FOR IMMEDIATE RELEASE

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RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2019 [IFRS]

Kubota Corporation hereby reports its consolidated results for the six months ended June 30, 2019.

Consolidated Financial Highlights

1. Consolidated results of operations for the six months ended June 30, 2019

(1) Results of operations

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

	Six months ended June 30, 2019	Change [%]	Six months ended June 30, 2018	Change [%]
Revenue	¥ 970,829	7.1	¥ 906,196	7.0
Operating profit	¥ 110,947	9.7	¥ 101,140	1.0
Profit before income taxes	¥ 114,640	9.0	¥ 105,174	(3.3)
Profit for the period	¥ 86,737	11.1	¥ 78,056	3.1
Profit attributable to owners of the parent	¥ 81,189	12.9	¥ 71,927	1.3
Comprehensive income for the period	¥ 77,332	99.2	¥ 38,817	(41.6)
Earnings per share attributable to owners of the parent:				
Basic	¥ 65.95		¥ 58.33	
Diluted	-		¥ 58.33	

(2) Financial condition

(Unit: millions of yen)

	June 30, 2019	Dec. 31, 2018
Total assets	¥ 3,034,314	¥ 2,895,655
Total equity	¥ 1,466,359	¥ 1,426,433
Equity attributable to owners of the parent	¥ 1,380,512	¥ 1,339,850
Ratio of equity attributable to owners of the parent to total assets	45.5%	46.3%

Note:

Change [%] represents the percentage change from the same period in the prior year.

2. Cash dividends

(Unit: yen)

	Cash dividends per common share		
	Interim	Year-end	Total
Year ending Dec. 31, 2019	¥ 17.00	Undecided	Undecided
Year ended Dec. 31, 2018	¥ 16.00	¥ 18.00	¥ 34.00

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 buy-backs. The specific amount of year-end cash dividends for the year ending December 31, 2019 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, 2019

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

	Year ending Dec. 31, 2019	Change [%]
Revenue	¥ 1,970,000	6.5
Operating profit	¥ 200,000	5.6
Profit before income taxes	¥ 208,000	5.5
Profit attributable to owners of the parent	¥ 145,000	4.6
Earnings per share attributable to owners of the parent - Basic	¥ 117.68	

Notes:

1. Change [%] represents the percentage change from the same period in the prior year.
2. Please refer to the accompanying materials, "1. Review of operations and financial condition (3) Forecasts for the year ending December 31, 2019" on page 6 for further information related to the forecasts of operations.

4. Other information

(1) Changes in significant subsidiaries during the six months ended June 30, 2019 (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 IFRS: Yes
   b) Changes in accounting policies due to reasons other than a) above: None
   c) 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

a)	Number of common shares issued including treasury shares as of June 30, 2019	:	1,232,556,846
	Number of common shares issued including treasury shares as of December 31, 2018	:	1,232,556,846
b)	Number of treasury shares as of June 30, 2019	:	4,631,814
	Number of treasury shares as of December 31, 2018	:	439,464
c)	Weighted-average number of common shares outstanding during the six months ended June 30, 2019	:	1,230,946,842
	Weighted-average number of common shares outstanding during the six months ended June 30, 2018	:	1,233,137,672

(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 for institutional investors and securities analysts on August 15, 2019. The supplementary material will be published on the Company's website after the briefing immediately.

< 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.

Index to accompanying materials

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1. Review of operations and financial condition

(1) Summary of the results of operations for the six–month period

For the six months ended June 30, 2019, revenue of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased by ¥64.6 billion [7.1%] from the same period in the prior year to ¥970.8 billion.

Domestic revenue increased by ¥23.6 billion [8.3%] from the same period in the prior year to ¥310.1 billion because of increased revenue in all reportable segments, such as Farm & Industrial Machinery, Water & Environment, and Other.

Overseas revenue increased by ¥41.0 billion [6.6%] from the same period in the prior year to ¥660.7 billion because revenue in Farm & Industrial Machinery significantly increased due to strong sales of tractors and construction machinery. On the other hand, revenue in Water & Environment decreased.

Operating profit increased by ¥9.8 billion [9.7%] from the same period in the prior year to ¥110.9 billion. This increase was mainly due to some positive effects from increased sales in the domestic and overseas markets, decreased sales promotion expenses resulting from declined interest rates in the United States, and raised product prices. These positive effects compensated for some negative effects from increased fixed costs and a rise in material prices. Profit before income taxes increased by ¥9.5 billion [9.0%] from the same period in the prior year to ¥114.6 billion due to increased operating profit. Income tax expenses were ¥29.5 billion and profit for the period increased by ¥8.7 billion [11.1%] from the same period in the prior year to ¥86.7 billion. Profit attributable to owners of the parent increased by ¥9.3 billion [12.9%] from the same period in the prior year to ¥81.2 billion.

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

1) Farm & Industrial Machinery

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

Revenue in this segment increased by 7.7% from the same period in the prior year to ¥808.8 billion, and accounted for 83.3% of consolidated revenue.

Domestic revenue increased by 7.2% from the same period in the prior year to ¥167.1 billion because sales of farm equipment and agricultural-related products were firm. In addition, sales of service parts, engines, and construction machinery also increased.

Overseas revenue increased by 7.8% from the same period in the prior year to ¥641.7 billion. In North America, the market remained strong due to solid economy, while there was the negative impact of inclement weather in some regions. In addition, sales of tractors and construction machinery significantly increased because some shipments, which were delayed in the second half of the prior year, were realized in this year. Moreover, the newly introduced models such as a new model of construction machinery contributed to increased sales of tractor and construction machinery. In Europe, revenue translated in yen decreased due to a negative effect from the yen appreciation against the Euro and the British pound sterling, while sales of tractors increased. In Asia outside Japan, revenue was almost at the same level as the prior year mainly due to stagnant sales of combine harvesters and rice transplanters in China despite increased sales of farm equipment and construction machinery in Thailand.

Operating profit in this segment increased by 7.8% from the same period in the prior year to ¥117.2 billion due to some positive effects mainly from increased revenue in domestic and overseas markets, decreased sales promotion expenses resulting from declined interest rates in the United States, and raised product prices, which compensated for some negative effects from increased fixed costs and a rise in material prices.

2) Water & Environment

Water & Environment is comprised of pipe- and infrastructure-related products (ductile iron pipes, plastic pipes, valves, industrial castings, ceramics, spiral-welded steel pipes, and other products) and environment-related products (environmental control plants, pumps, and other products).

Revenue in this segment increased by 4.1% from the same period in the prior year to ¥146.1 billion, and accounted for 15.1% of consolidated revenue.

Domestic revenue increased by 9.8% from the same period in the prior year to ¥127.3 billion. Revenue from pipe- and infrastructure-related products slightly decreased due to a decrease mainly in sales of industrial castings and spiral-welded steel pipes despite increased sales of ductile iron pipes and construction business. In environment-related products, revenue from construction of waste disposal and treatment facility in Futaba Town, Fukushima Prefecture increased significantly.

Overseas revenue decreased by 23.3% from the same period in the prior year to ¥18.8 billion. Export sales of ductile iron pipes and pumps to the Middle East decreased significantly.

Operating profit in this segment increased by 7.6% from the same period in the prior year to ¥9.8 billion due to some positive effects mainly from increased sales in the domestic markets and raised product prices, which compensated for a negative effect from a rise in material prices.

3) Other

Other is mainly comprised of a variety of services.

Revenue in this segment increased by 7.3% from the same period in the prior year to ¥15.9 billion, and accounted for 1.6% of consolidated revenue.

Operating profit in this segment increased by 46.1% from the same period in the prior year to ¥1.6 billion.

(2) Financial condition

a) Assets, liabilities, and equity

Total assets at June 30, 2019 were ¥3,034.3 billion, an increase of ¥138.7 billion from the prior fiscal year-end. With respect to assets, trade receivables and finance receivables significantly increased mainly due to increased overseas sales of Farm & Industrial Machinery. In addition, property, plant, and equipment also increased mainly due to recognition of right-of-use assets along with adoption of IFRS 16, *Leases* ("IFRS 16").

With respect to liabilities, bonds and borrowings increased. In addition, other financial liabilities significantly increased due to recognition of lease liabilities along with adoption of IFRS 16 as well. Equity increased due to the accumulation of retained earnings, while there were deterioration in other components of equity mainly resulting from fluctuations in foreign exchange rates and an increase in treasury shares. The ratio of equity attributable to owners of the parent to total assets stood at 45.5%, 0.8 percent lower than the prior fiscal year-end.

b) Cash flows

Net cash provided by operating activities during the six months ended June 30, 2019 was ¥50.9 billion, a decrease of ¥7.5 billion in net cash inflow compared with the same period in the prior year. This decrease resulted mainly from an increase in trade receivables due to increased sales, while profit for the period increased.

Net cash used in investing activities was ¥64.6 billion, an increase of ¥48.2 billion in net cash outflow compared with the same period in the prior year. This increase was mainly due to an increase in cash outflow related to acquisition of property, plant, and equipment and intangible assets.

Net cash provided by financing activities was ¥6.5 billion, an increase of ¥23.6 billion in net cash inflow compared with the same period in the prior year. This increase was mainly due to an increase in funding.

As a result of the above, and after taking into account the effects from exchange rate changes, cash and cash equivalents at June 30, 2019 were ¥220.8 billion, a decrease of ¥8.4 billion from the beginning of the current period.

(3) Forecasts for the year ending December 31, 2019

The forecasts of the results of operations for the year ending December 31, 2019, which were announced on February 14, 2019, remain unchanged.

These forecasts are based on the assumption of exchange rates of ¥108=USD1 and ¥122=EUR1.

2. Other information

(1) Changes in significant subsidiaries

None

(2) Changes in accounting policies

The Company adopted IFRS 16 on January 1, 2019 (the “date of initial application”).

IFRS 16 requires a lessee to recognize right-of-use assets and lease liabilities for all leases at the commencement date instead of classifying leases as either finance leases or operating leases stipulated in the previous accounting standard, IAS 17 *Leases*. IFRS 16 provides exemptions allowing a lessee not to apply the requirements to short-term leases (with a lease term of 12 months or less) and leases for low-value assets. The Company elects these exemptions.

For the transition to IFRS 16, the company elects to recognize the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application. In applying IFRS 16, the Company uses a practical expedient, in which an entity is not required to reassess whether a contract is or contains a lease at date of initial application, and the Company also uses practical expedients to the contracts that were previously identified as operating leases stipulated in the previous accounting standard.

As of January 1, 2019, the application of IFRS 16 increased property, plant, and equipment, other financial liabilities (current liabilities), and other financial liabilities (noncurrent liabilities) by ¥39,472 million, ¥13,856 million, and ¥25,616 million, respectively.

3. Condensed consolidated financial statements

(1) Condensed consolidated statement of financial position

ASSETS (Unit: millions of yen)

	June 30, 2019		Dec. 31, 2018		Change
	Amount	%	Amount	%	Amount
Current assets:					
Cash and cash equivalents	¥ 220,759		¥ 229,123		¥ (8,364)
Trade receivables	688,003		660,401		27,602
Finance receivables	274,147		267,262		6,885
Other financial assets	72,900		54,373		18,527
Inventories	391,979		370,698		21,281
Income taxes receivable	2,805		4,416		(1,611)
Other current assets	57,914		53,250		4,664
Total current assets	1,708,507	56.3	1,639,523	56.6	68,984
Noncurrent assets:					
Investments accounted for using the equity method	31,918		30,611		1,307
Finance receivables	636,499		621,886		14,613
Other financial assets	156,985		151,198		5,787
Property, plant, and equipment	378,237		330,034		48,203
Goodwill and intangible assets	53,395		49,948		3,447
Deferred tax assets	49,566		50,055		(489)
Other noncurrent assets	19,207		22,400		(3,193)
Total noncurrent assets	1,325,807	43.7	1,256,132	43.4	69,675
Total assets	¥ 3,034,314	100.0	¥ 2,895,655	100.0	¥ 138,659

LIABILITIES AND EQUITY (Unit: millions of yen)

	June 30, 2019		Dec. 31, 2018		Change
	Amount	%	Amount	%	Amount
Current liabilities:					
Bonds and borrowings	¥ 322,116		¥ 349,060		¥ (26,944)
Trade payables	322,351		306,759		15,592
Other financial liabilities	64,662		57,402		7,260
Income taxes payable	20,865		9,353		11,512
Provisions	24,540		22,415		2,125
Other current liabilities	182,380		177,834		4,546
Total current liabilities	936,914	30.9	922,823	31.8	14,091
Noncurrent liabilities:					
Bonds and borrowings	553,029		490,205		62,824
Other financial liabilities	27,195		4,727		22,468
Retirement benefit liabilities	15,029		14,498		531
Deferred tax liabilities	28,230		29,308		(1,078)
Other noncurrent liabilities	7,558		7,661		(103)
Total noncurrent liabilities	631,041	20.8	546,399	18.9	84,642
Total liabilities	1,567,955	51.7	1,469,222	50.7	98,733
Equity:					
Share capital	84,130		84,130		—
Share premium	85,047		85,305		(258)
Retained earnings	1,197,844		1,135,395		62,449
Other components of equity	20,755		35,343		(14,588)
Treasury shares	(7,264)		(323)		(6,941)
Total equity attributable to owners of the parent	1,380,512	45.5	1,339,850	46.3	40,662
Noncontrolling interests	85,847	2.8	86,583	3.0	(736)
Total equity	1,466,359	48.3	1,426,433	49.3	39,926
Total liabilities and equity	¥ 3,034,314	100.0	¥ 2,895,655	100.0	¥ 138,659

(2) Condensed consolidated statement of profit or loss

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

	Six months ended June 30, 2019		Six months ended June 30, 2018		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 970,829	100.0	¥ 906,196	100.0	¥ 64,633	7.1
Cost of sales	(689,649)		(640,906)		(48,743)	
Selling, general, and administrative expenses	(166,637)		(159,688)		(6,949)	
Other income	1,326		694		632	
Other expenses	(4,922)		(5,156)		234	
Operating profit	110,947	11.4	101,140	11.2	9,807	9.7
Finance income	4,444		5,411		(967)	
Finance costs	(751)		(1,377)		626	
Profit before income taxes	114,640	11.8	105,174	11.6	9,466	9.0
Income tax expenses	(29,476)		(27,999)		(1,477)	
Share of profits of investments accounted for using the equity method	1,573		881		692	
Profit for the period	¥ 86,737	8.9	¥ 78,056	8.6	¥ 8,681	11.1
Profit attributable to:						
Owners of the parent	¥ 81,189	8.4	¥ 71,927	7.9	¥ 9,262	12.9
Noncontrolling interests	5,548	0.5	6,129	0.7	(581)	(9.5)
Earnings per share attributable to owners of the parent:						
Basic	¥ 65.95		¥ 58.33			
Diluted	—		58.33			

(3) Condensed consolidated statement of comprehensive income

(Unit: millions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2018	Change
Profit for the period	¥ 86,737	¥ 78,056	¥ 8,681
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	30	298	(268)
Net change in fair value of financial assets measured at fair value through other comprehensive income	5,275	(14,774)	20,049
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	(14,710)	(24,763)	10,053
Total other comprehensive income, net of income tax	(9,405)	(39,239)	29,834
Comprehensive income for the period	¥ 77,332	¥ 38,817	¥ 38,515

Comprehensive income attributable to:			
Owners of the parent	¥ 70,513	¥ 35,289	¥ 35,224
Noncontrolling interests	6,819	3,528	3,291

(4) Condensed consolidated statement of changes in equity

Six months ended June 30, 2019 (Unit: millions of yen)

	Equity attributable to owners of the parent							
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
Balance as of Jan. 1, 2019	¥ 84,130	¥ 85,305	¥ 1,135,395	¥ 35,343	¥ (323)	¥ 1,339,850	¥ 86,583	¥ 1,426,433
Profit for the period			81,189			81,189	5,548	86,737
Total other comprehensive income, net of income tax				(10,676)		(10,676)	1,271	(9,405)
Comprehensive income for the period			81,189	(10,676)		70,513	6,819	77,332
Transfer to retained earnings			3,463	(3,463)		—		—
Dividends paid			(22,184)			(22,184)	(3,938)	(26,122)
Purchases and sales of treasury shares					(7,063)	(7,063)		(7,063)
Share-based payments with transfer restrictions		(56)	(19)		122	47		47
Changes in ownership interests in subsidiaries		(202)		(449)		(651)	(3,617)	(4,268)
Balance as of June 30, 2019	¥ 84,130	¥ 85,047	¥ 1,197,844	¥ 20,755	¥ (7,264)	¥ 1,380,512	¥ 85,847	¥ 1,466,359

Six months ended June 30, 2018 (Unit: millions of yen)

	Equity attributable to owners of the parent							
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
Balance as of Jan. 1, 2018	¥ 84,100	¥ 85,037	¥ 1,040,207	¥ 81,924	¥ (174)	¥ 1,291,094	¥ 84,474	¥ 1,375,568
Cumulative effects of new accounting standards applied			1,377	3,262		4,639	1,014	5,653
Profit for the period			71,927			71,927	6,129	78,056
Total other comprehensive income, net of income tax				(36,638)		(36,638)	(2,601)	(39,239)
Comprehensive income for the period			71,927	(36,638)		35,289	3,528	38,817
Transfer to retained earnings			1,715	(1,715)		—		—
Dividends paid			(20,978)			(20,978)	(6,376)	(27,354)
Purchases and sales of treasury shares					(3,001)	(3,001)		(3,001)
Share-based payments with transfer restrictions	30					30		30
Changes in ownership interests in subsidiaries		1,118		30		1,148	(1,175)	(27)
Balance as of June 30, 2018	¥ 84,130	¥ 86,155	¥ 1,094,248	¥ 46,863	¥ (3,175)	¥ 1,308,221	¥ 81,465	¥ 1,389,686

(5) Condensed consolidated statement of cash flows

(Unit: millions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2018	Change
Cash flows from operating activities:			
Profit for the period	¥ 86,737	¥ 78,056	
Depreciation and amortization	30,581	24,196	
Finance income and costs	(3,590)	(3,607)	
Income tax expenses	29,476	27,999	
Increase in trade receivables	(37,635)	(2,003)	
Increase in finance receivables	(34,059)	(42,945)	
Increase in inventories	(29,360)	(35,470)	
(Increase) decrease in other assets	(3,315)	11,527	
Increase in trade payables	17,536	17,200	
Increase in other liabilities	12,778	19,265	
Other, net	(2,361)	3,378	
Interest received	2,071	2,113	
Dividends received	1,917	1,916	
Interest paid	(563)	(475)	
Income taxes paid, net	(19,340)	(42,774)	
Net cash provided by operating activities	50,873	58,376	¥ (7,503)
Cash flow from investing activities:			
Payments for acquisition of property, plant, and equipment and intangible assets	(51,722)	(23,754)	
Proceeds from sales and redemption of securities	5,321	2,891	
Net decrease in short-term loans receivable from associates	150	303	
Net (increase) decrease in time deposits	(8,513)	5,881	
Net (increase) decrease in short-term investments	(7,646)	2,114	
Other, net	(2,188)	(3,867)	
Net cash used in investing activities	(64,598)	(16,432)	(48,166)
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	172,621	147,085	
Redemptions of bonds and repayments of long-term borrowings	(98,498)	(110,126)	
Net decrease in short-term borrowings	(22,333)	(23,681)	
Repayments of lease liabilities	(9,733)	—	
Dividends paid	(22,184)	(20,978)	
Purchases of treasury shares	(7,063)	(3,001)	
Other, net	(6,307)	(6,411)	
Net cash provided by (used in) financing activities	6,503	(17,112)	23,615
Effect of exchange rate changes on cash and cash equivalents	(1,142)	(3,759)	2,617
Net (decrease) increase in cash and cash equivalents	(8,364)	21,073	
Cash and cash equivalents, at the beginning of the period	229,123	230,720	
Cash and cash equivalents, at the end of the period	¥ 220,759	¥ 251,793	¥ (31,034)

(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)

Six months ended June 30, 2019		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 808,838	¥ 146,122	¥ 15,869	¥ —	¥ 970,829
	Intersegment	121	537	14,032	(14,690)	—
	Total	808,959	146,659	29,901	(14,690)	970,829
Operating profit		¥ 117,160	¥ 9,818	¥ 1,623	¥ (17,654)	¥ 110,947

(Unit: millions of yen)

Six months ended June 30, 2018		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 750,995	¥ 140,414	¥ 14,787	¥ —	¥ 906,196
	Intersegment	160	529	13,396	(14,085)	—
	Total	751,155	140,943	28,183	(14,085)	906,196
Operating profit		¥ 108,713	¥ 9,127	¥ 1,111	¥ (17,811)	¥ 101,140

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)

	Six months ended June 30, 2019	Six months ended June 30, 2018
Japan	¥ 310,102	¥ 286,461
North America	338,283	273,811
Europe	132,379	139,870
Asia outside Japan	166,842	169,774
Other areas	23,223	36,280
Total	¥ 970,829	¥ 906,196

Notes:

1. Revenue from North America included that from the United States of ¥300,073 million and ¥237,470 million for the six months ended June 30, 2019 and 2018, respectively.

2. There was no single customer from whom revenue exceeded 10% or more of total consolidated revenue of the Company.

(8) Consolidated revenue by product group

(Unit: millions of yen)

	Six months ended June 30, 2019		Six months ended June 30, 2018		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ **645,752**	**66.5**	¥ **602,393**	**66.5**	¥ **43,359**	**7.2**
Domestic	150,620		140,068		10,552	7.5
Overseas	495,132		462,325		32,807	7.1
Construction Machinery	**163,086**	**16.8**	**148,602**	**16.4**	**14,484**	**9.7**
Domestic	16,497		15,858		639	4.0
Overseas	146,589		132,744		13,845	10.4
Farm & Industrial Machinery	**808,838**	**83.3**	**750,995**	**82.9**	**57,843**	**7.7**
Domestic	167,117	17.2	155,926	17.2	11,191	7.2
Overseas	641,721	66.1	595,069	65.7	46,652	7.8
Pipe- and Infrastructure-related Products	**82,908**	**8.6**	**85,910**	**9.5**	**(3,002)**	**(3.5)**
Domestic	68,056		68,277		(221)	(0.3)
Overseas	14,852		17,633		(2,781)	(15.8)
Environment-related Products	**63,214**	**6.5**	**54,504**	**6.0**	**8,710**	**16.0**
Domestic	59,273		47,651		11,622	24.4
Overseas	3,941		6,853		(2,912)	(42.5)
Water & Environment	**146,122**	**15.1**	**140,414**	**15.5**	**5,708**	**4.1**
Domestic	127,329	13.1	115,928	12.8	11,401	9.8
Overseas	18,793	2.0	24,486	2.7	(5,693)	(23.3)
Other	**15,869**	**1.6**	**14,787**	**1.6**	**1,082**	**7.3**
Domestic	15,656	1.6	14,607	1.6	1,049	7.2
Overseas	213	0.0	180	0.0	33	18.3
Total	¥ **970,829**	**100.0**	¥ **906,196**	**100.0**	¥ **64,633**	**7.1**
Domestic	310,102	31.9	286,461	31.6	23,641	8.3
Overseas	660,727	68.1	619,735	68.4	40,992	6.6

Note:

Beginning with the current fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to *Pipe-related Products* and *Social Infrastructure-related Products* are together reported as *Pipe- and Infrastructure-related Products*. Beginning with the second quarter of the current fiscal year, the amounts related to *Pump* are reported in *Environement-related Products*, whereas they were formerly reported in *Pipe-related Products.* The information for the prior fiscal year has been retrospectively adjusted to conform to the current fiscal year's presentation.

4. Results of operations for the three months ended June 30, 2019

(1) Condensed consolidated statement of profit or loss

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

	Three months ended June 30, 2019		Three months ended June 30, 2018		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 490,117	100.0	¥ 477,575	100.0	¥ 12,542	2.6
Cost of sales	(347,623)		(341,783)		(5,840)	
Selling, general, and administrative expenses	(81,523)		(79,330)		(2,193)	
Other income	603		947		(344)	
Other expenses	(3,508)		(161)		(3,347)	
Operating profit	58,066	11.8	57,248	12.0	818	1.4
Finance income	2,805		6,914		(4,109)	
Finance costs	(395)		(4,022)		3,627	
Profit before income taxes	60,476	12.3	60,140	12.6	336	0.6
Income tax expenses	(15,176)		(15,454)		278	
Share of profits of investments accounted for using the equity method	1,003		637		366	
Profit for the period	¥ 46,303	9.4	¥ 45,323	9.5	¥ 980	2.2
Profit attributable to:						
Owners of the parent	¥ 43,907	9.0	¥ 42,058	8.8	¥ 1,849	4.4
Noncontrolling interests	2,396	0.4	3,265	0.7	(869)	(26.6)
Earnings per share attributable to owners of the parent:						
Basic	¥ 35.70		¥ 34.12			
Diluted	—		34.12			

(2) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

(Unit: millions of yen)

Three months ended June 30, 2019		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 418,767	¥ 63,617	¥ 7,733	¥ —	¥ 490,117
	Intersegment	30	241	7,154	(7,425)	—
	Total	418,797	63,858	14,887	(7,425)	490,117
Operating profit		¥ 65,372	¥ 759	¥ 548	¥ (8,613)	¥ 58,066

(Unit: millions of yen)

Three months ended June 30, 2018		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 411,559	¥ 59,140	¥ 6,876	¥ —	¥ 477,575
	Intersegment	39	214	6,979	(7,232)	—
	Total	411,598	59,354	13,855	(7,232)	477,575
Operating profit		¥ 61,755	¥ 345	¥ 387	¥ (5,239)	¥ 57,248

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 June 30, 2019	Three months ended June 30, 2018
Japan	¥ 154,155	¥ 137,123
North America	175,602	156,880
Europe	64,754	72,309
Asia outside Japan	84,884	93,335
Other areas	10,722	17,928
Total	¥ 490,117	¥ 477,575

Notes:

1. Revenue from North America included that from the United States of ¥156,738 million and ¥136,751 million for the three months ended June 30, 2019 and 2018, 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 June 30, 2019		Three months ended June 30, 2018		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	**¥ 335,507**	**68.4**	**¥ 330,295**	**69.2**	**¥ 5,212**	**1.6**
Domestic	83,723		75,979		7,744	10.2
Overseas	251,784		254,316		(2,532)	(1.0)
Construction Machinery	**83,260**	**17.0**	**81,264**	**17.0**	**1,996**	**2.5**
Domestic	7,775		7,827		(52)	(0.7)
Overseas	75,485		73,437		2,048	2.8
Farm & Industrial Machinery	**418,767**	**85.4**	**411,559**	**86.2**	**7,208**	**1.8**
Domestic	91,498	18.7	83,806	17.6	7,692	9.2
Overseas	327,269	66.7	327,753	68.6	(484)	(0.1)
Pipe- and Infrastructure-related Products	**39,528**	**8.1**	**41,258**	**8.6**	**(1,730)**	**(4.2)**
Domestic	32,871		31,737		1,134	3.6
Overseas	6,657		9,521		(2,864)	(30.1)
Environment-related Products	**24,089**	**4.9**	**17,882**	**3.8**	**6,207**	**34.7**
Domestic	22,158		14,792		7,366	49.8
Overseas	1,931		3,090		(1,159)	(37.5)
Water & Environment	**63,617**	**13.0**	**59,140**	**12.4**	**4,477**	**7.6**
Domestic	55,029	11.2	46,529	9.7	8,500	18.3
Overseas	8,588	1.8	12,611	2.7	(4,023)	(31.9)
Other	**7,733**	**1.6**	**6,876**	**1.4**	**857**	**12.5**
Domestic	7,628	1.6	6,788	1.4	840	12.4
Overseas	105	0.0	88	0.0	17	19.3
Total	**¥ 490,117**	**100.0**	**¥ 477,575**	**100.0**	**¥ 12,542**	**2.6**
Domestic	154,155	31.5	137,123	28.7	17,032	12.4
Overseas	335,962	68.5	340,452	71.3	(4,490)	(1.3)

Note:

Beginning with the current fiscal year, in conformity with the change in the business reporting structure of the Company, the amounts related to *Pipe-related Products* and *Social Infrastructure-related Products* are together reported as *Pipe- and Infrastructure-related Products*. Beginning with the second quarter of the current fiscal year, the amounts related to *Pump* are reported in *Environement-related Products*, whereas they were formerly reported in *Pipe-related Products*. The information for the prior fiscal year has been retrospectively adjusted to conform to the current fiscal year's presentation.