



Financial Results for FY 2025

February 12, 2026

KUBOTA Corporation

Results

2025 Highlights:

- A major shift to capital efficiency
- Appropriate response to U.S. tariffs by passing through to prices

Improvement of BS and CF through the review of retail finance in North America:

Implemented a review of the retail finance program ahead of other companies.
FCF* increased significantly to 164.0 billion yen due to the curbing of the increase in finance receivables

* Free cash flow

Offset additional tariff costs:

In addition to the review of the above retail finance program, offset additional tariff impact by price adjustments and reducing fixed costs

Financial Results for FY 2025

(Unit: billions of yen)	FY 2025 Full Year	FY 2024 Full Year	Changes	
			Amount	%
Revenue	3,018.9	3,016.3	+2.6	+0.1
Operating profit	8.8% 265.5	10.5% 315.6	-50.2	-15.9
Profit before income taxes	9.3% 282.1	11.1% 335.3	-53.2	-15.9
Profit attributable to owners of the parent	6.2% 186.7	7.6% 230.4	-43.8	-19.0
1USD (JPY)	150	152		
1EUR (JPY)	169	164		

► Breakdown of revenue by business segment

(Unit: billions of yen)	FY 2025 Full Year	FY 2024 Full Year	Changes	
			Amount	%
Machinery	2,628.6	2,636.9	-8.3	-0.3
Farm Equipment and Engines	2,003.3	1,989.3	+14.0	+0.7
Construction Machinery	625.3	647.6	-22.3	-3.4
Water & Environment	374.4	362.6	+11.7	+3.2
Other	15.9	16.8	-0.9	-5.1

Excluding the impact of foreign exchange rates, revenue increased by 16.0 billion yen and operating profit declined by 49.0 billion yen.

Revenue changes by region and business segment

*Excl. foreign exchange effects

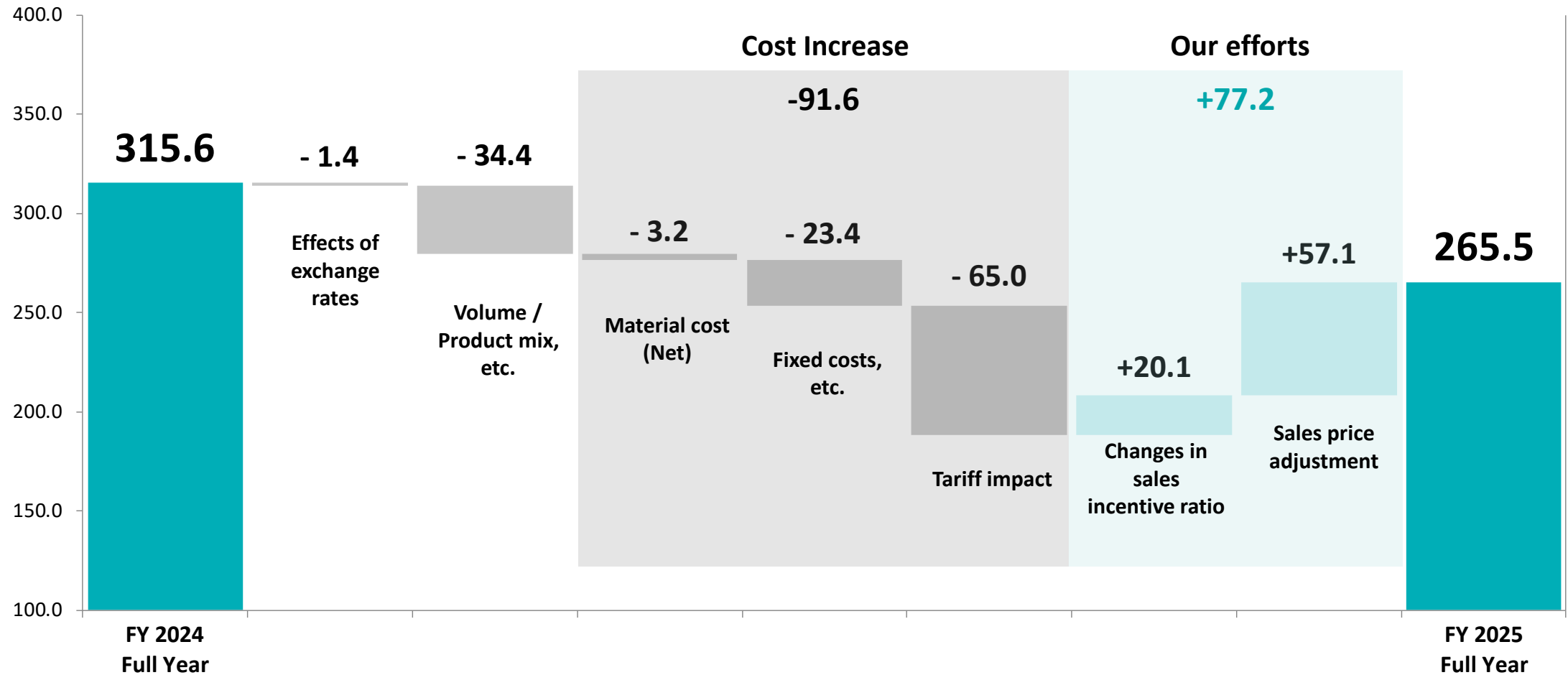
(Unit: billions of yen)			FY 2025 Full Year	FY 2024 Full Year	Changes	Changes*			FY 2025 Full Year	FY 2024 Full Year	Changes	Changes*
Machinery	by region	Japan	354.8	311.9	+43.0	+43.0	by business segment	Farm Equipment and Engines	2,003.3	1,989.3	+14.0	+21.6
		North America	1,195.9	1,253.6	-57.7	-41.2						
		Europe	345.8	330.0	+15.8	+8.4		Construction Machinery	625.3	647.6	-22.3	-17.6
		Asia and Others	732.1	741.4	-9.3	-6.1						
			2,628.6	2,636.9	-8.3	+4.0			2,628.6	2,636.9	-8.3	+4.0
Water & Environment			374.4	362.6	+11.7	+12.3						

		Market Situation	Retail Situation	Wholesales and Production Situation
Machinery	Japan	The agricultural machinery market grew year-on-year due to improved farmers' incomes from rising rice prices. Demand for agricultural machinery renewal, which had been stagnant for a long time, has increased, and the market as a whole has been revitalized.	To capture the expanding market with certainty, collaboration with the manufacturing division worked well to ensure stable supply. As a result, retail sales exceeded the previous year and we successfully captured solid demand.	A flexible production system enabled us to respond to the surge in demand, and we minimized the loss of sales opportunities. Wholesale steadily improved in line with strong demand.
	North America	While the overall tractor market was soft, the 40–120 HP range remained relatively moderate. The market varies depending on the segment. The construction machinery market settled after the disruption caused by additional tariffs and grew year-on-year, supported by stable housing demand and public investment.	Tractor retail sales decreased year-on-year, but the impact of retail financing measures was limited. The new model MX gained a high reputation in the livestock market and supported sales. Construction machinery sales remained at the same level as the previous year and the business maintains stability.	While inventory optimization progressed in the tractor business, the launch of the new model MX was going well. Inventory levels for construction machinery were replenished, and wholesale volume started shifting to demand-level.
	Europe	The tractor market was sluggish. Although the construction machinery market was weak in the first half of the year, it turned to a recovery trend in the second half due to various government policy effects. The bottom of the market was clearly seen in the year.	Retail sales of both tractor and construction machinery were lower than the previous year. Tractor sales were supported by good sales of the E-Kubota series.	Tractor sales remained at the same level as the previous year. In construction machinery business, we increased inventories according to the market recovery and are more aggressive to the market compared to last year.
	Asia except Japan	The Thai market was affected by declining rice prices and flooding. The Indian market grew strongly, supported by tax incentives (GST cuts).	Despite facing challenges from a contracting market in Thailand, we showed a solid presence in the market by the launch of new model. Retail sales in India grew by the PROMAXX series earning a high reputation.	In Thailand, production of new models woked positively but the impact of decline in existing models was bigger. Indian market grew better than expected by strong economy and we could not keep up the production of PROMAXX in accordance with the strong demand.
Water & Environment		Demand for seismic reinforcement of core infrastructure driven by the National Resilience Plan continued to remain strong. In the air-conditioning market, demand for heat-mitigation measures also increased.	Strengthened proposal activities aimed at securing orders for O&M and PPP (public-private partnership) projects.	—

Operating Profit (compared with 2024)

Profit analysis (YoY change -50.2 billion yen)

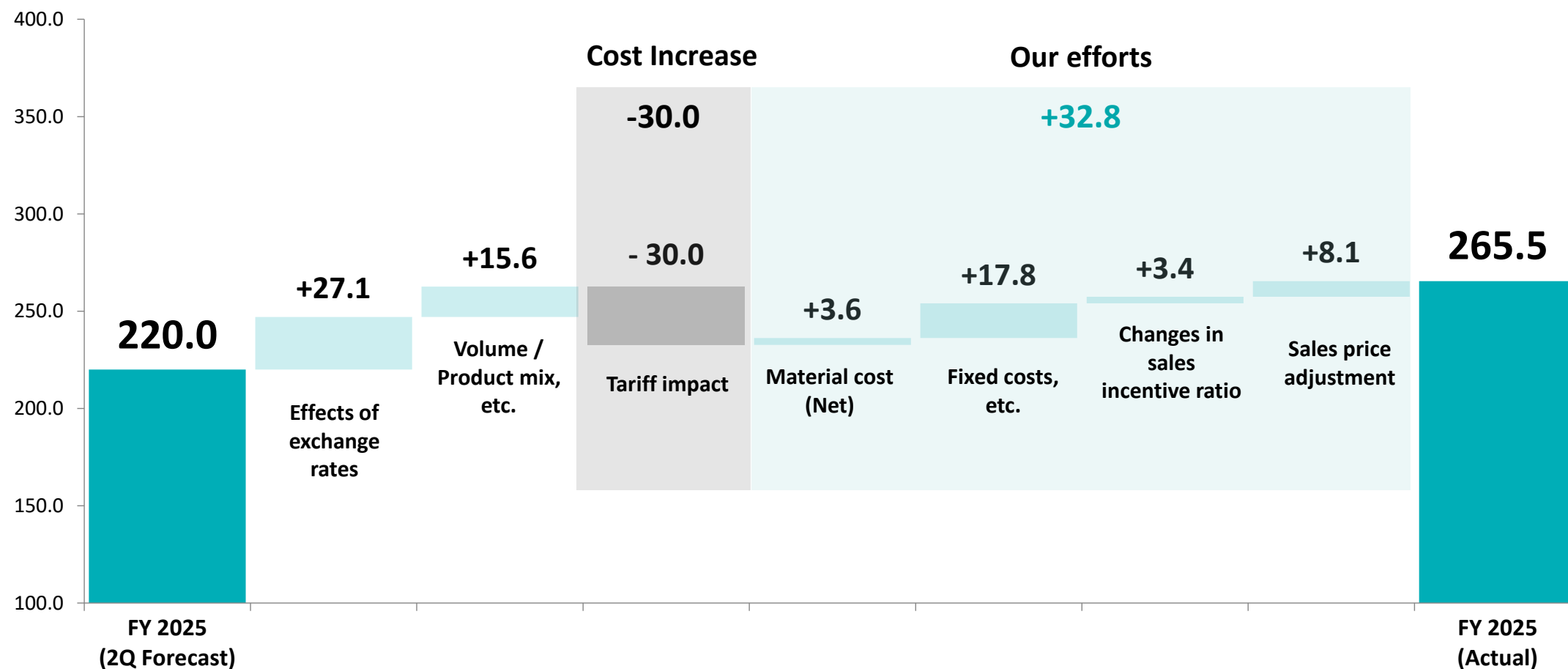
(Unit: billions of yen)



Operating Profit (compared with 2025 2Q forecast)

Compared with the 2025 2Q forecast of 220.0 billion yen, operating profit increased by 45.5 billion yen. The impact of additional tariffs was offset through internal efforts. Yen depreciation and higher sales volume contributed to further profit growth

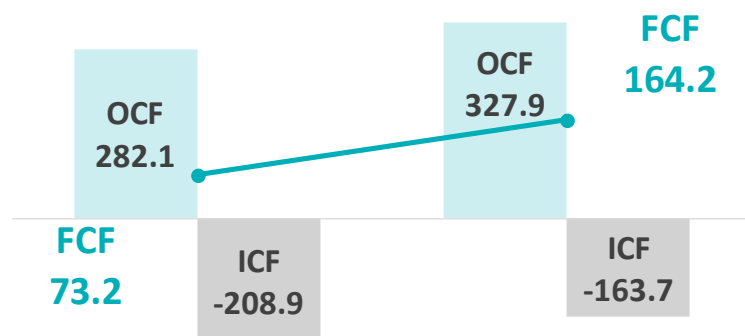
(Unit: billions of yen)



FCF 164.2 billion yen (YoY +91.0)

OCF increased due to the review of the North American retail finance program to control the increase in finance receivables and reduce the working capital burden. Capital expenditures decreased as major investments tapered off. FCF improved by 91.0 billion yen compared to the previous year.

(billions of yen)



FY 2024 Full Year

FY 2025 Full Year

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

Statement of Financial Position

Bonds and borrowings decreased as FCF improvement

(Unit: billions of yen)	As of Dec. 31, 2025	As of Dec. 31, 2024	Changes	Changes excl. the effects of currency fluctuation
Cash and cash equivalents	277.0	295.1	- 18.2	- 19.9
Trade receivables	1,001.7	985.2	+ 16.5	+ 6.1
Finance receivables	2,221.3	2,192.5	+ 28.8	+ 1.7
Inventories	688.9	692.3	- 3.4	- 21.2
Intangible assets	940.4	861.8	+ 78.5	+ 70.5
Other	1,075.7	991.7	+ 84.0	
Total assets	6,204.9	6,018.7	+ 186.2	
Bonds and borrowings	2,242.1	2,278.1	- 36.0	- 53.5
Trade payables	296.4	274.7	+ 21.6	+ 20.0
Other	793.4	726.1	+ 67.4	
Total liabilities	3,331.9	3,278.9	+ 53.0	
Shareholder Equity	2,623.0	2,477.3	+ 145.7	
Noncontrolling interests	250.0	262.5	- 12.4	
Total equity	2,873.0	2,739.8	+ 133.3	
Total liabilities and equity	6,204.9	6,018.7	+ 186.2	

Forecast

Expanded Sales Volume:

Sales are expected to increase due to improvements in market conditions across major regions such as North America, Europe, Thailand, and India, as well as the positive impact of new model introductions.

Improved Operating Margin:

Fixed-cost increases will continue to be controlled, and operations will be managed without excessive reliance on incentives.

Tariff costs and inflation is steadily passed through to prices.

Creation of 170.0 billion yen in FCF:

Based on the policy of the new mid-term business plan, operations will continue to be managed with a strong focus on capital efficiency.

FCF will be secured through reductions in retail finance receivables in North America and maintaining lower inventory levels.

Financial Forecast for FY 2026

(Unit: billions of yen)	FY 2026 (Forecast)	FY 2025 (Actual)	Changes	
			Amount	%
Revenue	3,150.0	3,018.9	+131.1	+4.3
Operating profit	9.5% 300.0	8.8% 265.5	+34.5	+13.0
Profit before income taxes	10.1% 317.0	9.3% 282.1	+34.9	+12.4
Profit attributable to owners of the parent	6.7% 210.0	6.2% 186.7	+23.3	+12.5
1USD (JPY)	145	150		
1EUR (JPY)	165	169		

► Breakdown of revenue by business segment

(Unit: billions of yen)	FY 2026 (Forecast)	FY 2025 (Actual)	Changes	
			Amount	%
Machinery	2,746.0	2,628.6	+117.4	+4.5
Farm Equipment and Engines	2,091.0	2,003.3	+87.7	+4.4
Construction Machinery	655.0	625.3	+29.7	+4.7
Water & Environment	388.0	374.4	+13.6	+3.6
Other	16.0	15.9	+0.1	+0.5

Excluding the impact of foreign exchange rates, revenue increased by 225.0 billion yen and operating profit increased by 65.0 billion yen.

Revenue changes by region and business segment

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*Excl. foreign exchange effects

(Unit: billions of yen)			FY 2026 (Forecast)	FY 2025 (Actual)	Changes	Changes*			FY 2026 (Forecast)	FY 2025 (Actual)	Changes	Changes*
Machinery	by region	Japan	340.0	354.8	-14.8	-14.8	by business segment	Farm Equipment and Engines	2,091.0	2,003.3	+87.7	+158.7
		North America	1,260.0	1,195.9	+64.1	+108.8		Construction Machinery	655.0	625.3	+29.7	+50.9
		Europe	381.0	345.8	+35.2	+45.5						
		Asia and Others	765.0	732.1	+32.9	+70.1						
			2,746.0	2,628.6	+117.4	+209.6		2,746.0	2,628.6	+117.4	+209.6	
Water & Environment			388.0	374.4	+13.6	+15.0						

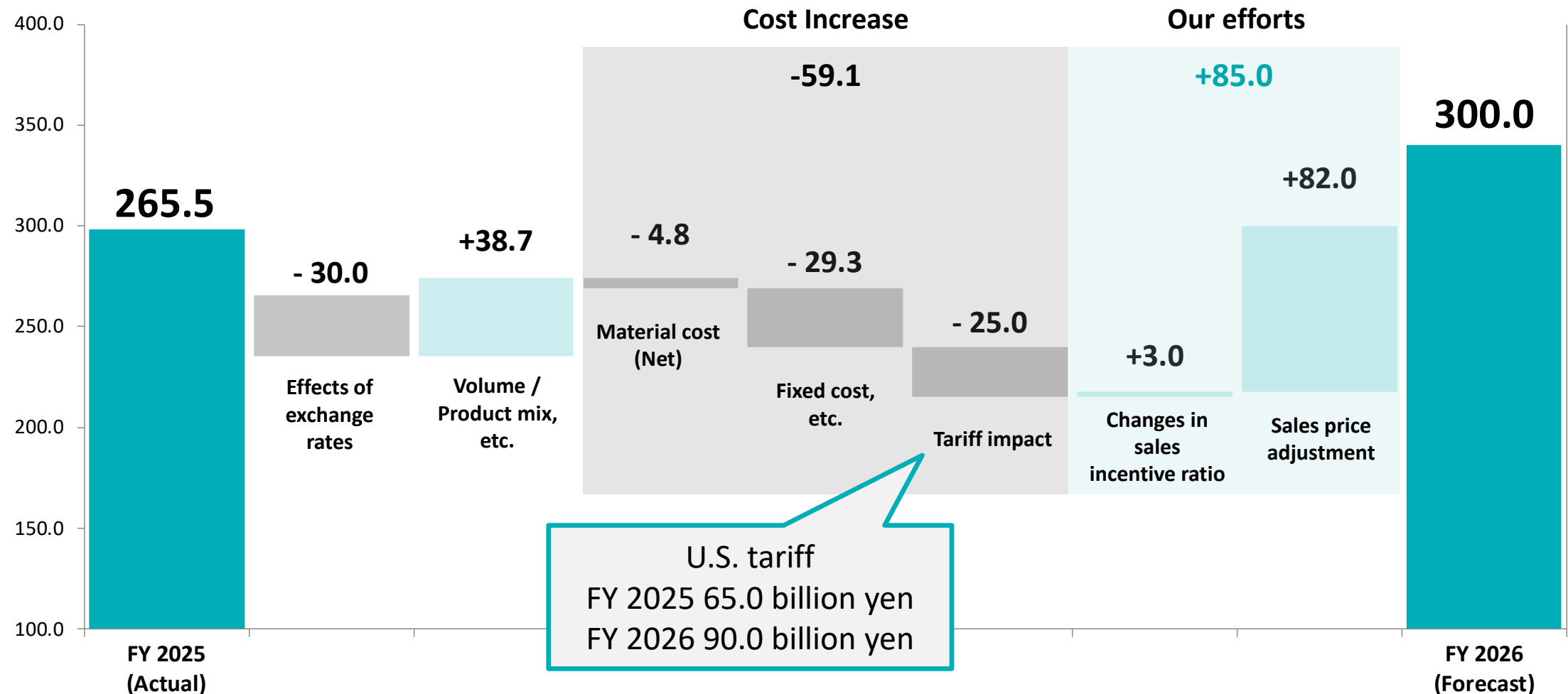
Market Situation		Retail Situation		Wholesales and Production Situation	
Machinery	Japan	Although rice prices remain stable, it is projected to decrease year-on-year due to a reaction to the significant renewal demand seen in the previous year. Stable demand is expected in the medium to long term.	Although a rebound from last year's strong demand is anticipated, take initiatives in each region to support a stable retail foundation.	By closely monitoring market trends, healthy inventory levels are maintained while a flexible production structure is ensured. We prepare ourselves for swift response in case of rising demand.	
	North America	The tractor market is stable across all horsepower segments. In the construction machinery market, demand from the housing-related sector is stable due to lower interest rates and public investment. Stable growth is expected as a whole.	Tractor sales are expected to remain at the same level as the previous year while continuing the retail financing measures implemented last year. Construction machinery sales are expected to grow, supported by the steady market penetration of CTL's new models.	Tractor inventory levels has been optimized, and tractors sales are in line with retail demand. Construction machinery sales is performing well, with new model launches progressing smoothly, enabling wholesale volumes to exceed last year's level.	
	Europe	The tractor market is expected to hit the bottom and remain around the same level as the previous year. The construction machinery market continues to improve mainly in public works. A solid demand environment is expected.	Tractor sales are expected to increase year-on-year, driven by medium-sized tractors. The expansion of the lineup such as OEM models, is expected to contribute to our growth in construction machinery business.	Both tractor and construction machinery sales remain steady. For construction machinery, planned operations will be carried out while preparing for next year's regulatory requirements.	
	Asia except Japan	The recovery of rice prices in Thailand is slow but the market is expected to enter a recovery phase in the second half from the impact of flooding. Indian market continues to expand on the back of a robust economic environment.	In Thailand, sales are expected to increase due to the penetration of new models introduced last year. In India, solid sales are expected to continue, driven primarily by the highly acclaimed PROMAXX series.	Wholesale volumes of agricultural machinery are expected to increase both in Thailand and India according to a recovery of retail sales. In India, we increase production capacity for the PROMAXX series in order to meet the strong demand.	
Water & Environment		Driven by the promotion of the National Resilience Plan, demand for seismic reinforcement of core infrastructure continues. A solid market is forming, particularly for ductile iron pipes.	Active proposal efforts for O&M and PPP (public-private partnership) projects are being pursued, aiming to achieve stable growth in orders.	—	

Operating Profit Forecast (compared with 2025)

Profit analysis (YoY change +34.5 billion yen)

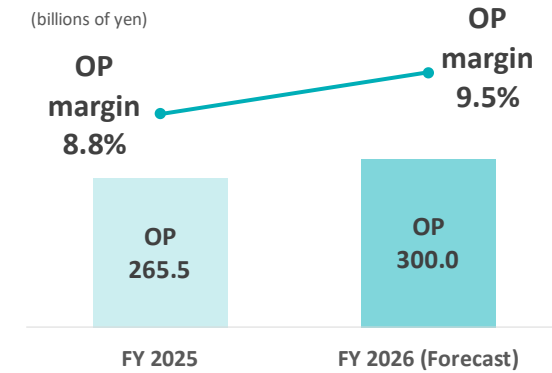
Despite increased tariff impact due to their full-year effect and higher fixed costs, these cost increases are offset by price adjustments and other measures, resulting in higher profits.

(Unit: billions of yen)



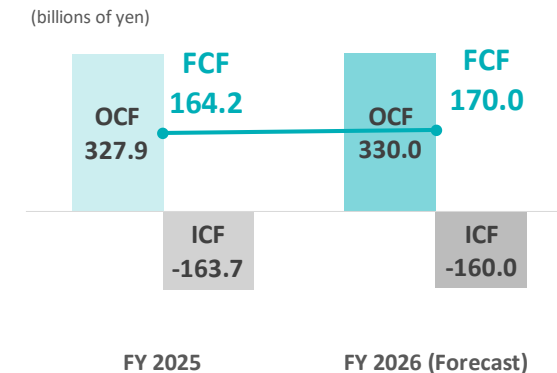
FY 2026 OP margin forecast 9.5% (YoY +0.7 pts)

Offset cost increases of tariffs and inflation by price adjustments and higher sales volumes, and secure increased profits.



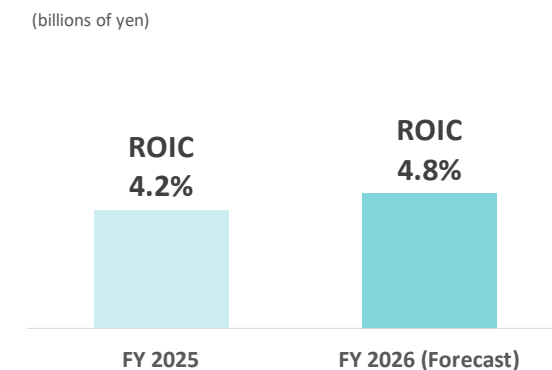
FY 2026 FCF forecast 170.0 billion yen (YoY +5.8)

Exceeds improved 2025 FCF level by continuing the reduction of finance receivables and improvement of working-capital efficiency driven by tighter inventory management.



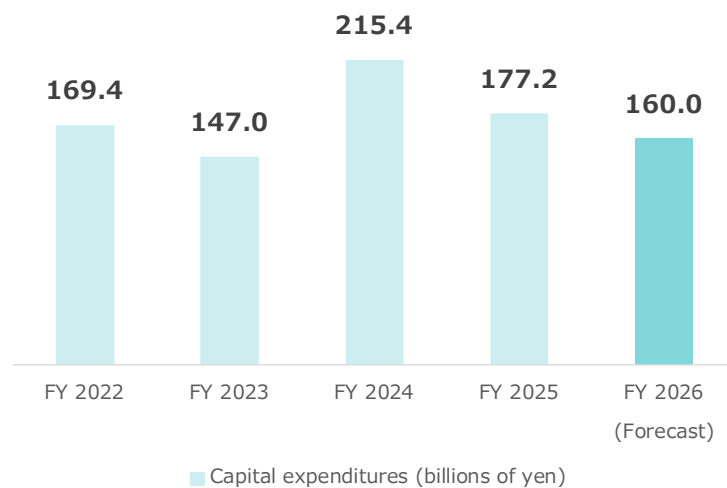
FY 2026 ROIC forecast 4.8% (YoY +0.6 pts)

Promoting the improvement of the operating profit margin and the reduction of borrowings by compression of finance receivables etc.

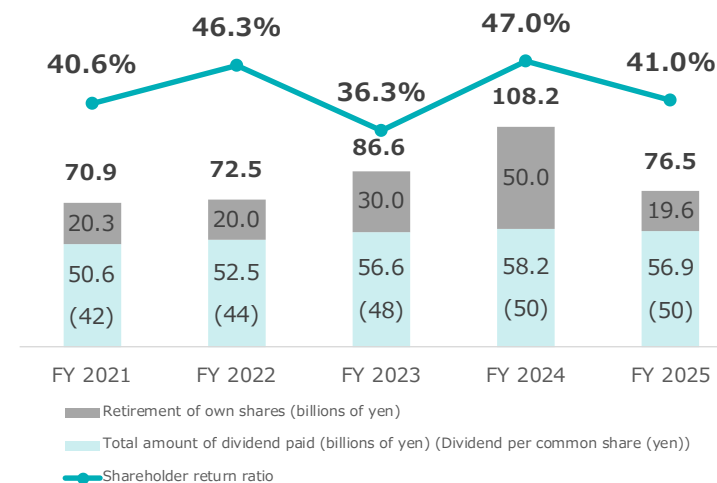


Other indicators

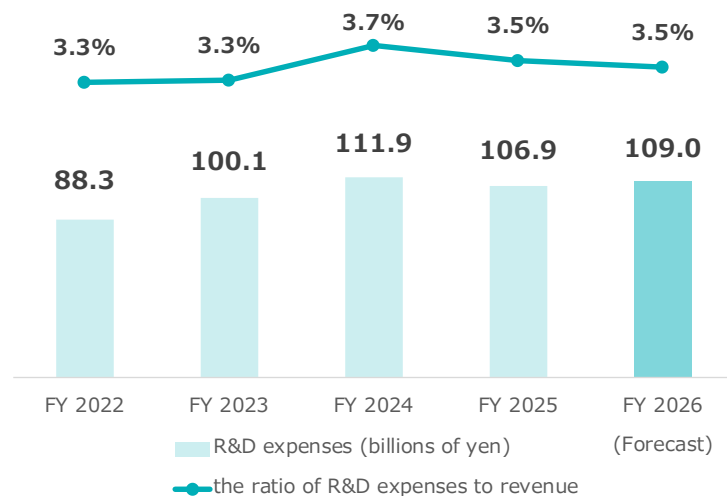
■CAPEX



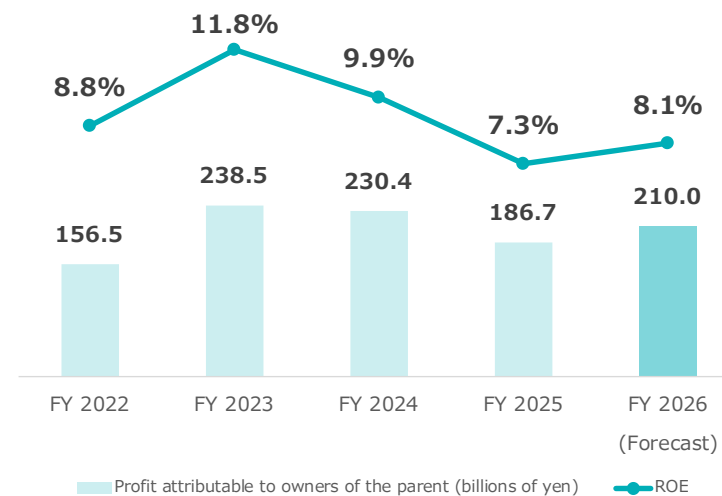
■Shareholder Return



■R&D expenses



■ROE



- Realizing Transformation with the new management team
- Achieve sustainable growth and maximize capital efficiency
- Promoting financial reforms that continue to increase corporate value

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Statement of Financial Position

(Unit: billions of yen)	As of Dec. 31, 2025		As of Dec. 31, 2024	
	Financial services	Equipment operations	Financial services	Equipment operations
Total assets	2,577.7	3,627.2	2,569.7	3,449.0
Cash and cash equivalents	51.0	226.0	27.5	267.6
Trade receivables	27.2	974.5	27.3	957.9
Finance receivables	2,221.3	-	2,192.5	-
Inventories	-	688.9	-	692.3
Property, plant, and equipment	19.7	920.6	20.7	841.2
Other	258.6	817.2	301.7	690.0
Total liabilities	2,113.7	1,218.2	2,125.8	1,153.1
Total interest-bearing liabilities	1,960.8	281.3	2,006.7	271.4
Other	152.9	936.9	119.1	881.7
Total equity	464.0	2,409.0	443.9	2,295.9

Delinquency rate of retail finance receivables

(Unit: billions of yen)	As of Dec. 31, 2025	As of Dec. 31, 2024	Changes	
	Amount	Amount	Amount	%
Balance of receivables	2,257.6	2,224.3	+33.3	+1.5
Over 90 days delinquent payment	23.8	18.7	+5.1	+27.3
Delinquency rate	1.1%	0.8%	-	+ 0.2P

Appendix: Operating Profit by Reportable Segment (Management-based internal control)

(Unit: billions of yen)		FY 2026 (Forecast)	FY 2025 (Actual)	YoY	
Machinery	Revenue	2,746.0	2,628.6	+117.4	
	Operating profit	294.0	226.1	+67.9	
	OP margin	10.7%	8.6%	+2.1P	
Water & Environment	Revenue	388.0	374.4	+13.6	
	Operating profit	29.0	27.6	+1.4	
	OP margin	7.5%	7.4%	+0.1P	
Other	Revenue	16.0	15.9	+0.1	
	Operating profit	1.0	0.8	+0.2	
	OP margin	6.3%	5.2%	+1.1P	
Adjustment*		Operating profit	- 24.0	11.0	-35.0
Total	Revenue	3,150.0	3,018.9	+131.1	
	Operating profit	300.0	265.5	+34.5	
	OP margin	9.5%	8.8%	+0.7P	

* 'Adjustment' includes mainly foreign exchange gains and losses at the parent company.

Due to the organizational reform effective January 1, 2026, some expenses that were previously included in the 'Adjustment' have been allocated to each business segment. As a result, we have reclassified the segment profits for FY 2025.

Appendix: 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%	-0.5%	-19.5%	-9.0%
	40-120hp	-13.1%	-5.7%	+5.5%	-8.2%	-4.9%
	120-160hp	-28.2%	-27.7%	-28.4%	-11.5%	-24.5%

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%	+11.3%	-3.4%	+1.3%

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%	+18.8%	+9.1%	+8.6%

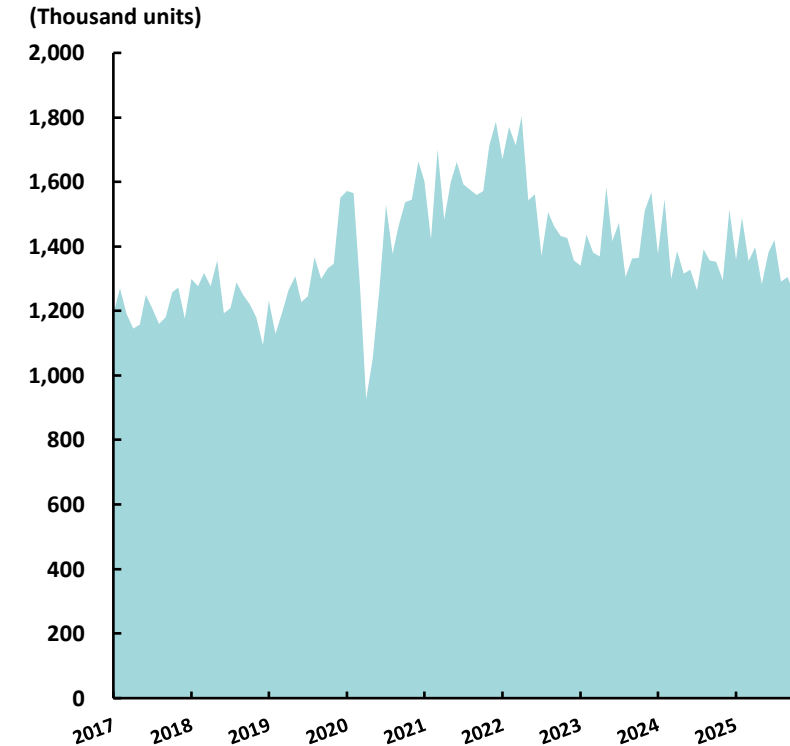
Source: AEM (Association of Equipment Manufacturers)

■ 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%	+3.2%	+9.0%	+3.3%

Source: AEM (Association of Equipment Manufacturers)

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



Source: U.S. Census Bureau

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.