

Financial Results for FY 2025 2nd Quarter

1st half results

- Revenue and Operating profit declined but OP was in line with forecast
- The U.S. market declined but started to be calm slightly from Jun. Other market was relatively in line

Forecast toward this year

- Revenue and Operating profit declines against LY and budget
- OP are declined by sales volume down in addition to unfavorable exchange rate and tariff

The U.S. business outlook and strategy

- The U.S. business potential
- Advance the business structure reform

Results

Financial Results for FY 2025 2nd Quarter

For Earth, For Life
Kubota

(Unit: billions of yen)	FY 2025 2Q	FY 2024 2Q	Changes		Previous forecast (Feb. 2025)
			Amount	%	
Revenue	1,454.9	1,579.6	-124.7	-7.9	1,520.0
Japan	332.3	305.7	+26.6	+8.7	331.0
Overseas	1,122.6	1,273.9	-151.3	-11.9	1,189.0
North America Machinery	560.5	687.2	-126.7	-18.4	600.9
Operating profit	9.8% 143.0	13.1% 207.3	-64.3	-31.0	9.2% 140.0
Profit before income taxes	10.4% 151.5	13.7% 216.7	-65.3	-30.1	9.8% 149.0
Profit attributable to owners of the parent	6.4% 92.5	9.5% 150.8	-58.3	-38.7	6.4% 98.0
1USD (JPY)	149	152			145
1EUR (JPY)	162	165			152
1THB (JPY)	4.43	4.21			4.20

Excluding the impact of foreign exchange rates, revenue decreased by ¥101.0 billion and operating profit declined by ¥47.7 billion.

Machinery: 1,267.4 billion yen (YoY: -136.1)

Conditions in each market

Japan

The agricultural machinery market is on an upward trend due to the rise in rice prices. Ensuring timely product supply to meet the rapidly growing demand.

North America

The CE market remains stable in both infrastructure and housing sectors. The tractor market experienced a slowdown in the residential segment due to a decline in economic sentiment. The agricultural segment has also been slowing down due to crop price decline. However, the introduction of new mid-sized tractor model contributes to market share. Strict control over inventory is ongoing.

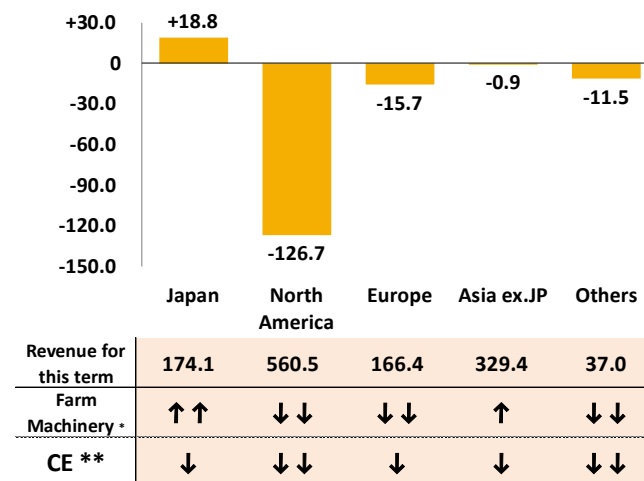
Europe

The CE market has begun to bottom out and shows recovery in some countries. The tractor market is also showing early signs of improvement in business sentiment.

Asia except Japan

In Thailand, although the dryland market has shrunk, the impact has been minimized through the introduction of new models.
The Indian market performs well due to favorable rainfall and harvest yields.

Changes in revenue by region (Billions of yen)



* Tractors, combine harvesters, and rice transplanters

** Construction machinery Equipment

↑ / ↓ : under 10%

↑↑/↓↓ : 10% or more

Water & Environment: 179.6 billion yen (YoY: +12.0)

Conditions in each market

Pipe system

Orders for ductile iron pipes are steady due to growing demand for seismic retrofitting of pipes. Although the demand of plastic pipes for infrastructure is steady, the demand for housing market has declined.

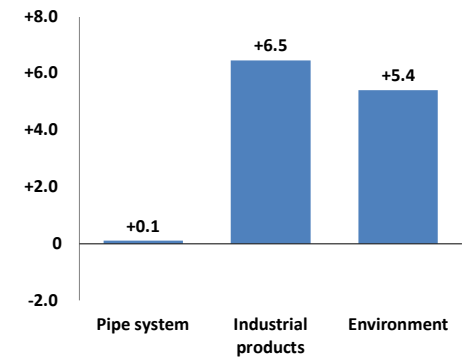
Industrial products

In the cracking tubes market, demand for overseas new plant remains stable. The demand of air-conditioning equipment is steady thanks to the trend to choose Japan as a new factory site and measures against heat wave.

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 is good supported by demand from factories in Japan.

Changes in revenue by business (Billions of yen)



Revenue for this term	61.5	42.1	75.9
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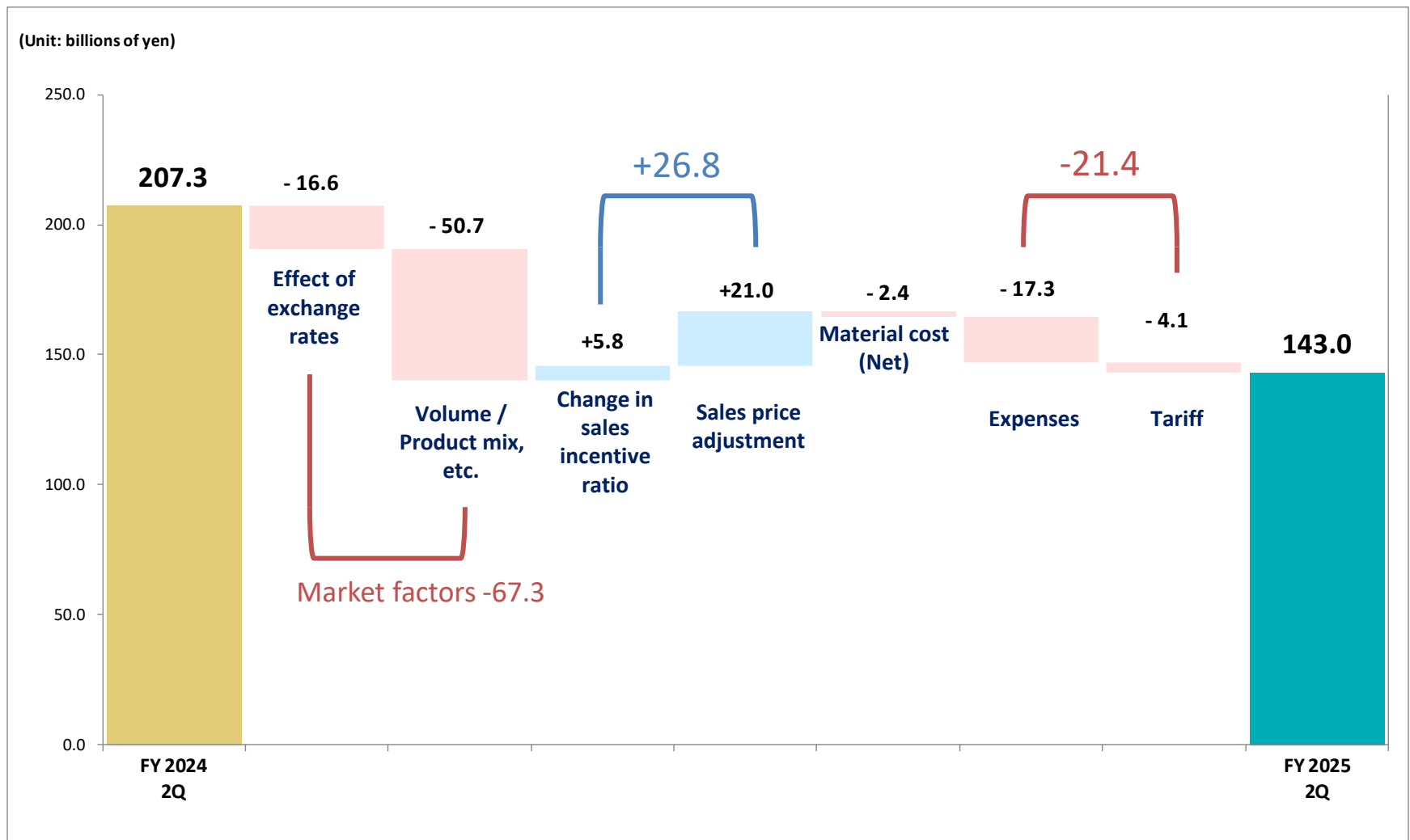


Other: 8.0 billion yen (YoY: -0.6)

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

Operating Profit

Profit analysis (YoY change -64.3 billion yen)



Forecast

Financial Forecast for FY 2025

(Unit: billions of yen)	FY 2025 (Forecast)	FY 2024 (Actual)	Changes		Previous forecast (Feb. 2025)
			Amount	%	
Revenue	2,880.0	3,016.3	-136.3	-4.5	3,050.0
Japan	650.0	632.5	+17.5	+2.8	658.0
Overseas	2,230.0	2,383.8	-153.8	-6.5	2,392.0
North America Machinery	1,111.0	1,253.6	-142.6	-11.4	1,237.9
Operating profit	7.6% 220.0	10.5% 315.6	-95.6	-30.3	9.2% 280.0
Profit before income taxes	8.2% 236.0	11.1% 335.3	-99.3	-29.6	9.7% 297.0
Profit attributable to owners of the parent	4.9% 142.0	7.6% 230.4	-88.4	-38.4	6.4% 196.0
1USD (JPY)	145	152			145
1EUR (JPY)	161	164			152
1THB (JPY)	4.32	4.30			4.20

Excluding the impact of foreign exchange rates, revenue decreases by ¥41.0 billion and operating profit declines by ¥67.1 billion.

Machinery: 2,485.0 billion yen (YoY: -151.9)



Conditions in each market

Japan



The agricultural machinery market is still driven by the rise in rice prices. The CE market is expected to be at the same level YoY due to strong infrastructure demand. Continue to focus on supplying products that meet market demand.

North America



The CE market is expected to remain stable in both infrastructure and housing demand. We aim to increase market share by launching updated models of CTL. The tractor market for both residential and agricultural segments is hitting bottom and stabilizing with clearer outlook for tariffs impact.

Europe



The CE market is showing clearer recovery signs. The tractor market is also bottoming out, supported by improving business sentiment.

Asia except Japan



In Thailand, the dryland market is recovering from flood damage and promote the new model tractor for the demand of next season. In India, the market is expected to continue to be robust due to sufficient rainfall and government support for the minimum crop price guarantee. We promote sales of new models.

Water & Environment: 380.0 billion yen (YoY +17.4)

Market trend

Conditions in each market (No major changes)

Pipe system



Orders of ductile iron pipes are steady due to growing demand for seismic retrofitting of pipes. Although the demand of plastic pipes for infrastructure is steady, the demand for housing market has declined.

Industrial products



In the cracking tubes market, demand for overseas new plant remains stable. Orders for air-conditioning equipment are progressing well due to the trend to choose Japan as a new factory site and measures against heat wave.

Environment



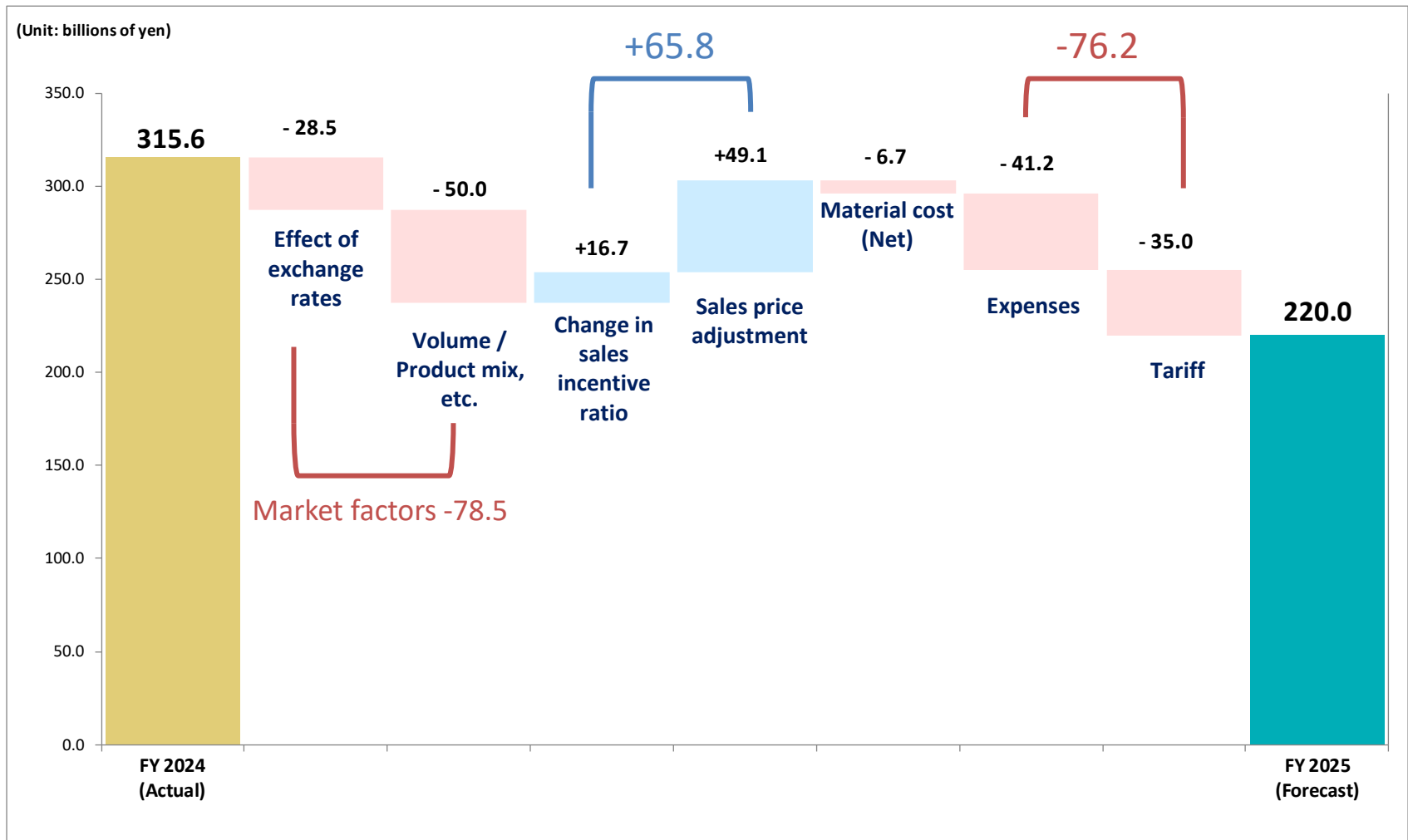
Under the national resilience plan, stable demand is expected for plants and pumps. Construction delays due to material shortages have become chronic. The market of wastewater treatment remains steady supported by demand from factories in Japan.

Other: 15.0 billion yen (YoY -1.8)

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

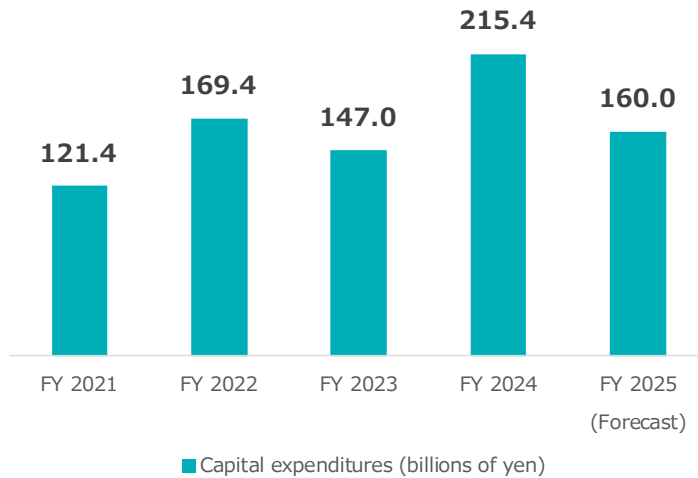
Operating Profit Forecast

Profit analysis (YoY change -95.6 billion yen)

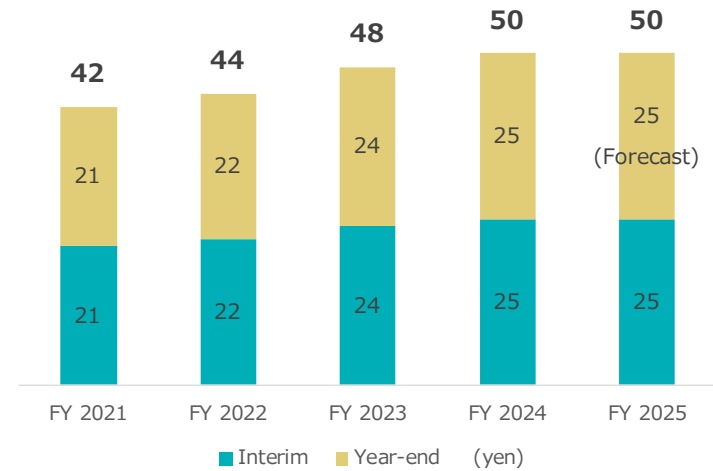


CAPEX, R&D expenses and Dividend

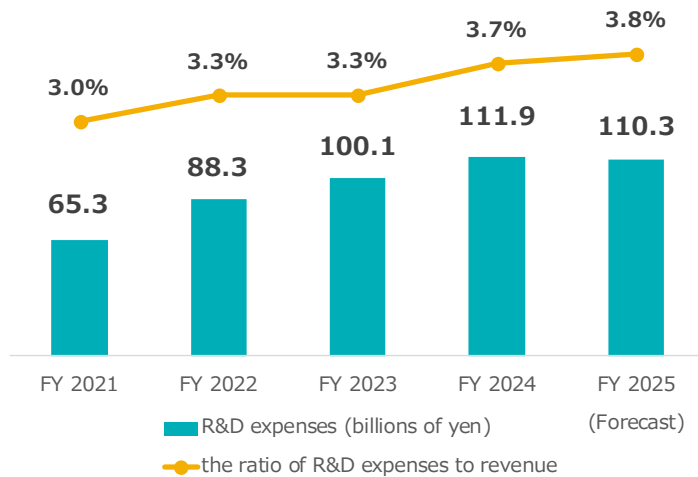
■ CAPEX



■ Dividend per common share



■ R&D expenses



The U.S. Business Overview

The U.S. market outlook for 2025

- In the first half, the U.S. market contracted temporally due to recession concern by tariff policy
- Recent market is steadier than expected

Strategy for short term

- Strict inventory control aligned with the conservative outlook
- Deal with the tariff by self-initiated efforts such as controlling incentives and fixed cost
Mitigate the additional tariff cost from this time forward by reviewing incentive program and flexible price adjustment as needed in a timely manner

The U.S. business outlook and strategy

The policy for the U.S. business operation for mid-term

<Invest resources in growing and strong business>

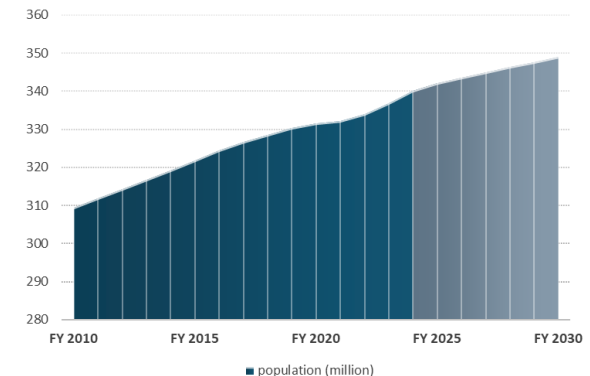
Construction machinery Equipment

- The market continues to develop supported by demand for housing and infrastructure driven by population growth
- Enhance accelerate new product development and production capability by shifting resources to CE business

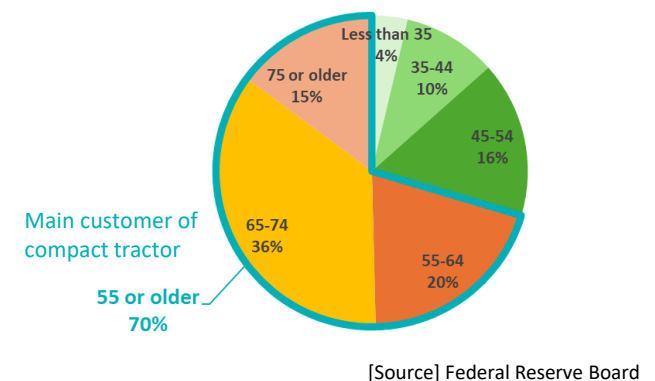
Tractor

- Accelerate business development in the mid-size category (40-100HP) which is potential market with limited players
- The small-size market grows gradually with the pre-COVID level as a baseline, in the context of population growth
- Focus on the upper-middle class prioritizing securement of stable profitability amid intensifying market competition due to new entrants
- “fundamental and underlying business”

US Population



Financial assets holders by age (2022)



Advance the business structure reform

Advance the business structure reform

- Enhance the product competitiveness
 - Increase resources for growing segment (CE, Mid-sized tractor)
 - Platforming through the GIT project (Global Innovative Tractor project) leveraging India resources for the competitive small-size market

- Review of supply chain
 - Promote optimization of production allocation and procurement, and factory upgrade by comprehensive judgement from the point of view of factors such as exchange rate, tariff, labor force and supplier' capability

New factory in Georgia



Advance the business structure reform

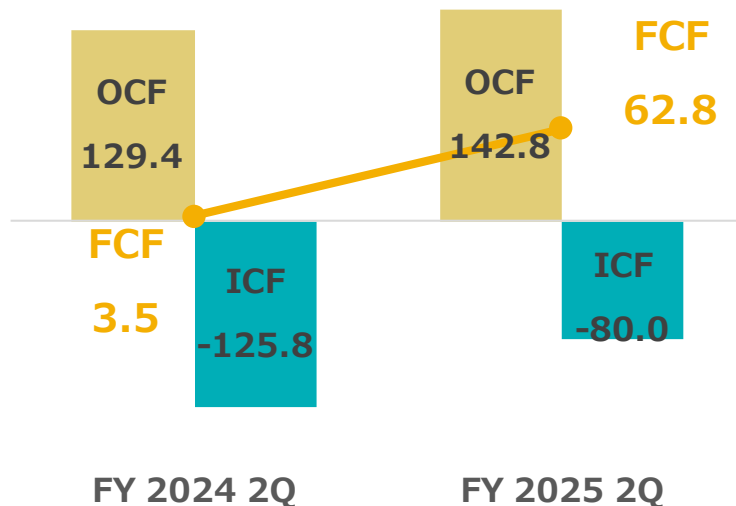
■ Transform to capital efficient management

- Not pursue to expand sales volume and market share in every market and product
- Not heavily depending on retail financing (reviewing 0% finance program), structural change for lean inventory management, oriented for generating FCF more than profit

Free Cash Flow of consolidated basis

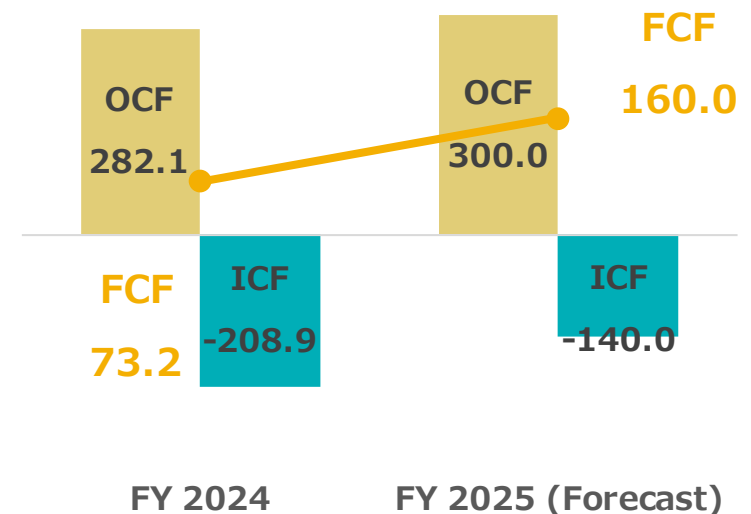
2nd Quarter

(billions of yen)



YTD Dec.

(billions of yen)



FCF is steadily improved by reducing financial asset and lean operating fund

OCF: Cash Flows from Operating Activities / ICF: Cash Flows from Investing Activities

For Earth, For Life

Kubota

Appendix

Statement of Financial Position

(Unit: billions of yen)		As of June 30, 2025	As of Dec. 31, 2024	Changes	Changes excl. the effects of currency fluctuation
	Cash and cash equivalents	200.9	295.1	- 94.3	
	Trade receivables	946.4	985.2	- 38.8	+ 9.2
	Finance receivables	2,039.0	2,192.5	- 153.5	+ 1.6
	Inventories	671.8	692.3	- 20.5	+ 9.7
	Other	1,807.5	1,853.5	- 46.0	
	Total assets	5,665.5	6,018.7	- 353.1	
	Bonds and borrowings	2,083.8	2,278.1	- 194.3	- 70.0
	Trade payables	255.9	274.7	- 18.9	
	Other	673.0	726.1	- 53.1	
	Total liabilities	3,012.6	3,278.9	- 266.3	
	Equity attributable to owners of the parent	2,400.4	2,477.3	- 76.9	
	Noncontrolling interests	252.5	262.5	- 10.0	
	Total equity	2,652.9	2,739.8	- 86.9	
	Total liabilities and equity	5,665.5	6,018.7	- 353.1	

Financial Services (Management-based internal control)

Statement of Financial Position

(Unit: billions of yen)	As of June 30, 2025		As of Dec. 31, 2024	
	Financial services	Equipment operations	Financial services	Equipment operations
Total assets	2,359.0	3,306.5	2,569.7	3,449.0
Cash and cash equivalents	47.4	153.4	27.5	267.6
Trade receivables	29.8	916.6	27.3	957.9
Finance receivables	2,039.0	-	2,192.5	-
Inventories	-	671.8	-	692.3
Property, plant, and equipment	18.6	831.0	20.7	841.2
Other	224.3	733.7	301.7	690.0
Total liabilities	1,934.6	1,078.1	2,125.8	1,153.1
Total interest-bearing liabilities	1,818.8	265.0	2,006.7	271.4
Other	115.7	813.1	119.1	881.7
Total equity	424.5	2,228.4	443.9	2,295.9

Delinquency rate of retail financial receivables

(Unit: billions of yen)	As of June 30, 2025	As of Dec. 31, 2024	Changes	
	Amount	Amount	Amount	%
Balance of receivables	2,072.5	2,224.3	-151.8	-6.8
Over 90 days delinquent payment	24.7	18.7	6.1	+32.4
Delinquency rate	1.2%	0.8%	-	+ 0.4P

Operating Profit by Reportable Segment

(Unit: billions of yen)		FY 2025 2Q (Actual)	YoY	FY 2025 (Forecast)	YoY
Machinery	Revenue	1,267.4	-136.1	2,485.0	-151.9
	Operating profit	148.3	-56.6	238.0	-85.4
	OP margin	11.7%	-2.9P	9.6%	-2.7P
Water & Environment	Revenue	179.6	+12.0	380.0	+17.4
	Operating profit	19.2	+8.4	33.0	+8.7
	OP margin	10.7%	+4.3P	8.7%	+2.0P
Other	Revenue	8.0	-0.6	15.0	-1.8
	Operating profit	0.6	-0.4	1.0	+0.0
	OP margin	7.4%	-3.8P	6.7%	+0.9P
Adjustment*	Operating profit	-25.0	-15.8	- 52.0	-19.0
Total	Revenue	1,454.9	-124.7	2,880.0	-136.3
	Operating profit	143.0	-64.3	220.0	-95.6
	OP margin	9.8%	-3.3P	7.6%	-2.8P

*Adjustment includes administrative expenses, basic research expenses, and foreign exchange gain/loss at the parent company. Due to the organizational reform effective January 1, 2025, some expenses that were previously included in 'Adjustment' have been allocated to each business segment. As a result, we have reclassified the segment profits for FY 2024.

Supplementary data of the U.S.

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

		Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
2024	0-40hp	-17.0%	-12.0%	-19.4%	-7.6%	-14.0%
	40-120hp	-8.4%	-9.8%	-12.3%	-11.5%	-10.6%
	120-160hp	-2.6%	+29.1%	-6.8%	-25.8%	-2.5%
2025	0-40hp	-14.0%	-5.6%	-	-	-
	40-120hp	-13.1%	-5.7%	-	-	-
	120-160hp	-28.2%	-32.5%	-	-	-

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.-Dec.
2024	-14.2%	-13.7%	-16.9%	+1.7%	-10.5%
2025	-6.6%	+4.5%	-	-	-

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.-Dec.
2024	-6.9%	+6.4%	-6.0%	+9.6%	+1.5%
2025	-4.3%	+9.3%	-	-	-

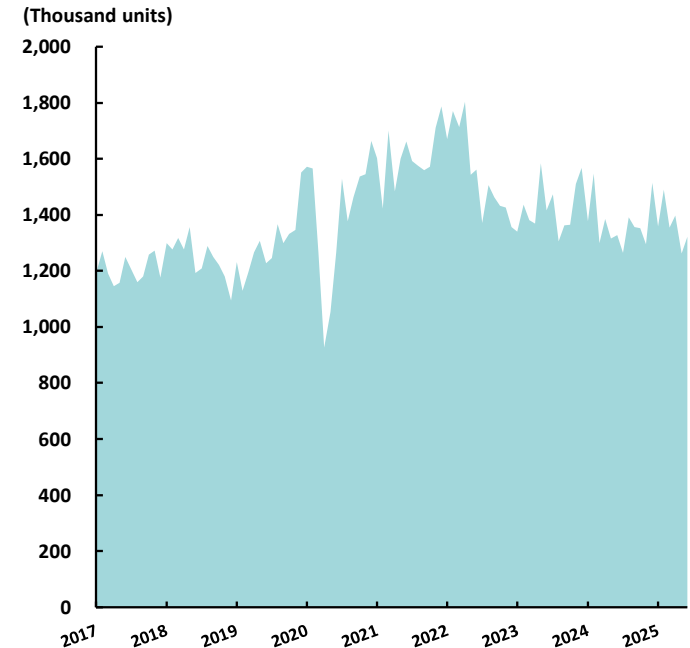
Source: AEM (Association of Equipment Manufacturers)

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

	Jan.-Mar.	Apr.-Jun.	Jul.-Sept.	Oct.-Dec.	Jan.-Dec.
2024	+3.0%	-12.1%	-12.3%	-7.2%	-7.7%
2025	-1.6%	-1.2%	-	-	-

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.
