

KUBOTA Corporation

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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 | ¥ 265,470 | (15.9) | ¥ 315,636 | (4.0) |
| % of revenue | 8.8% | | 10.5% | |
| Profit before income taxes | ¥ 282,140 | (15.9) | ¥ 335,297 | (2.0) |
| % of revenue | 9.3% | | 11.1% | |
| Profit for the year | ¥ 216,756 | (16.5) | ¥ 259,664 | (0.1) |
| % of revenue | 7.2% | | 8.6% | |
| Profit attributable to owners of the parent | ¥ 186,687 | (19.0) | ¥ 230,437 | (3.4) |
| % of revenue | 6.2% | | 7.6% | |
| Comprehensive income for the year | ¥ 252,670 | (45.2) | ¥ 460,832 | 13.2 |
| % of revenue | 8.4% | | 15.3% | |
| 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 | | Change |
|---|--------------------|--------------|--------------------|--------------|------------------|
| | Amount | % | 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 | % | 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 | | | | | Total equity attributable to owners of the parent | Noncontrolling interests | Total equity |
|---|---|---------------|-------------------|----------------------------|-----------------|---|--------------------------|--------------|
| | Share capital | Share premium | Retained earnings | Other components of equity | Treasury shares | | | |
| 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. |
|---------------|----------|----------------|

(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) |