

Kubota Business Report

Interim Period of 136th Term

2025.1.1-2025.6.30

Stock Code 6326

Special Feature

Thinking Together with the World About a Future of Food and Agriculture Friendly to the Earth and People —Kubota's Commitment for Expo 2025

Building Earthquake-Resistant Water Pipes for the Future: A Mission to Safeguard the Lives of Osaka Citizens

To Shareholders

I would like to express my sincere gratitude to shareholders for your loyal patronage.

We are pleased to present this interim issue of the Kubota Business Report for the Interim Period of the 136th Term.

For the period from January 1 to June 30, 2025, our performance was supported by strong results in construction machinery, domestic agricultural machinery, and the Water & Environment business. However, in the North American market, we limited shipments to prevent an increase in distribution inventory, which resulted in a year-on-year decline in both revenue and operating profit.

We have revised our consolidated earnings forecast for the fiscal year ending December 2025, as it has been affected by the downturn in the North American tractor market. Moving forward, we will strive to further expand our construction machinery business, which serves as a key driver of growth, while enhancing the competitiveness of our tractor business to restore profitability.

Although profits declined, we decided to pay ¥25 per common share as the interim dividend of this fiscal year, in line with our initial forecast, reflecting the expected improvement in free cash flow.

We sincerely ask for the continued support of our shareholders.

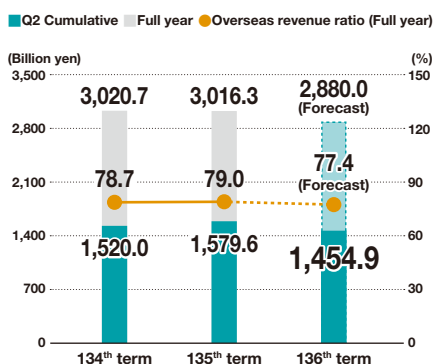
Yuichi Kitao

President and Representative
Director of Kubota Corporation

The 136th First Half Digest

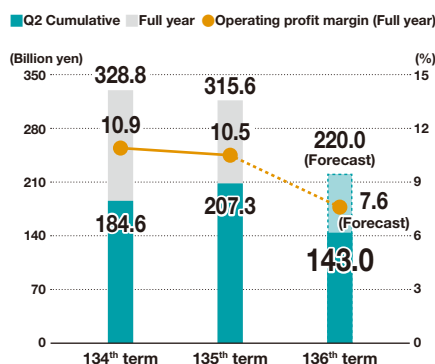
Revenue

1,454.9 Billion yen **YoY basis -7.9%**



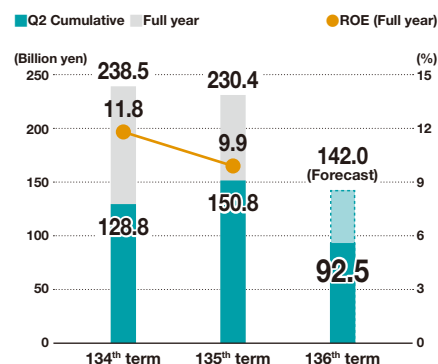
Operating profit

143.0 Billion yen **YoY basis -31.0%**



Profit attributable to owners of the parent

92.5 Billion yen **YoY basis -38.7%**



Earnings forecast for the 136th term

Revenue **2,880.0** Billion yen Operating profit **220.0** Billion yen Profit attributable to owners of the parent **142.0** Billion yen

Dividend per
common share

The 136th

25 yen per share (Interim)

Payment Start Date September 1st, 2025

The 136th
Year-end forecast

25 yen per share (Annual)

Please click the link below for
the latest financial results

<https://www.kubota.com/ir/financial/presentation/index.html>



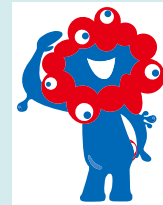


PLATINUM PARTNER

Kubota

Thinking Together with the World About a Future of Food and Agriculture Friendly to the Earth and People —Kubota's Commitment for Expo 2025

Expo 2025 Osaka, Kansai, Japan, organized by the Japan Association for the 2025 World Exposition, is a special international event themed “Designing Future Society for Our Lives,” bringing together a diversity of cultures and values from 158 countries and regions, along with seven international organizations. The “Future City Pavilion,” sponsored by Kubota as a Platinum Partner, is a first-of-its-kind initiative in the history of the Expo, collaboratively created by the Japan Association for the 2025 World Exposition and 12 partner organizations. Under the theme “To the City of Happiness,” the Future City Pavilion offers visitors a firsthand experience of Society 5.0. Attracting as many as 10,000 visitors daily, it truly serves as a testing ground for the society of the future. Kubota is responsible for the Food and Agriculture zone, where it conveys its vision for the future of these essential fields. In this special feature, we spoke with Mr. Masami Sekine from Kubota's ESG Promotion Department, who is in charge of planning and operations, and Mr. Koichi Nishimura, also from the same department, who is currently seconded to the Japan Association for the 2025 World Exposition and serves as the pavilion's Deputy Director.



MYAKU-MYAKU
Official mascot of
Expo 2025, Osaka,
Kansai, Japan
©Expo 2025

» Interview

A Form of Agriculture Friendly to the Earth and People — Planetary-Conscious* Agriculture

Various challenges related to food and agriculture are emerging not only in Japan but worldwide. Envisioning a future where people everywhere can continue to enjoy abundant food and live fulfilling lives while protecting our planet, Kubota has set forth the vision of “Planetary-Conscious Food and Agriculture” to help realize that future. Through extensive discussions led by the ESG Promotion Department and the R&D Headquarters, Kubota carefully planned and designed the exhibit. As a result, the pavilion features a variety of displays, including the concept model “Versatile Platform Robots,” designed to encourage visitors to reflect on the future of food and agriculture. As a company that has long stood by farmers, Kubota offers an exhibition experience that inspires each visitor to think about the future.

* A state in which a prosperous society for people and the sustainability of the global environment are harmoniously achieved.



(Left) Koichi Nishimura, Deputy Director of
“Future City” Pavilion, Japan Association
for the 2025 World Exposition

(Right) Masami Sekine, Global Branding and
ESG Communication Section ESG
Promotion Dept.

Making Agriculture Personally Relevant for Visitors

“For many people, daily meals are a given, and the agriculture that supports them feels somewhat distant. How can we help visitors realize the importance of agriculture and see it as something personally relevant? We wanted to create a space where people can discover the connection between food and agriculture through experience,” says Mr. Sekine, who has been involved in the project since its early stages. The team drew on its experience in effectively communicating the value of agriculture and technology — through brand communications such as TV commercials, and the establishment of the agricultural learning center KUBOTA AGRI FRONT in Hokkaido — the exhibition was designed to resonate with a broad audience. “We’ve received many comments such as, ‘There are more options in agriculture than I expected,’ or ‘I didn’t know there were ways to get involved in agriculture even if you’re not a farmer,’” he notes. We are truly delighted to see people of all nationalities and generations come together to reflect on food and agriculture. Kubota Place has become a meaningful space where visitors can explore the connection between agriculture and their own lives.



Farming Management Simulation Game
“PLANET KEEPERS”

People of all ages and backgrounds united to
think about the future of food and agriculture



The Minister of Agriculture, Fisheries
and Food of Spain visiting Kubota Place

Values That Will Form the Foundation of Future Society

Mr. Nishimura, who has been seconded from Kubota and serves as Deputy Director of the Future City Pavilion, speaks about the value of Kubota's participation in the Expo: “The Expo offers a wonderful opportunity to overcome global divisions and build new relationships among people from diverse nations. We hope visitors will not only resonate with Kubota's vision, but also find hope in our advanced initiatives toward building sustainable agriculture. Just as many of the ideas behind the ‘Dream Tractor’ showcased at the 1970 Osaka Expo have since become reality in today's tractors, we believe it is our mission to pass innovation on to the next generation through this Expo. We invite you to visit Kubota Place, where you can experience our passion and aspirations, and join us in creating a brighter future.”

Building Earthquake-Resistant Water Pipes for the Future: A Mission to Safeguard the Lives of Osaka Citizens

<Project Overview>

Area Coverage : Entire Osaka City
Routes Coverage : Approximately 100 routes
(total length: approx. 38 km)
Project Duration : FY2024 to FY2031 (8 years)
Total Project Cost : ¥52.55 billion
Contractor : Water Partner Osaka Kanro Co., Ltd.
(a consortium of seven companies,
including Kubota)

The water pipelines —essential lifelines that deliver water vital to daily life—are now being renewed. The project to reconstruct the aging water pipes in Osaka City into a resilient network capable of withstanding large-scale disasters, called “Osaka City Water Main Seismic Reinforcement PFI Project”, is gaining momentum. In this special feature, we introduce the efforts and voices of those tirelessly working on the front lines of the project.

Japan’s First Large-Scale Water Pipeline Renewal Project Using the PFI Scheme

The water pipes in Osaka City are among the most aged compared to those in other ordinance-designated cities. Therefore, if the massive Nankai Trough earthquake were to occur, widespread water outages are anticipated within the city, necessitating urgent measures. To address this issue, Osaka City has introduced the “PFI” method,” in which private operators take on both design and construction in an integrated way, to expedite the seismic reinforcement of water pipes. This is the first time such a method has been applied to water pipeline construction in Japan. Mr. Hidari from the Technical Management Office states, “Unlike traditional public works projects ordered by municipalities, we are entrusted with the entire project itself. Since the construction scope spans widely across the entire city, we conducted comprehensive surveys to determine where to begin. We are responsible for planning every aspect ourselves. It is a challenging task, but it is an opportunity for our company to demonstrate the expertise we have cultivated through years of involvement in water solutions.”

*Note: PFI stands for Private Finance Initiative.



Installation of earthquake-resistant water pipes

Underground Realities: Uncertainty Until Excavation Begins

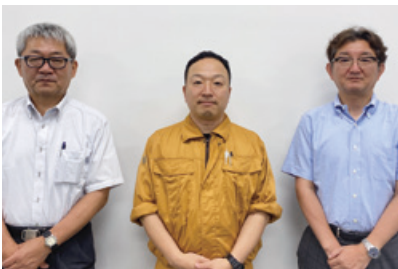
Mr. Kawakami from the Construction Management Office shares the challenges and difficulties faced during construction: “The condition and structure of water pipes that have been in place for many years cannot be fully determined until we actually excavate underground. Considering the significant impact on traffic and residents, it is difficult to alter the work process easily. We are constantly dealing with the uncertainty of what might be uncovered.” “There have been cases where excavation revealed buried objects not shown on the plans, as well as large volumes of underground water. In such situations, we have greatly relied on the extensive experience and expertise of Obayashi Corporation, a civil engineering professional, particularly regarding large-scale urban construction and negotiations with government authorities,” he explains, emphasizing the importance of collaboration among the consortium companies.

Consideration for Local Residents and Building Relationships Are Key

Construction in a densely populated urban area presents distinct issues. Environmental considerations and building strong relationships with nearby residents are essential for smooth project execution. In particular, Osaka City has high volumes of bicycle and automobile traffic, making it crucial to ensure both the safety and convenience of people living in the surrounding areas. Mr. Kawakami explains, “Since much of the work is carried out at night, we make every effort to minimize noise and vibration. For residents who may have concerns about the construction, we make repeated visits to explain the importance of infrastructure development carefully and build strong, trusting relationships with the local community.” He reflects with a sense of responsibility, “Since the project is led not by the local government but by us as private companies, any dissatisfaction from residents directly affects Kubota’s reputation. As an Osaka-based company, we are expected to demonstrate even greater commitment and integrity in earning the trust of the community.”



Site tour for local residents



Water and Environmental Solutions Developing and Sales Dept.
(Left) Hirobumi Kondo, Technical Management Office
(Center) Masaki Kawakami, Construction Management Office
(Right) Takashi Hidari, Technical Management Office

Public Attention and Kubota’s Mission

In recent years, a series of reports on water pipe leaks caused by natural disasters and aging infrastructure has drawn increasing public attention to this project. Mr. Kondo from the Technical Management Office states, “We believe it is Kubota’s mission to utilize the experience, achievements, and new expertise gained through this project to contribute to the renewal and seismic reinforcement of aging water pipelines across the country, where such work is increasingly needed.” By making sure that the simple act of turning on a tap always delivers water, we are committed to preserving these essential “lifelines” for future generations. Kubota strives to realize its vision of becoming an Essentials Innovator for Supporting Life.

» Interview



Kubota awarded the “Osaka City Water Main Seismic Reinforcement PFI Project” from the Osaka City Waterworks Bureau.

<https://www.kubota.co.jp/news/2024/management-20240417.html> (Japanese only)