

KUBOTA Corporation

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Phone: +81-6-6648-2645**FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025 [IFRS]**

Kubota Corporation hereby reports its consolidated results for the year ended December 31, 2025.

Consolidated Financial Highlights**1. Consolidated financial results for the year ended December 31, 2025****(1) Results of operations**

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

	Year ended Dec. 31, 2025	Change (%)	Year ended Dec. 31, 2024	Change (%)
Revenue	¥ 3,018,891	0.1	¥ 3,016,281	(0.1)
Operating profit % of revenue	¥ 265,470 8.8%	(15.9)	¥ 315,636 10.5%	(4.0)
Profit before income taxes % of revenue	¥ 282,140 9.3%	(15.9)	¥ 335,297 11.1%	(2.0)
Profit for the year % of revenue	¥ 216,756 7.2%	(16.5)	¥ 259,664 8.6%	(0.1)
Profit attributable to owners of the parent % of revenue	¥ 186,687 6.2%	(19.0)	¥ 230,437 7.6%	(3.4)
Comprehensive income for the year % of revenue	¥ 252,670 8.4%	(45.2)	¥ 460,832 15.3%	13.2
Earnings per share attributable to owners of the parent: Basic	¥ 163.44		¥ 197.61	
Diluted	—		—	
Ratio of profit attributable to owners of the parent to equity attributable to owners of the parent	7.3%		9.9%	
Ratio of profit before income taxes to total assets	4.6%		5.9%	

(2) Financial position

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

	Dec. 31, 2025	Dec. 31, 2024
Total assets	¥ 6,204,909	¥ 6,018,665
Total equity	¥ 2,873,024	¥ 2,739,766
Equity attributable to owners of the parent	¥ 2,622,985	¥ 2,477,314
Ratio of equity attributable to owners of the parent to total assets	42.3%	41.2%
Equity attributable to owners of the parent per share	¥ 2,306.80	¥ 2,155.29

(3) Cash flows

(Unit: millions of yen)

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Net cash provided by operating activities	¥ 327,901	¥ 282,084
Net cash used in investing activities	(¥ 163,726)	(¥ 208,879)
Net cash used in financing activities	(¥ 184,462)	(¥ 26,276)
Cash and cash equivalents, at the end of the year	¥ 276,959	¥ 295,130

Notes:

1. Change (%) represents the percentage of change from the same period in the prior year.
2. Amounts less than one million yen are rounded.

2. Cash dividends

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

	Cash dividends per share					Annual cash dividends	Payout ratio	Ratio of dividends to equity attributable to owners of the parent
	First quarter period	Second quarter period	Third quarter period	Year-end	Total			
Year ending Dec. 31 2026 (forecast)	—	¥ 26.00	—	¥ 26.00	¥ 52.00		28.2%	
Year ended Dec. 31, 2025	—	¥ 25.00	—	¥ 25.00	¥ 50.00	¥ 56,921	30.6%	2.2%
Year ended Dec. 31, 2024	—	¥ 25.00	—	¥ 25.00	¥ 50.00	¥ 58,188	25.3%	2.5%

3. Forecasts of operations for the year ending December 31, 2026

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

	Six months ending June 30, 2026	Change (%)	Year ending Dec. 31, 2026	Change (%)
Revenue	¥ 1,600,000	10.0	¥ 3,150,000	4.3
Operating profit	¥ 160,000	11.9	¥ 300,000	13.0
Profit before income taxes	¥ 169,000	11.6	¥ 317,000	12.4
Profit attributable to owners of the parent	¥ 115,000	24.4	¥ 210,000	12.5
Earnings per share attributable to owners of the parent - basic	¥ 101.14		¥ 184.69	

Notes:

1. Change (%) represents the percentage of change from the prior year.
2. Please refer to the accompanying material, "1. Review of operations and financial results (1) Review of operations
b) Forecasts for the year ending December 31, 2026" on page 6 for further information related to the forecasts of operations.

4. Other information

- (1) Changes in significant subsidiaries during the year ended December 31, 2025 (changes in specified subsidiaries 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 International Financial Reporting Standards (hereinafter "IFRS"): None
 - b) Changes in accounting policies due to reasons other than a) above: None
 - c) Changes in accounting estimates: None
- (3) Number of common shares issued
 - a) Number of common shares issued, including treasury shares, as of December 31, 2025 : 1,138,716,846
 - Number of common shares issued, including treasury shares, as of December 31, 2024 : 1,150,896,846
 - b) Number of treasury shares as of December 31, 2025 : 1,652,299
 - Number of treasury shares as of December 31, 2024 : 1,486,694
 - c) Weighted-average number of common shares outstanding during the year ended December 31, 2025 : 1,142,227,534
 - Weighted-average number of common shares outstanding during the year ended December 31, 2024 : 1,166,128,905

(Reference) Non-consolidated financial highlights

(1) Results of operations

(Unit: millions of yen, except per common share amounts)

	Year ended Dec. 31, 2025	Change (%)	Year ended Dec. 31, 2024	Change (%)
Net sales	¥ 1,235,834	3.9	¥ 1,189,605	(2.8)
Operating income	¥ 71,994	58.2	¥ 45,500	(37.7)
Ordinary income	¥ 251,073	42.1	¥ 176,659	61.7
Net income	¥ 233,632	31.3	¥ 177,968	43.8
Net income per common share				
Basic	¥ 204.48		¥ 152.57	
Diluted	—		—	

(2) Financial position

(Unit: millions of yen, except per common share amounts)

	Dec. 31, 2025	Dec. 31, 2024
Total assets	¥ 1,903,221	¥ 1,793,705
Net assets	¥ 906,276	¥ 749,260
Ratio of equity to total assets	47.6%	41.8%
Net assets per common share	¥ 796.79	¥ 651.67

Note:

All amounts are rounded off to the nearest million yen.

Information on the status of the audit by the independent auditor

This release is not subject to the audit 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 February 12, 2026. The supplementary material will be posted on its 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, 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 results

Effective from the beginning of this current consolidated fiscal year, Kubota Corporation changed the business reporting structure due to the organizational reform, which was implemented on January 1, 2025. Consequently, certain corporate expenses that were formerly included in the "Adjustments" have been included in each business segment. To reflect this change in this Earnings release, year-on-year comparisons are calculated based on the figures after the reclassification.

(1) Review of operations

a) Summary of the results of operations for the year ended December 31, 2025

For the year ended December 31, 2025, revenue of Kubota Corporation and its subsidiaries (hereinafter, the "Company") increased by ¥2.6 billion (0.1%) from the prior year to ¥3,018.9 billion.

Domestic revenue increased by ¥52.7 billion (8.3%) from the prior year to ¥685.2 billion because of increased revenue from Farm & Industrial Machinery and Water & Environment.

Overseas revenue decreased by ¥50.1 billion (2.1%) from the prior year to ¥2,333.7 billion because of decreased revenue from Farm & Industrial Machinery. As a result, overseas revenue accounted for 77.3% of consolidated revenue, which decreased by 1.7 percentage points from the prior year.

Operating profit decreased by ¥50.2 billion (15.9%) from the prior year to ¥265.5 billion. This result was mainly due to the cost increase related to US tariffs, decreased sales in Farm & Industrial Machinery and the deterioration of sales mix. However, offset to the cost increase has smoothly progressed through the incentive reduction, price adjustment, and fixed costs reduction. Profit before income taxes decreased by ¥53.2 billion (15.9%) from the prior year to ¥282.1 billion. Profit for the period decreased by ¥42.9 billion (16.5%) to ¥216.8 billion, reflecting income tax expenses of ¥68.1 billion and share of profits of investments accounted for using the equity method of ¥2.7 billion. Profit attributable to owners of the parent decreased by ¥43.8 billion (19.0%) from the prior year to ¥186.7 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 decreased by 0.3% from the prior year to ¥2,628.6 billion, which accounted for 87.1% of consolidated revenue.

Domestic revenue increased by 13.8% from the prior year to ¥354.8 billion mainly due to increased sales of farm equipment and agricultural-related products.

Overseas revenue decreased by 2.2% from the prior year to ¥2,273.8 billion. In North America, the tractor market declined overall although the degree of decline differs by horse power. Sales of tractor decreased due to implementation of inventory reduction in addition to the market condition. The construction machinery (hereinafter, the "CE") market was steady due to the stable housing market and public construction. Sales of CE decreased because stockpile demand in the prior year calmed down and sales came to be in line with demand. In Europe, the sales of tractor decreased due to the stagnant market, but the sales of CE increased thanks to market recovery. In Thailand, the sales decreased due to the shrinkage of both the dryland market and the rice market caused by the crop price decline and flood. In India, sales increased due to the new product introduction and the thriving market due to tax incentives (GST cuts).

Operating profit in this segment decreased by 21.6% from the prior year to ¥253.6 billion. This result was mainly due to the cost increase related to US tariffs, decreased sales, and the deterioration of sales mix. However, offset to the cost increase has smoothly progressed through the incentive reduction, price adjustment, and fixed costs reduction.

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, and other products).

Revenue in this segment increased by 3.2% from the prior year to ¥374.4 billion, which accounted for 12.4% of consolidated revenue.

Domestic revenue increased by 3.5% from the prior year to ¥314.4 billion due to increased sales in each business.

Overseas revenue increased by 1.9% from the prior year to ¥59.9 billion due to increased sales in industrial products business.

Operating profit in this segment increased by 35.9% from the prior year to ¥33.0 billion due to sales price adjustment and sales increase.

3) Other

Other is mainly composed of a variety of other services.

Revenue in this segment decreased by 5.1% from the prior year to ¥15.9 billion and accounted for 0.5% of consolidated revenue.

Operating profit in this segment decreased by 14.7% from the prior year to ¥0.8 billion.

b) Forecasts for the year ending December 31, 2026

Consolidated revenue for the year ending December 31, 2026, is forecasted to increase by ¥131.1 billion from the prior year to ¥3,150.0 billion. Revenue in Farm & Industrial Machinery segment is expected to increase due to a sales increase in overseas business. North America market is expected to be steady and Europe market is expected to recover. Sales in Asia is also expected to increase due to growth in the steady India market and recovery in Thailand. Revenue in Water & Environment segment is also expected to increase due to a sales increase in pipe system business and industrial products business.

Operating profit is forecasted to increase by ¥34.5 billion from the prior year to be ¥300.0 billion mainly due to increased sales. The cost increase due to tariffs effect, inflation, and exchange rate fluctuations is intended to be offset through further price adjustment, incentive reduction, and fixed cost control.

Profit before income taxes is forecasted to be ¥317.0 billion. Profit attributable to owners of the parent is forecasted to be ¥210.0 billion.

(These forecasts are based on the assumption of exchange rates of ¥145=US\$1 and ¥165=€1.)

(2) Financial position

a) Assets, liabilities, and equity

Total assets as of December 31, 2025, were ¥6,204.9 billion, an increase of ¥186.2 billion from the prior fiscal year end. Assets increased mainly due to an increase in property, plant, and equipment owing to capital expenditure for enhancement of the production system and disaster management.

Total liabilities increased from the prior fiscal year end due to an increase in trade payables, among other items. Equity also increased due to the accumulation of retained earnings and an improvement in other components of equity along with fluctuations mainly in foreign exchange rate.

The ratio of equity attributable to owners of the parent to total assets stood at 42.3%, 1.1 percentage points higher than the prior fiscal year end.

b) Cash flows

Net cash provided by operating activities during the year ended December 31, 2025, was ¥327.9 billion, an increase of ¥45.8 billion in net cash inflow compared with the prior year. This increase resulted mainly from controlling the increase of finance receivables through the incentive reduction and a decrease in working capital although the profit for the period decreased.

Net cash used in investing activities was ¥163.7 billion, a decrease of ¥45.2 billion in net cash outflow compared with in the prior year. This resulted mainly from a decrease in expenditures related to acquisition of property, plant, and equipment.

Net cash used by financing activities was ¥184.5 billion, an increase of ¥158.2 billion in net cash outflow compared with the prior year mostly due to an increase in repayments of long-term borrowings and a decrease in funding.

As a result of the above and after taking into account the effects of exchange rate changes, cash and cash equivalents as of December 31, 2025, were ¥277.0 billion, a decrease of ¥18.2 billion from the beginning of the current period.

(Reference) Cash flow indices

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Ratio of equity attributable to owners of the parent to total assets (%)	42.3	41.2
Equity ratio based on market capitalization (%)	40.6	35.1
Interest-bearing liabilities / Net cash provided by operating activities (year)	6.8	8.1
Interest coverage ratio (times)	4.1	3.7

Note:

- Ratio of equity attributable to owners of the parent to total assets: equity attributable to owners of the parent / total assets
- Equity ratio based on market capitalization: market capitalization / total assets
- Interest coverage ratio: net cash provided by operating activities / interest paid

Each ratio is calculated based on figures in the consolidated financial statements. Market capitalization is calculated based on closing price at the end of the fiscal year multiplied by the number of shares outstanding at the end of the fiscal year, excluding treasury shares. Net cash provided by operating activities is the amount in the consolidated statement of cash flows. Interest-bearing liabilities are bonds and borrowings in the consolidated statement of financial position. Additionally, interest paid is the total amount of interest paid in the consolidated statement of cash flows and interest paid resulting from interest-bearing liabilities related to sales financing operations.

2. Basic rationale for selection of accounting standards

Kubota Corporation has voluntarily adopted IFRS from the 1st quarter of the fiscal year ended December 31, 2018.

< 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 forecasted 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, and continued competitive pricing pressures in the marketplace, as well as the Company's ability to continue to gain acceptance of its products.

3. Consolidated financial statements

(1) Consolidated statement of financial position

ASSETS					(Unit: millions of yen)	
	Dec. 31, 2025		Dec. 31, 2024			
	Amount	%	Amount	%		
Current assets:						
Cash and cash equivalents	¥ 276,959		¥ 295,130		¥ (18,171)	
Trade receivables	1,001,683		985,228		16,455	
Finance receivables	645,082		643,757		1,325	
Other financial assets	159,598		103,791		55,807	
Contract assets	52,537		49,567		2,970	
Inventories	688,893		692,276		(3,383)	
Income taxes receivable	22,667		10,741		11,926	
Other current assets	75,762		63,544		12,218	
Assets held for sale	—		23,424		(23,424)	
Total current assets	2,923,181	47.1	2,867,458	47.6	55,723	
Noncurrent assets:						
Investments accounted for using the equity method	54,653		51,664		2,989	
Finance receivables	1,576,174		1,548,746		27,428	
Other financial assets	181,982		194,210		(12,228)	
Property, plant, and equipment	940,382		861,840		78,542	
Goodwill	139,868		143,325		(3,457)	
Intangible assets	208,076		203,863		4,213	
Deferred tax assets	109,138		105,460		3,678	
Other noncurrent assets	71,455		42,099		29,356	
Total noncurrent assets	3,281,728	52.9	3,151,207	52.4	130,521	
Total assets	¥ 6,204,909	100.0	¥ 6,018,665	100.0	¥ 186,244	

LIABILITIES AND EQUITY

(Unit: millions of yen)

	Dec. 31, 2025		Dec. 31, 2024		Change
	Amount	%	Amount	%	
Current liabilities:					
Bonds and borrowings	¥ 860,439		¥ 903,143		¥ (42,704)
Trade payables	296,375		274,743		21,632
Other financial liabilities	109,945		105,653		4,292
Insurance contract liabilities	62,143		59,970		2,173
Income taxes payable	31,554		24,774		6,780
Provisions	83,133		83,062		71
Contract liabilities	46,070		39,084		6,986
Other current liabilities	281,269		282,910		(1,641)
Liabilities directly associated with assets held for sale	—		2,019		(2,019)
Total current liabilities	1,770,928	28.5	1,775,358	29.5	(4,430)
Noncurrent liabilities:					
Bonds and borrowings	1,381,640		1,374,934		6,706
Other financial liabilities	68,961		49,301		19,660
Retirement benefit liabilities	44,031		17,207		26,824
Deferred tax liabilities	58,191		54,262		3,929
Other noncurrent liabilities	8,134		7,837		297
Total noncurrent liabilities	1,560,957	25.2	1,503,541	25.0	57,416
Total liabilities	3,331,885	53.7	3,278,899	54.5	52,986
Equity:					
Share capital	84,130		84,130		—
Share premium	97,036		96,646		390
Retained earnings	1,955,883		1,832,348		123,535
Other components of equity	488,865		466,937		21,928
Treasury shares	(2,929)		(2,747)		(182)
Total equity attributable to owners of the parent	2,622,985	42.3	2,477,314	41.2	145,671
Noncontrolling interests	250,039	4.0	262,452	4.3	(12,413)
Total equity	2,873,024	46.3	2,739,766	45.5	133,258
Total liabilities and equity	¥ 6,204,909	100.0	¥ 6,018,665	100.0	¥ 186,244

(2) Consolidated statement of profit or loss

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

	Year ended Dec. 31, 2025		Year ended Dec. 31, 2024		Change	
	Amount	%	Amount	%	Amount	%
Revenue	¥ 3,018,891	100.0	¥ 3,016,281	100.0	¥ 2,610	0.1
Cost of sales	(2,134,577)		(2,088,301)		(46,276)	
Selling, general, and administrative expenses	(609,108)		(597,007)		(12,101)	
Other income	31,495		23,471		8,024	
Other expenses	(41,231)		(38,808)		(2,423)	
Operating profit	265,470	8.8	315,636	10.5	(50,166)	(15.9)
Finance income	28,985		26,305		2,680	
Finance costs	(12,315)		(6,644)		(5,671)	
Profit before income taxes	282,140	9.3	335,297	11.1	(53,157)	(15.9)
Income tax expenses	(68,125)		(80,732)		12,607	
Share of profits of investments accounted for using the equity method	2,741		5,099		(2,358)	
Profit for the year	¥ 216,756	7.2	¥ 259,664	8.6	¥ (42,908)	(16.5)

Profit attributable to:						
Owners of the parent	¥ 186,687	6.2	¥ 230,437	7.6	¥ (43,750)	(19.0)
Noncontrolling interests	30,069	1.0	29,227	1.0	842	2.9

Earnings per share attributable to owners of the parent:					
Basic	¥ 163.44		¥ 197.61		
Diluted	—		—		

(3) Consolidated statement of comprehensive income

(Unit: millions of yen)

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024	Change
Profit for the year	¥ 216,756	¥ 259,664	¥ (42,908)
Other comprehensive income, net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension plans	4,912	2,381	2,531
Net change in fair value of financial assets measured at fair value through other comprehensive income	10,007	12,853	(2,846)
Items that may be reclassified subsequently to profit or loss:			
Exchange rate differences on translating foreign operations	20,995	185,934	(164,939)
Total other comprehensive income, net of income tax	35,914	201,168	(165,254)
Comprehensive income for the year	¥ 252,670	¥ 460,832	¥ (208,162)

Comprehensive income attributable to:				
Owners of the parent	¥ 222,192	¥ 409,490	¥ (187,298)	
Noncontrolling interests	30,478	51,342	(20,864)	

(4) Consolidated statement of changes in equity

(Unit: millions of yen)

	Equity attributable to owners of the parent						Noncontrolling interests	Total equity
	Share capital	Share premium	Retained earnings	Other components of equity	Treasury shares	Total equity attributable to owners of the parent		
Balance as of Jan. 1, 2024	¥ 84,130	¥ 97,377	¥ 1,693,681	¥ 303,794	¥ (3,209)	¥ 2,175,773	¥ 240,294	¥ 2,416,067
Profit for the year			230,437			230,437	29,227	259,664
Total other comprehensive income, net of income tax				179,053		179,053	22,115	201,168
Comprehensive income for the year			230,437	179,053		409,490	51,342	460,832
Transfer to retained earnings			15,829	(15,829)		—		—
Dividends paid			(57,595)			(57,595)	(30,492)	(88,087)
Purchases and sales of treasury shares					(49,542)	(49,542)		(49,542)
Retirement of treasury shares			(50,004)		50,004	—		—
Share-based payment transactions		217				217		217
Changes in ownership interests in subsidiaries		(948)		(81)		(1,029)	1,308	279
Balance as of Dec. 31, 2024	¥ 84,130	¥ 96,646	¥ 1,832,348	¥ 466,937	¥ (2,747)	¥ 2,477,314	¥ 262,452	¥ 2,739,766
Profit for the year			186,687			186,687	30,069	216,756
Total other comprehensive income, net of income tax				35,505		35,505	409	35,914
Comprehensive income for the year			186,687	35,505		222,192	30,478	252,670
Transfer to retained earnings			13,590	(13,590)		—		—
Dividends paid			(57,178)			(57,178)	(42,747)	(99,925)
Purchases and sales of treasury shares					(19,746)	(19,746)		(19,746)
Retirement of treasury shares			(19,564)		19,564	—		—
Share-based payment transactions		189				189		189
Changes in ownership interests in subsidiaries		201		13		214	(144)	70
Balance as of Dec. 31, 2025	¥ 84,130	¥ 97,036	¥ 1,955,883	¥ 488,865	¥ (2,929)	¥ 2,622,985	¥ 250,039	¥ 2,873,024

(5) Consolidated statement of cash flows

(Unit: millions of yen)

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024	Change
Cash flows from operating activities:			
Profit for the year	¥ 216,756	¥ 259,664	
Depreciation, amortization and impairment losses	133,784	120,905	
Loss from disposal of property, plant, and equipment and intangible assets, net	893	4,259	
Finance income and costs	(15,481)	(17,657)	
Income tax expenses	68,125	80,732	
Share of profits of investments accounted for using the equity method	(2,741)	(5,099)	
(Increase) decrease in trade receivables	(11,564)	6,524	
Increase in finance receivables	(4,812)	(92,909)	
Decrease in inventories	20,508	22,115	
Increase in other assets	(19,380)	(7,533)	
Increase (decrease) in trade payables	19,747	(38,923)	
(Decrease) increase in other liabilities	(1,833)	39,232	
Net changes in retirement benefit assets and liabilities	2,791	1,144	
Gain on sales of businesses	(7,665)	—	
Other, net	(4,826)	(1,128)	
Interest received	17,929	20,807	
Dividends received	2,314	3,072	
Interest paid	(4,730)	(5,747)	
Income taxes paid, net	(81,914)	(107,374)	
Net cash provided by operating activities	327,901	282,084	¥ 45,817
Cash flows from investing activities:			
Payments for acquisition of property, plant, and equipment	(153,011)	(181,171)	
Payments for acquisition of intangible assets	(32,887)	(32,826)	
Proceeds from sales of property, plant, and equipment	11,587	6,600	
Payments for acquisition of securities	(10,683)	(14,906)	
Proceeds from sales and redemptions of securities	12,675	33,355	
Payments for acquisition of subsidiaries	(27)	(2,097)	
Proceeds from sales of businesses	23,283	—	
Payments for acquisition of investments accounted for using the equity method	—	(34)	
Payments for loans receivable to associates	(8,770)	(27,900)	
Collection of loans receivable from associates	10,260	28,600	
Payments for time deposits	(36,430)	(63,212)	
Proceeds from withdrawal of time deposits	52,665	49,327	
Net (increase) decrease in restricted cash	(601)	39	
Net increase in short-term investments	(30,536)	(2,731)	
Other, net	(1,251)	(1,923)	
Net cash used in investing activities	(163,726)	(208,879)	45,153
Cash flows from financing activities:			
Funding from bonds and long-term borrowings	620,496	665,109	
Redemptions of bonds and repayments of long-term borrowings	(651,061)	(524,084)	
Net decrease in short-term borrowings	(20,161)	(5,496)	
Repayments of lease liabilities	(23,738)	(22,112)	
Net increase (decrease) in deposits from Group financing (within three months)	7,224	(4,286)	
Deposits from Group financing received (over three months)	26,519	21,415	
Repayments of deposits from Group financing (over three months)	(23,534)	(18,834)	
Dividends paid	(57,178)	(57,595)	
Dividends paid to noncontrolling interests	(42,747)	(30,492)	
Purchases of treasury shares	(20,003)	(50,004)	
Other, net	(279)	103	
Net cash used in financing activities	(184,462)	(26,276)	(158,186)
Effect of exchange rate changes on cash and cash equivalents	2,116	26,083	(23,967)
Net (decrease) increase in cash and cash equivalents	(18,171)	73,012	
Cash and cash equivalents, at the beginning of the year	295,130	222,118	
Cash and cash equivalents, at the end of the year	¥ 276,959	¥ 295,130	¥ (18,171)

(6) Notes to the going concern assumption

None

(7) Notes to consolidated financial statements

a) Accounting policies applied for consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

b) Entities under consolidation and entities under the equity method

190 entities are consolidated.

Major entities:	Domestic	Kubota Credit Co., Ltd.
		Kubota ChemiX Co., Ltd.
	Overseas	Kubota North America Corporation
		Kubota Tractor Corporation
		Kubota Credit Corporation, U.S.A.
		Kubota Manufacturing of America Corporation
		Kubota Engine America Corporation
		Great Plains Manufacturing, Inc.
		Kubota Canada Ltd.
		Kubota Holdings Europe B.V.
		Kubota Europe S.A.S.
		Kubota Baumaschinen GmbH
		Kverneland AS
		Kubota China Holdings Co., Ltd.
		Kubota Agricultural Machinery (Suzhou) Co., Ltd.
		Kubota China Financial Leasing Ltd.
		SIAM KUBOTA Corporation Co., Ltd.
		Siam Kubota Leasing Co., Ltd.
		Kubota Engine (Thailand) Co., Ltd.
		Escorts Kubota Ltd.
		Kubota Australia Pty Ltd.

17 entities are accounted for using the equity method.

Major entity:	Domestic	KMEW Co., Ltd.
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(8) Consolidated segment information

a) Reportable segments

Information by reportable segment is summarized as follows:

		(Unit: millions of yen)				
Year ended December 31, 2025		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 2,628,618	¥ 374,352	¥ 15,921	¥ —	¥ 3,018,891
	Intersegment	243	33	30,343	(30,619)	—
	Total	2,628,861	374,385	46,264	(30,619)	3,018,891
Operating profit		¥ 253,638	¥ 32,983	¥ 824	¥ (21,975)	¥ 265,470
Depreciation and amortization		¥ 107,624	¥ 11,911	¥ 7,678	¥ 3,263	¥ 130,476
Impairment losses		2,292	1,016	—	—	3,308
Addition to noncurrent assets		173,442	19,796	9,292	25,361	227,891
December 31, 2025						
Assets		¥ 5,474,997	¥ 346,329	¥ 91,070	¥ 292,513	¥ 6,204,909
Investments accounted for using the equity method		16,454	6,214	31,985	—	54,653

		(Unit: millions of yen)				
Year ended December 31, 2024		Farm & Industrial Machinery	Water & Environment	Other	Adjustments	Consolidated
Revenue	External customers	¥ 2,636,874	¥ 362,631	¥ 16,776	¥ —	¥ 3,016,281
	Intersegment	247	19	29,421	(29,687)	—
	Total	2,637,121	362,650	46,197	(29,687)	3,016,281
Operating profit		¥ 323,393	¥ 24,264	¥ 966	¥ (32,987)	¥ 315,636
Depreciation and amortization		¥ 98,606	¥ 11,188	¥ 7,670	¥ 2,997	¥ 120,461
Impairment losses		419	24	1	—	444
Addition to noncurrent assets		212,758	19,834	10,332	6,454	249,378
December 31, 2024						
Assets		¥ 5,323,116	¥ 346,558	¥ 93,176	¥ 255,815	¥ 6,018,665
Investments accounted for using the equity method		14,807	5,929	30,928	—	51,664

Notes:

1. *Adjustments* include the items, such as the elimination of intersegment transfers, corporate expenses, and corporate assets which are not allocated to any particular reportable segment. The corporate expenses included in *Adjustments* consist mainly of expenses of the administration department and foreign exchange gains or losses incurred in Kubota Corporation. The corporate assets included in *Adjustments* consist mainly of cash and cash equivalents, securities, and corporate properties held or used by the administration department of Kubota Corporation.
2. The aggregated amounts of operating profit are equal to those presented in the consolidated statement of profit or loss. Please refer to the 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.
4. Noncurrent assets do not include financial instruments, deferred tax assets, nor net defined benefit assets.
5. Beginning with this period, in conformity with the change in the business reporting structure of the Company, certain corporate expenses that were formerly included in the "Adjustments" have been included in each reportable segment. To reflect this change in presentation, the information for the same period in the prior year has been retrospectively adjusted.

b) Revenue from external customers by product group

Information about revenue from external customers by product group is summarized as follows:

(Unit: millions of yen)

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Farm Equipment and Engines	¥ 2,003,307	¥ 1,989,268
Construction Machinery	625,311	647,606
Farm & Industrial Machinery	2,628,618	2,636,874
Pipe system	139,956	137,575
Industrial products	79,824	77,806
Environment	154,572	147,250
Water & Environment	374,352	362,631
Other	15,921	16,776
Total	¥ 3,018,891	¥ 3,016,281

c) Geographic information

Information about revenue from external customers by location is summarized as follows:

(Unit: millions of yen)

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Japan	¥ 685,184	¥ 632,476
North America	1,218,454	1,272,503
Europe	348,954	334,079
Asia outside Japan	672,460	680,514
Other areas	93,839	96,709
Total	¥ 3,018,891	¥ 3,016,281

Notes:

1. Revenue from North America includes that from the United States of ¥1,123,029 million and ¥1,158,909 million for the years ended December 31, 2025 and 2024, respectively.
2. There was no single customer from whom revenue exceeded 10% of total consolidated revenue of the Company.

Information about noncurrent assets based on physical location is summarized as follows:

(Unit: millions of yen)

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Japan	¥ 619,421	¥ 566,072
North America	248,600	237,557
Europe	119,928	99,512
Asia outside Japan	321,206	324,948
Other areas	3,823	4,608
Total	¥ 1,312,978	¥ 1,232,697

Notes:

1. Noncurrent assets do not include financial instruments, deferred tax assets, nor net defined benefit assets.
2. Noncurrent assets of North America include those in the United States of ¥234,037 million and ¥224,037 million at December 31, 2025 and 2024, respectively. In addition, noncurrent assets of Asia outside Japan include those in India of ¥217,602 million and ¥232,714 million at December 31, 2025 and 2024, respectively.

(9) Per common share information

	(Unit: yen)	
	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Equity attributable to owners of the parent per share	¥ 2,306.80	¥ 2,155.29
Earnings per share attributable to owners of the parent - basic	163.44	197.61
Earnings per share attributable to owners of the parent - diluted	—	—

The numerator and denominator used to calculate earnings per share attributable to owners of the parent are presented in the following table.

Shares of Kubota Corporation held by the trust in connection with the stock compensation plan are deducted from the weighted-average number of common shares outstanding as treasury shares

	(Unit: millions of yen)	
	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Profit attributable to owners of the parent	¥ 186,687	¥ 230,437
Profit attributable to common shareholders	¥ 186,687	¥ 230,437

	(Unit: thousands of shares)	
	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Weighted-average number of common shares outstanding	1,142,228	1,166,129
Weighted-average number of common shares	1,142,228	1,166,129

Earnings per share attributable to owners of the parent—Diluted for the years ended December 31, 2025 and 2024, are not stated since Kubota Corporation did not have potentially dilutive common shares that were outstanding.

(10) Subsequent events

None

(11) Consolidated revenue by product group

(Unit: millions of yen)

	Year ended Dec. 31, 2025		Year ended Dec. 31, 2024		Change	
	Amount	%	Amount	%	Amount	%
Farm Equipment and Engines	¥ 2,003,307	66.4	¥ 1,989,268	65.9	¥ 14,039	0.7
Domestic	317,355		272,509		44,846	16.5
Overseas	1,685,952		1,716,759		(30,807)	(1.8)
Construction Machinery	625,311	20.7	647,606	21.5	(22,295)	(3.4)
Domestic	37,479		39,358		(1,879)	(4.8)
Overseas	587,832		608,248		(20,416)	(3.4)
Farm & Industrial Machinery	2,628,618	87.1	2,636,874	87.4	(8,256)	(0.3)
Domestic	354,834	11.8	311,867	10.3	42,967	13.8
Overseas	2,273,784	75.3	2,325,007	77.1	(51,223)	(2.2)
Pipe system	139,956	4.6	137,575	4.6	2,381	1.7
Domestic	136,479		133,258		3,221	2.4
Overseas	3,477		4,317		(840)	(19.5)
Industrial products	79,824	2.7	77,806	2.5	2,018	2.6
Domestic	47,409		45,205		2,204	4.9
Overseas	32,415		32,601		(186)	(0.6)
Environment	154,572	5.1	147,250	4.9	7,322	5.0
Domestic	130,544		125,372		5,172	4.1
Overseas	24,028		21,878		2,150	9.8
Water & Environment	374,352	12.4	362,631	12.0	11,721	3.2
Domestic	314,432	10.4	303,835	10.1	10,597	3.5
Overseas	59,920	2.0	58,796	1.9	1,124	1.9
Other	15,921	0.5	16,776	0.6	(855)	(5.1)
Domestic	15,918	0.5	16,774	0.6	(856)	(5.1)
Overseas	3	0.0	2	0.0	1	50.0
Total	¥ 3,018,891	100.0	¥ 3,016,281	100.0	¥ 2,610	0.1
Domestic	685,184	22.7	632,476	21.0	52,708	8.3
Overseas	2,333,707	77.3	2,383,805	79.0	(50,098)	(2.1)