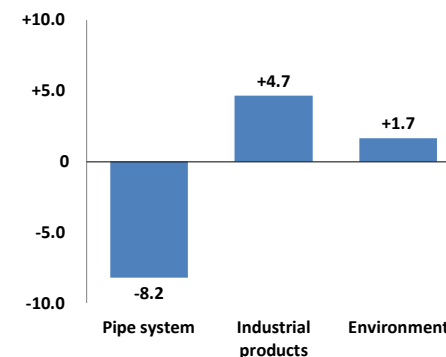
Industrial products

The overseas demand of cracking tubes has been steady due to plant construction. The demand of air-conditioning equipment was steady thanks to the trend to choose Japan as a new factory site, but the market has been affected by construction delay due to a workforce shortage.

Environment

Although, the markets for pumps and plant business remain at the same level YoY, the construction delays have become chronic due to a lack of materials. The market of wastewater treatment was good supported by demand from factories in Japan.

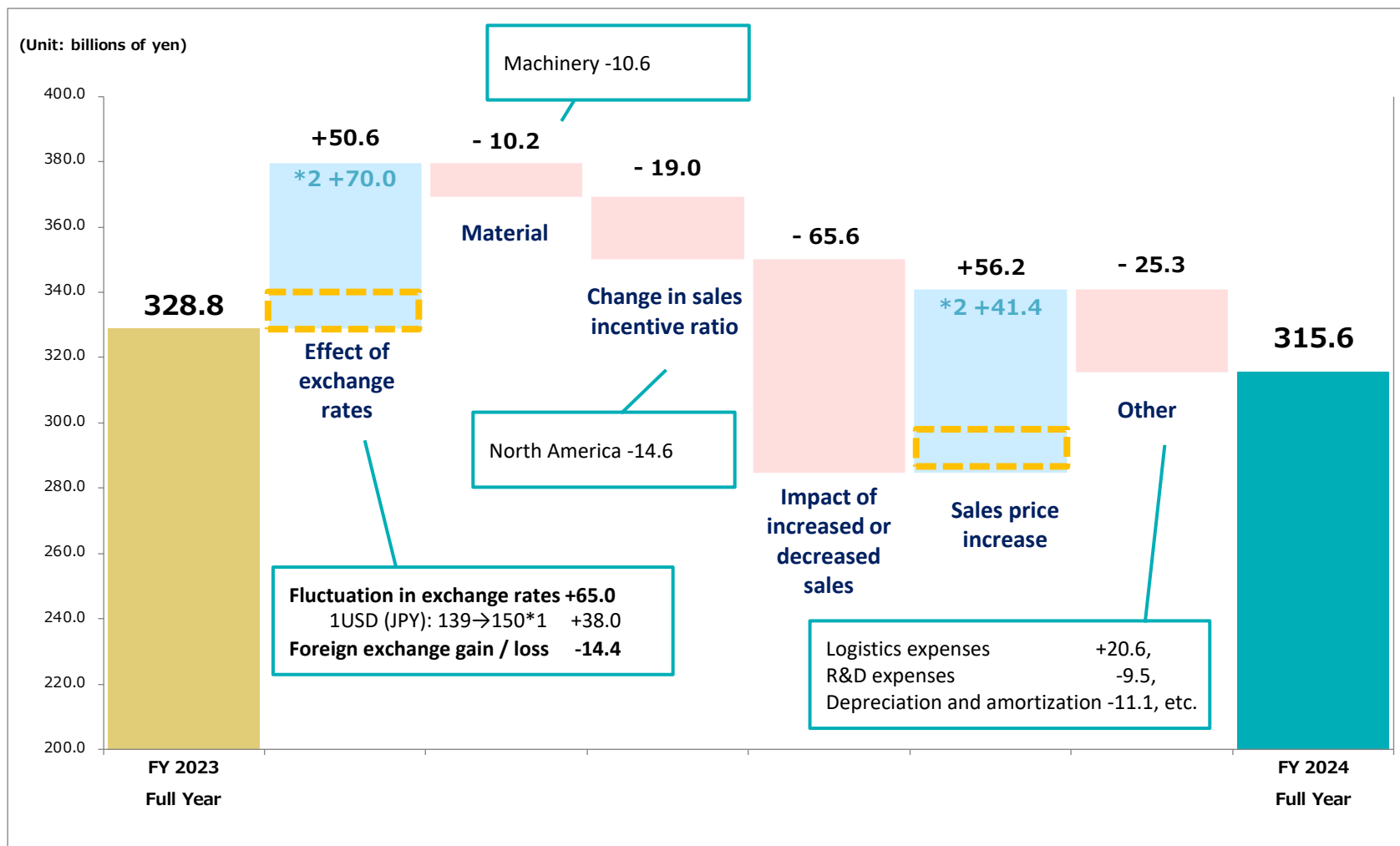
■ Changes in revenue by business (Billions of yen)



Other: 16.8 billion yen (YoY: -2.7)

Other is mainly comprised of a variety of other services such as logistics.

Profit analysis (YoY change -13.2 billion yen)



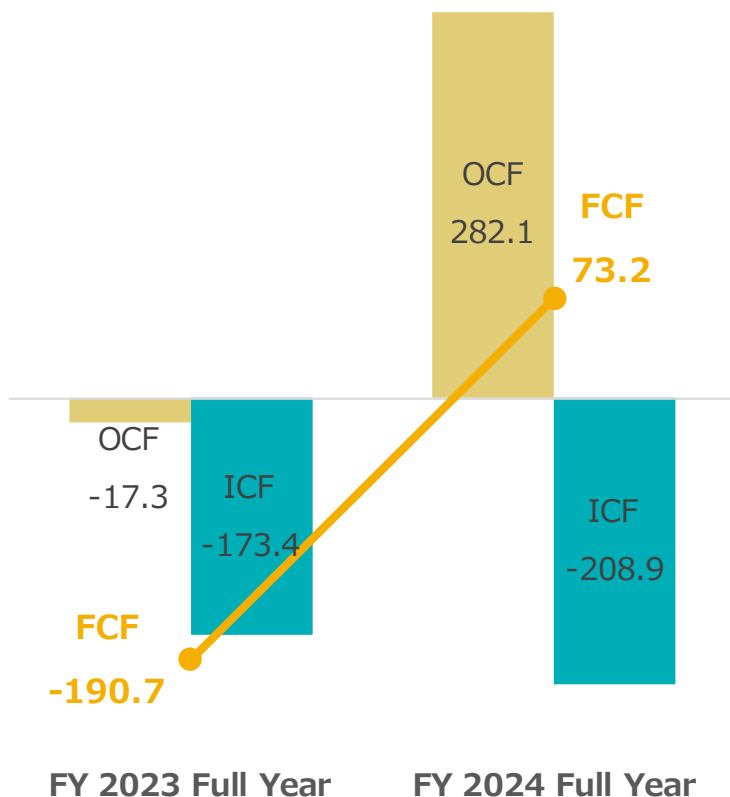
*1: Actual exchange rate for the profit pertaining to the export products from Japan in consideration of transportation and inventory periods

*2: Increase / Decrease excluding the impact of Myanmar

Offset foreign exchange losses with price hike in Myanmar due to the currency regulation

Free Cash Flow: 73.2 billion yen (YoY: +263.9)

(billions of yen)



FY 2024

OCF: Inflow of 282.1 billion yen

Increase due to the adverse effect of shortening payment term last year and improving working capital

ICF: Outflow of 208.9 billion yen

Increase due to capital expenditures

FCF: Positive at 73.2 billion yen

OCF: Cash Flows from Operating Activities

ICF: Cash Flows from Investing Activities

Forecast

Financial Forecast for FY 2025

(Unit: billions of yen)	FY 2025 (Forecast)	FY 2024 (Actual)	Changes	
			Amount	%
Revenue	3,050.0	3,016.3	+33.7	+1.1
Japan	658.0	632.5	+25.5	+4.0
Overseas	2,392.0	2,383.8	+8.2	+0.3
Operating profit	9.2% 280.0	10.5% 315.6	-35.6	-11.3
Profit before income taxes	9.7% 297.0	11.1% 335.3	-38.3	-11.4
Profit attributable to owners of the parent	6.4% 196.0	7.6% 230.4	-34.4	-14.9

1USD (JPY)	145	152
1EUR (JPY)	152	164
1THB (JPY)	4.20	4.30

The effect of foreign exchange rate on revenue forecast is -124.0 billion yen against LY.



Machinery: 2,650.0 billion yen (YoY: +13.1)

Market trend

Conditions in each market

Japan



In the agricultural machinery market, total demand is declining due to decrease in farm population although farmer's income is expected to increase thanks to the rice price increase. The markets of CE and Engines are steady supported by demand for the infrastructure project.

North America



The CE market shows steady demand from government infrastructure development, and the housing demand is stable at current levels, expected to be at the same level YoY. and a small recovery of economic sentiment is seen after the election. The Compact Tractor market is expected to be sluggish and face the severe price competition continuously. The agricultural market declines but our market with dairy farming sector are relatively stable by solid beef price.

Europe



The CE market is expected to hit the bottom partially in some countries due to lower interest rate and new government policy, but full-fledged recovery will be in 2026. The tractor market still continues to be weak.

Asia except Japan



The Thailand market is steady thanks to the increase in rice price and recovery from restraining investment by the drought. The dryland market is also expected to recover from the flood. The Indian market is supposed to be steady due to the government policy such as increase in the guarantee for commodity price, in addition to favorable farmer's income in the previous year.

Others



The Australian market continue to be weak due to the slowdown in economic sentiment and high-interest rate policy.

Water & Environment: 385.0 billion yen (YoY +22.4)

Market trend

Conditions in each market (No major changes)

Pipe system



The demand shift from ductile iron pipes to alternative pipes continues stemming from an increase in material price and labor cost.
In the market of plastic pipes, demand for housing and infrastructure are expected to be at the same level YoY, but for plants increase.

Industrial products



In the cracking tubes market, the demand from new plant investment is expected to become calm slightly due to an increase in production capacity of ethylene.
The steel pipes market is steady thanks to increased demand in Kansai region, Japan.
The domestic market for air-conditioning equipment continues to be steady thanks to the trend to choose Japan as a site for new factory and data center.

Environment

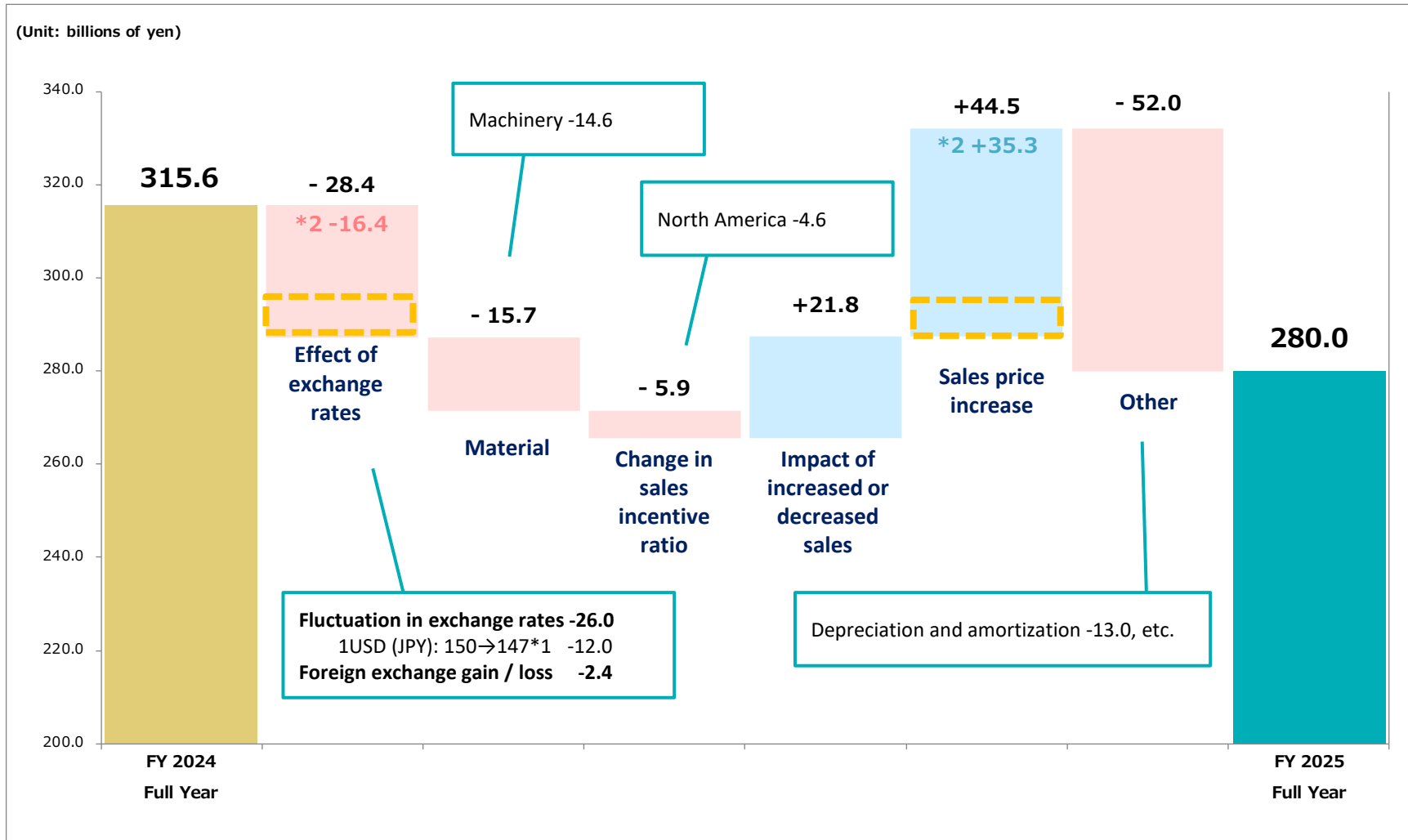


Projects related to wastewater and exhaust gas business are increasing due to the business trend to choose Japan as new factories site.
The pumps market is expected to be at the same level YoY.
The market of O&M business continues to expand with an increase in operation consignment to the private sector.

Other: 15.0 billion yen (YoY -1.8)

Other is mainly comprised of a variety of other services such as logistics.

Profit analysis (YoY change -35.6 billion yen)



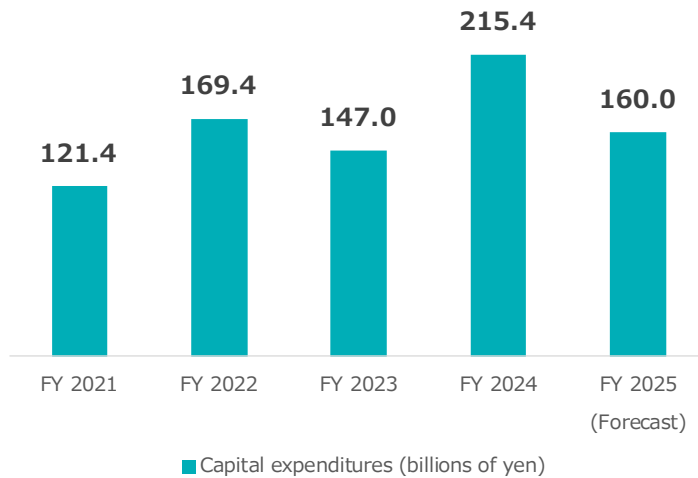
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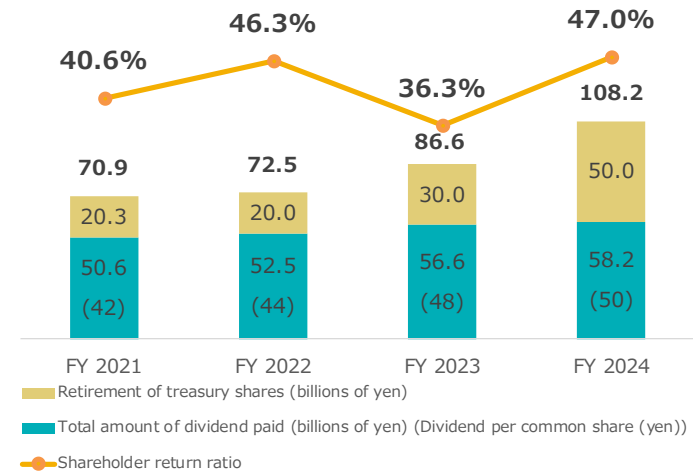
Offset foreign exchange losses with price hike in Myanmar due to the currency regulation

CAPEX, R&D expenses and Shareholder Return, ROE

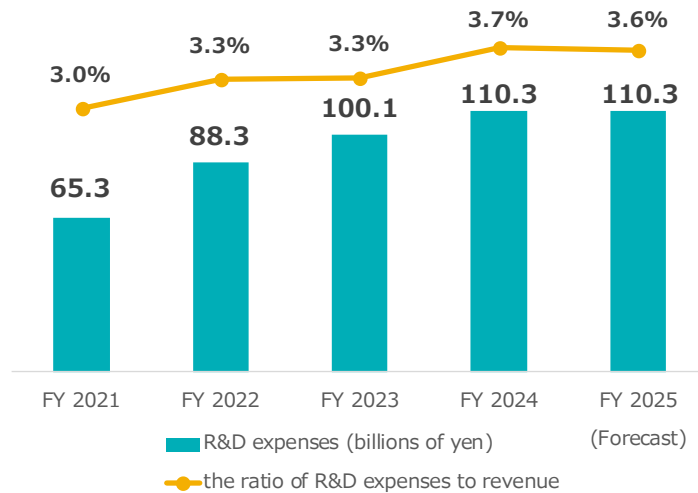
■ CAPEX



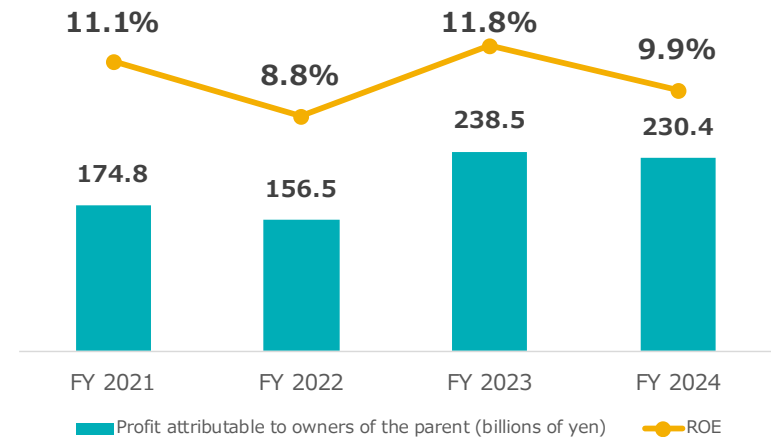
■ Shareholder Return



■ R&D expenses



■ ROE



For Earth, For Life

Kubota

Appendix

Statement of Financial Position

(Unit: billions of yen)		As of Dec. 31, 2024	As of Dec. 31, 2023	Changes	Changes excl. the effects of currency fluctuation
Cash and cash equivalents		295.1	222.1	+ 73.0	
Trade receivables		985.2	945.5	+ 39.7	- 23.5
Finance receivables		2,192.5	1,901.5	+ 291.0	+ 83.6
Inventories		692.3	668.0	+ 24.2	- 21.1
Other		1,853.5	1,622.1	+ 231.4	
Total assets		6,018.7	5,359.2	+ 659.4	
Bonds and borrowings		2,278.1	1,990.2	+ 287.9	+ 127.0
Trade payables		274.7	300.9	- 26.2	
Other		726.1	652.1	+ 74.0	
Total liabilities		3,278.9	2,943.2	+ 335.7	
Equity attributable to owners of the parent		2,477.3	2,175.8	+ 301.5	
Noncontrolling interests		262.5	240.3	+ 22.2	
Total equity		2,739.8	2,416.1	+ 323.7	
Total liabilities and equity		6,018.7	5,359.2	+ 659.4	

Financial Services <Reference (unaudited)>

Statement of Financial Position

(Unit: billions of yen)	As of Dec. 31, 2024		As of Dec. 31, 2023	
	Financial services	Equipment operations	Financial services	Equipment operations
Total assets	2,569.7	3,769.2	2,237.9	3,378.3
Cash and cash equivalents	27.5	267.6	33.7	188.5
Trade receivables	27.3	958.7	27.3	919.0
Finance receivables	2,192.5	-	1,901.5	-
Inventories	-	692.3	-	668.0
Property, plant, and equipment	20.7	841.2	16.7	710.3
Other	301.7	1,009.4	258.7	892.4
Total liabilities	2,125.8	1,459.0	1,867.7	1,312.3
Total interest-bearing liabilities	2,006.7	438.9	1,764.1	362.1
Other	119.1	1,020.1	103.6	950.2
Total equity	443.9	2,310.3	370.1	2,066.0

Delinquency rate of retail financial receivables

(Unit: billions of yen)	As of Dec. 31, 2024	As of Dec. 31, 2023	Changes	
	Amount	Amount	Amount	%
Balance of receivables	2,224.3	1,926.1	298.1	+ 15.5
Over 90 days delinquent payment	18.7	15.0	3.7	+ 24.5
Delinquency rate	0.8%	0.8%	-	+ 0.0P

Operating Profit by Reportable Segment

(Unit: billions of yen)		FY 2024 (Actual)	YoY	FY 2025 (Forecast)	YoY
Machinery	Revenue	2,636.9	+0.1	2,650.0	+13.1
	Operating profit	347.4	-8.4	313.0	-34.4
	OP margin	13.2%	-0.3P	11.8%	-1.4P
Water & Environment	Revenue	362.6	-1.8	385.0	+22.4
	Operating profit	29.7	-0.9	36.0	+6.3
	OP margin	8.2%	-0.2P	9.4%	+1.2P
Other	Revenue	16.8	-2.7	15.0	-1.8
	Operating profit	1.0	-0.5	1.0	+0.0
	OP margin	5.8%	-2.0P	6.7%	+0.9P
Adjustment*	Operating profit	-62.4	-3.4	-70.0	-7.6
Total	Revenue	3,016.3	-4.4	3,050.0	+33.7
	Operating profit	315.6	-13.2	280.0	-35.6
	OP margin	10.5%	-0.4P	9.2%	-1.3P

*Adjustment includes administrative expenses, basic research expenses, and foreign exchange gain/loss at the parent company. The impact of the organizational reform on January 1, 2025 is not reflected in the forecast for FY 2025 (scheduled to be reflected from the first quarter, FY 2025).

Appendix

Supplementary data of U.S.

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

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2023	0-40hp	-20.1%	-8.4%	-6.8%	-8.5%	-13.0%	-11.2%	-10.7%
	40-120hp	-9.2%	-4.5%	-6.5%	-14.0%	-6.5%	-6.5%	-8.6%
	120-160hp	-0.2%	+0.1%	-0.6%	-9.3%	-0.0%	-0.2%	-3.1%
2024	0-40hp	-17.0%	-12.0%	-19.4%	-7.6%	-13.8%	-15.5%	-14.0%
	40-120hp	-8.4%	-9.8%	-12.3%	-11.5%	-9.2%	-10.3%	-10.6%
	120-160hp	-2.6%	+29.1%	-6.8%	-25.8%	+15.3%	+7.2%	-2.5%

Source: AEM (Association of Equipment Manufacturers)

■ YoY growth rate of retail sales units in mini-excavator market (0-6t)

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2023	+3.8%	+10.9%	-3.1%	+4.5%	+7.7%	+3.9%	+4.1%
2024	-14.2%	-13.7%	-16.9%	+1.7%	-13.9%	-14.9%	-10.5%

Source: AEM (Association of Equipment Manufacturers)

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

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2023	+17.4%	+3.3%	+5.9%	+4.0%	+9.4%	+8.2%	+6.9%
2024	-6.9%	+6.4%	-6.0%	+9.6%	+0.2%	-1.9%	+1.5%

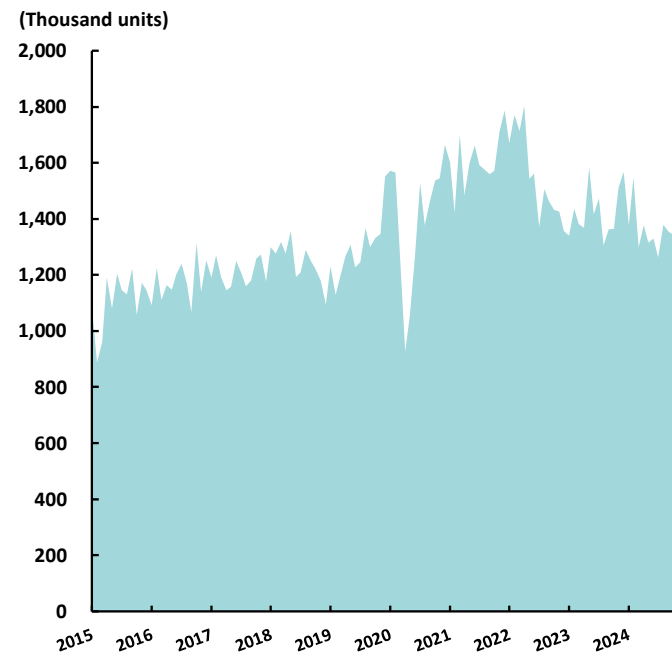
Source: AEM (Association of Equipment Manufacturers)

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

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Jun.	Jan.-Sept.	Jan.-Dec.
2023	-5.3%	+4.5%	+7.9%	+28.7%	+0.1%	+2.6%	+10.7%
2024	+3.0%	-12.1%	-12.3%	-7.2%	-5.6%	-7.9%	-7.7%

Source: AEM (Association of Equipment Manufacturers)

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



Source: U.S. Census Bureau

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.
